

# THE IMPACT OF NOSTALGIA TOURISM AND FAMILY REMITTANCES IN THE DEVELOPMENT OF A RURAL OAXACAN COMMUNITY\*

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**ABSTRACT:** This article compares the economic impacts of international family remittances to those of nostalgia tourism earnings in the Zapotec community of San Francisco Cajonos, Oaxaca. The most relevant findings are that international family remittances raise households' consumption while nostalgia tourism earnings encourage local production. However, regional dependence grows in both cases. On the one hand, the community lacks financial institutions that can recycle the liquidity generated by migration, nostalgia tourism, and government subsidies. On the other, it does not produce enough goods and services to meet local demand. Although nostalgia tourism provides a real opportunity to strengthen the local economy, it faces the weaknesses of conventional tourism: the seasonal nature of tourist influx and the short length of their stay. Additionally, investment in services is required in order to increase nostalgia tourism earnings.

**KEYWORDS:** Nostalgia tourism, nostalgia tourism earnings, family remittances, economic impacts, economic growth.

**RESUMEN:** Se evalúan los impactos de la derrama económica del turismo nostálgico versus los impactos de las remesas familiares internacionales en San Francisco Cajonos, Oaxaca una comunidad zapoteca. Los hallazgos más relevantes son: las remesas familiares internacionales elevan el consumo de los hogares, mientras que la derrama económica incentiva producción local. Sin embargo, en los dos casos crece la dependencia con la región porque esta comunidad, por una parte, carece de instituciones financieras que reciclen la liquidez generada por la migración, el turismo nostálgico y los subsidios de gobierno; y, por otra, no produce bienes y servicios suficientes para satisfacer la demanda local. Aunque el turismo nostálgico constituye una oportunidad real para fortalecer la economía local, enfrenta las debilidades del turismo convencional: la estacionalidad de la fluencia de turistas nostálgicos y la corta duración de su estadía. Asimismo, se requieren inversiones en servicios para incrementar la derrama económica.

**PALABRAS CLAVES:** Turismo nostálgico, derrama económica, remesas familiares, impactos económicos, crecimiento económico.

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In spite of the notorious global surge in migration, little attention has been paid to the sphere of nostalgia tourism and its impact on local economies. This is partially due to the excessive amount of attention governments and international bodies have placed on remittances, which have consequently eclipsed other relevant migration-related economic processes. On the other hand, the methodological instruments required to measure the impacts of nostalgia tourism are currently practically nonexistent. So far, migration studies have focused on the importance of this process and paid less attention to its conceptualization (Candor, 2005: 44; Orozco 2005; Reyes Morales, Gijón Cruz *et al.* 2004: 217-221; Guarnizo, 2003). At the same time, several studies have precisely measured the economic impact of conventional tourism in many parts of the world (Saluja, Pradhan and Singh, 2006; World Bank, 2003; World Bank, 2002; Dann, 2002; Gartner and Lime, 2000; Wagner, 1996). The transnational approach to migration studies provides us with theoretical elements with which to build a general concept of nostalgia tourism and its role in the Mexico-United States migration process (Vortevic, 2006; Portes, 2005; Moctezuma 2005; Peggy Levitt and Schiller, 2004; Delgado Wise, 2004; Portes, 2003; Lozano, 2003). Social accounting and multisectorial models have been used to measure the economic impact of remittances in communities of origin (Taylor and Adelman, 1996; Sadoulet and De Janvry, 1995; Robinson *et al.*, 1993); these can also be used to measure the effect of nostalgia tourism by focusing on the money migrants bring to and spend in their communities of origin. Nostalgia tourism is similar in character to conventional tourism and has the same seasonal component. Because of this, the analytic tools employed by conventional tourism studies can be used in this case too.

Nostalgia tourism is particularly important in the state of Oaxaca, where people have a strong, family-based sense of community, share Catholic traditions (e.g., religious festivals), and cargo and mutual help systems (*guelagueta*, *compadrazgo*). Migrants return periodically to their communities of origin in order to recreate their local culture, and strengthen family and community ties. The ethnocentric identity of migrants serves as an antidote to rapid cultural assimilation into the globalized environments in which they reside. Nostalgia tourism, in fact, has fundamentally subjective goals insofar as identity is concerned, but its effects on the communities of origin are quite objective and economic in nature.

### *The concept of nostalgia tourism*

Nostalgia tourism, in this case, is rooted in the influx of circular migrants who return periodically to their communities of origin for short periods. Studying this social phenomenon involves both the measurement and analysis of the im-



pact of touristic spending in economic activities such as the demand for touristic services and the available offer (Reyes Morales *et al.*, 2005a; Andrade Eekhoff 2004; Grünewald and Pantan 1999). The social accounting matrix (SAM) and multisectorial models can be used to study the economic impact, while the nature of the demand-offer relationship and the seasonal variations in nostalgia tourists' spending can be examined through a survey administered over the space of a year.

Our results are part of a research project on transnational migration in the Zapotecan community of San Francisco Cajonos, Oaxaca, where the economic impact of family remittances has been previously studied (Reyes Morales and Gijón Cruz, 2005). This paper presents the results of a survey designed to evaluate the nature of demand and offer in the sphere of nostalgia tourism and economic turnover, and an analysis of the impacts of economic turnover using multisectorial models in accordance with Yúnez Naude and Taylor, 1999; Reyes Morales *et al.*, 2005a; Wagner, 1996; Wagner, 1997; Alavalapati and Wodamowicz, 2000. This is pioneering research insofar as, in addition to conventional tourism studies methodology, it involves an analysis of economic impacts based on the SAM and multiplier models. This way, we can compare the effects of the economic turnover of nostalgia tourism vis-à-vis that of family remittances.

#### NOSTALGIA TOURISM IN SAN FRANCISCO CAJONOS

According to the 2005 population and migration census conducted by the Technological Institute of Oaxaca (Instituto Tecnológico de Oaxaca; Reyes Morales and Gijón Cruz, 2005), this community showed a noticeable demographic sex-ratio imbalance<sup>1</sup>, mostly due to the migration process. In 1960, the construction of the first highway accelerated the exodus that had initially started with the Bracero Program. Currently, two thirds of inhabitants are native to the town, while half of the population resides in other parts of Mexico and the United States. The U.S. state of California is the main destination overseas, while Oaxaca City, Mexico City, and Mexico State are the main national spots. The economy is mostly based on agricultural production, although there have been some attempts at diversification in the tertiary sector, and there are still some remnants of the traditional crafts production that characterized San Francisco Cajonos over a decade ago.

*Visitor influx.* Nostalgia tourists are migrants who temporarily return to their community of origin to participate in family, social, and cultural activities that are carried out throughout the year. Most of them (86.5%) come from towns in the national territory, but international visitors show up in considerable num-

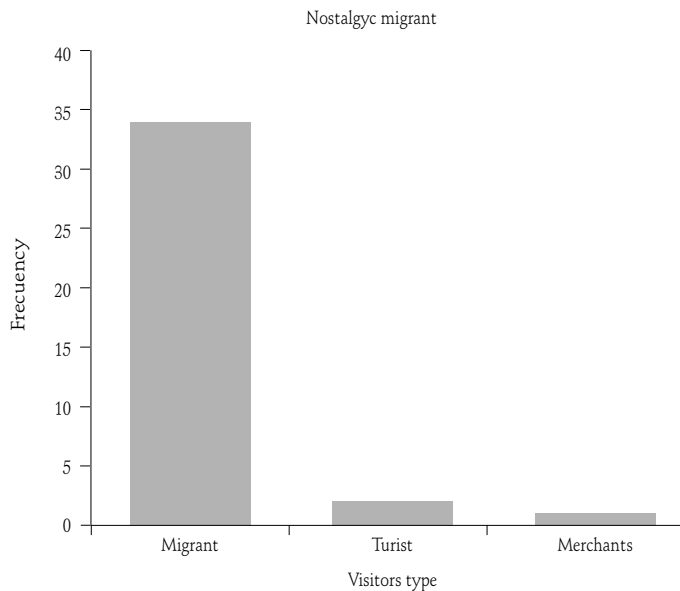
<sup>1</sup> There number of women is 11.2% higher than that of men.



bers (13.5%). The influx of nostalgia tourism increases during holidays and religious festivities. Its identifying characteristics are: 1) nostalgia tourists are native to the community, and 2) for them, the main touristic attraction lies in the possibility of recreating identity-defining elements and strengthening family and communal bonds. Practically all of the visitors that arrive during communal festivities are nostalgia tourists accompanied by family members or friends belonging to other communities (we shall refer to the latter simply as «tourists»; see Fig. 1). Those groups of visitors who come from neighboring communities and work as salespeople are hardly visible despite their key roles in the economy of the festivities.

FIGURE 1

Annual length of stay for no nostalgia tourists in San Francisco Cajonos, Oax., 2006



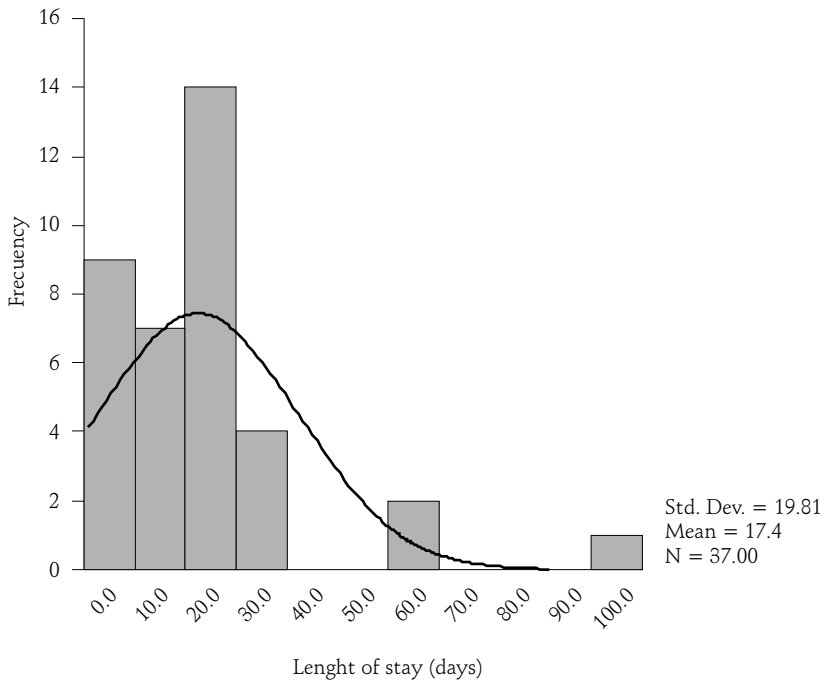
Source: «Nostalgia tourism» survey conducted in San Francisco Cajonos, 2006, ITO.

*Length of stay.* Fig. 2 shows the highly variable length of visitor stays in San Francisco Cajonos: the annual average is 17.4 days with a standard deviation of 19.81 days. It is important to note that this annual stay period is usually encompassed by a single visit, although at times it can be the sum of several trips.



FIGURE 2

Annual length of stay for no nostalgia tourists in San Francisco Cajonos, Oax., 2006



Source: «Nostalgia tourism» survey conducted in San Francisco Cajonos, 2006, ITO.

*Visitor sources.* Almost half of the visitors who arrive in San Francisco Cajonos come from Oaxaca City; 10.8% travel from other parts of the state. In total, state visitors comprise 59.4% of the total influx; Mexico City accounts for 16.2%, as does the state of California in the United States. Other parts of Mexico amount to a bare 8.1% of visitors (Table 1). The cities of Oaxaca, Mexico and Los Angeles account for 70.2% of visitors, and their relative attendance depends on distance and the presence of a San Francisco Cajonos club in their area. Oaxaca City, which is less than 100 km. and can be reached by a highway that crosses the sierra, sometimes at heights of 3,100 meters of altitude, accounts for a sixth of total visitors, while Los Angeles, thousands of kilometers away, accounts for 5.4%. In fact, the San Francisco Cajonos Los Angeles club comprises practically all Californian visitors and manages collective remittances for development projects in the village. That is, international visitors reside in the U.S. state of California and are mostly concentrated in the metropolitan Los Angeles area (Reyes Morales and Gijón Cruz, 2005). They tend to stay for longer periods of time, although this largely depends on their migration status.



TABLE 1

Origin of nostalgia tourists in San Francisco Cajonos, Oax, 2006

VISITORS		VISITOR ORIGIN		FREQUENCY	PERCENTAGE
TYPE	%	CITY	STATE		
National	86.5	Ciudad de Oaxaca	Oaxaca	18	48.6
		Ciudad de México	D.F.	6	16.2
		Comalcalco	Tabasco	1	2.7
		Etla	Oaxaca	1	2.7
		Naucalpan	México	1	2.7
		Puebla	Puebla	1	2.7
		San Andres Yaa	Oaxaca	1	2.7
		San Pablo Yaganiza	Oaxaca	1	2.7
		Santo Domingo Xagacía	Oaxaca	1	2.7
International (United States)	13.5	Los Ángeles	California	2	5.4
		Rosemead		1	2.7
		Sacramento		1	2.7
		Tracy		1	2.7
		Van Nuys		1	2.7
		<i>Total</i>		37	100.0

Source: «Nostalgia tourism» survey conducted in San Francisco Cajonos, 2006, ITO.

*Visitor characteristics and service demand.* National nostalgia tourists tend to be equal in terms of the number of males and females. In the case of international visitors, the influx is three fifths male and two fifths female. Accommodation does not seem to be a problem for visitors since most of them have a place to stay. In 54% of the cases family members provide accommodation, while 27% of nostalgia tourists have a home of their own (Table 2). Oftentimes, nostalgia tourists are accompanied by other family members (78.4%) or friends (5.4%), and there are times when there is not enough space for companions. There is a need for a hostel or hotel that can provide basic touristic services; a potential solution would be to rent the houses of absent inhabitants (other migrants) to improve access to accommodation.

TABLE 2

Types of accommodation used by nostalgia tourists in San Francisco Cajonos, Oax., 2006

ACCOMMODATION	FREQUENCY	PERCENTAGE
With other family members	14	37.8
With parents	10	27.0
Their own home	10	27.0
Do not stay in San Francisco Cajonos since they live in neighboring communities.	2	5.4
With friends	1	2.7
<i>Total</i>	37	100.0

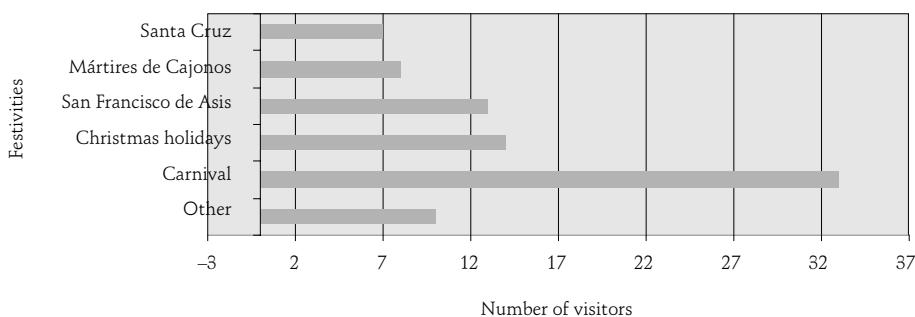
Source: «Nostalgia tourism» survey conducted in San Francisco Cajonos, 2006, ITO.



The influx of nostalgia tourism coincides with religious festivities and the Christmas holidays (Fig. 3). The main festivities are Carnival, the Feast of Saint Francis of Assisi, and the recent veneration of the «Fiscal Saints», also known as the Martyrs of Cajonos. These feasts and reuniting with family are the main attractions for nostalgia tourists. Because of this, the «touristic package» includes 1) attending community festivities; 2) spending time with the family, and 3) teaching children and grandchildren about ancestral traditions. In these conditions, services such as the sale of food and crafts play a complimentary role, since accommodation is guaranteed.

FIGURA 3

Festivities with the highest visitor influx, San Francisco Cajonos, Oax., 2006



Source: «Nostalgia tourism» survey conducted in San Francisco Cajonos, 2006, ITO.

The state of touristic services demand in San Francisco Cajonos is reflected in the influx of nostalgia tourists and characterized by a well-defined seasonal calendar that is subject –like tourism in the rest of Mexico– to the state of the national and international economies. According to data collected by Mexico's Ministry of Tourism (Sectur, 2005), the registered average annual stay of 17.4 days is much higher than state (1.84 days) and national (1.71 days) averages. Although migration status places important restrictions on nostalgia tourists, the communal sense of belonging tends to override these concerns. Migrants will risk leaving the United States, even if they later have to pay over 2,000 USD to a *coyote* to return.<sup>2</sup>

Once the nostalgia tourists have arrived in their community of origin there are three important variables that need to be taken into account to provide a satisfactory stay: the visitor's needs, desires, and obtained benefits (Grünwald and Pantano *et al.*, 1999). The choice of a holiday destination can be evaluated through nominal scale variables. The desire to visit birthplace and family and participate in the town's feasts constitute a collection of needs for which nostalgia tourists must save for months or even years. The results of the survey carried out in San

<sup>2</sup> Current border-crossing costs are 2,000 USD per child and 3,000 USD per adult.



Francisco Cajonos during the 2006 Carnival (Table 3) shows that visiting family and vacationing are ascribed the same importance; local festivities and the safeguarding of tradition are seen as less important. And yet, these motives are not mutually exclusive; in fact, they tend to be complementary, because visiting family also allows tourists to carry out the other activities, either simultaneously or successively.

TABLE 3

Reasons why nostalgia tourists visit San Francisco Cajonos, Oax., 2006

REASONS FOR VISIT	FREQUENCY	PERCENTAGE
Family visit	14	37.8
Holidaying	14	37.8
Attending community festivities	5	13.5
Safeguarding customs and traditions	3	8.1
Business	1	2.7
Total	37	100.0

Source: «Nostalgia tourism» survey conducted in San Francisco Cajonos, 2006, ITO.

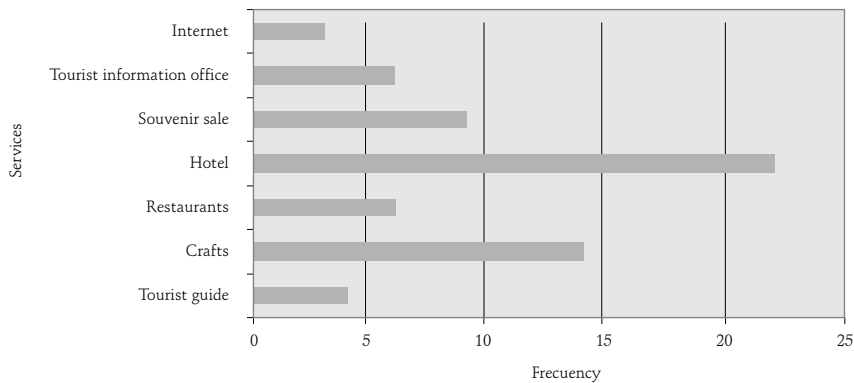
The development of certain services in San Francisco Cajonos would considerably improve the local touristic offer while providing additional benefits to the visitor. These services would also attract a higher number of nostalgia tourists and, above all, their companions, who do not share the same communal roots. Nostalgia tourists were asked which touristic services they considered most important (the survey included nine choices of closed questions and one open question) and expressed the following preferences (Fig. 4): 1) a hotel, 2) sale of traditional crafts, 3) souvenirs, 4) restaurants, 5) tourist information office, 6) tourist guides, and 7) Internet. The first three could be included in a cohesive project that diversifies the current range of available options and offers entertainment alternatives. The creation of a hotel or guest house could host the companions of nostalgia tourists, while a crafts shop or market could sell both local and regional crafts tourists could then take as souvenirs. Guaranteed accommodation would result in a higher number of tourists during religious feasts and the Christmas holidays. And conventional tourists would enjoy the services provided by any other touristic destination: restaurants, souvenir shops, and accommodation. This would probably increase the economic turnover in local productive activities. Hotel and restaurant owners would of course require conditions that ensured their survival during the whole year and not just during peak season, and the municipal authorities would need to support this enterprise by creating a touristic information office and guides for visitors. Many Oaxacan rural municipalities have had successful experiences in this regard and can serve as models.





FIGURA 4

## Service demand in San Francisco Cajonos, Oax., 2006



Source: «Nostalgia tourism» survey conducted in San Francisco Cajonos, 2006, ITO.

But there is also demand for services considered somewhat less important by San Francisco Cajonos visitors. There is a drinking water shortage, and this becomes a major problem during festivities and the month of December. Some proposed that, instead of hotels, the community should build environmentally-friendly cabins situated between the forest and the town. Additional suggestions on how to improve local touristic offer and increase visitor influx were: a market where both residents and visitors can buy basic produce (fruit, vegetables, meat); a public parking lot; a drugstore than can supply the local clinic, and a campaign promoting San Francisco Cajonos as a tourist destination.

## RELATIONSHIPS BETWEEN NOSTALGIA TOURISM AND LOCAL DEVELOPMENT

*Impact of the nostalgia tourism turnover in the local economy*

The community's 2004 SAM (Reyes Morales and Gijón Cruz, 2005) was used as the basis for this analysis. The annual economic turnover was estimated at \$344,074 in the 2006 nostalgia tourism survey.<sup>3</sup> Nostalgia tourists spent \$210,745 on food and clothing, festivities, housing, and health. They also spent \$12,903 in crafts and saved a similar amount in housing-related physical savings. It must be pointed out that, in economic theory, housing is considered twice because it involves material construction expenses while a built house is an asset (physical savings). In short, the total amount channeled into the San Francisco Cajonos economy via nostalgia tourism was \$236,551. To evaluate the impact on the economy we carried out a simulation using multiplier models in accordance

<sup>3</sup> The 2005 population and migration census data and the results of the 2005 ethno-survey were also considered (Reyes Morales y Gijón Cruz 2005).



with the method proposed by Yúnez Naude and Taylor, 1999; Reyes Morales *et al.*, 2005a. We used the General Algebraic Modeling System (GAMS) to calculate the spending multipliers using a routine provided by the Program for Studies on Economic Change and Sustainability in the Mexican Agricultural Sector (PRECLESAM). The results of this simulation appear on Table 4. The economy, measured by the GDP, grew 1.5% in relation to the previous year. Backyard animal breeding grew 92.7%; this activity includes the keeping of hens, turkeys, sheep, oxen, calves, and horses (See Table 5). Visitors increase local consumption of eggs, sheep barbecue, and small-scale backyard production of bread, *mezcal*, and crafts. In short, there is a boom in backyard production.

TABLE 4

Impact of family remittances and nostalgia tourism turnover in San Francisco Cajonos, 2004-2006

	BASE (2004)	REMITTANCES (2005)		NOSTALGIA TOURISM-RELATED COMMUNITY SPENDING (2006)	
		20% DEVALUATION OF THE PESO	4.4% GDP GROWTH IN THE UNITED STATES	ACTIVITY	INJECTION
EXOGENOUS CHANGE (Pesos)					
1) Remittances destined to non-agricultural activities.		17,178		Com- merce and services	210,745
2) Increase of remittances destined to non-agricultural activities.			3,780	Physical savings	12,903
3) Contribution of exogenous change to account income.		1.022	0.225	Crafts	12,903
<i>Changes in income %</i>					
<i>Real Gross Domestic Product (GDP)</i>	<i>3'776,871</i>	<i>0.442</i>	<i>0.097</i>		<i>1.498</i>
PRODUCTION					
1. Agriculture for personal consumption	1'085,207	0.093	0.021		0.757
2. Backyard animal breeding	77,475	-0.058	-0.013		92.660
3. Natural resources (firewood)	257,428	0.150	0.033		0.508
4. Commerce and services	4'095,503	0.122	0.027		7.649
5. <i>Crafts production</i>	<i>1'753,853</i>	<i>0.982</i>	<i>0.216</i>		<i>0.744</i>
FACTORS					
1. Land	15,688	0.093	0.021		0.757
2. Capital	148,371	0.348	0.077		2.304
3. Salaried work	1'521,477	0.504	0.111		1.832
4. Family work	2'091,335	0.406	0.089		1.203
INSTITUTIONS					
1. Remittance-receiving households	8'508,130	0.086	0.019		0.295
2. Non-remittance-receiving households	6'160,883	0.209	0.046		0.702
3. Community organization	100,000	0.000	0.000		0.000
4. Government	411,346	0.115	0.025		2.297



SAVINGS-INVESTMENT					
1. Physical capital	-42,590	0.190	0.042		-0.297
2. Human capital	926,615	0.112	0.025		0.000
OUTSIDE RELATIONSHIPS					
1. Rest of the region	8'077,240	0.170	0.037		2.688
2. Rest of Mexico	5'775,340	0.047	0.010		0.158
3. Rest of the world	5'281,433	0.005	0.001		0.016

Source: *Impacto de las remesas*: Reyes Morales, Rafael G. and Alicia Sylvia Gijón Cruz. 2005. *Economía, Migración transnacional, Cultura y Religión en San Francisco Cajonos*, Instituto Tecnológico de Oaxaca, Mexico; *Impacto de la derrama del turismo nostálgico: «Nostalgia tourism»* survey conducted in San Francisco Cajonos, 2006, ITO, and accounting multipliers calculation using GAMS by Andrés Cuauhtémoc Cruz Contreras.

The growth of the general economy and in particular of backyard agriculture is reflected in the demand for salaried and unpaid family work, which grow 1.83 and 1.20%, respectively (Table 6). In San Francisco Cajonos it is not necessary to take the agricultural and food production surpluses to a regional market, since they are consumed locally (compare local and regional sales, Table 7). Crafts are the only exception. The response of personal consumption agriculture to touristic spending was barely noticeable (0.76%) because in 2004 this activity had a negative value in regards to family labor expenditure<sup>4</sup> (see far right column on Table 6). Personal consumption agriculture provides food to producing families and others in the community who receive gifts or supplies for backyard animal breeding (stubble and low quality corn grain). Any surplus goes to backyard animal breeding rather than the market.

Other spheres that show visible responses to nostalgia tourism turnover were: the rest of the region (2.69%), capital (2.30%), government (2.30%) and salaried work (1.83%). Increase in capital is related to the acquisition of tools, equipment, machinery, and vehicles used in businesses and production in general. The growth in salaried work shows that households liberate workforce in response to local labor demand. The activities that require workforce are: personal consumption agriculture; backyard animal breeding; production of animal produce (unprocessed meats); small-scale manufacture (food and drinks); construction, and firewood collection. Workforce demand increases during festivities. Conversely, the government aspect implies a loss of money in the form of taxes, which rise along with the increase of local economic activity. The rest of the region also uses the community's money to buy production and commercial supplies and services, as well as the schooling expenses of those children who attend outside schools. These expenditures decrease as we move toward the national (the rest of Mexico) and international spheres.

<sup>4</sup> I.e., net agricultural income.



TABLE 5

Backyard agricultural production, stockbreeding, and manufacture for personal consumption in San Francisco Cajonos, 2004.  
(Sample values)

	BACKYARD PRODUCTION			FIREWOOD EXTRACTION	PERSONAL CONSUMPTION AGRICULTURE
	AGRICULTURE	STOCKBREEDING	ANIMAL-BASED PRODUCTION AND OTHER MANUFACTURE <sup>A</sup>		
<i>Gross production value</i>	\$17,283	\$-39,155	\$306,398	\$43,000	\$62,897
Local sales	\$3,783	\$22,740	\$294,448	0	\$2,050
Regional sales	0	0	\$8,050	0	0
Personal consumption (human)	\$6,758	\$11,520	\$3,000	\$42,400	\$5,6971
Personal consumption (transformation)	\$5,425	0	0	0	\$754
Production value transferred to other households	\$1,335	\$680	\$1,000	0	\$3,122
Local salaries	\$600	\$2,750	\$150	\$1,400	\$24,720
Regional salaries	0	0	0	0	\$2,080
<i>Family labor payment</i>	\$16,474	\$-13,172	\$206,516	\$35,195	\$-3,313
Local supplies	0	\$ 6512	\$ 9,460		\$ 21,631
Regional supplies	\$126	\$13,704	\$76,476	0	\$1,420
Personal supplies	0	\$4,747	0	0	\$3,186
Losses	-	\$13,390	-	-	-
Product	Corn Bean Squash Chickpea Vegetables Coffee Fruits	Hens Turkeys Sheep Calves Bulls and cows Horses	Egg Barbecue <i>Mezcal</i> Tortillas Textile crafts Embroidered pieces Wooden articles Metallic structures	Firewood	Corn Bean Squash

<sup>a</sup> Manufacture includes crafts (textiles and embroidered pieces).

Source: Social accounting matrix, San Francisco Cajonos 2004, ITO 2005; personal calculations.

Let us now analyze the response in sectors that received turnover-based money in the simulation. The commerce and services sector, which received 89.2% of the money injection, only grew 7.65% despite being the largest economic sector (see Table 6, second column). The explanation lies in the seasonal nature of nostalgia tourism, which does not generate a demand for goods and services throughout the year. This is why business owners make their most significant investments during the season of nostalgia tourist influx. The rest of the



year, their clients comprise only 261 people with low purchasing power. This situation contrasts with that of Teotitlán del Valle and Villa de Mitla, where influx varies throughout the year but never completely ceases. The proximity of Oaxaca City, an important national tourist destination, attracts visitors to the crafts markets and museum in those two localities.

Crafts production and physical savings received 7.65% of the money each, but the response was quite limited. The first activity grew only 0.744% while the second one decreased  $-0.297\%$ . Currently, crafts production shows a very low capacity of response to an increase in demand. Specifically, the production of nets and hammocks has been decreasing over the past decades. The production process included the extraction of the *ixtle* fiber from the maguey and the elaboration of handmade articles for agricultural and recreational use (nets and hammocks, respectively); the artisans were unable to adapt to the substitution of *ixtle* with synthetic fibers and found migration to be the solution to unemployment. Artisan emigration led to a loss of knowledge and experience in this field. Conversely, the production of lamb barbecue, tortillas, bread, and *mezcal* have been the most responsive to touristic influx. From this point of view, the establishment of a specialized shop or crafts market would promote the sale of handmade products as long as this is accompanied by a tourism promotion campaign.

The negative response in the sphere of physical capital has an explanation intrinsic to the multiplier model which, being linear, shows a tendency in the direction indicated by the SAM. In the second column of Table 6 we can see that the local economy had a negative response in 2004. That is, the balance between construction spending and the sale of housing and urban plots was negative. This can be partially explained by an absence of a real estate market in rural areas that is even more dramatic in indigenous communities. Property ownership is usually passed on from parents to children, and outsiders are usually not allowed to buy agricultural land, urban plots, or houses unless they join the community through the cargo system. Another way for males to acquire agricultural plots is to solicit a *parcela* from local agricultural authorities as long as the applicant has fulfilled the tasks assigned by the communal assembly. Housing construction or improvement is usually financed with remittances. However, remittance flow for construction is not received every year, nor is it sent to every family. In short, the turnover of nostalgia tourism reduced the negative savings in physical capital to a value close to zero because housing expenditures grew so much they almost compensated the structural negative savings reported in 2004.

Finally, it is important to point out the effects in the spheres that did not respond to the money injection: community organization and savings in human capital. Although community organization is related to the organization and financing of local festivities, it does not respond to an increase in nostalgia



tourism influx or one in family remittances (compare columns 3, 4 and 5 in Table 6): it responds to the collective remittance flow sent from clubs in Los Angeles and Oaxaca and Mexico cities. Nostalgia tourists do not pay to attend festivities but contribute money to the local club in their place of residence. At the same time, the community makes voluntary material contributions to the feast while the Municipal Council provides funds. This is the reason why the SAM does not register links between community organization and tourists. There was also no perceivable link between touristic turnover savings in human capital (investment in education), even though there is one in the case of family remittances. During their visit, migrants do not assign money to their children's education and it is remittances that finance this household expense. Migrants who visit their communities of origin do so strictly in the capacity of nostalgia tourists; it is when they are absent that they send money to help sustain and improve their family's quality of life.

### *Tourism turnover versus family remittances*

Table No. 6 shows the results of two simulations that estimate the impact of family remittances in the San Francisco Cajonos economic structure during 2006. The first is based on the potential devaluation of the peso by 20% due to the increased value of the USD and, consequently, an increase in the value of remittances. The second takes into account an increase in remittances proportional to the growth of the U.S. economy in 2006 (4.4%). Craft production receives \$17,178 in the case of the devaluation scenario and \$3,780 in the second. These two simulations produced a growth rate below that of the nostalgia tourism turnover simulation (Table No. 6). At the same time, nostalgia tourism affected the local economy in ways that contrast with the devaluation of the peso and the growth of the U.S. economy.

The economic turnover of nostalgia tourism produces the most impact in economic activities, especially backyard animal breeding and, to a lesser extent, commerce and services. Because of this, factors of production, especially capital, grow significantly. The growth of primary and tertiary activities does, however, show a money outflow to the rest of the region and in the form of taxation.

The two simulations concerning family remittances benefit families more than they do economic activities, with the exception of crafts production. That is, remittances finance family consumption while strengthening crafts production. Households that do not receive remittances benefit from the salaries paid by households that do. At the same time, the financial income obtained through the sale of workforce allows an increase in physical savings (housing) and education investment (human capital). Finally, the growth of the local economy in response to the rise in remittances results in a larger money outflow to the rest



of the region than in the case of nostalgia tourism. Increased money outflow in the San Francisco Cajonos economy is due to two factors. One is that the economy is incomplete, lacking banks or savings banks that provide financial services and enable the recycling of the money that flows into the community via remittances, tourism economic turnover and government subsidies (Goldring, 2004; Reyes Morales *et al.*, 2005b). In these conditions, most of the money that enters the community flows out to the regional market, where household and business goods and services are bought. The second reason is that productive local activities cannot satisfy the population's demand for goods and services, nor do they produce a surplus than can be sold in the regional market to compensate the money loss.

Several of the local productive activities are for personal consumption (agriculture, backyard breeding, firewood extraction), while commerce and services are targeted at the local market and only crafts production reaches the regional market (Table 7). Regional commercial exchange results in a deficit that is compensated with remittances and government subsidies. That is, the money flow that enters the community is lost to the rest of the region and has consequently a limited impact on local development.

## CONCLUSIONS AND SUGGESTIONS

### *The lessons of nostalgia tourism in San Francisco Cajonos*

Visitor influx to San Francisco Cajonos is mostly comprised of native emigrants who left to improve their quality of life and return temporarily to visit their families, rest, and participate in local festivities. Their visits are motivated by a need to maintain family, communal, and cultural bonds since, according to Hirai (2002), these emigrants experience a sense of loss in regards to their home and their past. Their affective attachment to family and community is part of a set of family-learned values they seek to safeguard and pass on to younger generations.

Nostalgia tourism can last as long as migrants and their descendants maintain ties to their parents' community of origin. In Europe, many tourists tend to visit the towns of their ancestors, who may have left the locality centuries before, and search for traces of their inherited culture. Likewise, European and North American tourists, consciously or unconsciously, try to locate their vanished rural cultures –which disappeared during the industrialization, urbanization, and globalization processes of the 20<sup>th</sup> century– in the crafts, traditional food, and dances of Oaxaca. That is, nostalgia tourism can also lead to an influx of cultural tourism, which, in the future, should be large enough to compensate for the slow decline in nostalgia tourism. Teotitlán del Valle and Villa de Mitla, two touristically appealing localities in the central valleys of Oaxaca, are excel-



lent examples. Other factors that might lead to a decline in migration to San Francisco Cajonos are the stagnating U.S. economy and stronger immigration reduction measures in that country. San Francisco Cajonos has a crafts tradition, an archaeological zone, natural beauty, a local museum, a music band, folklore, a graphic arts workshop, and traditional cuisine. All of these attributes rival those of the above mentioned communities. The village could play a strategic role among the towns of the Sierra Norte highlands, as it is located at the crossroads of the several highways that link most of the district's communities.

A large percentage of immigrants around the world visit their places of origin in the capacity of nostalgia tourists, but no government has touristic policies aimed at their own national diaspora, which results in a considerable loss of economic opportunities for communities of origin (Orozco, 2003; Candor, 2005; Reyes Morales *et al.*, 2004).

In this case, family remittances benefit families more than they benefit economic activities. Even households that do not receive remittances benefit from the salaries paid by remittance receiving households and can therefore increase their liquidity, physical savings (housing), and education investment (human capital). Finally, the growth of the local economy, fostered by an increase in remittances, also increases external dependence. This is due to the fact that the economy is incomplete and lacks banks that provide financial services and enable the recycling of the money flowing into the community. Rural economies tend to have little diversification; they are based on personal consumption and their reduced surplus goes to satisfy local demand or compensate external deficit. Commerce and services are targeted at the local market and only crafts production reaches the regional market. Regional commercial exchange results in a deficit that is compensated with remittances and government subsidies. That is, the money flow that enters the community flows out to the rest of the region.

### *Family remittances or nostalgia tourism economic turnover?*

Family remittances are used to improve the quality of life and increase consumption in receiving households, but they also have a positive impact on crafts production. The economic turnover of nostalgia tourism mostly benefits economic activities, particularly backyard animal breeding, commerce, and services. This leads to increased production and, above all, capital and salaried work. The multiplier model estimates a governmental expansion because the seasonal economic turnover leads to financial outflow in the form of taxes. These losses also spread to the «rest of the region», which provides local households with goods and services. This happens in the case of both remittances and nostalgia tourism because the San Francisco Cajonos economy, as that of other Mexican rural communities, lacks financial services (banks, microbanks, etc.). This structural prob-





lem can be found in developing countries as well as most industrialized ones. In such a context, the benefits of nostalgia tourism and remittances have a limited effect on local development, since money outflows tend to benefit businesses in the regional market (Reyes Morales *et al.*, 2005b).

The proposal of creating a touristic development plan than can attract more nostalgia tourism and increase its spending would result in local benefits. We propose the creation of a traditional crafts market, hotels or guesthouses, and restaurants. This package intends to extend the turnover of nostalgia tourism beyond the high season and attract regional, national, and international visitors traveling from Oaxaca City.

We can conclude that the nostalgia tourism turnover temporarily activates the San Francisco Cajonos economy, while remittances support families. Even though visitors here tend to stay longer than those in the whole state of Oaxaca and the rest of Mexico, this cannot sustain a process of local development. This is partially due to the absence of financial services that can recycle the money derived from tourism and remittances. At the same time, there has so far been a failure to utilize the comparative advantages of San Francisco Cajonos, which can be promoted as a rural tourist destination. The quick survey regarding the demand and offer of touristic services yielded reliable and precise results. The SAM is a very reliable tool with which to measure the effects of nostalgia tourism turnover in the local economy through the use of multiplier models, and the same can be said in the case of remittances. This enabled a comparison of between the two and the most important result is, perhaps, having determined that nostalgia tourism strengthens economic activities while remittances benefit consumption and household welfare.

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