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**Troubling Tourism: Tourism, Development, and Social Justice in Bocas  
del Toro, Panamá**

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**Troubling Tourism: Tourism, Development, and Social Justice in Bocas  
del Toro, Panamá**

**by**

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## **Abstract**

# **Troubling Tourism: Tourism, Development, and Social Justice in Bocas del Toro, Panamá**

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This thesis examines the consequences of tourism in Bocas del Toro, Panamá and how tourism impacts residents, both those who prosper more from tourism and also those who benefit less. Utilizing qualitative research methods, residents were interviewed about how they think about and understand tourism development and its impact on the island. These findings are then put into conversation with critical development and planning literature, specifically focusing on people's understandings of tourism in Bocas del Toro and how this affects the social relationships between foreigners and locals. These relationships are then discussed within the broader social and economic context that shapes tourism development in Latin America.

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## **Chapter One: Introduction**

Panamá has long been a country entangled in global geographic and political struggles for power and prominence. From Columbus' haphazard voyage to Panamá in 1502 that embroiled the area in colonial power plays to the United States' construction of the Panama Canal in 1914 and U.S. involvement in the destabilization of the Noriega regime in 1989, Panamá has born witness to the confluence of politics and international power plays within its borders (Barry et al. 2005; Marín Araya 2004; Pérez 2011). While in recent years Panamá has seen less blatant interventions, new kinds of sociopolitical and economic processes are shaping the country. Since the onset of democracy following the fall of Noriega in 1989, neoliberal economic strategies have been implemented by the Panamanian government wherein foreign investment and tax incentives for big businesses have been promoted, often at the expense of social spending (Gandáségui 2010; Manduley and Feijóo 2009; Mayorga 2000; Quintero 2003). Tourism, in particular, is an industry that has been heavily promoted by these neoliberal policies as a tool for economic growth in the country (Guerrón Montero 2011; McWatters 2008).

Tourism was declared a national priority in the 1990s by the Presidencies of both Guillermo Endara and Ernesto Balladares (Guerrón-Montero 2011). In Panamá, tourism is now the second highest source of revenue for the country, earning up to \$2.27 million in 2010 (Ministerio de Economía 2010). One of the main areas that has been promoted as a tourism site is the Bocas del Toro archipelago in the northern Panamá (Fig. 1). Up until the 1990s, the northern archipelago of Bocas del Toro was a relatively isolated area of the country where little economic activity took place and subsistence agricultural and fishing practices predominated (Guerrón-Montero 2011). However, with the promotion



of tourism through economic incentives, Bocas del Toro, and its main island *Isla Colón*, or Colón Island, has become one of the most frequented tourist stops in the country.



Figure 1: Map of Bocas del Toro, Panamá. Source: Blue Marlin Suites, Mar. 2012, Web. <<http://bocasbluemarlin.com/5.html>>

The increased visibility of Bocas del Toro as a tourist destination has been accompanied by an influx of foreign investment, development, and other changes to the area (Arcia 2008; Guerrón-Montero 2010). While the economic benefits of tourism development have been the primary rationale behind this development, the actual impacts of tourism in Bocas del Toro have not been comprehensively evaluated. Research shows that in areas that have been subject to tourism development, unintended social, economic, and political consequences are frequently engendered (Britton 1991; Brohman 1996; Escobar 1995; Guerrón Montero 2005; Meletis and Campbell 2009). While some research has examined the effects of tourism on Bocas del Toro and its residents, this research has largely focused on African-Americans' conceptualization of their home as a landscape and a tourist destination (Guerrón Montero 2010). While this is a useful

contribution, further research is necessary to delve into the myriad other effects that tourism development has created in Bocas del Toro.

This master's thesis seeks to examine the consequences generated by tourism and how they impact residents, among both those who prosper more from tourism and also those who benefit less on the island of Colón in Bocas del Toro. My research is based on qualitative research conducted during eight weeks in 2011, and includes interviews, participant observation, and other ethnographic research methods. The research questions I will address in thesis are: What areas of the island and what population groups have benefited more or less from development and to what effect? How have these disparities developed? How and why have land use and residency patterns changed historically and spatially? How do residents perceive changes in the islands, both spatially and socially? How do people's positionality influence their views about development in Bocas del Toro? My research thus investigates the costs, benefits, and consequences of tourism in Bocas del Toro through comparing and contrasting the perspectives of natives of Bocas del Toro, Panamanians from other areas of the country, and foreigners and expatriates who live and work on the island.

## **RESEARCH METHODS**

The theoretical lens used in this research is informed primarily by a critical Marxist perspective that analyzes development as a traditional form of growth that works within the constraints of the global capitalistic system. This theoretical position critiques development as typically reinforcing divisions amongst stratified groups and not achieving a more equitable distribution of wealth or power to wider segments of the population. Rather, due to the hegemonic, global systems of power that these economic processes operate within, the benefits of development are enjoyed by a select few and

often come at the expense of marginalized groups (Britton 1991; Harris 2008; Escobar 1995; Mowforth 2008). This critical assessment, which be detailed in greater detail in Chapter 1, provides a much needed, new perspective of the traditional growth-oriented discourse that surrounds development. However, people's own lived experiences of development needs to be unpacked to further elaborate and augment this critical development theory; through ethnographic research that explores people's experiences of development policies, the complexities of tourism as a strategy for economic development can be better understood. The way people understand and live development policies varies according to their own positionalities and experiences; ethnographic research can help to illuminate the unique ways people experience development so as to complicate and expand upon the contributions of critical development theory.

The methods utilized in this research were inspired by those used by Arturo Escobar in writing his book, Territories of Difference: Place, Movements, Life, *Redes*. Escobar used ethnographic research to critically investigate how different groups of people in Colombia were impacted by development policies. His attempt to place the “social and the scholarly into productive dialogue” utilized ethnographic research to create a narrative that in turn complemented, critiqued, and expanded upon canonic critical development theory (Escobar 2008). Escobar used his ethnographic research to engage with and document the ways that people see, live, and talk about development, the environment, and other issues in their lives. He used the conversations, experiences, and observations of those people to speak to and query the academic literature on development. (Escobar 2008) This research project in Bocas del Toro attempted to follow a similar trajectory in using ethnographic research to speak to and question critical development literature.

My research was conducted in Bocas del Toro, Panamá for eight weeks in the summer of 2011. Qualitative methods were the primary research tools utilized in this study. Initially, Rapid Rural Assessment (RRA) techniques were utilized, which allow for rapid surveying and identification of social and environmental issues that marginalized communities face; these methods identify the nature and intensity of negative trends in the community in a short amount of time (Baumann et al. 2008). Due to the short period of time that the research was conducted in, this methodology lent itself to quick identification of the issues in Bocas del Toro. These RRA techniques helped to identify several overarching themes that emerged as crucial issues that were intertwined with tourism development on the island: social relationships, economic issues, labor relations, environmental threats, and people's subjectivities that inform their experiences and understandings of development.

To initially evaluate the issues in Bocas del Toro, literature and secondary sources were evaluated to research the underlying history and in Bocas del Toro and broader issues in Panamá. Literature and previous research were utilized to establish the social, political, cultural, and economic background of the country and the role these factors have had in shaping development in Bocas del Toro and the lives of residents. Furthermore, a literature review was conducted to elucidate the major theoretical underpinnings of tourism studies and critical development literature so that my research could be put into conversation with the major trends in tourism and development literature.

Semi-structured interviews were the primary method used to collect the qualitative data of this research. Key informants were recruited, who were known to me through previous personal experiences working in the tourism industry on the island in

2009, for my initial interviews. Other interviewees were chosen through the snowball sampling technique whereby key informants introduced other interested or important community members who were connected to the issues identified by RRA techniques (Baumann et al. 2008: 13-16). These interviews were semi-structured and asked how tourism has developed in Bocas del Toro, how the development from tourism has changed land use patterns on the island, who has and has not benefitted from this development, what areas of the island have been excluded from the benefits of development, and how those who live on the island perceive the effects of these changes from tourism. All interviews were tape recorded and conducted in the locale that the interviewee identified and preferred. The interviews were then transferred to a secure hard drive and deleted from the tape recorder. All names of interviewees mentioned in the research are pseudonyms used to protect the confidentiality of those who participated in my research.

A limitation of the research conducted is that the researcher's status as a White woman from the United States, with a previous history of working in the tourism industry on this island, could have influenced the responses that participants gave in interviews. I worked in the tourism industry at a hostel in Bocas del Toro for six months in 2009. My experiences while working on the island fueled my interest in the topic of tourism as a form of economic development and its consequences. Furthermore, as a way to supplement my income while doing my research in 2011, for a month I worked at the front desk of the same hostel I previously worked at in 2009. My own involvement in the tourism industry on two separate occasions could have biased some responses concerning the negative consequences of tourism, which is a possibility that readers should consider in interpreting the analysis of this research. Furthermore, of those Panamanians I

interviewed, all were involved in the tourism industry and were either friends or acquaintances that were introduced to me by those working in the tourism industry. Given that my social network on the island was based around those who worked in the tourism industry, it was difficult to find informants outside of the tourism industry who were interested in participating in my research.

As someone with a history of working in the tourism industry on the island, I saw many practices and social relationships that I found disturbing and inequitable. These observations about a seeming imbalance between the benefits and disparities caused by tourism sparked my interest in this subject as a research topic. My own tendency to want to address many of the injustices I perceived as being exacerbated, if not caused, by tourism could have skewed my analysis to be overly critical of a form of economic development that many people on this island depend on. While I tried to maintain a balanced analysis in my research, my own proclivity to empathize with those who perceived negative impacts due to tourism development could be overly present in the following analysis.

I begin in the next chapter with a review of the literature in tourism research and related, critical development theory. Then, in Chapter 2, I will explore the sociopolitical and economic history of Panamá and Bocas del Toro. Next, in Chapter 3, I will review my principal findings regarding tourism development in Bocas del Toro. I conclude in Chapter 4 with a discussion of these findings in light of the critical tourism literature, focusing in particular on the subjectivities and disparate understandings of the impact of the tourism that were revealed through my research.

## **Chapter Two: Critical Development and Tourism Literature Review**

Tourism has become an important source of income for many developing countries throughout the world. While the economic impacts of tourism have been widely lauded, there have also been other, less recognized consequences of tourism development. The growth in tourism in the Global South has also contributed to environmental destruction, cultural conflict, economic polarization, and a lack of local control over issues that are affecting communities in tourist areas. Furthermore, the profits generated from tourism are not evenly distributed nor are the costs born equally among those in different social, cultural, and economic classes in these places (Britton 1991; Brohman 1996; Escobar 1995; Guerrón Montero 2005; Meletis and Campbell 2009). Uneasy power dynamics and drastic inequality also exist and are prevalent between relatively wealthier tourists, typically from rich Western nations, who visit tourist destinations and those who live in these communities in the global South. Whereas local residents typically have enduring ties to the places where they live and work, transient tourists have a fundamentally different relationship to these areas that they experience as temporary sites of consumption and pleasure. The distinct relationships of locals and tourists to tourist areas create different dynamics and tensions, such as conflicting expectations concerning social interactions or acceptable public behavior (Gregory 2008; McWatters 2008; Mowforth 2008). While these dynamics do not always uniformly prove true, these trends occur frequently enough to warrant a critical examination of the impacts, costs, and benefits of tourism in the Global South.

As I reviewed the literature on tourism for the purposes of this thesis, I was informed primarily by a critical Marxist perspective that sees development as a growth-oriented process that is shaped by and contingent on the global capitalist system.

Through this Marxist perspective, global development is analyzed from a historical and political standpoint, i.e. global development can be traced from its origin in colonialism and mercantilism to its current state within a zero-sum capitalist system that perpetuates dependency and inequality between developed and underdeveloped countries. Frank's writing on the underdevelopment and dependency theory plays an influential role in my analysis of tourism as a form of economic development. Frank (1969) maintains that traditional development will not remedy underdevelopment; rather, all such development sustains a broader, capitalist structure that necessitates and thrives on the extraction of surplus value from underdeveloped people and areas.

The following review of the tourism literature is influenced by Marxist and feminist theoretical positions, in particular perspectives drawing on Frank's dependency theory and critical development theory, which hold that global tourism is situated within a capitalist system that maintain and perpetuates class and Global North/South disparities. As the goal of my research is to critically examine how the consequences of these types of modernist projects are experienced and understood by different groups of people, in the following pages I will review previous research into the economic, environmental, sociocultural, and political impact of tourism in host communities, and what groups of people benefit more and less from this type of development.

### **DEVELOPMENT AND TOURISM IN LATIN AMERICA: NEOLIBERALISM AND (NEO)COLONIALISM**

Given the (neo)colonial histories of many countries in the Global South, particularly in Latin America, the linkages between the past and current sociopolitical and economic policies needs to be examined. Latin America's current economic system can be traced to the systems that were brutally implemented under colonialism. Latin American countries were primarily producers of raw materials and natural resources.



Even after formal independence, many Latin American governments continued to trade raw materials with former, Western colonizers due to a lack of capital and large amounts of debt. Furthermore, due to a lack of industrialization and financial resources, many countries continued to trade in raw materials and natural resources as their primary economic strategy (Skidmore and Smith 2004). This trend continued until the 20<sup>th</sup> century, when Latin American countries tried to end their dependence on Western countries by adopting Import Substitution Industrialization (ISI) policies that attempted to stimulate industrialization. This development strategy proved to not be successful in part because the fundamental dependence on Western capital continued and resource driven-economies remained the norm. Thus, the export oriented economies and newer tourism development of Latin America have firm roots in colonial economic and political relations whose distorted power dynamics have continued to predominate into the 21<sup>st</sup> century (Harris and Nef 2008).

Beginning in the 1970s, a huge debt crisis began reaching epic proportions in many Latin American countries. The massive amounts of lending and high interest rates, among other factors, led many countries to be unable to meet their enormous debt payments. Western countries and international financial institutions demanded neoliberal structural adjustments as prerequisites for development and aid funding, as well as for further credit. The financial crisis in Latin America also originates from the financial and political system begun under colonialism. Loans, unscrupulous interest rates, and debt cycles began after independence and have continued to the current moment. In order to cope with their debt, many Latin American countries have been pressured into accepting structural adjustment programs in order to receive any type of monetary aid. Tourism is supported as a development strategy by the very institutions, such as the World Bank and

the International Monetary Fund (IMF), who pushed these austerity programs upon these countries (Harris 2008). While this should not be the only grounds for condemning tourism, it nonetheless marks it as a neoliberal development strategy that needs to be understood within its historical, sociopolitical, and economic context.

These financial crises are historically tied to colonialism and exploitative aid and development agreements, which have culminated in painful structural adjustment programs that are the result of these relationships with former colonizers, the ‘developed’, industrialized countries and financial institutions in the Western world (Escobar 1995; Harris 2008; Skidmore and Smith 2004; Veltmeyer et al. 1996). Furthermore, many of the free trade policies that tourism and other development strategies operate within in, which have led to the institution of these structural adjustment programs, were in many cases first implemented in the 1970s and 1980s by dictatorships or imperialistic U.S. backed pro-Western coups. These imperialistic interventions frequently supported the installation of dictatorial or military regimes that violently oppressed any economic or social opposition (Harris 2008; Skidmore and Smith 2004). These neoliberal policies are firmly tied to this violence and the continued perpetuation of inequity in the region. Thus, many traditional development efforts and international aid are tied to the regional financial crisis, colonialism, and the neoliberal measures that continue to perpetuate inequality and poverty in Latin America.

Given the historical presence of entrenched economic and political systems of power in the global South and particularly in Latin America, tourism cannot be divorced from the macro processes that it operates within (Lacher and Nepal 2010; Mowforth 2008; Urry 1990). Tourism is not an economic strategy that exists in isolation, but is as an industry that functions within and according to a capitalist, neoliberal system.

Furthermore, Western countries and corporations still dominate the tourism industry, and to some extent the broader economic and political systems of countries in the Global South (Britton 1991; Brohman 1996; Escobar 1995). Despite the differences between tourism and more industrialized forms of development, tourism still operates according to these same principles and ends up perpetuating many of the same inequalities as traditional development strategies (Guerrón Montero 2005; Meletis and Campbell 2009; Mowforth 2008; Torres 2005).

The enormous growth and profits stemming from tourism development have led many to advocate for the use of this economic development strategy as a means to alleviate poverty and inequality in developing areas (Ashley et al. 2001; Blake et al. 2008; Kalisch 2010; Meyer 2010). Transnational financial institutions and many governments in the Global South claim that tourism is a development strategy that does indeed achieve these goals (Hawkins and Mann 2007; McWatters 2007). Hierarchical political and economic structures in Latin American countries, and in other countries in the Global South, have diluted these promises and perpetuated many of the same disparities that have historically plagued these countries (United Nations Development Programme 2011; República de Panamá Gobierno Nacional 2000). However, the increase in more sustainable and equitable forms of tourism, at least in theory if not in entirely in practice, leaves room for the possible transition to forms of tourism that do indeed contribute to a more just and equitable society (Blake et al. 2008; International Ecotourism Society 201; Kalisch 2010; Meyer 2010). In order to move towards the admirable goals put forth by the proponents of tourist development, critical reflection and subsequent action are needed to change the troubling aspects of this development strategy so as to work towards more socially and economically just implementations and

outcomes (Britton 1991; Guerrón Montero 2010; Mowforth 2008; Torres 2005). In the following sections, I will examine both the positive and negative sociopolitical, environmental, and economic outcomes of tourism development.

### **TOURISM AND ITS POSITIVE POTENTIALITIES**

Tourism has served as a vital means for countries with few economic resources to transition to service-based economies that help to generate foreign exchange, attract investment capital, and create jobs (Blake et al. 2008; Kalisch 2010; Meyer 2010). Tourism has allowed for poor countries in the global South to pursue service-based development due to low labor costs and a relative abundance of untapped natural resources. Furthermore, many have touted the potential of forms of sustainable tourism in promoting environmental conservation (Broham 1996; Mowforth 2008). Three hundred and thirty-three billion U.S. dollars were spent in developing countries by tourists in 2006; in 2008, international tourism arrivals totaled over 922 million people globally. In at least 50 countries in the global South, tourism serves as the primary source of foreign exchange earnings (Lacher and Nepal 2010). Furthermore, tourism has seen a rapid and explosive growth as an economic development strategy in countries in the global South. By the year 2000, developing countries throughout the world saw nearly 292.6 million tourist entries cumulatively into their respective countries, which was an enormous increase in the number of tourists traveling, almost 95%, since 1990 (Kalisch 2010).

Proponents of tourism claim that this industry will help to alleviate poverty through the arrival of foreign revenue (Blake et al. 2008; Meyer 2010). Wages and the exchange rate generally rise in countries as the tourism industry grows. While prices for domestic prices might rise as well, which could negate many of the benefits of rising wages, tourists tend to consume different products than locals (Britton 1991).

Furthermore, if tourism grows to be a substantial portion of the income for a tourist destination, this can lead to the displacement of traditional export industries, such as resource extraction, as the driving economic strategy in countries in the global South (Lacher and Nepal 2010). Areas that historically have been centers of resource extraction often face environmental degradation and other negative social impacts, such as influxes of immigrants that can disrupt local communities, that can be multiplicative over time (Torres 2011). Tourism could be used as a means of economic development that could potentially displace export industries dominated by raw materials and natural resources as the primary sector of economic growth, which could minimize some of the pejorative environmental and social consequences associated with resource extraction (Blake et al. 2007). For example, in Costa Rica logging used to be an industry in the town of Tortuguero before a protected national park was created in this area; Tortuguero later became a robust ecotourism site for turtle and wildlife watching in the late 1980s (Meletis and Campbell 2009).

Tourism inherently brings economic activity to developing countries and helps the local economy to grow in places that previously might have had little to no economic activity. Furthermore, many rural and undeveloped areas are easily able to draw upon the natural resources of their physical environment or to potentially develop a cultural or ethnic tourism industry that exhibits their social, cultural, or religious norms for tourists. Ideally, these forms of tourism do not require significant initial investment or capital to establish a tourism enterprise (Blake et al. 2007; Meyer 2010). The tourism industry also creates many low-skilled jobs, such as in cleaning, food, construction or service areas, which tend to employ large amounts of young people, women, and unskilled laborers (Britton 1991). The creation and promotion of tourism can help to create economic

opportunities for marginalized segments of the population that previously might not have had access to many employment opportunities. Furthermore, tourism enterprises are not limited to large enterprises and can potentially involve the informal sector and very small scale ventures (Ashley et al. 2001; Meyer 2010). However, an aspect of these jobs is that they typically are seasonal, have no benefits, and have little job security (Britton 1991; Broham 1996). Despite the negative aspects of this type of job creation, many claim that these positive aspects of tourism will help reduce poverty in countries in the Global South that utilize this economic development strategy (Blake et al. 2008; Kalisch 2010; Meyer 2010).

Many development agencies advocate tourism as a preferred development strategy in developing countries. Organizations such as the World Bank, the Inter-American Development Bank, the European Union, and the United Nations have endorsed and funded tourism development programs (Hawkins and Mann 2007). These agencies use the rhetoric of sustainable tourism development as a legitimizing discourse that claims that such development will help to eradicate poverty and avoid the pitfalls of more environmentally destructive and socially conflictive forms of development, such as resource extraction. They advocate environmentally sensitive and locally inclusive forms of tourism development in order to claim that tourism is a more equitable form of development. In 2007, 78 low-income countries that applied for loans from the World Bank cited tourism as one of their development strategies (Hawkins and Mann 2007). Ecotourism and sustainable tourism efforts have grown as sectors of the international tourism industry since the 1980s. Ecotourism, for example, advocates tourism that promotes environmental conservation, produces little social impacts, is locally empowering, and financially beneficial for local populations (International Ecotourism

Society 2011). These idealized forms of tourism development speak to the potential of this type of development strategy to provide a low-cost, profitable, and socially and environmentally responsible method of growth for developing countries.

Despite its admirable goals, ecotourism has been critiqued for a variety of different reasons. Ecotourism markets businesses in the tourism sector as creating benefits for local communities and furthering conservation efforts in their host countries (Kalisch 2010; Meyer 2010). Ecotourism businesses could potentially help raise awareness among tourists about the need for sustainable, cooperative, and responsible tourism practices, particularly in developing countries in the Global South (Blake et al. 2008). However, there are a plethora of certification and monitoring systems that give the label of ecotourism to various business ventures. This had led to some confusion among consumers about the standards and practices of these varying systems (Toth 2002). Furthermore, when certification systems are controlled by large corporations, the standards are typically lax and amenable to corporations interested in greenwashing their image (Font and Harris 2004; Kalisch 2010). Many also contend that these certification systems are too expensive and out of the reach for the poorest involved in the tourism industry. Furthermore, even if one were to become certified as an ecotourism venture, this costly certification still does not ensure consumer demand for these businesses as they are still essentially dependent on foreign money and tourists (Font and Harris 2004; Kalisch 2010; Toth 2002). Thus, while attempts are being made to create more equitable and just forms of tourism, there are still many issues with these new variations of tourism. In the following section, I will further explore issues and contentions with tourism as an equitable form of development in the literature.

## **UNPACKING NEOLIBERAL FORMS OF TOURISM: SOCIAL IMPLICATIONS**

While many tourism development strategies ideally promote socially just forms of development, in reality these forms of development are not quite so equitable. Many scholars caution that tourism cannot be solely evaluated on economic grounds (Escobar 1995; Harris 2008; Hawkings and Mann 2007). There are many other measures of wellbeing such as education, levels of health care, sanitation, or social mobility that are omitted through purely economic and numerical evaluations of tourism. In other words, the sociopolitical and cultural ramifications of tourism are not apparent in purely quantitative and economic analysis of tourism. More rigorous analysis needs to be conducted and more piercing questions need to be asked, such as: “What is development? Development for whom? Are development and growth the same thing?” (Crick 1989:318).

In fact, troubling social relationships can be bred through tourism development. Typically, more affluent Western tourists visiting developing countries can lead to the replication and distortion of familiar colonial relationships. Colonialism depended on the subordination of certain classes, races, genders, and nations by largely White, Western capitalist countries and people (Britton 1991; Crick 1989; Kingsbury 2005). Through tourism in developing countries, many of the same patterns of servility, exclusion, and domination can be repeated through what has been called “leisure imperialism, the hedonistic face of neo-colonialism” (Crick 1989: 322). While systems of privilege and oppression are no longer upheld by blatant colonialism, many of these same basic systems continue to function and privilege White, Western foreigners at the expense of locals through the political and economic structures that tourism development operates within (Britton 1991; Crick 1989; Kingsbury 2005).



Frequently, elites who hold the political power in their country are collaborators in bringing and promoting tourism in their countries; they are also usually the main beneficiaries of this development (Broham 1996; Torres 2005). In some cases, enclave tourism can lead to the physical exclusion of locals and non-elites from certain places in their own country. For example, locals, with the exception of staff, are barred from entering certain beaches and hotels in tourist destinations, as in Cancún, México (Crick 1989; Meletis and Campbell 2009; Torres 2005). There are also instances of predatory tourism that exploits local populations, such as sex tourism that occur in many countries in the Global South. Furthermore, a thriving tourism industry depends on promoting societal and political stability. In some countries, in order to entice tourists to visit their country, many governments conduct campaigns to sweep the homeless and informal sector from the streets (Gregory 2007). There have also been cases where governments have repressed resistance within their own population in order to convince the international community that their country is stable enough for tourists, as when President Marcos of the Philippines cracked down on civil unrest and the population at large in 1972 (Crick 1989).

### **ECONOMIC CRITIQUES OF TOURISM**

Tourism is a complex industry that does not have a uniform manifestation. Whether tourism endeavors are public or private, on a small or large scale, and what type of tourist they are trying to appeal to will all influence what form tourism businesses will take (Urry 1990). Tourism can range from expensive, all-inclusive tour packages to backpackers and eco-tourists that do not expect the same level of accommodation and standardization. Furthermore, tourism companies will differ in uniquely situated locals. However, despite superficial differences among tourism companies and the tourists

themselves, many of the overarching political and economic structures within which this industry operates are similar.

Countries that derive a large portion of their national income from tourism are still dependent on the influx of wealthier, largely Western, tourists for income. This effectively still makes these countries externally dependent, which leaves them vulnerable to the shocks of global financial and economic fluctuations. Typically less than 25% of the profits from tourism companies actually remain in the host countries due to the predominance of foreign capital and investment (Meletis and Campbell 2009; Mowforth 2008; Urry 1990). Furthermore, much of the development that occurs due to tourism, such as airports, retail centers, and hotels, is not necessarily for the benefit of or widely used by local populations. Frequently, much of the wealth that stays in the country from the tourism industry is also usually concentrated within elite classes of the receiving country. Many of the service jobs generated by the tourism industry are low waged jobs; the majority of the profits go to foreign investors or local capitalists and elites in the industry (Broham 1996; Crick 1989; Urry 1990). Many of the acclaimed benefits from tourism do not necessarily translate into real reductions in poverty or substantive employment growth due to stratified, hierarchical global and local economic and sociopolitical systems.

As the tourism industry has grown in popularity and profitability, tourism ventures have become increasingly standardized and characterized by vertical and horizontal integration that has led to the increased prevalence of multinational tourism corporations. These large, multinational businesses, typically invested in airlines, tour wholesalers, and hotel chains, usually dominate the market. These corporations have more direct contact with foreign tourists, which gives them a distinct advantage over

more locally based and financially limited tourism endeavors (Britton 1982; Kalisch 2010). Drawing large numbers of tourists over a long period of time to a relatively unknown place also requires extensive marketing (Meyer 2010). These transnational companies are able to function as intermediaries between tourists and the receiving countries, which gives these companies considerable sway over local tourist markets. They use their economic clout to dictate business conditions that are more favorable to the international companies. This effectively allows them to capture a large share of the tourist market and to dictate conditions that will maximize their profits (Britton 1982; Kalisch 2010).

Large, multinational tourism corporations also have the resources to own and control vital sources of capital, to the exclusion of more local companies. Because of these corporations' investments in the foreign country, they often intervene in local markets and locales to ensure the stability and continued profitability of their operations. A large share of the revenue generated from these tourism endeavors that are financed largely by financial capital end up leaving the country to return as profit for the investors (Broham 1996; Crick 1989; Urry 1990). A tool that is becoming increasingly more common, called transfer pricing, allows large, multi-group businesses to transfer goods and services across borders within their own corporation. This allows these corporations to perform a financial sleight of hand that reduces their recorded profits on paper, which allows them more beneficial tax claims and higher profits. This not only reduces the amount of taxes that the receiving country can collect, but also works to keep wages in these countries suppressed. When the corporations record lower profit margins, many governments where tourism is a primary economic development strategy typically keep down local wages to attract foreign investment and corporations (Kalisch 2010). Thus,

many of these corporations are generating and retaining money, frequently at the expense of local governments and workers.

In 1995, the World Trade Organization (WTO) created the General Agreement on Trade in Services (GATS), a multilateral and legally viable agreement that created an international set of regulations regarding trade and investment in services (Kalisch 2010). This agreement is committed to the liberalization and privatization of services in these countries, thus reflecting many of the neoliberal economic tenants that underpin the global economic order. GATS states that foreign investors must be treated with equal preference as domestic investors. The agreement contends that its members will benefit from the reciprocal and transparent rights embedded in the trade agreement when they agree to liberalize their services. One such rule governing the trade agreement is that any concession made to a member country by another must be made available to other members on a non-discriminatory basis. The WTO alleges that this agreement has helped to create a more level playing field for developing countries regarding the trade and development of their services (Kalisch 2010).

However, numerous critiques have been leveled against GATS, in particular that it actually serves to further disadvantage developing countries in the global South who have taken part in the agreement. The GATS provides a legal structure by which corporations can challenge countries' laws as being restrictive to trade and not sufficiently liberal (World Trade Organization 2012). This makes it difficult for host countries to promote local development or create social or environmental obligations that foreign investors are obliged to fulfill. Thus, foreign corporations are able to outspend and dominate local economies to the detriment of local investors and business ventures (Britton 1991; Kalisch 2010). This level playing field essentially eliminated much of the

assistance for domestic investors and businesses, which has left MNCs ample room to dominate local economies through foreign investment. Furthermore, the notion of reciprocal rights of member countries has not been realized. Developed countries are able to circumvent these agreements through other types of regulatory tools that effectively close their markets to developing countries. For example, restrictive immigration measures can exclude foreign workers and investors from being present in the host country (Kalisch 2010). Unofficial corporate monopolies can also dominate certain markets to the point where investors from developing countries are hard-pressed to be able to compete, such as in the communication sector (Britton 1991; Kalisch 2010). These policies promoted within these developed countries allows them to give lip service to the ideals of an open and level playing field, but effectively protect their own interests at the expense of developing countries that have signed this service GATS.

Furthermore, many tourist operations, such as hotels, are often not assured of finding a continuous supply of commodities or preprocessed goods. Many businesses import goods that are vital to their operation, particularly in the Pacific (Britton 1982; Momsen 1998). Especially in luxury tourist facilities, many of the commodities and products that more affluent tourists expect are not found in local markets and are instead imported from abroad (Torres 2002). Also, tourism businesses do not always necessarily employ local populations in the jobs created by these corporations. In high-end luxury hotels, often highly trained staff are brought in to work at the hotel rather than training locals (Crick 1989; Torres 2005). Thus, in many instances tourism does not succeed in building up local businesses, providing a market for local goods, or creating a significant source of employment for locals (Britton 1982; Crick 1989; Torres 2002 & 2005).

The supply of land in can also become an issue in tourist areas. In some cases, particularly in island communities, the supply of land is limited and can become monopolized by tourism development. Furthermore, when land is scarce, development can begin to encroach on agricultural lands or other green space, with detrimental environmental effects (Boissevain 2010). Land speculation and development can lead to skyrocketing rents and a scarcity of housing; lack of affordable housing can lead to the development of informal, shanty towns on the periphery of tourist areas where there are few services for residents (Boissevain 2010; Torres 2005). Furthermore, tourist development can be ecologically incompatible with the surrounding environment. For example, there have been instances where developers wanted to build golf courses in jungles or ecologically sensitive areas to attract tourists (Boissevain 2010). There is also the risk that land, water, or other essential rights could become privatized, or otherwise disrupted or appropriated by outside parties (Meletis and Campbell 2009; Meyer 2010). Beaches, shorelines, rainforests or other tourist attractions can become privatized or otherwise not open to the local population through the monopolization for tourists, and the services that cater to them (Scott and Selwyn 2010). Thus, land use practices and development can overdevelop areas and degrade natural resources, exclude local populations, and privatize services or other basic rights.

Tourism has been endorsed as a development strategy that will lead to the reduction of poverty, creation of jobs, and economic growth (Blake et al. 2008; Kalisch 2010; Meyer 2010). However, the way in which economic and political systems are structured globally and locally has led to an inequitable distribution of the benefits of tourism. Much of the profits from the tourism industry leak from the host country, while the profits that remain in the country are concentrated among elites (Britton 1991;

Broham 1996; Mowforth 2008; Urry 1990). Furthermore, many of the environmental and social costs are born by people living in tourist communities that do not necessarily receive the economic benefits from tourism (Meletis and Campbell 2009; Mowforth 2008; Snow 2000; Torres 2005). While larger corporations predominate in much of the industry, there has been new growth of some types of tourism that seek to promote socially and environmentally just forms of travel. While the extent to which these tourist endeavors are actually successful in achieving their goals is debatable, they nonetheless represent a departure from more traditional forms of tourism that have led to negative consequences for local communities. These models serve as the template by which tourism could potentially achieve a more sustainable and equitable form of growth and fulfill the promises of its advocates (Blake et al. 2008; Meyer 2010; The International Ecotourism Society 2011).

In the following chapter, I will explore the sociopolitical and economic history of the Panamá and Bocas del Toro within the context of the wider political and economic trajectories of Latin America. Furthermore, the previous review of the pitfalls and possibilities of tourism will be put into conversation with tourism development thus far in Panamá so as to create a snapshot of the current state of tourism in the country, and more specifically Bocas del Toro.

### **Chapter Three: Historical and Sociopolitical Context of Panamá**

Due to its location between Central and South America and as one of the few crossing points between the Atlantic and the Pacific Ocean, Panamá has long been an international crossroad. Panamá was colonized by the Spanish in the 1500s when Christopher Columbus stumbled upon the Bocas del Toro archipelago on his fourth and final voyage in 1502. As he moved down the Panamanian coast, he also claimed the Caribbean port of Portobello and the rest of Panamá for the Spanish crown (Marín Araya 2004; Sosa and Arce 1911). From the 1570s until the 1660s, Portobello, Panamá's Caribbean port, served as a point of transfer for the silver that the Spanish extracted in Perú and sent back to Spain (Marín Araya 2004).

While fierce resistance from indigenous groups in Panamá against the Spanish did occur, by the 1540s many of these surviving groups were forced into *encomiendas*, which were vastly reduced areas that were only nominally under the control of indigenous peoples. The horrendous conditions and abuses that took place on these *encomiendas* eventually led to their dissolution by the Spanish monarch (Sosa and Arce 1911). The majority of indigenous groups from the colonial period were wiped out by colonial expansion or disease brought by these colonizers; only six indigenous groups still exist in Panamá: the Ngobe-Buglé, the Teribe or Naso people, the Kuna, the Emberá, the Wounaan, and the Bokota (Marín Araya 2004).

In 1717, New Granada was created by the Spanish crown, which combined much of the area in the Caribbean and present day Colombia into one territory. In 1821, Panamá became independent from Spain, but then afterwards became united with Colombia, Venezuela, and Ecuador, in an area known as Gran Colombia. Panamanian independence from Colombia was realized in 1903 when the United States intervened to



ensure that Panamá seceded; the United States wanted to assure this secession so that it could build a canal in an independent Panamá and control this vital trade point. The 1903 Hay-Bunau Varilla Treaty gave the U.S. the right to intervene militarily in Panamá in order to ensure the construction and protection of the Panama Canal; it also named the U.S. as the sovereign of the Canal Territory. The Canal was finished in 1914 and remained under U.S. control until 1977 when the U.S. signed a treaty with Torrijos to transfer the canal to Panamá. It was not until 2000 that the canal finally came under Panamanian control (Barry et al. 2005).

Even after independence from Spain and Gran Colombia, Panamá experienced various forms of (neo)imperialism throughout its existence. Panamá has historically been embroiled in the global social and economic system from colonial times as an important trading point. Since the mid-1850s the U.S. has militarily intervened over 20 times in Panamá (Barry et al. 2005). Later, with the construction of the Panama Canal, Panamá became a focal point of geopolitical conflict due to its role in international trade; it has been subject to interventionist and imperialistic actions primarily carried out by the United States in its efforts to secure its own economic and political interests in the country (Luna and Sanchez 2009).

Panamá's economy has historically been dominated by foreigners, elites, and foreign capital and continues to maintain structural advantages for these groups into the present day (Priestley and Barrow 2008). With the construction of the Panamanian Railroad in the 1850s, a new class of wealthy commercial elites arose in the country that held top positions in the railroad company. Although the Panama Canal's initial opening was not very profitable for elites in 1914, the subsequent "Law of Incorporation" created by Panamanian elites sought to reestablish their influence by allowing corporations to

form with little capital. This led to Panamá becoming a prime site of foreign investment and money laundering, typically in conjunction with local elites who served as complicit partners in these arrangements (Pérez 2011). Large amounts of West Indians, Jamaicans, and Chinese immigrated to begin the construction of the railroad and the canal; those that remained in the country were marginalized due to their racial identity and socioeconomic status. In the 1950s, ISI policies in the country helped to create a new industrial elite in the country (Pérez 2011).

The 1970s were a period of change in Panamá; a military coup occurred and the changes made by this regime proved to have somewhat contradictory effects. Arnulfo Arias was elected in national elections in 1968 for a third period as Panamanian president, but was overthrown a week and a half later by the Panamanian National Guard, headed by Omar Torrijos. A military junta was formed and Torrijos assumed power. It is under the military junta that new legislation was instituted in 1970 that further helped to establish Panamá as a haven for international financial transaction; within the year there were over \$40 billion in deposits for banking institutions within Panamá. Torrijos' policies supported increased state intervention in the economy and a nationalist and populist rhetoric. He did engage in public spending and push through many social reforms, including officially recognizing labor unions and abolishing traditional political parties and instituting popular, community representatives in the National Assembly of Community Representatives. However, his promotion of a new elite based in the industrial and international services sector somewhat belied his populist platform as he helped to further carve out advantages for elites in Panamanian society and within its economy (Barry et al. 2005; Priestley and Barrow 2008).

In 1981, Torrijos died in a mysterious plane crash and another member of the National Guard took his place as interim junta leader (Barry et al. 2005). Two years later, General Manuel Noriega became the military dictator of Panamá from 1983-1989 and instituted neoliberal adjustment policies in the country, including adjustment programs dictated by the World Bank and IMF to reduce the country's foreign debt, which drained money from social programs to service these payments. These policies further strengthened elites' hold of Panamanian economic and sociopolitical structures (Barry et al. 2005; Priestley and Barrow 2008). Noriega later defaulted on Panamá's foreign debt, which ignited U.S. ire towards Noriega.

The U.S. began a campaign of economic sabotage to try to oust Noriega by destabilizing the economy and triggering a regime change. The U.S. denied foreign aid to Panamá in 1986, instituted economic sanctions in 1987, and indicted Noriega for drug trafficking in 1989. This response by the U.S. was largely due to the country's slide into social and economic crisis under Noriega; the U.S. wanted to ensure stability in the country where they had many economic and political interests (Barry et al. 2005). While Noriega drew on the populist and nationalist rhetoric of the Torrijos regime, he also utilized many of the co-opted popular leaders from the 1970s to lend a façade of popular support to his regime as he implemented neoliberal structural adjustment programs (Barry et al. 2005).

Guillermo Endara was elected as the civilian president in the 1989 elections. Noriega denied the validity of the election and tried to install his own candidate as the provisional president (Barry et al. 1995). Then, with the U.S. military invasion and subsequent overthrow of Noriega in 1989, formal democracy in the country brought market reforms that severely impacted marginalized groups in Panamá. After the North

American overthrow of Noriega, Endara declared an economic strategy that championed neoliberalism and the strategy of privatization of nationalized industries as a road to economic recovery after the dictatorship (Barry et al. 2005; Mayorga 2000). Some declare Endara's victory not an endorsement of his political or economic strategy, but rather as a resounding 'No' to Noriega that resulted in a default president that catered to the country's business elite and U.S. interests (Barry et al. 2005).

Once installed in office, Endara resumed the structural adjustment programs that Noriega had defaulted on. He also crafted many policies that favored privatization and stimulating international business investments in Panamá (Hughes and Quintero 2000). Just weeks after the U.S. invasion of Panamá, North American business representatives began visiting Panamá to initiate new business deals in the country. Within a year of the invasion, major transnational corporations began creating businesses and contract deals in Panamá; Colgate-Palmolive and Texaco were two of the first major U.S. based transnational corporations to begin business in Panamá soon after Noriega's overthrow (Quintero 2003). Endara proved receptive to these transnational corporations and created legislation that incentivized investment; for example, Endara helped to pass legislation that reduced the amount of taxes paid by corporations that made more than \$1 million from 50% of their total revenue per year to 34% in 1984 (Hughes and Quintero 2000; Manduley and Feijóo 2009). These policies exemplify the opening of the Panamanian economy to international, primarily U.S. based, transnational corporations. By 1993, almost half all private sector businesses were U.S. based or related (Barry et al. 2005).

Privatization, removal of domestic economic protections, increased levels of Panamanian exports, and free trade initiatives were the result of these neoliberal policies. These policies devastated marginalized groups with poverty and unemployment rates

soaring in the 1990s, which triggered large waves of popular protests (Priestley and Barrow 2008; Quintero 2003). By 1994 when Ernesto Balladares was elected, extreme poverty still remained a substantial issue that drove the election. Balladares championed the privatization of public industries as an economic panacea for the country that would help to lift people out of poverty (Mayorga 2000). Accordingly, attacks on union and workers' rights accompanied this deification of privatization. Within 15 days of taking office, Balladares began making changes to the Labor Code (*El Código del Trabajo*) to, "modernize and increase the economic structures of the country" (Quintero 2003). By August 1995, a national strike composed mainly of worker and students were carried out to protest these reforms; the State responded violently with some protestors being killed, hurt, or arrested (Quintero 2003).

By 1997, Panamá was experiencing large levels of unemployment and a relatively high cost of living relative to the minimum wage at the time (Mayorga 2000). Neoliberal policies have brought increased revenues and investment for the country, but the unequal distribution of these profits in a highly stratified system has led to unevenly experienced benefits for elites and more marginalized groups. Furthermore, benefits for rich corporations have continued to grow; Endara reduced the tax for rich corporations from 50% to 34%, Balladares decreased this tax even further to 30% (Manduley and Feijóo 2009). In 1995, Panamá had the second worst income inequality in the region, only behind Brazil; the bottom 20% of the population received only 2% of the overall income in the country, while the top 5% of the country gained 18% of the total income in the country (Barry et al. 2005; Hughes and Quintero 2000). This situation has actually grown worse; in 2007, the richest 20% received 63% all income in the country, while the poorest 20% received only 1.5% of income in the country (Manduley and Feijóo 2009).

Conservative Ricardo Martinelli was elected president in 2009. Martinelli was the owner of a large chain of supermarkets in the country and takes a pro-business stance. Martinelli's presidency champions neoliberal strategies within the country despite his campaign promises to change the educational system, social services, and the health care system (Gandásegui 2010; Quintero 2003). He has implemented some reforms that speak to these promises, including a one time \$20 government subsidy for every student and a \$100 bonus for all Panamanians over 70 years old, as well as an increase in the minimum wage by an average of 16 percent to a sliding rate of as much as \$416 a month (Gandásegui 2010). Martinelli has declared that a goal of his presidency is to secure even more foreign investment in the country, up to \$12 billion by 2014 (Quintero 2003). Furthermore, Martinelli also agreed to allow the United State to open 11 naval and air force bases throughout Panamá, ostensibly to help combat the trafficking of illegal drugs. All of the bases that the United States operated previously were closed down after the Panama Canal was returned to Panamanian control in 1999. Martinelli has further reduced the corporate tax in the country than Endara and Balladares to 20% (Manduley and Feijóo 2009). Many of Martinelli's policies have tended to favor businesses and promote international trade and investment, while many of his campaign promises regarding social issues have remained unfulfilled (Gandásegui 2010).

While the Panama Canal remains an important income source for the country, tourism has now surpassed the canal's earnings and has become the highest revenue source for the country. Profits generated from the Duty Free trade zone of Colón were the biggest source of national income for Panamá in 2009. Revenues from tourism exceed the profits from all national exports and the tolls gathered from the Panama Canal. In 2009, 1,562,884 tourists visited Panamá and the country reaped \$2.27 million dollars

in revenue (Ministerio de Economía 2010). Tourism was declared a national priority in the 1990s in both presidential terms by Endara and then later by Balladares (Guerrón Montero 2011).

Unemployment has indeed declined in the country from over 10% in 2004 to 6.5% in 2010. Poverty has also decreased by 8.1%, from 36.7% of the population living in poverty in 2001 to 28.6% in 2007 (Luna and Sánchez 2009). Panamá has also increased in its Human Development Index (HDI) from 0.613 in 1980 to 0.755 in 2010, which is an alternative measure of development that takes into account not only income and GDP, but also health, education, and income. Panamá's HDI is above the average for Latin America and the Caribbean, which increased from 0.578 in 1980 to 0.706 in 2010. However, in terms of the Gini coefficient that measures income inequality, Panamá only scores 0.549 in 2010. A score of 0 represents absolute equality, while a score of 1 represents absolute inequality (United Nations Development Programme 2011). This relatively high Gini coefficient indicates that the inequality in the country still remains a significant problem.

Panamá has made some steps towards remedying income inequality in the country; in 2000, the national minimum wage was raised 13% after extensive worker mobilization across the country (Quintero 2003). However, these steps have not been sufficient to significantly reduce income disparity in the country. Furthermore, the level of inflation in the country has increased from 1% in 1983 to over 4% in 2008. The biggest price increases were in food, living costs, transport, and housing materials (Luna and Sánchez 2009). These price increases in basic commodities have serious impacts on poorer populations that use a substantial portion of their income to meet these basic needs.

The Panamanian government's discourse claims that tourism will create a better distribution of wealth, which will be achieved through state decentralization. The government sees tourism as a development strategy that will benefit the whole of the country, but through neoliberal economic principles that encourage private investments and transnational investors to make a profit that will somehow propagate itself to those Panamanians who are not able to be business owners or investors. Indeed, the Panamanian government, in its *Plan Maestro de Turismo Sostenible de Panama, 2007-2020*, claims that investors will see a return of \$20.75 for every \$1 invested in tourism development (McWatters 2008). This high return indicates that a large profit will return to the investor, which implies that the majority of that money will not benefit local populations. The government discourse surrounding tourism development in Panamá clearly adheres to neoliberal logic that encourages privatization, international investment, and a belief in trickle-down economics that presumes that locals will somehow indirectly benefit from these policies.

Panamá has experienced a long history of imperialism from the colonial times into present day due in part to its geographical position and its position in global trading networks (Marín Araya 2004; Sosa and Arce 1911). Structural advantages were created in the Panamanian economy and social structure for both foreign and local elites over time; these structural benefits have persisted into current times and have created serious complications to economic and social equality in Panamá (Barry et al. 2005; Priestley and Barrow 2008). Other issues, such as inflation and a high level of income inequality, also seriously impact social and economic relations within the country (Manduley and Feijóo 2009; Mayorga 2000). Since the military dictatorship of Noriega and onwards, the prevailing economic approach of the government has been to implement neoliberal



policies, which in the governmental discourse is a means to encourage equality and growth through these strategies (Hughes and Quintero 2000; Manduley and Feijóo 2009; McWatters 2008). As part of this neoliberal strategy, tourism has been as an economic development tool that has the potential to help the grow and be a tool to spread prosperity for all Panamanians (McWatters 2008). However, these policies inherently rely upon trickle-down economic theory that has not necessarily substantially decreased poverty or inequality in the country (Luna and Sánchez 2009).

### **BOCAS DEL TORO: TOURISM AND DEVELOPMENT IN *LA ISLA PRECIOSA***

The Bocas del Toro archipelago was first inhabited by various indigenous groups. Christopher Columbus accidentally encountered and subsequently claimed part of the archipelago in 1502 in his last voyage to explore and colonize the Americas. Columbus named the main island *Isla Colón*, Christopher Island, as well as the Admiral's Bay, *Bahía del Almirante*, that separates the archipelago from the mainland of Almirante and Changuinola. Columbus was primarily interested in the region's ability to serve as an international point of commerce due to the abundance of natural resources, particularly gold, the area's profusion of food, and the plenitude of aquatic species that could provide readily available sustenance for travelers. Despite Columbus' attempt to claim the area, the region was never completely controlled by the Spanish; this was due in part to formidable landscape of the area and the continued fierce resistance of dispersed indigenous groups throughout the dense jungles and mountains of the area (Marín Araya 2004).

Bocas del Toro became an important point in the trading route in the Caribbean that served as a node in the commercial trade between Jamaica for its slaves, Honduras for its silver, Nicaragua for its indigo and livestock, Costa Rica for its cocoa beans, and

finally culminating in Cartagena de los Indios in Colombia. Bocas del Toro's position in the regional trade route and its numerous islands also made it a favorite hiding place for pirates. Since this area was never completely conquered by the Spanish, many pirates used this area to launch attacks to disrupt trading routes in the area and forcibly take the riches that were extracted from this region (Marín Araya 2004).

The Spanish did succeed in enslaving indigenous populations in pockets of conquered territory throughout the Bocas del Toro region. Escaped African slaves in the region who intermixed with indigenous populations became known as *zambos mosquitos*, or Miskito Indians, due to their presence at that time in the Miskito Coast along the Atlantic Ocean in current-day Nicaragua and Honduras (Ibarra 2007). In the Bocas del Toro region, the Miskito Indians allied with the English to attack areas under Spanish control and to try to conquer other areas dominated by rival indigenous groups. The Miskito and other indigenous groups engaged in fierce wars with each other. For example in 1758, in retaliation for a previous attack from a group of Teribe, or Naso, indigenous group in Bocas del Drago in Bocas del Toro, the Miskito killed or sold into slavery over 2,000 Naos people. This attack killed a large portion of this indigenous group living in this area of Bocas del Toro and forced the survivors into neighboring tribes (Marín Araya 2004).

Ultimately, the Miskito and English attacks on Spanish controlled areas with enslaved indigenous populations, in combination with the already existing raids and enslavement by the Spanish, helped to decimate much of the indigenous population in the area. Furthermore, other rivalries amongst indigenous groups and disease from European colonizers further helped to reduce indigenous populations in Bocas del Toro. The Ngöbe

people, apart from the Naso, is one of the few indigenous groups from this time that have survived in large numbers in the Bocas del Toro region (Marín Araya 2004).

African Caribbeans from Jamaica and Barbados settled on Colón Island in the early 1800s as enslaved workers on the banana plantations on the island. When slavery was abolished in 1852, many former slaves formed small villages that survived on subsistence agriculture, fishing, and employment on the banana plantations. Jamaican and Chinese immigrants moved to the island after the construction of both the Panamanian railroad and canal between the 1850s-1880s to work on the United Fruit Company banana plantations. The island was also the site of cacao plantations that served as a draw for immigrant laborers. Until the 1920s it was the site of some of the most productive banana plantations in the country. The Bocas del Toro archipelago still remains as one of the main concentrations of Afro-Caribbean people in Panamá (Diez Castillo 1981).

By the 1930s, other banana plantations throughout the world were more productive than those in Bocas del Toro. The banana trees suffered from a widespread disease that devastated plantations on the islands, which led to a subsequent withering of the economy in the Bocas del Toro archipelago (Guerrón-Montero 2011). The banana plantations remained throughout the Bocas del Toro province, but the United Fruit Company plantations in the Bocas del Toro archipelago itself were abandoned. The banana plantations of the United Fruit Company, which became the transnational corporation Chiquita Brands International, have remained a source of employment into the present day for the province, despite the fact that the archipelago itself no longer has active plantations (Bourgeois 1988). Until the 1990s, the archipelago's residents largely

engaged in subsistence agriculture, fishing, and hunting due to a lack of economic activity (Guerrón-Montero 2011).

Beginning in the 1990s, the Bocas del Toro archipelago in the Caribbean off the northeastern coast of the country has become one of the most popular ecotourism destinations in Panamá. It supports diverse ecosystems that include mangrove stands, coral reefs, and sea grass beds, as well as a huge variety of flora and fauna (Fig. 2 and Fig. 3).



Figure 2: A photograph from Isla Carenero showing the natural environment of Bocas del Toro.



Figure 3: A photograph showing a forest in Bocas del Toro.

The island is also marketed as an ethnic tourist site where tourists are able to experience ‘authentic’ ethnic traditions. Around 18,000 people live scattered throughout the island chain and the population consists of Afro-Antilleans, indigenous populations, Chinese-Panamanians, Panamanians, and North American and European expatriates (Guerrón-Montero 2005).

One of the biggest islands in the archipelago is Colón Island, which is at the center of the tourism industry. However, all residents do not equally share the money that these tourists bring. While there are many upscale hotels and services that cater to tourists looking to dive, snorkel, or enjoy the beaches of the island, there are also impoverished areas on this same island that are plagued by housing and sanitation issues. Indeed, despite tourism development, in 2009 53% of the population of Bocas del Toro lives in poverty (Nadal 2009: 10A). Furthermore, in 2010, Bocas del Toro had the second highest unemployment rate of all provinces in country at 8.1% (Contraloría de la República 2011).

Another principal tourist attraction in Bocas del Toro is the Bastimientos Island National Marine Park, which is located on one of the bigger islands in the archipelago, Bastimientos Island. The creation of this park serves as a cautionary tale of how tourism development can be conceived of and implemented in conflictive ways. In 1988, the Panamanian government declared the area a national marine park with little to no local input in these processes. Representatives for the Ngöbe, an indigenous group that lives on this island and relies heavily on the fishing in the area, expressed that they had not been contacted or even considered in this process. Indeed, some of the boundaries of the marine park infringe on territory of the Ngöbe. Also, the goals cited in the creation of the marine park were strictly conservationist and excluded the Ngöbe and other Afro-

Antillean groups who relied on this area for fishing (Guerrón-Montero 2005). In the construction of this major tourist attraction on an island that is heavily marketed to tourists, there was little control over these processes by local groups.

After the contentious Bastimientos Marine Park was created in 1988 and designated a nationally protected park, this status still did not stop development efforts in this protected area and other environmentally sensitive areas. In 2006, a project adjacent to the protected Red Frog Beach was proposed and approved by the Panamanian government. It was to include the construction of 700 habitations, 7 condominiums, a four story hotel, 34 villas, and a golf course to be carved out of the jungle in the park near to Red Frog Beach. In 2008, as the second phase of the residential tourism project was about to proceed, the Third Circuit of the Supreme Court of Panamá annulled the Environmental Impact Assessment (EIA) that the country's environmental agency, Autoridad Nacional del Ambiente (ANAM), had approved for the project (Arcia 2008). The magistrates who delivered the decision declared that ANAM had approved the EIA, "in benefit of a particular interest and to the detriment of the public interest" (Arcia 2008). The project was halted due to deleterious environmental effects and was eventually abandoned after only completing the construction of the housing meant for workers of the Red Frog Beach project. These habitations have been converted into a hostel, Bocas Bound (White 2011).

On *Isla Colón*, Panamanian Laws 8 in 1997 and Law 2 in 2006 have stimulated foreign development efforts, largely in residential projects, due to the long-term financial concessions made to foreign investors. The majority of tourism development is owned by resident expatriates and has not created many high-paying jobs for locals. Tourism has not been completely successful in generating jobs and income for all segments of the

population in these tourist areas (Guerrón-Montero 2010). In some cases, even the creation of protected areas that serve as tourist attractions have created problems amongst locals due to a lack of collaboration or consultation (Arcia 2008; Guerrón-Montero 2005). However, while there have been negative experiences with tourism in Bocas del Toro, there still are many Panamanian Afro-Antilleans of Colón Island who have largely welcomed tourism development (Guerrón-Montero 2010). Seemingly, despite some bad local examples of both top-down conservation and development and the dominance of foreign investors, the economic promise of tourism still continues to inspire hope that all Panamanians can benefit from this growing, lucrative industry. The following chapter will discuss the findings of my research, specifically the impact that tourism development has had upon the economy, environment, labor relationships, and crime.

## **Chapter Four: Tourism Development in Bocas del Toro**

### **ECONOMIC IMPACTS OF TOURISM**

The tourism industry is lauded for creating jobs, which ideally helps to alleviate poverty in poor areas (Blake et al. 2008; Kalisch 2010; Meyer 2010). All of the 14 interviewees unanimously agreed that tourism on Bocas del Toro had indeed created jobs in the area. In 2010, at least 61,120 people visited the Bocas del Toro province (Ministerio de Economía y Finanzas 2010). However, when locals began to elaborate further on their views about tourism and its consequences on the island, they spoke of more complex and far reaching impacts that went beyond the mere creation of jobs. These more nuanced discussions of the nature and impact of these jobs create a somewhat different narrative than the traditional, modern portrayal of development that emphasizes only positive growth and progress.

Before the 1990s, Bocas del Toro's economy consisted of subsistence agricultural and fishing and there was little economic opportunity in the area. With the promotion of tourism-related growth, the economy on the island has exploded. In 1990, there were only 3 hotels and 4 restaurants on Colón Island, but by 2008, the island had 40 hotels, 28 restaurants, 2 travel agencies, 9 tour operators, 3 airlines flying to the island, and 10 rental businesses (Guerrón-Montero 2010). The mainland of Almirante has also seen corresponding economic benefits from Bocas del Toro's growth. The Panamanian government provides economic incentives to entice further foreign investment, including tax incentives and low minimum wages (Guerrón-Montero 2010). Furthermore, U.S. expatriates are able to collect their pensions tax-free in Panamá. Thus, cheap real estate, low labor costs, permissive tax policies, and governmental sponsored economic incentives for foreign investment have combined to create an explosion in investment and



development in the country (McWatters 2008). All of the interviewees agreed that the job creation that has resulted from this development is a positive outcome for people living in the area and provides better opportunities for employment and financial gain than there have been in the past. However, the broader implications of this development strategy are having more complex.

One unanticipated consequence of stimulating tourism development on the island is that many Panamanians from other areas of the country have begun to move here to look for work. Only 2 of all the 7 Panamanian interviewees were actually from Bocas del Toro. The tourism industry is one of the major sources of employment in the region, which leads many from the indigenous *comarcas*, other areas in the region, or even from the capital to come to the island to look for work. While the development of the tourism industry has created jobs, the influx of people looking for work has overwhelmed the job market; there are now more people than jobs. This oversaturation of people looking for work is exacerbated by the cyclical nature of many jobs. Indeed, in 2010, Bocas del Toro had the second highest unemployment rate of all provinces in country at 8.1% (Contraloria de la República 2011).

The tourist season in Bocas del Toro has a distinct 'high' season from November through March when more tourists come during the months when there is less rain and better conditions for surfing. The 'low' season is from May through October when there is more rain. With fewer tourists, many of the local businesses frequently cut down on the amount of people that they employ. Many of those who are more informally employed as water taxi drivers and tour guides see noticeably less business due to the decreased number of tourists in the low season. Other workers, such as those who work in construction, are dependent upon new projects to provide continuous sources of

employment. This situation creates months of the year when employers cut back jobs and the number of jobs is even less than usual. However, people still come to the island looking for work, because even though this area has a limited amount of jobs, it nevertheless has more economic opportunities than more rural and impoverished areas.

Another benefit of the tourism industry in Bocas del Toro is that many of the locals are learning English through their interaction with foreigners. The ability to practice and improve their English skills is a valuable job skill in Panamá. Many locals felt that their increased fluency in English gave them and their children better job opportunities. Furthermore, the local schools also teach the children English at an early age now. The influx of foreigners creates opportunities for locals to gain a skill that could potentially lead them to jobs with more lucrative wages.

Due to the economic incentives adopted by the Panamanian government, a range of investors have started businesses in Panamá. There are those who are investing in large projects that require a lot of capital; on the other end of the spectrum, there are also those foreigners who are placing modest funds into smaller endeavors. However, even these smaller businesses, such as hostels and diving shops, are frequently more affluent than local Panamanian businesses. Most of the large businesses on Bocas del Toro, such as hotels, hostels, up-scale restaurants, or dive shops, are owned by foreigners. The majority of businesses owned by Panamanians are of a much smaller scale, such as restaurants, laundromats, and bike rental operations. While foreign investment has been promoted, there has been a lack of programs and funding to foster local Panamanian businesses. Between 1995 and 2006, only .03% of all tourism investment, or \$5 million, made by the Panamanian government was allocated to the Bocas del Toro province (McBride 2008). The larger businesses on the island are creating more taxable income

for the government. However, smaller Panamanian businesses are not receiving the same type of governmental aid and are forced to create smaller, less lucrative businesses due to the difficulty of competing with these foreign investors.

One common complaint voiced by Panamanians is that particularly foreign employers on the island frequently exploit locals by paying them less than the legally mandated minimum wage. The minimum wage in Panamá was raised in 2009 from 1.06 balboas- 2.0 balboas, equivalent to \$1.06-\$2.00, depending on the industry and area of the country (U.S. Department of Labor 2011). While government officials do visit businesses to ensure that they are employing the legally prescribed amount of Panamanians, there appears to be a more lax enforcement on enforcing the federally mandated minimum wage. As Josefina<sup>1</sup>, a 31-year old Panamanian from Cerro Punta who works as a manager at a hostel, says:

“Many foreigners settle in Bocas del Toro, they have a business, but they pay a miserable, horrible wage to local workers. They know that if they have a foreigner, they are not going to pay them \$1.10/hour, but they think that with a local they can pay them this...Sometimes they abuse the locals. They don’t pay fairly, or a little more, but I know if they have foreigners [working for them], they’re going to cost them a lot.”

There is a tension between how foreign and local workers are paid and treated by foreign business owners. Frequently, locals are paid under the minimum wage, while foreigners are being employed illegally and paid more than locals.

Illegally employed foreigners are often paid higher wages, in cash, than Panamanians working on the island. Ostensibly, this pay differential is due to the fact that most foreigners speak English and work in customer service positions, such as

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All names of interviewees have been changed to protect their confidentiality and anonymity.

receptionists, party promoters, and diving instructors, and are considered to have the ability to better interact with foreigners. While government officials do not consistently enforce minimum wage standards for local workers on the island, frequently the practice of illegally employing foreigners is also not punished. Thus, while Panamanians can often go unpaid for their goods, services, and labor, foreigners are being employed illegally and paid much higher wages than locals, that are collected in cash under the table and are not taxed. While tourism has development has created jobs on the island, the majority of jobs that are created low-wage jobs, such as housekeepers and maintenance personnel. While there are Panamanians who are in customer service positions, the majority are not from Bocas del Toro and have some English skills.

Wage theft is not the only common instance of exploitative business practices by foreigners; some foreign business owners have been accused of underpaying locals for their goods as well. One expatriate business owner disclosed, through an informal conversation, a story about the unscrupulous labor practices of another expatriate investor that personifies the way in which some foreigners dishonestly conduct business with locals. For example, one unscrupulous foreigner developer made a verbal contract with locals for a certain type of wood he was going to use in the construction of a house on a property he was developing. The locals chopped the wood and brought it to the developer, who refused to pay the amount he specified earlier. Rather, he would only pay the locals a much lower price than he originally said. However, given that the locals had already collected and gathered the wood, they reluctantly accepted this lower price. Similarly unethical practices frequently occur when business owners refuse to pay back-wages to construction workers.

Another significant issue that both foreigners and Panamanians alike mentioned is the problem of inflation on the island. The food prices are almost comparable to U.S. prices for groceries, as Ashley, a 28-year old expatriate from the United States who has worked and resided on the island periodically since 2005 states,

“It has gone up drastically; it’s the same as the States to me, buying groceries in San Diego, California... If I go to the store and try to get two weeks’ worth of groceries, I end up spending \$150.”

Some of this inflation is due to the island’s remote location and the increasing price of gasoline, which makes it costly to transport goods to the island. However, the cost of living in Bocas del Toro has also been driven up by the influx of tourists and expatriates and the development of the island. Katerina, an indigenous 26-year old woman from Bocas del Toro who works as a cleaner at a hostel stated, “After the tourists came, everything [the prices] has gone up here, we are like tourists here.” The hike in minimum wage in 2009 has not been sufficient to keep up with inflation on the island. Furthermore, exploitative labor practices by some foreign business owners are resulting in many local workers being paid even less than the already insufficient minimum wage. For those that are earning minimum wage or less, the inflation of basic food items consumes a large portion of their income.

The cost of housing on the island has also increased. Many long-time residents own their homes and often cohabit with their extended family, but those who have recently immigrated to the island are often forced to rent housing. The rental housing ranges from newly constructed apartments that cost \$500/month, to housing that is informally constructed on the further reaches of the island. During the low season, many are forced to leave the island due to a lack of work and their inability to cover their expenses on the island.

Another serious problem has been the overdevelopment of the island. Many development projects have been partially completed and left unfinished throughout the island. One of the most publicized and controversial unfinished projects is the Red Frog Beach project, which was slated to become a large luxury hotel and golf course. However, only the housing meant for the workers was completed before this grandiose project was eventually abandoned due in large part to a lack of sufficient investment following the global economic crisis (Arcia 2008). There has also been overdevelopment of hostels, hotels, and bars on the island. As noted during informal conversations and field observations, most of the hotels and hostels have many vacancies for most of the year, except during special holidays. Men are paid commission by hotels and hostels to wait at the docks where water taxis bring tourists and through loud shouting try to entice visitors to their respective establishment. Despite these advertising techniques, many still have sizable vacancies, particularly during low season. There are also a plethora of bars on the island that attempt to out-compete each other by slashing drink prices in attempts to sway tourists into their businesses. Despite the already overpopulation of bars, hotels, and hostels, more are still being built.

Expatriates are also fueling sprawling expansion on the island. As indicated by field notes and informal conversations with both foreigners and locals, many foreign expatriates have begun buying land further north on the island where there is a lesser concentration of people and development. One such neighborhood, called Big Creek, is almost entirely composed of foreign expatriates who have begun buying up land in the jungle and constructing houses. Many of these properties are off the official city grid and rely on water tanks and solar panels for their water and electricity. However, this also raises questions about how waste is dealt with in these areas. Expatriates are buying

properties that are located further from the main grid on the island where city services are provided; this distance from the central part of the island has led to unreliable trash service, which raises the question of what these people do with their waste when it is not picked up. This expansion further northward into the island is creating less compact development, which has left the government in the position of trying to provide services to these more remote areas with varying degrees of success and reliability.

Currently, there are no roads crossing the entire width of the island. The roads branch east to Bluff Beach and west to Bocas del Drago, but there is no road connecting these two points. However, according to interviews with several informants, money has been appropriated for the construction of a new road that will run around the perimeter of the island, which will likely open up the more isolated and less populated parts of the island to development. This could lead to problematic development in this area considering the densely populated part of the island already has several abandoned projects and the remaining business are forced to engage in fierce competition for tourists' patronage (Fig. 4).



Figure 4: A photograph showing a piece of land for sale on a distant part of the island.

As Ricardo, a 27-year old Panamanian from Panama City who works as a receptionist at a hostel states,

“I feel there was a false sense of yes, we’re going to build this here, I’ve seen hotels that are totally closed. I just walk around the island, I’ve seen them building hostels in areas where the access is non-existent. Like you go to Bluff Beach, you will see a bunch of hostels, hotels accommodations, and there’s nothing...everything is for sale now. Buildings that have been there for less than 4 years are for sale, everything, houses, are for sale.”

If the northern end of the island was to be developed and the number of tourists did not substantially increase, this trend of overdevelopment would continue and sprawling, and potentially failing, growth would encompass the entire island. This scenario has troubling economic and environmental implications that could have serious implications for the future.

Thus, while tourism indeed has created jobs and economic opportunity in Bocas del Toro, there have been a host of other effects that have complicated the rosy picture of economic development touted by the Panamanian government (McWatters 2008). Typically, it is foreigners who are creating the large businesses on the island, while typically Panamanians own the smaller-scale endeavors. Regardless of the size of the business, many of the jobs that are created through this tourism development are low-waged jobs that pay minimum wage or less. The minimum wage, when it is even enforced, has not kept up with the inflation of basic commodities, such as food and gasoline. Thus, there are a not enough jobs for everyone, they are low-waged, and the price of living on the island has been increasing dramatically while wages have remained the same. The jobs that are higher-paid typically go to illegally employed foreigners or those Panamanians who come from other areas and who are able to speak English. Furthermore, many indigenous people from the *comarcas* and Panamanians from other areas flock to the area looking jobs, which has the effect of creating a job shortage. This



problem is particularly exacerbated by the cyclical nature of employment on the island during high and low season.

The promotion of tourism has also had the effect of overdeveloping the island. Many developments have been abandoned half-finished throughout the island due to inadequate funds, insufficient interest from investors, or poor planning. Furthermore, many of the surviving businesses are engaged in cut-throat competition with each other to bring in tourist money to their establishments. Infrastructure development, such as the lengthening of a paved road around the entire circumference of the island, will likely bring even more development to an area of the island that has seen sprawling, and at times, unsuccessful growth. This further development of the island could potentially create even more businesses competing for the same amount of tourist patrons and also have some potentially deleterious environmental effects.

#### **UNINTENDED CONSEQUENCES: CRIME AND NARCOTICS IN BOCAS DEL TORO**

While the island's relative isolation before the 1990s had shielded it from a heavy influx of drugs, the drug trade now plays a large role in the island's economy. As Miguel, a local handyman for hostels and hotels who has lived on Bocas del Toro for the entire 29 years of his life, says,

“Before you were able to leave the door open, you could go on vacation for the weekend and return, with the door open, but now it has to be shut.”

He also noted that, before the tourism industry began to explode on Bocas del Toro, that drug use was very stigmatized; he said that any type of drug use, even smoking marijuana, was something that people looked down upon and that people did not admit that they engaged in in the company of others.

Many of the tourists who visit the island are younger backpackers in their mid-late 20s, largely from Western Europe, Australia, and the United States, who, in part, come to the island for its reputation as a place where drugs and alcohol are available in copious quantities. It is a well-known fact of the island that many of the backpackers engage in excessive drinking and drug use, particularly cocaine. It has been this demand by these tourists for cocaine and other drugs that actually has created and maintained the drug industry on the island. As expatriate Ashley Bellamonte says,

“It’s a demand type of thing. A lot of people come and look for it, these people need money, they start seeking ways to find it, to make it, so they can make money to feed their families and themselves. But if there’s not a demand for it, and they don’t do it themselves, and they have no one to sell it to, there’s no reason to seek it.”

Ashley’s statement that the drug industry arose to supply drugs for the tourists agrees with the statements of both locals and expatriates who live on the island. However, while Ashley states that no locals engage in drug use, local Miguel testifies that there are now locals, largely young adults, who have become addicted to cocaine and crack cocaine. Miguel says that crack cocaine had never entered the island before the island became a tourist destination and that drug use was virtually non-existent before tourism became the main economy of the island.

The cyclical and temporary nature of much of the formal employment on the island has exacerbated locals’ need for money, which has led to some to turn to selling drugs to tourists as a means of informal employment. Because of the seasonality of tourism, there are months when residents, particularly those who are native Panamanians, have more trouble finding work that pays enough to support themselves and their families, leading them to turn to selling drugs. Furthermore, selling drugs provides a

higher income than many other types of employment on the island. Martín, a 27-year old Panamanian who came to the island in 2005 for work, states that,

“Wages are rising, they are stable, and the food [prices] increases, everything is increasing. This is a problem, that if the food [prices] are rising, the gasoline [prices] are rising, the [price of] water taxis are increasing, then the locals are not going to work. Because they are going to work to eat, to [buy] gasoline, they are not going to want to work. They are going to do easier things, selling drugs, robbing and selling, because the money is faster.”

Thus, as employment becomes more difficult to find on the island during the low season, many locals are desperately searching for work that provides enough income.

Furthermore, the inflation of basic food items and the rising cost of gasoline, which increases the prices of the water taxis that are the main form of transportation from the island, leave residents with incomes that are being stretched further and further to cover basic costs of living.

The rise of the drug industry to meet tourist demand, and also as a way for locals to gain a higher income, has created a host of problems throughout the island, including theft, armed robbery, bar fights, violent crime, and sexual assault (Fig. 5).



Figure 5: A sign posted by one property warns potential trespassers, “Vigilant neighbors. Caution! We are watching you, the National Police.”

Furthermore, as Miguel's earlier statement indicates, crime and theft are experienced by locals and tourists alike. In addition, many of the large drug dealers on the island often act with impunity and have little to fear from the police. Many residents are afraid to speak out against some of the criminal acts that these large drug dealers have committed. A 25-year old expatriate from the United States who works as a teacher on the island recounted a story, in casual conversation, that is illustrative of this situation.

One of the main drug dealers on the island, a Panamanian man in his late 20s-early 30s, became romantically involved with an expatriate woman who was teaching at one of the local schools. She eventually tried to end the relationship with this man and he later vandalized her house and broke out all of the windows. Later, she was out at a bar on the island and this man began to beat her in front of a crowd of at least 20 or 30 people. No one stepped in to help her and he ended up beating her so badly that she had to be taken off the island by helicopter to an intensive care hospital further inland. This man was never charged with a crime by the local police despite the many eyewitnesses to the beating.

There is disagreement among both locals and foreigners about the effectiveness of the police. Some say that the police do a good job in incarcerating the worst criminals on the island. However, others emphasize that many of those who perpetrate the crimes are not brought to justice by the police. Some argue that the only way to keep crime away in certain areas is through video surveillance or bribing officials. Nonetheless, whatever the efficacy of the police, crime continues to persist on the island. Armed robberies are becoming more frequent. Tourists who go the beach are often robbed on hikes back to and from remote beaches. Home invasions of expatriates occur with some regularity. Both foreigners and locals disagree about the consistency of the police in actually

bringing those responsible for the crimes to justice; whether this is due to the police turning a blind eye to the crimes or through an inability to catch the criminals is hotly debated.

In addition to problems with drug trafficking and use, there is an overabundance of bars on the island that are constantly competing with each other to bring in tourists; there is a “lady’s night” every day of the week where bars attempt to out-promote each other through cheap drink specials. Excessive drinking is another problematic practice that tourists engage in on the island. As Josefina, a 31-year old Panamanian who manages a hostel states, “Here there is no cultural appreciation, here the only thing they promote is lady’s night.” There is a paucity of tourist attractions that promote local cultural traditions; the majority of tourist attractions focus on tours to beaches or diving expeditions. There is a lack of other types of tourist attractions to engage in during the evening after the sun goes down, thus, most tourists end up going to the various bars every night. This party atmosphere every night on the island also breeds other problems; many women tourists, for example, have also experienced sexual assault or having their drinks drugged while out at the bars.

Furthermore, there is also the problem that many of the youth on the island are beginning to emulate tourists and their lifestyles and are beginning to have problems with drugs and alcohol. As Rosario, a 53-year old Naso woman who works as a cleaner at a hostel laments,

“There are bad things that you can see, some that are imitating the tourists. Like the drugs, the kids are becoming drug addicts. It’s not only the tourists, but they make contact with the tourists, but also those from different parts of their country. Because Panamá is very corrupt with drugs. Tourists are coming more and the youth are involving themselves more.”

Many of the adolescents on the island have grown up seeing the permissive lifestyle that tourists lead on the island. They also see the amount of money that tourists spend on the island and want a similar lifestyle. So, many local adolescents begin going to the bars and drinking and doing drugs with tourists. Some begin to have substance abuse issues; others begin to sell drugs because it is the fastest and easiest way to make a lot of money on the island. Many older locals express their concern about the younger generation on the island and that they are becoming drug addicts or alcoholics who are beginning to live the way tourists do.

While tourist demand may have been the first impetus for the emergence of the drug industry, many locals are now involved in the consumption and trafficking of narcotics. Selling narcotics has become an important source of informal employment on the island that provides a higher wage than most formal employment. Furthermore, selling drugs to tourists provides a more constant stream of income than the cyclical employment that wanes during the low season on the island when there are fewer tourists. The prevalence of drugs and excessive drinking on the island is having more than mere economic effects; many of the youth on the island now engage in similar activities as the tourists, which could have important social implications for the rest of the island.

#### **ENVIRONMENTAL DEGRADATION AND THE ROLE OF FUTURE DEVELOPMENT**

Tourism has also led to negative environmental impacts in some areas. In Kuna *comarcas* in Panamá, the high volumes of tourists visiting these areas have begun to cause environmental degradation. It is estimated that 30,000 tourists or more a year visit the Kuna islands (Snow and Wheeler 2000). Given Bocas del Toro's increased popularity as a tourist destination in recent years, similar environmental problems could begin to arise. The archipelago of Bocas del Toro is home to a unique combination of

ecosystems including mangrove stands, coral reefs, sea grass beds, and a huge variety of flora and fauna. Much of the tourism in Bocas del Toro focuses on showcasing this natural beauty through boat tours, water taxis to unspoiled beaches, or diving and snorkeling tours. However, these types of tours require extensive boat traffic through sensitive areas. Boat captains have been known to anchor their boats in whatever locale that suits them, even on top of coral reefs. Inexperienced divers can also inadvertently damage coral reefs. Coral reefs take thousands of years to form and such damage has severe consequences for these fragile ecosystems. The coral in the *La Coralina* area has experienced a lot of destruction and degradation already. Furthermore, tourists and locals have been known to throw non-biodegradable trash into the ocean. As higher volumes of tourists visit the island, these negative impacts will likely increase exponentially.

Many of the locals and expatriates are also known to hold parties on the beaches, which creates a huge amount of bottles, cans, and other trash. Frequently, this refuse is left behind on the beach, and then gets pulled into the ocean during high tide. Beach cleanups have become more common in Bocas del Toro to try to address the impacts of this issue. Furthermore, educational programs are being put into place in schools on the island to try to create awareness among children and their families about littering and recycling. Despite these efforts, these parties persist and one can find trash on many of the beaches in Bocas del Toro. Furthermore, there is persistent trash on most of the streets in Bocas del Toro due to the common practice of littering. Recycling is relatively new in Bocas del Toro and still remains limited; only bottles and cans are recyclable.

Locals also engage in the practice of throwing trash directly into the ocean. As 53 year-old Naso cleaner Rosario states, "In some parts [of the island], they don't recycle, they don't burn the trash, they only throw in into the sea." How frequently this practice

still occurs after the institution of educational programs about littering remains unknown. Sewage used to be piped directly into the ocean through old sanitation infrastructure. And many of the locals who do not have regular trash pick-up, such as those who live in the area behind the airstrip or in indigenous communities distant from the town center, also engage in burning trash. There is one landfill in the interior of the island; however, most of the trash is just dumped or burned. Air pollution, chemical leaching, and potentially deleterious health impacts to those consistently exposed to the fumes of burning trash are all problems generated by this practice. If the northern end of the island is opened up to development, the amount of garbage that the small island already produces would increase. This increase in the amount of trash produced could create problems of where and how to dispose of increasing volumes of trash, exacerbating the waste disposal problem.

The island also has a limited supply of potable water. There already is not enough water for the existing development on the island available through city services. The water will often be cut off for several hours in various areas throughout the city grid. Most businesses and residential houses have to purchase additional water catchment tanks to capture and filter rainwater in order to supplement the inadequate amounts of city-provided water. However, these tanks are expensive and many of the poorer households on the island cannot afford to buy them. If the island were to be further developed, additional water treatment facilities and infrastructure would have to be upgraded and expanded. Further growth and development in the northern part of the island could potentially put too much of a burden on an already strained water system.

According to these findings, tourism development seems to have uneven costs and benefits. The majority of the large businesses on the island that generate the most



revenue are owned by foreigners; previous research has shown that in tourism industries the majority of profits from such ventures tend not to remain in the local economy, but rather benefit the owners and leak out of the area (Meletis and Campbell 2009; Mowforth 2008; Urry 1990). While there are locally owned businesses, they tend to be smaller in size and do not generate nearly the same levels of revenue as the larger businesses owned by foreigners. Thus, while the tourism industry does generate jobs and has created some local businesses, the majority of the profits go to foreigners and the jobs that are generated are typically low-paying, service jobs. These jobs are also frequently seasonal and do not provide a steady form of employment. The amount of people competing for these low-waged jobs, moreover, is increasing due to immigration of other Panamanians from areas outside Bocas del Toro; this signifies that it might become even more difficult for locals to find jobs in the future as the amount of people in the area looking for work swells.

There are also other phenomena that seem to indicate that the exploitation of local labor is occurring in Bocas del Toro. Many of the foreign business owners often do not pay local workers the nationally mandated minimum wage; at the same time, there are many foreigners who are being employed illegally and being paid more than locals. When there are many Panamanians traveling to the area looking for work, foreigners are still being chosen over those local workers who could be legally employed and paid less in wages. These discriminatory hiring and wage practices follow and reinforce the hierarchical ordering of power structures that operate along lines of class, race, and nationality in the global neoliberal, capitalist system. Local labor is being underutilized and underpaid, while foreign labor is being hired illegally and paid higher wages than local laborers who are even sometimes paid less than the minimum wage. Furthermore,

the issue of price inflation for basic goods on the island only exacerbates the income differentials among these groups.

Drug use and trafficking are another unanticipated effect created by the tourism industry. Tourists' demand for narcotics has fueled the rise of a new and dangerous industry on the island. Due to the oversaturation of the job market, those who have not been able to find work are instead turning to selling drugs as a source of regular income, which can pay more than low-level service jobs. Crime and violence have concurrently risen, affecting both tourists and local alike, as the drug industry has grown. Local youth have also begun to become involved with this industry, which concerns many locals who fear that this will substantively and negatively impact these youth into the future. While the drug trade has arisen to in part due to tourist demand, it has also provided higher levels of steadier income to some locals who are underemployed or underpaid by the tourism industry.

There are also environmental inequities that are occurring in Bocas del Toro due to the explosion of the tourism industry in the last two decades. The marine flora and fauna, coral reefs, mangrove stands, and water quality are being adversely affected due to the increasing number of tourists that are visiting the island. The sheer increase in the volume of people frequenting the area, along with the increase in boat traffic, has begun to degrade the natural environment of the archipelago. The air and water pollution generated by tourists and locals alike have become an issue for the island and its residents. Thus, while tourists are transiently experiencing the physical beauty of the natural environment, the more lasting degradation of the natural environment created from the high volumes of tourists will have more permanent consequences for locals of the island.

The issue of waste management is another problem that is being exacerbated by tourism development. Dumping and burning trash were likely not as large of an issue when the population was smaller. Continued growth and development on the island has substantially increased the volume of waste generated. However, no new mechanisms to deal with the growing levels of waste have been implemented. Instead, trash continues to be burned to prevent the existing trash dump from growing to unreasonable proportions, which has been shown to spill over into the nearby ocean (Blaker 2009). Despite these serious issues with waste management, future development is planned for the less densely populated areas of the island- even though much of the current development has already failed. Furthermore, the supply of potable water is being stretched to its limit. Already, there is not enough potable water provided by municipality for the existing population; the majority of homes and business have to purchase water catchment tanks to capture rainwater and supplement municipally supplied water in order to garner a sufficient amount of water. Continued overdevelopment of the island could have serious implications for the limited, potable water supply as well as an already burgeoning, over utilized trash dump. The following chapter will put these findings into conversation with critical feminist and planning literature, specifically focusing on people's understandings of tourism in Bocas del Toro and how this affects the social relationships between foreigners and locals. Furthermore, conclusions and recommendations for future research will be discussed.

## **Chapter Five: Discussion and Recommendations for Tourism in Bocas del Toro**

Development, as it typically plays out in the Global South, is an idea and a historical process that carries embedded values and normative assumptions that deeply affect the communities that are the focus of these types of projects. Development projects are described and evaluated using modernist scripts that normatively equate progress with traditional conceptualizations of growth and advancement; the unspoken assumption is that some areas and people are underdeveloped and require such growth in order to become more advanced (Escobar 1995). These narratives assume that these areas and populations uniformly desire and need this development and ignore the social conflict and the very real differences among groups of people and their relationships with development. Development projects often normatively assume that all people in these areas homogeneously conceive of development and imagine themselves and their communities in the same manner. However, the way in which people's rationalities and subjectivities relate to and conceive of modernity and development can vary radically (Watson 2003).

The term "subjectivity" is a widely used term that does not have a single agreed upon definition. However, broadly speaking, I use the word subjectivity here to describe the intersection between a person's consciousness and larger social structures that influence and inform their relationship to the world (Frankenberg and Mani 1993; Sandoval 1991; Zinn and Dill 1991). People's subjectivities are formed through their own life experiences as well as their own orientation within societal power structures; these subjectivities are formed, experienced, and interpreted in an infinite number of both reinforcing and conflicting ways. "Third wave" feminists' discussion of subjectivities and how the notion of difference informs this concept are instructive in understanding

this idea without assuming simplistic and essentializing prescriptions of how people interact with and understand their own relationship with the larger world via their subjectivity (Kinser 2004; Mohanty 1988; Zinn and Dill 1991). While certain socially constructed notions, such as nationality, gender, race, or sexuality, impart certain experiences and influence how people see the world, they are not categories that unvaryingly and systematically mold people into predetermined designs. Third wave feminists' discussion of the notion of subjectivity is useful in simultaneously both understanding and demystifying homogenizing, universalizing categories that inform a person's interaction and understanding of the world around them (Mohanty 1988; Zinn and Dill 1991).

Subjectivities are formed partially within and through social systems and the power dynamics inherent to these structures. However, subjectivities are not produced through some formulaic combination of distinct components that discretely and neatly come together to produce some predictable creation; rather, subjectivity is a unique identity and way of thinking and acting that is formed by varying experiences, backgrounds, and interactions with larger societal forces (Mohanty 1988; Zinn and Dill 1991). Thus, subjectivities vary widely, which means that people can, and often do, have clashing worldviews and value-systems that can put them into conflict or tension with others.

Watson (2003) uses the term "conflicting rationalities" to describe the discordant interactions and clashes that occur between people with varying subjectivities and value-systems, specifically when these differences lead to breakdowns in development and planning projects. These ruptures often occur because development projects are frequently premised on the notion that development is universally experienced and

desired by those in areas targeted for such growth. This perspective assumes a shared rationality that does not in fact always exist; individual and group identities shape fractious and disparate understandings of modernity and development, which in turn inevitably influence the reception and understandings of these projects (Escobar 1999; Watson 2003). Thus, divisions and conflicts among those affected by development projects can contribute to the failure of these ventures if they do not recognize and attempt to reconcile the social differences that exist amongst its various constituents and affected parties. These “conflicting rationalities” are the result of varying subjectivities that do not uniformly embrace or respond to modernist development projects that are often heavy handedly imposed without regard for cultural or social differences (Escobar 1999; Watson 2003).

It is debatable whether these disparities between conflicting subjectivities are ultimately reconcilable; however, measures need to be taken to substantively incorporate heterogeneous subjectivities and understandings into planning processes for development projects (Umemoto 2001). Even if no ultimate concord is achievable amongst a divided group of people, including and listening to these voices in some meaningful fashion works towards assuring that that this type of growth can hopefully become more beneficial and inclusive for larger segments of the population in the Global South. Contextual, in-depth research and participatory planning processes are necessary to better address projects in a case-by-case manner so that normative development, as well as the power dynamics contained therein, are not systematically reproduced (Escobar 1999; Umemoto 2001; Watson 2003).

A method by which to address this multiplicity of identities, subjectivities, needs, and desires of those affected by development projects is to conduct an ‘ethnography of

the present' that attempts to 'plan [for] the possibilities for change encountered in existing social conditions" (Holston 1999). An "ethnography of the present" is a type of planning process that does not try to avoid social conflict, but instead recognizes that ambiguity and conflict are to some extent inevitable. Rather, this process seeks to foment a conversation, albeit imperfect, that will serve as the framework that facilitates the weaving in of multiple citizenships, identities, and subjectivities into planning and development projects in order to inform and direct how change should occur (Holston 1999). This type of process attempts to engage with the contradictions of the present in order to transform a project in a way that speaks to the dynamic nature of society and all of its antagonisms and promises. This process does not seek to build consensus, because it recognizes that conflict is to some extent inherent in all social relationships. It instead recognizes and speaks to the multiplicity of society and all of its people, subjectivities, relationships, and dynamics in order to create new narratives and practices that better allow people to participate in planning and development processes that affect their lives (Holston 1999). This 'ethnography of the present' can work to transform top-down development projects with no local input into more representative processes that include wide swathes of the local population.

An 'ethnography of the present' focusing on tourism development could help to elucidate how this type of development creates or exacerbates conflicts and tensions in areas that are becoming sites of new tourism growth; conversely, it could also illuminate areas that future tourism development need to address in order to create more equitable growth. Thus, while the economic benefits that the tourism industry helps to generate are fairly well documented, the social ramifications of tourism industries in developing areas have not been fully explored; understanding the social consequences of this development

strategy is crucial to fully comprehending tourism development and its impacts (Blake et al. 2008; Kalisch 2010; Meyer 2010). In Bocas del Toro, social controversy and divisions concerning tourism development were apparent in the interviews that I conducted and seemed to speak to this notion of “conflicting rationalities” that has significantly impacted other development projects.

Many residents who were interviewed in Bocas del Toro largely emphasized the economic advantages and opportunities brought by tourism. The island’s economy was predominantly characterized by subsistence agriculture and fishing from 1930-1990, when tourism development began in the archipelago (Guerrón-Montero 2010). When asked about the positive consequences of tourism on the island, all 7 Panamanians interviewed spoke primarily of the greater quantity of jobs that now exist and the increased income of many residents since the 1990s. Some also mentioned that living in a tourist area enabled them to learn and practice English, which is considered a valuable job skill that can substantially increase earning ability. The positive effects cited by locals are typical of the beneficial consequences that tourism development has helped to create in other areas throughout the world (Blake et al. 2008; Kalisch 2010; Meyer 2010).

Foreigners also highlighted economic opportunities as a key benefit to tourism; all 7 foreigners interviewed mentioned that the job creation that occurred due to tourism was one of the central positive aspects of tourism in Bocas del Toro. However, another dominant narrative about tourism that emerged among foreigners was the need for environmental conservation and environmental education in order to sustainable tourism practices. Implicitly or explicitly, this narrative drew on the perception that locals engaged in many environmentally harmful actions, such as littering, dumping trash directly in the ocean, or trash burning. These statements about environmental



conservation would typically be followed by the evaluation that locals needed to be educated about the negative effects that their actions were creating on the island. As 25-year old American expatriate Aren Hill, who runs a small hostel states,

“I think it’s a lack of education...Locals would just get a garbage bag and walk over to the sewers and just hurl them into the ocean...I’d say lack of education, it’s not their fault, they just don’t know better...They don’t know the damage that it does. It’s sad though, it’s crazy” (Hill 2011).

However, interestingly, the Smithsonian Tropical Research Institute (STRI) that is located on the island has already implemented a variety of educational programs in conjunction with local schools and teachers. STRI already works with ten educational centers on the island; the programs range from in-school visits by staff and students to local teacher training sessions about environmental education. STRI also conducts several community outreach events each year to publicize environmental conservation measures and information with the rest of the population on the island (Smithsonian Tropical Research Institute 2012).

Thus, there are already educational programs in effect on the island. What, then, accounts for these perceptions that locals are not environmentally astute? Njeru (2006) discusses how low levels of municipal services in marginalized communities can contribute to practicing environmentally questionable behaviors by those who live in poor, underserved areas. In marginalized areas in regions where governments do not have adequate funds, municipal services are typically inadequate or nonexistent. With few other options for waste management, many residents choose to utilize waste disposal methods such as burning or dumping. Thus, often it is not a lack of knowledge or some inherent disposition on the part of marginalized residents who engage in these behaviors, but rather a lack of real options for safe waste management practices within an underserved population (Njeru 2006).

In Bocas del Toro, the delivery of municipal services, such as trash pick up, can vary widely. In areas where the roads are not paved, municipal trash trucks do not collect trash from these households. Furthermore, a manager at one of the local hostels said that the frequency of trash pick up on Isla Colón is preferential towards businesses and higher valued property. Residents who do not pay as much in taxes as businesses do not get their trash picked up as frequently. The island's trash dump is about four miles outside of the grid of the main area of town. All of the trash that is collected from the town is brought into the jungle in this area, dumped, and often burned. This dump is close to the shore of the eastern end of the island, only a mile away from one of the island's most visited beaches, Bluff Beach. When excessive amounts of trash are dumped in this area in a short amount of time, parts of the dump begin into the sea. In 2008, surfers who frequented the beach in front of the dump for its large waves were forced to stop surfing there due to the outbreak of health ailments related to the polluted waters (Blaker 2009). The trash has reached such proportions that the trash that is dumped into the jungle is burned to keep the dump from expanding to even larger proportions.

Thus, with unreliable trash collection and waste management that merely shifts trash from one part of the island to another and then burns it, the incentives to not litter, dump, or burn trash are unclear to residents. The fact that waste on the island is merely transferred and burned- if the garbage is even collected at all- may contribute to perceptions that dumping, littering, or burning are not problematic waste disposal methods. However, many foreigners discussed trash burning by residents as a negative, environmentally destructive behavior, which they attributed to a lack of environmental knowledge. Some blatantly couched their critiques in racist and ethnocentric language, while others concluded that these behaviors were due to a lack of environmental

education. For example, during one informal conversation, a German expatriate who owns a sailing tour company was lamenting the environmental damage that has been occurring to the island. He attributed the damage to both a lack of knowledge amongst locals and apathy about caring for the natural environment. At various points throughout the story, he referred to locals in derogatory, racist terms, such as cockroaches. However, not all foreigners are so blatantly xenophobic but instead believe that these behaviors are the result of a lack of education about environmental conversation and stewardship.

Furthermore, the contribution of the tourism industry and expatriates themselves to the waste management problem was never recognized by foreigners. Meanwhile, although 4 of 7 Panamanians who were interviewed also maintained that environmental concerns were a priority, locals typically emphasized more the economic benefits that tourism has had in creating jobs and other sources of income. What accounts for this difference in the way that tourism and its consequences are internalized and perceived so differently by residents and foreigners?

While the sample size of those interviewed in this research is not large enough to allow for definitive statements about the social relationships between locals and foreigners in Bocas del Toro, a pattern emerged in the way the two groups and the way that they speak about tourism development and its impacts on the island. The differing economic and environmental narratives espoused by locals and foreigners, respectively, would seem to suggest that tourism is being experienced and internalized differentially by various groups of people in Bocas del Toro. Thus, drawing on the concept of ‘conflicting rationalities,’ (Watson 2003) locals seem to emphasize economic benefits while foreigners voice concerns for environmental degradation.

The divergent ways in which people talk about and think about the effects of tourism development also influences how foreigners and locals interact with each other in Bocas del Toro. Some interviewees stated the way that foreigners and locals interact can range from indifferent to tense. As Ashley Bellamonte, a 28-year old American expatriate says,

“They interact on a ‘what can I get you, what do you need’ type of level. Not really a ‘hey, how are you? I want to get to know you, I have an interest in your life’ ...I don’t know about older people, or older Americans, or expats or whoever. Maybe if they have someone working for them for a long time, they build a relationship from there, but just living here for almost two years now, I’ve made friends with a few locals, but it’s nothing like making friends with someone you can relate to, in a sense, with where you come from.”

Some of the interviewees said that meaningful social relationships that were deeper than the mundane or commercial were not usually the norm, partially due to linguistic or cultural reasons. Some foreigners who live on the island do not always make the effort to get to know locals; conversely, some locals see tourists as little more than a source of income. As Ricardo, a 27-year old Panamanian from the Panama City states,

“The people who inhabit this island, they are friendly, I don’t say that they are not friendly, but when the tourists come, they see a walking wallet. It’s changed a little bit with time, but that was a problem at the beginning.”

Thus, economic, cultural, or linguistic obstacles typically prevent locals and foreigners from forming meaningful relationships.

The sometimes tense relationship between foreigners and locals is indicative of differing subjectivities that can come into conflict in locales where development is taking place, and often reflects the uneven nature of the benefits and consequences of tourism development in Bocas del Toro. While economic advantages have been created through tourism development, there have been a host of other, negative side effects on the island that have mostly affected locals. Furthermore, the way that this development and its

positive and negative repercussions is understood and talked about influences the way that differently situated groups of people interact and relate to each other.

Despite the drawbacks of the tourism development in Bocas del Toro, many residents still express hope that further growth in the tourism industry will have positive, economic impacts (Guerrón-Montero 2010). While tourism development on Bocas del Toro has not been ideal or inclusive, there still remains the potential to transform the way that these development projects are crafted and implemented. Ecotourism projects that are collaboratively undertaken with substantive input and control by locals have the potential to create income, further environmental conservation, and create a more sustainable form of tourism (International Ecotourism Society 2011). However, in order for this to occur, many changes to the current regime governing tourism development would be necessary to ensure that these projects are not exploitative, but rather cooperatively and justly executed.

An area for future research that would yield meaningful and much needed data would be to conduct 'ethnographies of the present,' especially in areas slated for development with diverse populations who have varying subjectivities and rationalities (Holston 1999). Such an ethnographic approach would shed light on how diverse groups of people from differing racial, gender, ethnic, national, and class backgrounds imagine ideal development projects, and make it possible to develop participatory strategies for reconciling such disparate visions. The tensions and conflicts that already exist in these areas, and which could be exacerbated by development, need to be addressed and taken into account in a productive and deliberative, rather than nominal and dismissive, process. By beginning to document these different subjectivities and how different groups perceive, internalize, and interact with modernist development projects would be

instructive in trying to create more inclusive and just growth in developing areas. These heterogeneous understandings speak to the need to conduct an ‘ethnography of the present’ before planning and implementing development projects, so that differing ontologies among those affected can be better incorporated, understood, and collaboratively worked with in conceiving and executing development projects (Holston 1999).

In Bocas del Toro, future research should more extensively engage with the local population to ascertain how, where, when, and why tourism development should take place in order to explore how future development could work towards becoming more sustainable, just and inclusive. The relationships between locals and foreigners should also be more comprehensively examined to determine how these social relations are functioning, to what effect, and how they reflect underlying structures of power and privilege, which in turn shape the context within which tourism development functions. Due to the growing presence of foreigners and expatriates on the island, collaborative approaches are necessary to ensure that future tourism growth does not exacerbate existing inequalities or tensions between these groups. Furthermore, the ecological capacity of the island and its surrounding marine environment should be evaluated to determine its carrying capacity in terms of tourism development.

Furthermore, future research should seek out the views and subjectivities of those who live on the island and who are not actually involved in the tourism industry; in this way, the opinions of those who benefit the least from tourism could be incorporated into an analysis of tourism development and its impacts. In this research, about half of the Panamanians interviewed were people who had migrated to the island for work; further research should explore how more natives of the island perceive tourism development

and its impact. In sum, a larger, more inclusive sample should be used in future tourism research in Bocas del Toro to forge more inclusive and just development in the island.

Ultimately, tourism development in the Global South is neither completely the demonized, imperialist project alleged by critics, nor the shining panacea advocated by its supporters. Tourism is perceived by residents in host areas as a complex and ambiguous phenomenon that creates both difficulties and opportunities for prosperity. The research that has been conducted in this study attests to the multifaceted ways in which people internalize and gestate modernity and development, with many implications for the functioning of tourism and the social relationships that are formed between different groups of people in these areas. These varying perceptions of and reaction to tourism development indicate that a monolithic approach, as has been used in development projects in many areas of the world, is inadequate in trying to create just and sustainable development.

In order for tourism development to live up to its potential to create equitable growth, much more rigorous planning and inclusion of local knowledge in these types of projects are vitally necessary. Given the sociopolitical and economic structure within which development operates, strenuous efforts are necessary in order to ensure that this type of development does not further stratify populations and reinforce local structures of power and privilege. Furthermore, tourism development needs to occur in a way that does not worsen social relationships amongst those in tourist areas. Tourism development, as an increasingly important and growing global industry, has the potential to create more equitable, just, and inclusive forms of development in the global South that benefits not only the few; however, rigorous attention must be paid to substantive

inclusion, power dynamics, and social structures in order for these latent possibilities to be realized.



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