

An Assessment of the Tourism Industry in Huanchaco, Peru: Current Impacts and Future Potential for Tourism Development¹

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Abstract:

In the summer of 2004 I spent five weeks participating in an ethnographic field school in Huanchaco, Peru, a fishing village on the northern coast. Because of my interests in applied anthropology and the anthropology of tourism, I chose to study the impacts of tourism on the people of this small village. Knowing that I had only a short time to conduct my research, I opted to focus on the perceptions of local business owners. This strategy enabled me to gain insight into what business owners think about tourism as well as the obstacles facing further development of Huanchaco as a tourist destination. Through informal, semi-structured, and focus-group interviews, I gathered a variety of opinions and suggestions as to how tourism development might help ameliorate the environmental problems facing Huanchaco, as well as how tourism might help offset the decreased income from declining fishing yields.

Introduction

Before applying to Utah State University's (USU) ethnographic field school, I knew very little about Huanchaco, Peru. I read the information on the USU field school website, which says, "As Huanchaco remakes itself as a regional tourism capital, this once sleepy fishing village is undergoing rapid change." I also looked at a *Lonely Planet* guidebook, which devotes two pages to the town. The authors portray Huanchaco as a pleasant, if somewhat boring, destination: "Apart from walking on the beach and waiting for the *caballitos* to go into action, there's not much to do in Huanchaco, and that's one of its attractions. It's a quiet, easygoing place" (Rachowiecki and Beech 2004: 276).

Based on these characterizations, I assumed that Huanchaco was probably a spot where travelers on the South American circuit stop for a few days to unwind and escape the noise and pollution of larger Peruvian cities like Lima and Trujillo. Because of my interests in business and anthropology, and particularly applied anthropology, I thought that this would be a great opportunity to study tourism and the ways it can impact a community. At that point, I had no idea that Huanchaco has much more to offer than a white-sand beach, excellent surfing, and cheap, abundant seafood.

Soon after arriving in Huanchaco, I had several casual conversations with local business owners. Through these informal chats, I learned that the increase in tourism over the past 10 to 15 years has led to drastic changes for the residents of Huanchaco. For my research project, I decided to explore what local business owners perceive to be the positive and

negative impacts of touristic development in Huanchaco. I also wanted to find out what are the obstacles facing Huanchaco as it develops into a tourist destination.

This project's significance is that it provides an analysis of the local tourism industry. As increasing numbers of tourists visit Huanchaco, the local population needs a clear understanding of tourism's impact on their community. This paper also gives suggestions as to how Huanchaco might market itself more successfully and how tourism might succeed in halting the current levels of environmental degradation in the area.

My project also had an applied component. In my meetings with local business leaders, I encouraged them to share what they perceived to be wrong with Huanchaco as well as how they might improve Huanchaco so as to appeal to tourists and to bring greater economic gain. I think that by bringing up some of these issues, I helped to motivate business owners to be proactive. Rather than simply talking about the various problems and challenges facing their community, these individuals also proposed solutions. I hope that in the next months and years they will continue to work on improving the environment and economy of Huanchaco, not only for tourists but also for members of the community.

Background

Tourism is vital to the Peruvian economy. This industry is Peru's second-largest source of foreign income and an important source of employment, employing 100,000 people directly and another 400,000

indirectly. Peru's tourism industry is rapidly expanding: more than 500,000 foreigners visited Peru in 1995, whereas in 2000, one million foreign visitors had arrived before the end of September (Ugarte and Pacheco 2001: 2).

Experts consider ecotourism, or tourism with an ecological focus, to be the largest growth sector over the past decade. Ecotourism can include adventure activities like hiking, mountain climbing, and whitewater rafting, as well as scientific pursuits like birdwatching and ethnobotany. In reality, the majority of tourists to Peru participate in ecotourism as well as cultural tourism, which includes touring archaeological ruins and exploring native folklore (Ugarte and Pacheco 2001: 2). The most obvious example of ecotourism in Peru is the classic four-day hike along the Inca Trail to Machu Picchu, during which tourists hike high-altitude mountain paths while exploring various Inca sites along the way.

Historically, the majority of foreign tourists in Peru have concentrated on southern Peru, especially Cuzco and Machu Picchu, and neglected the rest of the country. Thus far, tourism opportunities in northern Peru have remained underdeveloped. According to a report written by two tourism and sustainable development consultants, Peru needs a second major tourism destination to balance Machu Picchu, extend length of stay, and (most importantly) bring economic development to the north. These authors believe that while tourism is not a cure-all, it could contribute to the diversification of local livelihoods in northern Peru. In order to attract increasing numbers of tourists, communities in northern Peru should promote the archaeology, biodiversity, and living culture of the region (Goodwin and Nizette 2001).

These experts proposed the development of a northern tourism circuit that would include Cajamarca, Chachapoyas, Chiclayo, and Trujillo. Interestingly, Huanchaco does not appear on the map of this circuit, although the archaeological sites of Chan Chan and the Huacas del Sol y de la Luna are listed as Trujillo attractions (Goodwin and Nizette 2001). The omission of Huanchaco in an assessment of potential tourist destinations is telling. It reflects the lack of awareness of what the Huanchaco area has to offer.

In fact, Huanchaco has great potential to become a destination for archaeological, ecological and cultural tourism. Huanchaco provides easy access to Chan Chan, the Huacas del Sol y de la Luna, and numerous other Chimu and Moche sites located along the coast.

One informant showed me several Chimu and Moche cemeteries just off the coastal road leading to Chicama. If the INC (Instituto Nacional de Cultural) had more funding to devote to these sites, they could become another major attraction for the area. The area around Huanchaco also has a great degree of biodiversity, particularly marine life and migratory birds. Finally, Huanchaco has the cultural patrimony of the traditional fishing lifestyle and the *caballitos de totora*, the reed fishing boats that have been used for centuries. If marketed properly, these resources could attract greater numbers of domestic and international tourists.

Methods

I gathered most of my data through ethnographic interviews with local business owners. I interviewed the owners of three restaurants, two internet cafés, one hotel, and one surfing school. I also organized a focus group with the owners of two other restaurants as well as one individual who owns a hotel and a restaurant. Although I had intended to interview a few more hotel owners, I eventually decided to focus my time and energy on the informants with whom I had already established rapport. In hindsight, I believe that strategy enabled me to delve deeper into my topic, therefore gaining a better understanding of tourism in Huanchaco from the perspective of a few key informants, rather than simply getting a variety of divergent but superficial opinions.

My research methods also included some participant observation. Because I was investigating tourism while actually living as a tourist myself, I was in an excellent position for engaging in participant observation. I was a frequent customer in internet cafés, an occasional customer in various restaurants, and even took four surfing lessons through a local surfing school. In addition, I participated in guided tours of two archaeological sites: Huaca de la Luna and Chan Chan. Through these experiences, I was able to participate in the tourism industry as a consumer while analyzing it as a researcher. In addition, by living as a tourist in Huanchaco for five weeks, I made valuable contacts with local business owners and gained some insight into the local tourism industry.

Discussion

Through my conversations with different business owners, I identified several common themes. Each informant thought that Huanchaco needs to attract more tourists, because despite the fact that tourism development has had some negative consequences,

those effects are outweighed by the economic gains that tourism brings. The other major point that emerged was that not enough is being done to protect the environment. My informants recognize that continued environmental deterioration would be devastating to Huanchaco's tourism industry. They realize that they must act quickly to protect and maintain the beaches, ocean, and especially the *totorales*, or reed beds, in and around Huanchaco.

The economic effects of tourism

Based on my research, it is clear that Huanchaco has benefited economically from tourism. One restaurant owner explained that tourism has provided employment opportunities and contributed to the economic well being of Huanchaco. These benefits are well documented in tourism literature; as Chambers observes, "Tourism can be a lucrative business, and many regions of the world have used tourism to improve their economies and to compensate for declines in other revenue sources" (2000: 39).

Indeed, as the fishing industry in Huanchaco has declined due to overfishing and changing weather patterns, many local residents have entered into the tourism industry to supplement their incomes. Furthermore, as the population of Huanchaco has increased from a few thousand to roughly 50,000, tourism has been vital to the economic survival of many residents, whether they work in hotels or restaurants, sell jewelry and chewing gum on the beach, or drive tourists around in taxis.

However, tourism has also had some negative consequences for Huanchaco. Several informants mentioned that tourism has resulted in an increase in criminal activities, from petty thievery to drug use and drug dealing. Another common complaint is that the cost of living has risen dramatically. One informant explained, "We are paying the consequences of tourism, because the prices of everything have risen." Everything from a plate of *ceviche* to food in the market is much more expensive than in Trujillo, and it should not be. According to him, Huanchaco is the most expensive city, in terms of cost of living, in northern Peru. This is a common side effect of touristic development:

Tourism development can also lead to additional economic costs. For example, while a local community might profit from tourism as a direct result of increased opportunities for wage employment or entrepreneurial activities, these benefits might be

offset in part by new costs, such as a rise in the prices of food, rents, and community services. Popular tourism areas tend to contribute to inflated prices for land or to environmental degradation, which can lead to further costs (Chambers 2000: 34).

Environmental degradation in and around Huanchaco

Environmental degradation is probably the most serious issue for the economic future of the Huanchaco area. This degradation is partly associated with the development of tourism. On a trip up the coast, my principal informant took me to a beach called Playa de Silencio. Although this beach is located within a protected zone, trash is scattered throughout the area. During the summer, many people come out to this beach, and vendors bring food and beverages to sell. Because Playa de Silencio is part of the reserve, the local government should not be issuing permits to these vendors, but somehow, they do. This beach does not have bathroom facilities or trash service, so it quickly becomes littered with waste.

For better and for worse, tourism and environmental degradation go hand in hand. As mentioned above, tourism can contribute to environmental degradation, but the resulting degradation can also hurt the potential for tourism. Visitors to Huanchaco's beaches want to walk on clean sand and swim in clean water. However, two informants said that other restaurants often dump their trash on the beach or on the streets of Huanchaco. Although I never saw anyone dumping the contents of a trash can on the beach, I certainly saw a great deal of trash ranging from plastic bottles to candy wrappers on the beach, on the sidewalk, and in the streets. One informant said that people have grown accustomed to seeing others' litter; they need to create a consciousness that will discourage this behavior.

Several informants mentioned their concern about the present state of the environment around Huanchaco. They believe that stopping the environmental deterioration of the area should be of highest priority. My principal informant, Pedro³ believes that in two or three years the damage will be irreparable. "If there are no more *totoras*, then there will be no fishermen, no *caballitos*, and no Huanchaco," he warned. Already, the number of fishermen is dwindling. "When I arrived in Huanchaco many years ago, there were more than 100 *caballitos*. Now you find less than 70, and one day, you won't find a single one. When there are no more *caballitos*, we are going to lose a millennial tradition."

Tourism as an inconsistent source of income

The tourism industry is subject to seasonal fluctuations and other variables, including political and economic stability (or lack thereof). Thus, financial dependence on tourism makes for a precarious existence for many local business owners. For example, my informants agreed that it is difficult to make a living during the low season from mid-April through mid-June. In mid-June, foreign tourists begin to arrive, and business is decent through July and August. September, October and November are somewhat slow, and then from December through March, Huanchaco is full of tourists. However, operating at full capacity for just a fraction of the year creates economic hardships for local business owners. If they could market Huanchaco to domestic and international tourists as a year-round destination, perhaps the low season would not be quite so dismal.

The general economic slump in Peru also presents a challenge for local business owners. Lucia, a restaurant owner, told me that Huanchaco's economic profile is decreasing every year, so the economic level of the local population is also in decline. "We need to do a better job of selling Huanchaco to tourists, and especially to bring more tourists here on a year-round basis," she said.

Current and future efforts to mitigate these challenges

Some business owners are trying to address the issue of seasonality by coming up with new ways to attract tourists. For example, Elena, a restaurant owner, and Carmen, a hotel owner, are trying to develop a three-day package tour that would include visits to Chan Chan and the *totorales* as well as rides in *caballito de totora* boats. They hope to sell this package to travel agencies in Trujillo. The local fishermen would earn money for taking the tourists out in their boats and for acting as guides to the reed beds. Thus, Elena explained, "Our businesses would benefit, but the fishermen would also benefit. I understand that I would not have a restaurant here if it weren't for the fishermen. They need to reap some of the financial rewards of tourism in Huanchaco."

Another group of business owners is trying to prevent the destruction of the environment. They want to write letters to business owners who are illegally dumping their trash, and fine those who continue to do so. They want to stop heavy traffic, including minibuses, dump trucks, and industrial machinery

from driving along the beachfront. Another idea is to invite the departments of biology and fisheries from the Universidad Nacional de Trujillo to install tanks in the water in Huanchaco, monitor water contamination, and reintroduce marine species to the area.

In the long term, this group hopes to form a non-governmental organization (NGO) that will manage the *zona reservada* and the area around Huanchaco. "This project needs to be managed by someone impartial, someone without personal and financial interests in Huanchaco," Pedro said. He believes that an NGO with foreign management would have a certain level of economic power and would be less likely to mismanage funds than a local organization. "This is the only intelligent solution, because an NGO could work independently with the municipality, independently with the chamber of tourism, with each one of us, and with the fishermen."

Further development of the tourism infrastructure will have significant impact on Huanchaco's future, but whether that impact is positive or negative remains to be seen. Pedro believes that tourism has the potential to improve the environment in and around Huanchaco. My informants agreed that the economic future of Huanchaco depends on tourism, but the question is, what is the best way to increase tourism without further damaging the fragile ecosystem?

Conclusions and Recommendations

Because of the limited time I spent in Huanchaco, I am probably not aware of all the steps that local business owners have taken or are taking to solve some of the problems mentioned above. However, I have a few recommendations, mostly stemming from suggestions made by my informants.

I believe that the association of business owners could be instrumental in making some significant yet simple improvements in Huanchaco. First, they could start a beautification campaign, in which they would try to raise some consciousness among local residents about the benefits of keeping the streets and beaches of Huanchaco clean. A little effort on the part of everyone could make a huge difference in how Huanchaco is seen by visitors. In addition, if they could create a sense of civic pride, social pressure would discourage people from littering and dumping trash on the beach.

A more expensive but still doable project would be to staff the control booths at both ends of Huanchaco

on a regular basis. Technically, large trucks and minibuses are prohibited from driving through Huanchaco, but this is never enforced. If local business owners could enlist support and financing from the municipality, they could prevent these vehicles from entering Huanchaco. Trucks and heavy vehicles would have to use the alternate route, reducing the noise and pollution along Avenida Victor Larco and protecting the fragile *totorales* just north of Huanchaco.

Unfortunately, I did not have much interaction with the local business associations. Lucia explained that the local association has 60 members, out of roughly 70 local business owners, but that this organization rarely meets. She said that there is much discord among business owners, and it is difficult to accomplish anything. One of their projects was the placement of the booth at the entrance to the pier. They had intended for this booth to be the equivalent of a local tourist information office. However, it is never used because members of the association could not agree as to what information should be provided. Each person was just looking out for his or her own interests. Instead, as one informant suggested, "We need to sell Huanchaco not just as individual business owners promoting our own restaurants or hotels but as a destination." If the members of the association could agree on how to distribute information impartially, this booth could be a great resource for tourists.

Another potential resource for tourists is the internet. One informant mentioned that Huanchaco needs a comprehensive website with information about local sites, hotels, restaurants and other services. One website, www.huanchaco.net, provides a few recommendations as well as some information about local history. However, only a few businesses are listed, and much of the information is unclear, probably due to problems with translation. Perhaps this website could be upgraded, or a new one could be set up by an impartial party so that more businesses could be listed. A website could be an effective way to market Huanchaco as a destination for ecological, archaeological, and cultural tourism.

Lucia suggested that Huanchaco could host more activities that would appeal to domestic tourists. She said that the local tourism organizations should try to work with big companies like Backus & Johnston, the largest brewing company in Peru, to organize more special events like surfing competitions, *caballito de*

totoras races, and sand-sculpture contests on the beach. In addition, religious festivals like Semana Santa in April, Fiesta de las Cruces in May, and Señor de Huamán and San Pedro in June could bring more domestic visitors to Huanchaco during the slow season.

If future anthropology students choose to focus on tourism in Huanchaco, I would recommend that they make contacts with the more formal business associations as early as possible. Although I was casually invited to a meeting, that meeting did not take place in the time I was in Huanchaco. A better understanding of this local organization, its goals, and its structure, is crucial to getting the whole picture of tourism in Huanchaco.

Ultimately, I think that a grassroots approach to solving the issues facing Huanchaco could be very effective. Each business owner with whom I met had fantastic and creative ideas for increasing tourism to Huanchaco and how to prevent further environmental deterioration. They also recognize that they need to work together and work quickly. The members of my focus group talked about developing a two-year plan, listing all the steps in order of urgency, from stopping heavy traffic through Huanchaco to starting an NGO to protect the *zona reservada*.

I sincerely hope that they will put this plan together with input from a variety of individuals – business owners, fishermen, local residents, and perhaps even tourists. As Pedro said, "We do not have time to waste. If we don't act now, Huanchaco will be ruined in a few years, and we will have lost a millennial tradition." The threat of losing this part of Peru's cultural patrimony should serve as a wake-up call not only to local business owners but to everyone who values the history and culture of Huanchaco.

Notes

1. A version of this paper was published on the Utah State University's ethnographic field school website in the summer of 2004. It is available at www.usu.edu/anthro/peru/2004/tracy.html.
2. Tracy McNulty is an MA candidate. She can be reached at tracymcnulty@hotmail.com.
3. All names have been changed to protect informants' identities.

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