Land Tenure and Tourism Development in Nicaragua

A case study from Playa Gigante

Anna Guðbjört Sveinsdóttir

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Centre for Development and the Environment
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1. Introduction

This thesis seeks to examine how processes of tourism and real estate development are transforming land tenure along the southwestern Pacific coast of Nicaragua. The purpose of this qualitative case study is to understand how these processes are changing control over, and access to, land and resources in the area. Furthermore, the thesis discusses how these processes are amplifying land conflicts in the area. I hope that the knowledge generated from this study can offer new insights into how these processes are having an effect on the lives and livelihoods of the people of Playa Gigante and surrounding areas.

This study used a qualitative case study methodology to illustrate the processes being discussed. The analysis and discussion in this thesis was guided by a political ecology framework and is based on fieldwork on site in Gigante.

This chapter begins with an overview of the context and background which frames the study. Following this is the statement of purpose and research questions. Also included in this chapter is a discussion of the proposed rationale and significance of this research study.

1.1 Background and context

1.2 Arriving in Nicaragua

I remember well arriving in Managua early last September. We had clear skies flying in over the northeastern part of the country and the view was stunning. Lush, green rolling hills and mountains covered everything and brown rivers snaked along the dark green landscape. Only a couple of settlements were to be seen strewn here and there. Then, as we approached Managua the lakes and the volcanoes greeted us; a truly spectacular sight which I will never forget. It
was hot and humid upon landing at around noon. Quite the contrast to the seven degrees Celsius I had left in Reykjavík only a few days earlier. The Augusto César Sandino International airport is not exactly tiny but not too far from it either.

I had arranged for a pick up at the airport through the friend-of-a-friend who runs a Spanish school in Gigante, and with whom I was going to take Spanish classes for the first couple of weeks. Thank goodness for having decided against trying to do this on my own. Finding your way around Managua is not for the faint of heart and without speaking Spanish or prior knowledge of Nicaragua, I would certainly have been bound for failure. In the devastating earthquake in 1972 much of the city was destroyed and was never really rebuilt with much urban planning in mind. There is no downtown in Managua and there is no center of things. When asking for directions in Managua, it is not uncommon for the answer to include “donde fue” – where something used to be – as in before the earthquake. In fact, Managua is in general regarded as uninviting to international visitors, who usually venture out to other parts of the country.

Juan and his cabdriver friend were waiting for me with a little handwritten sign on the other side of a glass door and greeted me with a huge grin, and just like that we were on our way to the coast. The drive to the coast took about four hours. You can make it in a lot less time but our poor little taxi had seen better days. The drive down south was pleasant and I got a glimpse of what was to be my home for the next couple of months. The highway was strewn with signs advertising Victoria and Toña beer, Flor de Caña rum and luxurious beach resorts, and rather comically accompanied by giant murals of “el presidente,” Daniel Ortega, and pro-government slogans.

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1 The airport was recently spruced up with five million dollars in U.S. support (Babb 2011)
As we neared the coast, the surroundings became more and more untamed and the roads steadily worsened. I had been under the impression that I was going to be living next to a beach, but as far as I could tell we were just driving farther and farther into a giant jungle. I knew little or nothing about the family I was going to stay with; all Juan had told me so far were their names. In the late afternoon we arrived at a little orange colored house and Juan introduced me to Doña Reyna, the lady of the house. He gave me instructions on how to get to the beach and the restaurant housing the Spanish school, and just like that he was off and I was left in the home of a couple of strangers who didn’t speak a word of English.

Through some improvised sign language and a great deal of patience we were able to communicate the first couple of weeks. Doña Reyna and her husband Don Juan Francisco, who are in their mid-forties, live together with their 18-year-old daughter Reynita and their 1-year-old grandson Raulito. Raulito’s mother, Rosalia, lives and works in Costa Rica most of the year, like so many Nicaraguans. Reyna and Juan Francisco’s son, Alan, lives next door with his wife and their two young sons.

Reyna, like so many Nicaraguan women, is a housewife and managed the family’s home and taking care of the children. Reyna also ran a little pulpería from their home which always had a steady flow of customers from the neighborhood. In Reyna’s house people were always coming and going, whether to shop at the pulpería, to pass on the latest town gossip, borrow a bit of rice, or maybe to grab a bite to eat. Reyna was an amazing cook and at times I felt like she was feeding the whole neighborhood. There were also always a group of kids running around the house and the yard; a mixture of the neighborhood kids and Reyna’s grandchildren. I can’t remember a single day

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2 Remittances from Nicaraguans living abroad, largely Costa Rica, are estimated to supplement the incomes of 40% of Nicaraguan households (USAID 2011).

3 A pulpería is a small general store, usually family run and in someone’s home.
where at least one naked toddler didn’t run across Reyna’s freshly cleaned floors with mud-splattered feet, resulting in some choice Nicaraguan swear words. I sometimes got the impression that Reyna took care of the kids around the place, and to an extent the grownups too. A lot of the people living in the little cluster of houses along the part of the road that Reyna and Juan Francisco lived on were their extended family. Reyna’s father, Martin Mora, lived across the road from us and claimed with much bravo to be the original living Gigantite. His parents had been cuidadores (caretakers) back when the area had been one of Somoza’s private estates, called finca Güiscoyol, which had been used for cattle ranching. His parents had moved to the area when he was a just a boy and since then his family has had a presence in the area.

That being said, Reyna’s motherly role among the people in the neighborhood wasn’t just out of familial duty. As I would learn in the next couple of months, Nicaraguans are sharing and there is a strong camaraderie among the people in Gigante. A family may not have two pennies to rub together, but that won’t stop them from inviting you to dinner; or giving you fresh caught fish, or fruit from their garden. While I may have thought that Reyna and Juan Francisco’s house was humble when I first arrived, I soon learned that they were in fact one of the better off families in the area and had quite a lot of land compared to others. Their house had three bedrooms, a little kitchen, tiled floors, a new roof, electricity, and the most extravagant of all, a flushing indoor toilet and a shower.

While these amenities are something that most of us living in Western Europe consider a minimal standard of living, in rural Nicaragua they are in fact quite luxurious. It is not unusual for an entire family to live in a one-bedroom unit. Flooring is a luxury, and so is indoor plumbing, or just access to running water for that matter. The poorest families live in shanty homes which they have built themselves using wood poles for structure, the walls are made of black plastic sheeting and the roof is made of single sheets of corrugated iron (zinc).
The homes are then hooked up to the electric grid, usually using a long tree branch and some electric wiring. So while I may have been under the impression that I was ‘roughing it up’, or ‘slumming it’ as the other foreigners living in the hostels and surf camps down on the beachfront called it, I was in fact living a lot better than many of the locals.

1.3 Land tenure and political change in Nicaragua

Tourism development and land tenure in Nicaragua cannot be understood without taking into account the country’s and the region’s historical context, their political and economic settings, and the profound transformation of the agrarian sector in the past decades. A historical context is essential to restore a sense of agency of contending social classes, as well as an appreciation of how historical contingencies may affect outcomes of tourism development. The spaces in which tourism and real estate development occur have almost always been created and shaped by earlier processes of political contention, longstanding patterns of land tenure and use, and pre-existing social formations (cf. Edelman, Oya & Borras 2013).

Central America is a region with a long history of agrarian conflicts. The extraordinary concentration of landownership and the entrenched position of a small but powerful land-based elite has been considered as one of the primary causes of the impoverishment of the rural population in Central America and as a fundamental hindrance to the sustained, just development of their societies (Brockett 1998).

One of the fundamental causes for the current crisis in Central America is the system of domination elites established over the centuries in order to pursue their material goals (Brockett 1998). Elites have often sought their wealth through the development of primary – usually agricultural – exports. Adequate foreign markets, however, have been a recurrent problem for four centuries.
Sufficient land and labor have also been problematic, but elites have had more control over these factors. Central to most of the transformations of the past has been the expropriation of land and labor from the peasantry in order for the elites to pursue their objectives. For their part, the rural majority has seldom been in a position to determine development policy; instead they have been the subjects of policy, and too often, its victims. Although the implementation of the agro-export development model has brought great wealth to some, for much of the peasantry it has meant the loss of land, food security, and autonomy as they have been thrown into unequal competition against more powerful interests for control of land and other resources. At times, they have even been coerced into laboring for those interests. Peasants have resisted their dispossession and subjugation over the centuries but, alas, with limited success. During the 1970s and 1980s, conflict and resistance intensified, above all in Guatemala, El Salvador and Nicaragua. In addition, the peasants’ struggle was embraced by armed revolutionaries, who found support from some politicized peasants. As a result, government counterinsurgencies targeted innocent peasants, a form of repression that grew especially brutal in Guatemala and El Salvador, but also in Nicaragua (Brockett 1998).

Agrarian structures, issues, and conflicts, then, are vital to understanding contemporary Central America, and in our case, Nicaragua. The history of land tenure in Nicaragua has been especially turbulent over the past three decades. Land ownership in Nicaragua has traditionally been highly concentrated (de Janvry et al. 2001, Broegaard 2009) and reflects the pattern of domination established by elites over the centuries (Brockett 1998). The Sandinista revolution in 1979 aimed to disrupt this hierarchical pattern, and proclaimed a land reform to redistribute land more equally (Broegaard 2009). Idle land, indebted farms and the land holdings of the former Somoza family
dictatorship⁴, and their close associates, were confiscated (CIERA 1984, Dorner 1992, Stanfield et al. 1994), and large amounts of land were converted into agricultural co-operatives and given collectively to the beneficiaries of the land reform (Maldidier and Marchetti 1996).

The electoral defeat of the Sandinista government in 1990 led to a second era of land reform, and the privatization of millions of acres and hundreds of enterprises reflected political preferences for the unbridled market (Everingham 2001). In 1990, the Chamorro government began to liquidate state corporations. The initial stage of privatization was rife with “spontaneous” acts that benefited close allies of the Somoza regime; much like many former Sandinista officials had benefited from and acquired assets in the “piñata⁵,” the freewheeling appropriation of state goods following the 1990 defeat (Broegaard 2009, USAID 2011). The Chamorro government also restored the rights of land owners whose land had been confiscated by the Sandinista government. At the same time, poor families were promised that they could keep the land they had so newly acquired through the Sandinista land reform. To further complicate things; as part of the peace treaty signed at the end of the Contra war, former FSLN soldiers and counter-revolutionary forces were promised land of their own. This land reform often involved land that was already allocated to – and perhaps even titled in the name of – beneficiaries of the Sandinista land reform. The legitimacy and legality of property rights of those benefiting from the Sandinista land reform were challenged after the change of government. The contradictory policies gave rise to competing land claims, tenure insecurity, and conflicts. Many of these

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⁴ The Somoza family was a political dynasty which ruled Nicaragua through a dictatorship for four decades, from 1936-1979 (Kinzer 2007, Zimmermann 2000)

⁵ During a few months interregnum between the election and the inauguration of Violeta de Chamorro, FSLN politicians and officials appropriated hundreds of houses and farms that had been nationalized following the 1979 revolution. The privatization of state property during the Chamorro years made Ortega and many of the top FSLN leaders some of the richest men in Nicaragua (Zimmerman 2000:226)
conflicts became violent (Broegaard 2009:155). Land ownership again became highly concentrated in areas where large landowners successfully asserted their prior rights and dispossessed beneficiaries of the Sandinista reforms (USAID 2011). Both eras of state-led land reform were highly politicized and produced neither the expected nor the desired redistribution of land, and land ownership in Nicaragua continues to be highly concentrated (Broegaard 2009).

Tourism and real estate development in Gigante and Tola are in many cases exacerbating the already present patterns of unequal and insecure land tenure. The contradictory land policies of the 1980s and the 1990s have resulted in competing land claims, tenure insecurity, and conflicts. It has been estimated that more than half of Nicaraguan households have unregistered land, and overlapping titles are still a big problem (Broegaard 2009, Baumeister and Fernandez 2005). More than a decade ago, Stanfield (1995) estimated that 40 per cent of all households in Nicaragua were in a situation of property conflict or potential conflict. Many landholdings are still under contradictory laws and regulations due to inherent ambiguities and overlaps in the existing legislation (Broegaard 2009). Conflicts and competing land claims are only settled slowly, if at all, in the bogged down court system (Merlet and Pommier 2000). As of mid-2001, 83 per cent of the cases of rural farms under court review after the 1990 change of government were still pending or on appeal (EIU 2001). The conflicts discussed in this thesis showcase the immense complexities surrounding land tenure in Nicaragua, especially in coastal areas where land is becoming increasingly valuable. The rapid growth of tourism and real estate development in coastal Tola has happened on the basis of accumulation by dispossession, which has meant the appropriation of land that was still in the hands peasants and had important community ties. We can also see the beginning of a process of increasing ‘elitization’ related to land in which space is being transformed in the interest of capital
accumulation and to meet the demands of more affluent groups of society, and not based on the needs of the local population.

Unfortunately, in many cases, the tourism related land rush which Tola is experiencing seems to be exacerbating the already present patterns of unequal and insecure land tenure, and already existing land conflicts are being amplified as land in the area becomes more valuable. Alas, in many cases legal ambiguity favors the wealthy in Nicaragua, and despite decades of land reform the distribution of land remains highly unequal.

1.4 Statement of purpose and research questions

The purpose of the thesis is to examine how processes of tourism and real estate development are transforming land tenure along the southwestern Pacific coast of Nicaragua.

In this thesis I will argue that the “Emerald Coast” is a spatial product in which Tola’s coastal landscape and the families who live there have been folded into a dynamic with tourists, developers, and elites; through transnational mobility and flow of people and capital, which are shaped by historical, political, social and economic forces. Through spatial production, Gigante and Tola have become a “tourism space,” which has reshaped land tenure and is causing conflict with regards to access and control over resources in the area. Furthermore, the thesis argues that the tourism and real estate “boom” is in many cases amplifying land conflicts in the area.

In this thesis, I hope to showcase the complexity of the issue at hand, and demonstrate how these processes are having an effect on the lives and livelihoods of the people of Playa Gigante and surrounding areas. To shed light on these processes, the following research questions are addressed:
1) How are processes of tourism- and property based development transforming land tenure along the southwestern Pacific coast of Nicaragua?

2) How are tourism- and property based development changing control over, and access to resources in and around Playa Gigante?

3) In what ways are tourism- and property based development generating and/or amplifying conflicts in the area?

4) How are these processes affecting the daily lives of the people living in the area?

1.5 Problem statement

The tourism and real estate development ‘boom’ in the coastal regions of Tola is reshaping land tenure in the area and is causing tensions with regards to access and control over resources. In many cases these processes are exacerbating the already present patterns of unequal and insecure land tenure, and already existing land conflicts are being amplified by the tourism boom. There seems to be little understanding of the seriousness of the transformations entailed in these processes, or what is at stake for the people of the local communities living along the Pacific coast, as tourism continues to develop at a rapid pace.

1.6 Rationale and significance

In recent years, tourism and real estate development have gained prominence in Nicaragua as means to increase foreign direct investment and as a strategy to develop rural areas in the country. Beneficiaries from the revolutionary land reform in Nicaragua have increasingly sold their land to foreign and domestic investors who have discovered the “Emerald Coast” along the country’s southern Pacific coast.
These processes of tourism and real estate development we are seeing along the southwestern Pacific coast of Nicaragua are following a similar pattern to what has happened in other parts of Central America over the last years. In many cases the concentration of tourism- and property based development has happened on the basis of accumulation by dispossession, which has meant the appropriation of land that was still in the hands of peasants and had important community ties. We can also see a beginning of a process of increasing ‘elitization’ related to the land. Space is being transformed in the interest of capital accumulation and to meet the demands of more affluent groups of society, and not based on the needs of the local population.

There is a lack of understanding regarding the seriousness of the transformations entailed in these processes of tourism- and property based development along the Pacific coast of Nicaragua. This lack of understanding is worrying given the intensity and scope of these processes, and becomes increasingly significant when considered within the contexts of insecure and unequal land tenure in Nicaragua, and within a broader context of a global ‘land rush’ and land grabbing.

What this means is that many rural Nicaraguans, faced with the tourism- and property related land-rush, are having to navigate through a treacherous landscape of inequality, poverty, lack or unequal enforcement of rights, power abuse and the use of violence. Unfortunately, the tourism related land rush seems in many cases to be exacerbating the already present patterns of unequal and insecure land tenure, and already existing land conflicts are being amplified by the tourism boom. There is a lot at stake for the people of the local communities along the pacific coast as tourism continues to develop at a rapid pace.
2. Methodology and research approach

This chapter presents the study’s research methodology and provides a discussion of the following topics: (a) rationale for research approach, (b) description of the research participants and research site, (c) which information was needed to address the study’s problem statement and research questions, (d) an overview of research design, (e) which data-collection methods were used and why, (f) data analysis, (g) a discussion of ethical consideration, (h) issues of trustworthiness, and (i) limitations of the study. The chapter then concludes with a brief concluding summary.

2.1 Rationale for research approach

2.1.1 Qualitative research

Given the research issue and purpose, and the nature of the research questions being addressed in the study; a qualitative research approach was considered the most appropriate choice of methodology.

Qualitative research is a situated activity that locates the observer in the world. Qualitative research consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a number of representations, including field notes, interviews, conversations, photographs, recordings, and memos. (Denzin and Lincoln 2013: 6-7)

Qualitative research is well suited to promote an understanding of a social setting or activity through interacting with, empathising with and interpreting the actions and perceptions of its actors. Furthermore, qualitative researchers tend to study things in their natural settings, rather than artificial and
constructed contexts (such as laboratories), trying to make sense of or interpreting social phenomena holistically and in the terms of the meanings people bring to them. (Denzin and Lincoln 2013, Scheyvens and Storey 2003: 57) Because understanding is the primary goal of qualitative research, the researcher is the primary instrument for data collection and analysis; the researcher strives to describe the meaning of the findings from the perspective of the research participants; to achieve this goal, data are gathered directly from the participants (Dale Bloomberg and Volpe 2008).

An important assumption that underlies qualitative research is that the world is neither stable nor uniform, and, therefore, there are many truths. Qualitative approaches embrace significant philosophical debates regarding the nature and implications of subjective experience, and the legitimacy or otherwise of reducing this to numerical and easily manipulated ‘pieces’ of data (Scheyvens and Storey 2003: 57).

Qualitative data are analyzed inductively, requiring flexibility in the research design—one of the hallmarks of qualitative research. Data analysis can occur concurrently with data collection. As the data are analyzed, the researcher seeks patterns and common themes. Qualitative research is iterative, in the sense that there is a continuous movement between data and ideas.

Qualitative research requires cognizance of the position and powers of the researcher and the politics of doing research, particularly given the inequalities built into the process of field research within Third World contexts (Scheyvens and Storey 2003).

2.1.2 Case study research

The rationale behind choosing a case study approach was to provide for rich description and insightful explanations of how processes of tourism- and
property based development are transforming land tenure along the southwestern Pacific coast of Nicaragua.

Case studies have become a commonly used tool in qualitative inquiry (although they can be equally applied in quantitative inquiry) and involve studying an issue or problem within its ‘real world’ setting (Moses and Knutsen 2012). In that sense, qualitative case studies are characterized by researchers spending an extended time, on site, personally in contact with activities and operations of the case, reflecting and revising meanings of what is going on (Stake 2000).

Rather than studying a phenomenon in general, a specific example or examples (e.g., “cases”) are chosen within a bounded system (i.e., a setting, a context)(Creswell 2007). The purpose of a case study is thus to understand and describe an issue or problem using the case as a specific illustration. As a form of research, case study is defined by interest in individual cases, not by the methods of inquiry used (Stake 2000).

Yin (2012:18) describes the case study as “an empirical inquiry about a contemporary phenomenon (e.g., a “case”), set within its real-world context – especially when the boundaries between phenomenon and context are not clearly evident”. Therefore, among other features, case study research assumes that examining the context and other complex conditions related to the case being studied are essential to understanding the case (Yin 2012). The qualitative case study approach uses multiple sources of information (e.g., observations, interviews, documents and reports) to provide “depth” to the case, and reports a case description and case-based themes (Creswell 2007).

### 2.1.3 Research participants

An important part of data collection is finding people and places to study, and to gain access to and establish a relationship with participants so that they will
provide reliable data (Creswell 2007: 118). A closely interrelated step in the process involves determining a strategy for the selection or “sampling” of individuals. All empirical research involves sampling, seeing as “you cannot study everyone everywhere doing everything” (Miles and Huberman 1994: 27). There are different ways of sampling, and qualitative and quantitative approaches tend to use different sampling strategies to different means. Qualitative sample sizes tend to be small and purposeful, rather than random and guided by statistical grounds (Miles and Huberman 1994). A purposeful sampling procedure was used to select this study’s sample. Purposeful sampling is a method that is typical of case study strategies. The logic and objective of purposeful sampling is to intentionally sample a group of people that can best inform the researcher about the research problem under examination (Creswell 2007). This allows us to acknowledge opportunities for intensive and in-depth study of the case at hand, which in qualitative research can be a superior criterion to representativeness and generalizability. However, this does not provide a simple approval for a case chosen as it has been determined by subjective judgment. Purposeful sampling demands that the researcher thinks critically about the parameters of the population they are studying and choose their sample case carefully on this basis (Silverman 2010:141).

As a novice student researcher who was unfamiliar with the research area, I was faced with several difficulties in identifying and gaining access to relevant actors and participants for the study. I was also constrained by lack of time and resources. This however doesn’t mean that the importance of identifying from whom the data was collected was ignored. The initial identification of the case and the study area was proposed by my supervisor, who has past knowledge and experience of the area. The case was bounded first and foremost within the community of Playa Gigante, which is located on the southwestern Pacific coast of Nicaragua. The sample drew upon the people living in and around Playa Gigante, but not exclusively. I sought first and foremost to locate a
variety of individuals who could shed light on the different perspectives and complexities of the processes taking place in the area. Documents, reports and news articles were also important.

Initial access to respondents was through key ‘gatekeepers’ who had previous knowledge about the area and an existing relationship with many local residents. Thus, a snowball sampling strategy was employed, where respondents were found and selected and then asking if they knew other persons which could be of interest. Convenience sampling was also used, which occurs when people are chosen because they are conveniently available (Scheyvens and Storey 2003). Once I arrived ‘on site’ and got the ‘ball rolling’ through networking within the local community, many leads started to pop up. This allowed the empirical data to guide the development of the study throughout the progress of the study.

2.2 Study site

This section briefly introduces and discusses the research site, which can be seen in Figure 1. (Taylor 2013), from a broader socio-economic and geographic description of Nicaragua to a description of the Municipality of Tola and the study site itself located in the coastal community of Playa Gigante.

2.2.1 Nicaragua

Nicaragua is the largest country in Central America occupying a total area of 130,373 square kilometers. At the same time, Nicaragua is also the least densely populated country in the region with only 5.9 million inhabitants (World Bank 2012). The country borders the Caribbean Sea to the east, the North Pacific Ocean to the west, Honduras to the north and Costa Rica to the south.
The country has three regions: (1) the Pacific region (15 per cent of total territory), with fertile plains, two large lakes, the largest cities, including the capital Managua; (2) the Central region (30 per cent of land mass), with mountainous terrain and some small valleys; and (3) the Atlantic region (55 per cent of territory), with flat wooded topography and rich in forests (USAID 2011).

The country is prone to natural disasters; severe tropical storms, hurricanes, earthquakes, landslides and volcanic eruptions (FAO 2014). Nineteen per cent of Nicaragua’s 2008 GDP of 6.6 billion USD was derived from agriculture, 30 per cent from industry, and 51 per cent from services. The agricultural sector employs about 45 per cent of the country’s work force. 75 per cent of agricultural production is for domestic consumption. The primary
consumption crops are beans, rice, and maize. Most families also keep some livestock, primarily cattle, poultry and pigs (USAID 2011). The commercial farming sector produces coffee, meat, sugar, bananas, tobacco and sesame for export.

Tourism is rapidly becoming one of Nicaragua’s top exports, along with coffee and meat. In 2011, tourism brought 377 million USD to the national economy, five per cent of the total GDP. Furthermore, in 2011, over a million tourists visited Nicaragua, a 4.8 per cent increase from the year before (INTUR 2011), affirming the growing presence of tourism in the country.

Despite having come a long way and a promising economic outlook in recent years, Nicaragua remains one of the poorest countries in Central America. Poverty, although steadily declining in recent years, remains high and almost half of the population is estimated to live below the poverty line, whereof 17 per cent are living in extreme poverty (World Bank 2012). This extensive poverty is further exasperated by the fact that the country’s economic resources are very unevenly distributed (Broegaard 2009).

Between 1993 and 2005, the number of poor families remained roughly the same. Levels of poverty are higher in rural areas than in urban areas; roughly 80 percent of extremely poor households are rural, where these poorest people struggle to make a living from agriculture and fishing. The poorest regions are in the central northern region, in the departments of Estelí, Jinotega, Matagalpa, and Nueva Segovia. The poorest households are those with little or no access to land, a condition that affects an estimated 38 per cent of rural households (USAID 2011). Women headed rural households, which compromise about one-fifth of all rural households, are among the poorest (Wiggins 2007, UN-Habitat 2005, World Bank 2010).

Despite being one of the poorest countries in the region, Nicaragua has managed to improve its access to potable water and sanitation and has
amended its life expectancy, infant and child mortality, and immunization rates.

After losing democratic elections in 1990, 1996, and 2001, former Sandinista President Daniel Ortega was elected president in 2006 and re-elected in 2011. The 2008 municipal elections, 2010 regional elections, November 2011 presidential elections, and 2012 municipal elections were marred by widespread irregularities. Nicaragua’s infrastructure and economy are slowly being rebuilt after years of civil war and natural disasters, but democratic institutions have been weakened under the Ortega administration (Central Intelligence Agency, 2013). In early 2014, the President managed to push several constitutional reforms through the National Assembly that now allow him to extend his term in office indefinitely (Enríquez, 2014).

Many Nicaraguans emigrate to Costa Rica, and, to a lesser extent, to the United States. In 2009, Nicaraguans received almost 1 billion USD in remittances from abroad, the majority from the United States and Costa Rica. Remittances provide essential income to 40 per cent of Nicaraguan households (USAID 2011).

### 2.2.2 The municipality of Tola

The municipality of Tola, where the study took place, is located in the department of Rivas, in the southwest of Nicaragua. Rivas boarders Lake Nicaragua (also known as Cocibolca) to the East and the Pacific Ocean to the West. To the north, Rivas has it boundary with the departments of Carazo and Granada and to the south it boarders Costa Rica, and the Río San Juan department to the southeast. The region of Rivas has a population of about 167,000 and its economy consists mainly of tourism, agriculture and cattle ranching.
The municipality of Tola occupies a total of 474 square kilometers and is located 124 kilometers south of the capital city, Managua, and 13 kilometers from the city of Rivas. The municipality counts some 26,600 inhabitants, 86 per cent of whom live in rural areas. Poverty is prevalent in the municipality and Tola lacks in social and physical infrastructure. Both the central and municipal governments have a weak presence in the area (Bonilla and Mordt 2011).

Despite the recent boom in tourism activities in the region, unemployment is still prevalent. According to local numbers, 28 per cent of the population of Tola emigrates to Costa Rica annually in search of better job opportunities (Matteucci et al. 2008). The main economic activity in Tola is agriculture, primarily the cultivation of banana and plantain, followed by the production of basic grains (maize, beans, sorghum and rice). Other important crops are citrus fruit and sugarcane, and to a much lesser extent coffee. These are cultivated for local consumption, local and regional markets, and for export primarily to El Salvador (MASRENACE 2011). Animal husbandry is also an important part of the municipality’s agricultural sector. Cattle-ranching is perhaps the most land intensive form of agriculture in Tola, and an important part of the municipality’s economy. Other forms of animal husbandry (pigs, poultry, horses, pelibuey, goats and more) are also important.

Small-scale fisheries take place along the entire coastline of Tola and are important to local livelihoods. The majority of Tola’s population living in proximity to the coast relies on these fisheries, for both income (be it their only source of income or a vital addition to agriculture and animal husbandry) and food security. The most important fish species caught are red snapper, jacks, Pacific sierra and lobster.

In recent years tourism has expanded along the coastal areas of Tola and the 54 kilometer long coastline (divided into 23 beaches) is now at the center of attention of the government, as well as local and foreign entrepreneurs.
interested in developing tourism and property in the area. An estimate from 2011 (Bonilla and Mordt 2011), claims that there are currently at least 20 major tourism projects in the area. An increasing number of Toleños work within the tourism sector, mainly in construction and hospitality.

2.2.3 Playa Gigante

The study took place in and around the community of Playa Gigante (hereafter Gigante). Gigante is nestled on the coast of the Municipality of Tola, and 16 kilometers from the actual town of Tola. Located in a quiet bay, surrounded by lush forest, rolling hills and the infinite blue Pacific Ocean, Gigante has all the necessary traits of an idyllic beach paradise. In recent years, Gigante and its surrounding areas have become a popular destination for foreign tourists; mostly surfers, but also retired North Americans and Canadians, as well as rich tourists from countries within the region.

The community begins at the southern entrance to town, from the main access road which connects towns along the coast (Salinas-Tola Highway), and runs down to the beachfront, then bends east back towards the main road and ends at the northern entrance, near the village El Tambo (the entire community of Gigante is in the shape of a “U”. See Figure 2. (Taylor 2013)). Playa Gigante is isolated and inhabited by about 480 persons (Project WOO 2011) whose homes are spread along the two dirt roads that lead down to the coast. However, Gigante is growing rapidly and has seen a 13 per cent population increase since 2008 (Project WOO 2011), which means 95 new inhabitants in only three years and well above the estimated national population growth of 3.9 per cent over the same period (World Bank 2012).

The main source of income for these families has traditionally been small-scale artisanal fishing, supplemented by subsistence farming and cattle ranching, but now also increasingly tourism. In fact, there seems to be a steady decline in fishing employment as tourism related employment increases (Project WOO
Many of the fishermen are now turning to tourism, working as boat captains on surf charters and sport fishing tours. Some of the locals have also started working for the surrounding tourist resorts, surf camps and restaurants doing cleaning, laundry and bartending or working in the kitchens.

Before 1979, much of the land in southern Tola was privately owned by the dictator Anastasio Somoza and his associates. The area now known as Gigante was part of one of Somoza’s private estates, called finca Güiscoyol. Until being expropriated in 1979, the estate served a purpose mainly for export oriented cattle ranching. Through the 1980s Agrarian Reform, 846 hectares of land were redistributed to a group of landless peasants from Tola and their families. In the mid 1980’s these peasants, collectively part of the Pedro Joaquin Chamorro agricultural cooperative, started settling in the area. In

![Figure 2. Map of research area: Gigante and the coast of Tola.](image)
1994, the cooperative finally received a title for the land that they were granted by the first Sandinista government.

Like most of the other communities in Tola, Gigante lacks in basic services. There are no municipal sewage systems for homes, although most tourism developments have their own septic tanks. Since recently trash is being collected weekly by the municipality, but waste management still remains a problem. There are two public groundwater wells in Gigante but some households have their own wells. There is no organized water management in Gigante and water shortages can occur frequently during the dry season. Furthermore, access to clean drinking water is in many cases not guaranteed and there are signs that the shallow aquifers in Gigante are increasingly experiencing saltwater incursion. Power outages are frequent in Gigante, and in some cases the town suffers blackouts for several days. Many homes are connected illegally to the electric grid in rudimentary fashion, and involving a certain amount of risk. There are no phone lines in Gigante but there is cellphone coverage. Just very recently, internet has become available at two or three tourist spots in town. They get their internet from a close-by tourist resort.

Gigante is geographically isolated and the closest hospital is 40 kilometers away in Rivas, as is the closest major market. Until 2007 there was no public transport to and from Gigante. Now there is an old truck that operates as a school bus which drives to Tola once a day and back. This is the only form of public transport to and from the village. There are buses travelling several times a day between the towns of Salinas and Rivas but people have to walk from the two main entrances, where the bus stops. There are two primary schools (1 to 6th grade) in Gigante, one along the ‘old road’ and another on the ‘new road’. To go to secondary school (7 to 11th grade), students must travel to the town of Tola.
2.3 Information Needed to Conduct the Study

This in-depth qualitative case study focused on persons living in and around Playa Gigante, ranging from local residents, who have lived in the area all their lives, to domestic and foreign entrepreneurs who have come to the area and started businesses and/or invested in land. The study also focused on several institutions that are directly involved in tourism development in Nicaragua and Tola, but are not necessarily located in Playa Gigante.

In seeking to understand how processes of tourism- and property based development are transforming land tenure along the southwestern Pacific coast of Nicaragua, several research questions were explored to gather the information needed. The information needed to answer these research questions fell into three categories (a) contextual, (b) perceptual, and (c) conceptual. This information included:

- **Contextual information** regarding the context within which the participants reside and work. The review provided information that described the historical and socio-economic setting of the study.

- The study participants’ **perceptions** of tourism- and property based development in the area, and how these processes are affecting their day-to-day lives.

- An ongoing review of the literature providing the **conceptual** grounding for the study.

The nature of this information compromised of data which is both primary and secondary in nature. By secondary data I mean; a comprehensive review of relevant literature relating to the study and to locate the study within this literature. Furthermore, this secondary data included textual analysis of official documents, NGO’s and other organisational reports and data, maps, press material and media products regarding tourism-based development initiatives.
in the region. Primary data relates to the in-field data collection using methods which are discussed in the following sections.

2.4 Research design overview

The study’s progress was unfolding in nature, letting the empirical data guide the development of the analysis and the thesis. This however does not imply an ‘anything goes’ type of strategy and appropriate research methods were derived from having analyzed the kinds of information needed to answer the proposed research questions. Empirical research and fieldwork, especially in the context of a developing country, requires a fine balance between rigidity and flexibility (Scheyvens and Storey 2003).

The following list summarizes the steps used to carry out this research. Following this list is a more in-depth discussion of each of these steps.

1. Preceding the actual collection of data, a selected review of the literature was conducted to study the contributions of other researchers and writers in the broad areas of tourism development and land tenure in Nicaragua and Central America. However, much of the literature continued to be reviewed, analyzed and incorporated as the study progressed, and especially when the study’s data were being analyzed and its findings being discussed.

2. A research proposal outlining the study was presented to the Centre for Development and the Environment and supervision was finalized. However, the proposal, and the study design, kept being revised and adjusted as the study developed.

3. Once on location in the field, the first few weeks were used to begin mapping out potentially relevant actors and respondents for the
study, and familiarization with the community and establishing rapport with participants.

4. The in-field data collection comprised of unstructured open-ended interviews, informal conversations, participant observation, and a field diary and field notes were also kept.

5. Documents and audiovisual materials were also collected and analyzed.

6. Interview data responses and field-observations were organized, analyzed, and presented, and conclusions were drawn by determining patterns and regularities in the data.

2.5 Data-collection methods

The use of multiple methods and triangulation is vital in attempting to obtain in-depth understanding of the case under study. This procedure adds rigor, breath, and depth to the study and provides supporting evidence of the data obtained (Creswell 2007, Denzin & Lincoln 2000). It also serves to clarify meaning by identifying different ways the issue is being seen (Stake 2000). Therefore, this study used several different types of data-collection methods including qualitative interviews, observations, field journaling, document review and audiovisual materials.

Once on site and in the field, I started with mapping out potentially relevant actors and respondents for the study. Consequently potential respondents were contacted. However, as already mentioned the study’s progress was unfolding in nature and the way in which I approached and contacted participants was not very linear or structured.
During the first phase of the in-field data collection, I familiarized myself with the study area and got to know people. In the beginning several ‘gatekeepers’ were identified and through them further actors were identified. The following discussion summarizes the data-collection methods used to obtain the empirical materials grounded in the everyday world of the study participants.

2.5.1 Participant observation

Participant observation was used throughout the entire fieldwork and was important in generating the empirical materials of the study. Participant observation was chosen as a data-collection method because it was felt to be well suited for gaining an in-depth understanding of the issues and questions being addressed in the study, and in engaging with the members of the Gigante community and understanding their daily lives.

Participant observation focuses on human interaction and meaning viewed from the insiders' viewpoint in everyday life situations and settings (Joergensen 1989) and is well suited for studying processes as well as the immediate sociocultural contexts in which human existence unfolds. The purpose of participant observation is to try and gain deep understanding of a particular topic or situation through the meanings ascribed to it by the individuals who live and experience it (Joergensen 1989, McKechnie 2008).

Data were recorded in the form of field notes that were written up from memory at the end of the day, or after conversations. This was done to try and remain somewhat unobtrusive. No specific measures were taken to preserve confidentially or anonymity in the written journals other than the notes being written in my native language, Icelandic. I did however explain the purpose of my being in Gigante to the people I met and interacted with, and made it as clear as possible what I was doing and what I wanted to do.
For the first six weeks I stayed with a local family. During this time I also took Spanish lessons. I would spend time with the family and participate in their day-to-day lives (although I wasn’t really trusted much around the kitchen after almost slicing off my finger trying to prepare ‘tajadas’ one day). On several occasions I would go fishing with the family father. During these first weeks, I was committed to trying to familiarize myself with Gigante and the people living there. Staying with the family allowed me to get to know the locals quite differently than if I had stayed at the local tourist hostel and travelled in the circles of the foreign surfers, backpackers and other tourists. I believe that, in a small way, this legitimized my presence in town, rather than being seen as ‘a partying foreigner’, as many of the locals viewed the foreigners in Gigante. At the same time, it also meant that I was somewhat limited to the circles that the family interacted with, and like in every small town or community, there are different social circles of people. Furthermore, I was expected to behave appropriately, which meant not staying out after dark or going to certain places on my own.

After the first six weeks I moved to a different place in town where I lived with an American surfer, sharing a kitchen. This allowed me to get to know a different group of people and to experience different aspects of life in Gigante. Whereas the family I lived with in the beginning was of quite good financial means, for Gigante, the area I lived in for the latter part of my stay comprised mostly of families with less financial means. I got to know my neighbors and one woman particularly well. She gave me a glimpse into her life, the beauties and the struggles of living in a small rural community like Gigante.

Several methodological problems are associated with participant observation. In general, obtaining permission to collect data, establishing credibility and, and earning the trust of those being observed can be very challenging. Furthermore, personal characteristics such as gender, age, and ethnicity of the researcher can have an effect on access. Finally, it is well known that the
presence of an observer will change to at least some extent the context being studied, which may threaten the trustworthiness of the data collected. (McKechnie 2008) I experienced many of the above mentioned issues.

2.5.2 Qualitative interviews

The interview was chosen as a primary method for data collection in this study. As defined by Denzin and Lincoln (2000: 633), “the interview is a conversation, the art of asking questions and listening”. However, it needs to be clear that the interview is not a neutral process, since at least two people take part in producing the reality of the interview situation. Answers are given in this situation. Hence the interview produces negotiated and contextually based results. Interviews as a method, are influenced by the personal characteristics of the interviewer, including race, class, ethnicity, and gender (Denzin and Lincoln 2000).

I believe that interviews were an appropriate method for producing rich and varied data in a less formal setting, such as Gigante. The interview allowed for a more thorough examination of experiences, feelings, aspirations and opinions than closed questions could ever hope to capture (Kitchin and Tate 2000).

During the in-field data collection process 26 interviews were conducted. I relied on unstructured open-ended interviews and informal conversation. Eight of the interviews were audiotaped and then transcribed, while the remaining 18 were recorded in interview notes. This was due to several reasons. In some cases, the respondents asked not to be audiotaped. In other situations it was impractical to use the audio recorder because we were outdoors and on the move, or travelling in cars. In some cases I also felt uncomfortable using the audio recorder, feeling that its presence would contaminate the delicate setting in which the interviews were taking place.
Unstructured interviewing
In developing and conducting the interviews several elements were important. These were: (a) accessing the setting; (b) understanding the language and culture of the respondents; (c) deciding how to present myself; (d) locating the informants; (e) gaining trust; (f) establishing rapport; and (g) collecting empirical materials.

(a) The accessing of the setting has already been addressed in the sections on sampling and research participants, and participant observation.

(b) Understanding the language and the culture of the respondents was perhaps one of the biggest challenges throughout the entirety of the fieldwork. I did not speak Spanish before arriving in Nicaragua, but I did learn. For the first six weeks I took Spanish lessons for three hours each morning from Monday to Friday. The lessons, combined with a knack for picking up languages and staying with a Nicaraguan family who only spoke Spanish had me conversational in Spanish in a couple of weeks, and almost all of the interviews were conducted in Spanish. However, being that I only had a rudimentary understanding of the language my interviews and my interactions with people were limited and lacking in the depth that having a fuller grasp of the language would have allowed for. That being said, people were extremely patient and helpful, and I believe I was able to collect significant data even though my Spanish was far from perfect. Also, gaining a meaningful understanding of the culture and history of Nicaraguans and Gigante is not something that would have been possible in the space of three and a half months.
(c) I presented myself as a university student doing research and the purpose of the study. I did not use consent forms but I would always begin by introducing myself, explaining my objectives, asking permission to ask questions and use an audio recorder, and I explained that as participants, they could withdraw from the study at any time. However, there were sometimes misunderstandings and misinterpretations regarding my identity and aims. They had to with my bad Spanish and also people not knowing what a Master’s thesis is or what its purposes are. I tried after my best abilities to explain myself. I also offered to send all my participants a copy of the thesis itself, but unfortunately not all of my respondents read English, so in many cases this will not benefit them.

(d) As previously mentioned, to begin with I worked through a couple of ‘gatekeepers’ who had previous knowledge about the area and an existing relationship with many local residents. These persons served as my key informants, and without these persons I would probably not have been able to access my respondents at the level that I did.

(e) Gaining the trust of the respondents was essential to the data collection process and to the results it yielded. To begin with I did not so much engage in interviews as just familiarizing myself with the area and letting people get to know me, and accustomed to my presence. What some call being a “wallflower”. Several factors were important in gaining the trust of my respondents, and the people I interacted with. One was my gatekeepers, who had a long history with people in the community and were respected. Staying with a local family also gave me some legitimacy with other members of the community, and the fact that I ‘behaved properly’ –
not partying or associating too much with those that did, gave me a certain amount of credibility. In many cases, I also had to keep an active dialogue and relationship with my respondents, meeting with them more than once, and the interviews getting deeper and more intimate with each session. Given that I was asking questions about issues that are quite touchy, people were not always interested in opening up on our first encounter.

(f) Establishing rapport was very important throughout all the interviews and the time I spent in Gigante. Because the goal of unstructured interviews is understanding (Denzin and Lincoln 2000), it was important that I tried to relate to my respondents, and see things from their point of view, rather than pose my wants and preconceptions on them. I think I managed to do this, to a degree at least, by staying in the community for a couple of months and by using unstructured interviews, often in repeated sessions, where there was an active and conversational dialogue.

Informal conversations
Twelve of the interviews were in the form of informal conversations. What I mean by informal conversations and how I differentiate them from the unstructured interviews has foremost to do with their format - how and where they were conducted. They were more often than not the result of spontaneous encounters or part of my day-to-day routines and that of my respondents. For example, meeting a neighbour or acquaintance while out and having a conversation with them, or getting a ride somewhere with someone, or hiking with a someone and listening while they told me about the area and themselves, or in other cases I would get to join people as they worked, for example the fishermen, or in joining in while doing housework and chores. There was no set time or duration and no set questions. The
data from these conversations were recorded in the form of interview notes and memos that were written up from memory at the end of the day, or after conversations.

Jack Douglas (1985) defines creative interviewing as a conversational sociological tool. He argues against “how-to” guides to conduct interviews because the unstructured interview takes place in the situational everyday worlds of members of society. Therefore, interviewing and interviewers must be creative and adapt to the continually changing situations they face. Douglas sees interviewing as collecting oral reports from the members of society.

I believe that informal interviews were appropriate and yielded meaningful data by allowing me to establish rapport with my respondents in an unobtrusive manner which would have been less ideal in a more rigid and structured setting. I was interested in people’s experiences and perceptions on the topics and issues pertaining to the study, and how they were manifested in the day-to-day lives of the people I talked to, and thus I feel that informal conversational interviews were appropriate.

2.5.3 Documents and audiovisual materials

Data was also collected from secondary sources such as public documents (e.g., official memos, minutes, records, and archival material), NGO and other organisational reports and data, press material and media products regarding tourism-based development initiatives in the region. Photographs, videotapes, and maps were also examined.

2.5.4 Data analysis methods

Interview data responses and field-observations were organized, analyzed, and presented, and conclusions were drawn by determining patterns and
regularities in the data. A conceptual framework was the starting point for data collection. As patterns in the empirical material emerged, the conceptual framework was refined so as to improve the interpretation of the data. For the purposes of this thesis a conceptual framework is understood as a group of concepts that support and inform the research, a set of notions and ideas that give structure and coherence to empirical enquiry. As such a conceptual framework connects the purpose of the study with the methods to collect, and to interpret, empirical material. (Maxwell 2012; Aguilar-Støen 2008)

2.6 Ethical considerations

In every research study and regardless of the approach to qualitative inquiry, ethical issues relating to the protection of the participants are most vital (Denzin and Lincoln 2000, Creswell 2007, Scheyvens, Nowak, & Scheyvens 2003). Doing ethical research in a foreign setting is about building mutually beneficial relationships with the people you meet in the field and about behaving in a sensitive and respectful manner (Scheyvens, Nowak, & Scheyvens 2003). The research process must ensure the participant’s dignity, privacy and safety. Furthermore, I agree with Madge (1997) and Corbridge (1998) when they say that ethical research should not only do no harm, but also have the potential to do good and to involve empowerment.

Scheyvens, Nowak, & Scheyvens (2003:166) point out that while a general code of ethics which covers informed consent, confidentiality, and conflicts of interest, can provide useful guidelines, it will be our personal characteristics – ideally, a combination of integrity, maturity and sensitivity to the local cultural context (de Laine 2000:28) – which we will need to rely on to guide us.
While no serious ethical threats to the participants or their well-being were anticipated, the study used several precautions to ensure the protection and rights of the participants. First, informed consent remained a priority throughout the study, although not written. Second, the participant’s rights and interests were considered of foremost importance throughout the entire study. That is, any information and knowledge I gained, which could be harmful or against the interest of my respondents, was omitted from the study. All my research-related data is safeguarded, and nobody other than me has access to this data. Furthermore, I did my utmost to always be straightforward and honest. Throughout the entire process of the study and in writing the thesis I have tried to use the data accurately, trying not to misinterpret the people I spoke with and wanting the results of this study to be empowering to them as much as they can.

2.7 My role as a researcher

I put a lot of work into getting my Spanish up to scratch and it paid off. I did not have to use an interpreter in my interviews and was able to communicate with my respondents in Spanish. That being said, I am fully aware that my knowledge of the language was very superficial and if I had spoken the language more proficiently I would have been able to interact with my respondents in a much more intricate way.

Gender, social class, race, and ethnicity were all aspects which influenced the way in which I was perceived as an individual, how I was interacted with, and how I interacted with others. During the fieldwork I experienced very strongly and differently from what I was used to, my identity; as a woman, as a student, as a researcher, as a foreigner, and as a traveller. For better or worse, all of this shaped my role and presence in Gigante, and the data I was able to collect.
2.8 Limitations

This study contains certain limiting conditions, some of which are inherent to qualitative research generally, as well as limitations that are specific to this particular study and its design. I have tried to be mindful of these limitations and acknowledging them throughout the study’s progress and taken steps to try and minimize their impact to the extent possible.

Qualitative researchers attempt to make sense of or interpret social phenomena in the terms of the meanings people bring to them (Denzin and Lincoln 2013). However, qualitative researchers today must acknowledge that there is no clear window into the inner life of an individual. Any gaze is always filtered through the lenses of language, gender, social class, race, and ethnicity. How we write is a reflection of our own interpretation based on the cultural, social, gender, class, and personal politics that we bring to research. All writing is “positioned” and within a context. All researchers shape the writing that emerges, and qualitative researchers need to accept this interpretation and be open about it in their writings (Creswell 2007:179). There are no objective observations, only observations socially situated in the world of – and between – the observer and the observed. Writings are co-constructions, representations of interactive processes between researchers and the researched (Gilgun 2005).

2.9 Summary

In summary, this chapter provided a description of the study’s research methodology. An in-depth qualitative case study was used to discover how processes of tourism- and property based development are transforming land tenure along the southwestern Pacific coast of Nicaragua. A purposeful sampling procedure was used to select this study’s sample. The sample drew upon the people living in and around Playa Gigante, but not exclusively. Several data-collection methods were employed, including participant
observation, unstructured interviews, casual conversations, field journaling, documents and audiovisual materials. The data were reviewed against literature as well as emergent topics. Strategies such as source and method triangulation were used to add rigor, breadth, and depth to the study.
3. Conceptual framework

This chapter provides an overview of the conceptual framework I used for this study. As mentioned above a conceptual framework gives coherence and structure to the interpretation of empirical material. In this chapter I describe political ecology as the approach that guided my investigation. Political ecology offers a framework for an analysis of human-environmental struggles in the context of tourism development and land tenure. The chapter then discusses the conceptualization of the terms that are at the core of this thesis. They include the social production of space and place, the power geometries of tourism, and land tenure and livelihoods, dispossession and land grabbing.

3.1 Political ecology

This thesis uses a political ecology approach to guide the analysis and discussion of tourism development and land tenure. Political ecology, as defined by Robbins (2004:5) is “a field of critical research predicated on the assumption that any tug on the strands of the global web of human-environment linkages reverberates throughout the system as a whole.” Political ecology has emerged as a diverse, interdisciplinary approach for analyzing human-environment interactions and is rooted in a combination of critical perspectives and insights from empirical observations. (Rocheleau 2008)

Broadly speaking, the aim of political ecology is to shed light on the interconnectedness between nature, culture, power, and politics. Political ecology traces the fundamentally socially produced character of struggles over resource access and control, and their implications for environmental health

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and sustainable livelihoods. It does so in a way which focuses on how power and resources are distributed and contested to reveal the underlying interests, incentives and institutions that enable or frustrate change. (Douglas 2014)

Political ecology provides a situated lens for analyzing social and environmental conflicts in the context of tourism and land tenure (Douglas 2014). Political ecology is pertinent to this thesis because it helps us understand how the outcomes of tourism expansion on land tenure and livelihoods are produced by the intersection of multiple processes that cut across multiple scales; and which are rooted within complex webs of relation and networks, with hierarchies embedded and entangled in horizontal as well as vertical linkages. (Rocheleau and Roth 2007)

Within the context of tourism development and land tenure, the conceptual framework of political ecology has powerful implications for developing an understanding of the power relations that are associated with tourism development throughout- and between the global north and south. Understanding the linkages between tourism development, land tenure, and livelihood sustainability, and their uneven development; and then situating these processes within a broader discussion of a global and regional land rush (tourism related or otherwise), requires an understanding of the interrelationships among various different stakeholders at different scales, both spatially and temporally, and the historical, political, social and economic systems that shape them.

3.2 Space and place: The production of the ‘Emerald Coast’

An understanding of how ideas about space, place, environment and society are produced is important to the analysis of how tourism and real estate development are transforming Gigante and Tola, and helps us to understand
space not only as the physical but also as the social, and to add the dimension of power to the construction of these ideas. This will help us understand how it is that Gigante and Tola have become the ‘Emerald Coast’ and a hotspot for tourists, entrepreneurs, investors and increasingly elites, which is reshaping land tenure, and access and control over resources in the area. To understand how Gigante and Tola are being transformed into tourist spaces, resulting in the representational and physical manifestation of the ‘Emerald Coast’, we must look at how space is produced. Paige West⁷ (2006), borrowing from Lefebvre (1991) and Harvey (1990), has offered an eloquent conceptualization of the production of space, which is highly useful when thinking about how Gigante and Tola became the “Emerald Coast.”

Following West (2006), Lefebvre (1991) and Harvey (1990), it can be argued that Tola, as the “Emerald Coast,” was produced through spatial practice. By this I mean the social production of space. (Lefebvre 1991:33) Space is produced through the combination of different practices that are mental, material, and social practices, and which Lefebvre characterizes as experience, perception, and imagination. (Harvey 1990:219) These practices are historical, discursive, ideological, legislative, and imaginative. Space comes to be constituted, produced, and made, through a process that is like a balloon being blown up. It starts from an idea (mental), a location (material), or a relationship between people (social) and radiates out, all while drawing in particles from similar processes elsewhere, (West 2006:27) hence; “The social production of space examines how new systems (actual or imagined) of land use, transport and communications, territorial organizations, etc. are produced,

⁷ In her book Conservation is our government now. The politics of ecology in Papua New Guinea (2006), West uses ethnography and political ecology to examine the history and social effects of conservation and development efforts in Papua New Guinea. West illustrates the relationship between the global and the local, and between transnational processes and individual ties, in producing space and place.
and how new modes of representation (e.g. information technology, computerized mapping, or design) arise.” (Harvey 1990:222) Then, once brought into the world, space is always in process of becoming something else and contributing to the production of other spaces, objects, subjects and identities. Lefebvre argues that once space is produced, it “serves as a tool of thought and of action; that in addition to being a means of production it is also a means of control, and hence of domination, of power, yet that, as such, it escapes in part from those who would make use of it.” (1991:26) So once the product is out there, it comes to be something in and of itself that works to produce more space, place, people, society, environment, and so on; it comes to take part in the process of production. (West 2006)

It is important that we understand that spatial productions are not “natural” or given, they are not locations that came into being with ecology and evolution, but rather, they are produced by the social and material relations between peoples, (West 2006) and that they are completely saturated with and a product of power relations (Massey 2005). The way in which space is conceptualized is important because it influences how we engage, understand and approach the world, and therefore affects how we perceive the social, political, and ecological effects of particular processes. Conventional concepts of space assumed it to be a static field in which activities took place and actors existed but which itself was not made or altered by social action. Lefebvre, (1991) and others demonstrated that the nature of space itself was constitutive of those actors and actions. Hence, space has come to be seen as a process.

For the sake of simplicity, I understand places as points on a map that are the “locus” of particular practices, social relations, and power relations. They represent such abstractions as institutional forms, discourses, imaginaries, sensorial experiences, and the outcomes of particular histories. (Harvey
1996:294) West (2006:30) takes place to be the fixing of a process in time and space, but not necessarily an enduring one.⁸

In all of these examinations of how space is produced dialectical processes between space, place, time, environment and the social are theorized. But how are these processes demonstrated at work? West, (2006) following Arturo Escobar, (2001) argues that by focusing on the specificity of places (natures, cultures, economies, practices), we will notice and track the kinds of articulations between these specifics of daily social lives and the movements of modernity and capital, (Escobar 2001:141) which calls for the kind of research that shows the production of place by capitalism and global forces but shaped by particular historical configurations. (West 2006:31)

My argument is that the emergence of the “Emerald Coast” is a process by way of which Tola’s coastal landscape and the families who live there have been folded into a dynamic with tourists, developers, and elites; through transnational mobility and flows of people and capital, which are shaped by historical, political, social and economic forces. Taking this into account we are able to start tracing the fundamentally socially produced character of the struggles around access and control over resources and uneven development as tourism proliferates along Tola’s coastline.

3.3 Tourism development as the production of tourist space

Tourism is a fundamentally political, economic, social and ecological process. The language of tourism, especially in the global South, is realized through power relationships that are associated with older systems of resource

⁸ Margaret Rodman (1992) argues that places come into being through discourses and rhetorics and shows that as these ways of talking and knowing change, so do places. Eric Hirsch and Michael O’Hanlon (1995) argue for analyses of place and space which use the concept of landscape and conceptualize it as a sociocultural process.
domination and uneven development. (Douglas 2014, Mowforth and Munt 2009) The processes of tourism are clearly rooted in the paradigm of globalization, whereby actors from near and far engage through multiple and varied networks that bring faraway places into close contact with urban centers and the world more broadly. (Douglas 2014)

In this thesis the development of a tourism destination is seen as part of a process of producing a particular space and place. Space is produced through practices, ideas and discourse, through ways of governing; but also physical spatial morphology, such as infrastructure and the construction of tourism resorts and residential communities. In other words, the production of the tourism destination involves both the social and the material elements of particular developments and dynamics.

Edensor points out that the production of tourist space should not only be conceived as being only representational. He warns that overemphasis on “discourse and representation can miss the fact that “much of the conceptualization is ‘embodied’” in the sense that it is structured by physical experience.” (Palmer and Jankowiak 1996:253 as quoted in Edensor 1998:60) This observation implies that a closer look at the physical spatial morphology of Gigante and Tola’s coastline can reveal, in a very tangible way, the uneven development and inequitable power relations underlying the “Emerald Coast” and how this is experienced by people.

Neil Smith, (1990:155) in his seminal work Uneven Development: Nature, Capital and the Production of Space, could have been writing about Tola’s coastline when he observed, “uneven development is social inequality blazoned into the geographical landscape, and it is simultaneously the exploitation of that unevenness for certain socially determined ends.” In

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9 Torres and Momsen (2005) offer an insightful and revealing analysis of the construction of tourist space in Cancun, Mexico.
Gigante and along Tola’s coastline, uneven development, inequitable power relations, and the control of space by the powerful are manifest in the physical morphology of its coastal landscape (Torres and Momsen 2005) as well as the way in which people are experiencing and coping with change in their daily lives.

According to Smith, (1990) geographical differentiation is a product centralization of capital. Such differentiation is clearly evident in the spatial concentration of capital, investment, infrastructure, and resources in the resort and residential communities along Tola’s coastline. There is no finer example of the classic “tourist bubble,” than the luxurious tourist resorts which stretch along the “Emerald Coast”, with the very best facilities, amenities, and infrastructure. Many tourists never leave this bubble during their visits and remain oblivious to the poverty that lies only a stone’s throw away. (Torres and Momsen 2005)

The emergence of ‘Emerald Coast’ as a tourist space illustrates the complex web of actors and social relations occurring at multiple scales, which construct transnational spaces that in many cases (re)produce inequalities between local people, communities, regions, and nations. Understanding Tola as a transnational tourist space provides insights into the power of global capitalism to expand geographically, to transform and commodify spaces, and to tighten its grip on all aspects of life. (Torres and Momsen 2005) In doing so globalization and capitalist development have in many cases exacerbated existing inequalities and created new uneven geometries of power at multiple scales.

3.4 The power-geometries of tourism

Power relations provide a key to understanding tourism’s multifaceted impacts, and how space and place are produced. The thesis therefore focuses
on issues of power relations at various scales. Power, as defined by (Hayward 1998:2) is “a network of social boundaries that constrain and enable actions for all actors.” Conceptualizing power’s mechanisms as social boundaries – such as laws, rules, norms, institutional arrangements, and social identities and exclusions - that constrain and enable action for all actors, has implications for how we think about and analyze power relations.

Action in social life is always constrained by and enabled by boundaries that inflict a conventional order on what people might do and be. Following Hayward (1998), critical analysis of power’s effects on freedom should therefore center, not on questions of whether the actions of some are constrained, prohibited, or otherwise altered by the actions of others, but rather on significant differences in social enablement and constraint and on the changeability of asymmetries in the field of what is possible. By necessity, social life involves a measure of coordination. Furthermore, it involves the making and re-making of practices which produce and reproduce space and place. That is, ends and standards through which communities, groups, and other collectives instil action with meaning and value; and institutions, that is, systems of laws, norms, routines, and other political mechanisms that determine and distribute rights, duties, rewards, and sanctions, thereby sustaining and regulating practices. The critical question then, for thinking about power, should focus on whether the social boundaries defining key practices and institutions produce entrenched differences in the field of what is possible for those they significantly affect (Hayward 1998:20).

Not only is space inherently connected to and a product of power relations, but power itself has a geography. Doreen Massey has proposed the concept of power-geometries in exploring this two-sided definition. The idea of power-geometries is an attempt to capture both the fact that space is saturated with power and the fact that power always has a spatiality. (Massey 2009:18-19) Furthermore, power-geometry is a concept through which to analyze the world
in order to highlight inequalities, and an instrument of political critique. It may also act as an instrument through which to imagine, and maybe to begin to build, more equal and democratic societies (Massey 2009:19).

Following Hayward (1998) and Massey’s (2009) conceptualizations of relational power, we can argue that power is not an external relation between already defined and pre-constituted entities but rather that there are unequal geographies of power that underpin the divisions of economic, political, social and environmental inequality. All social formation (the economic, the political, the cultural, etc.) may be analyzed as having their own power-geometries, and that they relate to each other, influence each other, and reinforce each other. (Massey 2009:18) Equally, these power-geometries exist at different scales and at all spatial levels. There are those power relations at the global level which are intrinsic to neoliberal globalization and which tie different places together, subordinating some to the command of others. Then there are power relations at the national and local level, which shape different power-geometries. This means that we have to recognize that global and local forces interact in a global-local nexus.

Practices which produce and reproduce space are embedded within a network of social boundaries which constrain and enable actions for all actors. At the same time there are significant differences in the enablement and constraint by these social boundaries on actions in the daily lives of people at the local level. More often than not social boundaries defining key practices and institutions tend to produce entrenched differences in the field of what is possible for those they significantly affect.

What I mean to say by this is that power relations manifest themselves very differently at different scales. This means that the manifestation of power relations at the “local” scale is the result of a certain asymmetry of power between the “local”, the “national” and the “international,” and that these power asymmetries are not always easily challenged at the “local” level.
Furthermore, how the effects of changes in social boundaries such as formal institutions and laws are experienced at the local level are the result of changes and negotiations more often than not located at a very different scale, one which is beyond the reach of less powerful actors at the local scale because they do not have access to the same networks, information and institutions as more powerful actors. Therefore, the outcomes of tourism expansion at the local scale are produced by the intersection of multiple processes that cut across multiple scales; and which are rooted within complex webs of relation and networks.

3.5 Tourism, land tenure and control grabbing

The rush to buy up land for tourism and property investments in Central America and Nicaragua is part of a much larger dynamic of growing pressure for land that is occurring in different parts of the world (Cañada 2010).

Until now, I have not discussed the context and condition of land tenure and land grabbing. This is not because I intend to overlook them, and in fact, they provide perhaps what is the crux of the problem being addressed in this thesis. However, the conceptual ideas already discussed, pertaining to political ecology, the production of space, and power relations have been a necessary precursor to our following discussion and conceptualization of land tenure and land grabbing, and their interconnectedness with tourism development.

Increasingly, the ways in which land, agrarian reform, land tenure, governance and rural livelihoods have been presented, together with relevant debates, have become more complex as a result of rapidly and radically changing global context. The increasing interest in large-scale acquisition or control of land, water and other natural resources is creating unprecedented pressures of land resources. Rising global demand for food, biofuels, timber, minerals, energy, and tourism, in a context of growing trade liberalization, are factors which
together are causing intense increases in the demand for land. New tensions on land tenure and local food production systems are becoming apparent, and so is the rising inequality in economic and political power between individuals, families, and corporations competing for land. (ILC 2012)

### 3.5.1 Land tenure and livelihoods

Problems of social inequality and conflicts are closely entwined with the unequal distribution of land and land tenure insecurity throughout rural areas of the global south. (Broegaard 2005) Land tenure and livelihood are central concepts of this thesis, yet both are elusive in their conceptualization.

### 3.5.2 Land tenure

What we call land is an element of nature inextricably interwoven with man’s institutions. To isolate it and form a market for it was perhaps the weirdest of all the undertakings of our ancestors (Polanyi 1957)

Land tenure is the relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to land and associated natural resources (water, trees, minerals, wildlife, etc.). Rules of tenure define how property rights in land are to be allotted within societies. They define how access is granted to rights to use, control and transfer land, as well as associated responsibilities and restraint. Simply put, land tenure systems determine who can use what resources for how long, and under what conditions. (FAO 2002)

Landownership is usually comparatively straightforward compared with rights to use the land. (Johnston et al. 2000) Land tenure can be classified according to its legal basis (i.e., formal, informal, illegal), the relative rights of landowners and land users, the conditions and forms of payment from the latter to the former, if any, and the security of tenants. Many forms of tenure
involve very complex combinations of rights, and which can constitute a web of intersecting interests. (Zoomers 2001:14, FAO 2002) Land rights are the institutionalized forms of access to, and control over, land. Land rights normally constitute land as property which involves a jural entity (individuals, households, communities, states, etc.) that has rights and duties over land against other jural entities (property rights). Land rights are, however, always more complex than public versus private, and almost everywhere a complex mix of communal and private control exists.

Rights over land are customarily divided into use rights (grazing, farming, collection, etc.); transfer rights (movement of ownership or possession through inheritance, gift, sale, lending, etc.) and control rights (the authority to allocate or withdraw land from use, to tax it, to decide how it should be used, to arbitrate disputes, regulate transfers, etc.). Rights over land do not necessarily imply ownership (i.e., there can be rights to use and rental). Similarly, communal or collective forms of land management (for example, communal property of indigenous and ethnic communities or ‘ejidal’¹⁰ land) may grant substantial ‘ownership’ security to some individuals, that is, there can be stable and secure rights in perpetuity. Fully privatized (i.e., free and simple) in which rights to sell are not proscribed by laws that assign ultimate ownership to the state or to the powers of indigenous communities, are far from universal. (Zoomers 2001)

The various forms of tenure can create complex patterns of rights and other interests. A particularly complex situation can materialize when statutory rights are granted in a way that does not take into account existing customary rights (e.g., for agriculture or grazing). This clash of de jure rights (existing because of formal law) and de facto rights (existing in reality) often takes place in already stressed and marginal lands. Likewise in conflict and post-

¹⁰ In Nicaragua, ejidal land is communal land owned by municipalities. Ejidal land can be leased but not sold (USAID 2011)
conflict areas, encounters between settled and displaced populations lead to greater uncertainties regarding who has, or should have, the control over which rights (FAO 2002).

3.5.3 Livelihoods

Livelihood is a mobile and flexible term which can be attached to all sorts of other words to construct whole fields of development enquiry and practice. These relate to locales (rural and urban livelihoods), occupations (farming, pastoral or fishing livelihoods), social difference (gendered, age defined livelihoods), directions (livelihood pathways, trajectories), dynamic patterns (sustainable or resilient livelihoods) and many more. (Scoones 2009)

Conceptualizations of livelihoods start with how different people in different places live. A variety of definitions are offered in the literature, for example, ‘the means of gaining a living’ (Chambers 1995 as quoted in Scoones 2009) or a combination of the resources used and the activities undertaken in order to live. A descriptive analysis showcases a complex network of activities and interactions that emphasizes the diverse ways in which people make a living. Whereas many conventional approaches to looking at rural development have focused on defined activities (i.e., agriculture, wage labor, farm labor, small-scale enterprise, etc.), it is necessary to realize that in reality, people combine different activities in a complex portfolio of activities. (Scoones 2009:172)

The most widely recognized definition of livelihood was developed by Robert Chambers and Gordon Conway in 1992. For the purposes of this thesis I shall use a slightly modified version:

A livelihood compromises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and
assets both now and in the future, while not undermining the natural resource base. (Carney 1998:2)

Livelihood strategies, that is, the ways in which households respond to change, handling opportunities and limitations (cf. Zoomers 1998) will often result in the reallocation of land, labor, and capital resources. The outcome of livelihood strategies will be highly dependent on the household’s goals and priorities, the availability of resources (land, labor capacity, and capital), the functioning and adaptability of local institutions, and the quality of the external environment, i.e., the agro-ecological situation, market access, infrastructure, etc. (Zoomers 2001:15). In the case examined here we will see how people in Gigante are adapting to new opportunities and the emergence of new challenges. In some cases, they are able to diversify their income opportunities whereas in other cases the transformation of the place entails losses in the repertoire of livelihood strategies available to them.

Finally, any true understanding of livelihoods and their sustainability has to go beyond the economic and productive means of life. As already argued, livelihood is multidimensional; it is built on a combination of produced, human, natural, social, and cultural assets (Bebbington 1999:2022). The influences of non-material and extra-household factors on household development opportunities are often greater than initial appearances might suggest. A livelihood encompasses income, both cash and in kind, as well as the social institutions (kin, family, village, etc.), gender relations, and property rights required to support and sustain a given standard of living. A livelihood also includes access to and the benefits derived from social and public services provided by the state such as education, health services, roads, water supplies and so on. Livelihood is therefore not synonymous with the income situation (Ellis 1998 as quoted in Zoomers 2001). Therefore, to fully comprehend livelihoods, sufficient consideration needs to be given to their various dimensions.
3.5.4 Linking land to livelihood

It is important to have a wide conception of the resources people need to access in the process of composing a livelihood. “We therefore require a notion of access to resources that helps us not only understand the way in which people deal with poverty in a material sense (by making a living), but also the ways in which: their perception of well-being and poverty are related to their livelihood choices and strategies; and the capability that they possess both to add to their quality of life and also to enhance their capabilities to confront the social conditions that produce poverty” (Bebbington 1999:2022).

For this thesis, land and its links to livelihoods are not limited exclusively to land tenure because as I will show further in the analysis, controlling land also means controlling access to other resources like water and the ocean.

A person’s assets, such as land, are not merely means with which he or she makes a living: they also give meaning to that person’s world. Assets are not simply resources that people use in building their livelihoods: they are assets that give them the capability to be and to act. Assets should not be understood only as “things” that allow survival, adaptation, and poverty alleviation: they are also the basis of an agent’s power to act and to reproduce, challenge or change the rules that govern the control, use and transformation of resources (cf. Giddens 1979).

Tourism development as a form of land use implies resource concentration and dispossession. Access to land can be seen as a site of struggle, and cannot be ignored in the context of a global land grab. Current trends to accumulate land for these purposes pose a great risk to a myriad of peoples and production systems that do not easily conform to neoliberal capitalist production, distribution and consumption (Gardner 2012).

Land is a basis for sustainable livelihood and a necessary element of life, even in those cases where it is not simply a means for income generation. Its
importance needs to be considered in close relation to changes in the portfolios of activities of different groups and the large variety of coping mechanisms (Zoomers 2001).

3.5.5 Land grabbing as control grabbing

The contemporary global land grab has become a key development issue, and not without reason. Generally, the term ‘land grab’ refers to large-scale acquisition (long-term lease, concession, or outright purchase) of land or land-related rights and resources in lower income countries, and are usually carried out by corporate (business, non-profit or public) entities (GRAIN 2008). The focus is on the ways in which ‘grabbing’ creates specific property dynamics, that is, dispossession of land, water, forests and other common property resources; their concentration, privatization and transaction as corporate (owned or leased) property; and in turn the transformation of agrarian labor regimes (White et al. 2012:620).

It is widely considered that private sector expectations of higher agricultural commodity prices and government concerns about longer-term food and energy security underpin much of this recent type of land acquisition (Cotula 2012). While this is indeed correct and quite dramatic, I will argue that there are also other equally important processes driving the current global land grab, among them tourism development (cf. Zoomers 2010). At the same time it is important to recognize that there is considerable debate about how to exactly define contemporary land grabs, and many authors argue against including tourism development in the conceptualization of land grabbing. Those who advocate for excluding tourism development and other non-agriculture related pressures on land, argue that it defines land grab too broadly and runs the risk of obscuring those characteristics that are distinct in the wave of contemporary global land grabbing (cf. Borras et al. 2012). While this is indeed a valid argument, defining land grab too narrowly risks missing significant aspects of
the scope and extent of contemporary land grabbing and the possible outcomes of agrarian changes. It is therefore important to go beyond the narrowly defined agricultural analysis of land grabs (Zoomers 2010, Borras et al. 2012, Fairhead et al. 2012). In fact, ongoing research by the International Land Coalition (ILC) shows that commercial pressures on land are increasing in many parts of the world as a result of multiple forces beyond agriculture, including extractive industries, tourism and conservation. A holistic approach such as this is crucial to understanding the land pressures faced by the rural poor worldwide (Cotula 2012:650).

For the purpose of this thesis it is useful to think of land grabbing as essentially being a form of ‘control grabbing’. That is, “grabbing the power to control land and other associated resources such as water in order to derive benefit from such control of resources”. This is an argument presented by Borras et al. (2012:850) and is partly based on Ribot and Peluso’s (2003) ‘theory of access.’ In this context, land grabbing is primarily linked to a shift in the meaning or use of land and associated resources because the new uses are mostly determined by the accumulation imperatives of capital which now has the control over a key factor of production, namely land (Borras et al. 2012:850). Like all the concepts discussed in this chapter, control grabbing is inherently relational and political, and entails complex power relations.

Control grabbing can manifest itself in many different ways, including, land grabs (large-scale land acquisitions), water grabs as in the capture of water resources (cf. Woodhouse 2012, Kay & Franco 2012), and green grabs (the appropriation of land and resources for environmental ends (cf. Fairhead et al. 2012)). Borras et al. (2012) argue that this perspective (i.e. control grabbing) addresses the problem of a perspective that is too land-centered. Seen from the perspective of control grabbing, analytically and empirically land grab does not always have to require the dispossession of peasants from their lands.
3.5.6 Dispossession and ‘touristification’ of space

As with tourism development, the discussion of control grabs has to be embedded within an analysis of contemporary global capitalist development (Harvey 2003). The processes of the privatization of land and natural resources, and the ‘touristification’ of coastal areas in Central America, can be understood as part of the logic of ‘accumulation by dispossession’ as described by David Harvey (cf. 2003, 2005, 2006). It is a process that entails “the enclosure of public assets by private interests for profit, resulting in greater social inequity” (Bakker 2005:543), and according to Harvey, represents the continuation and proliferation of accumulation practices under neoliberalism (as quoted in Fairhead et al. 2012).

Harvey examines contemporary class-based processes where ownership of capital (assets of value) becomes concentrated (accumulated) in the hands of those already holding capital. Harvey identifies four main mechanisms which lead to this concentration: ‘privatization’, ‘financialization’, ‘the management and manipulation of crises’, and ‘state redistributions’, whereby neoliberal state favors capitalist business interests over others (Fairhead et al. 2012).

Each of these mechanisms is important to understanding control grabbing, and the urbanization and touristification of vast amounts of coastal land. Considering Harvey’s four mechanism, or dimensions, of neoliberalism, is useful for understanding the implications for tourism development, land tenure and control grabbing.

Privatization concerns two processes. First, it involves the privatization and commodification of public assets from the state to private ownership. States now privatize and sell the nature that they held for the people they represent. Examples of this are the sales of farming and forest land to mining companies (Seagle 2012) or the sale of grazing land to foreign wildlife and ecotourism companies (Gardner 2012, Brockington et al. 2008). Then there is the process of privatization which involves securing private ownership rights, and which
can also involve the poor. However, as Harvey points out, even when this happens, that does not mean the end of it, and rather, it may lead to subsequent processes of alienation of land and nature. This may happen through the dispossession of private owners by violent appropriation; delegitimizing claims through legislation; or most importantly, dispossession through the market, in which those who have valuable assets, but are earning incomes too low to allow ‘social reproduction’, inevitably have to sell their assets (Fairhead et al. 2012:243).

Financialization refers to how the financial system, through governmental deregulation, has become a center of redistributive activity by drawing aspects of life into financial circulation that previously lay outside of it. Financialization has been a critical precondition for the boom in the tourism-and property based development that has taken place along the coastal regions of Central America, and relates strongly to its speculative nature (Cañada 2010). This means that tourism development (construction of homes, urban megaprojects, infrastructure, facilities, residential complexes, etc.) acts as one of the primary routes for capital expansion and reproduction (Murray and Blázques 2009).

The third mechanism of Harvey’s conceptualization of ‘dispossession by accumulation’ is the construction and perpetuation of a sense of crisis. Global environmental and economic crises interlink and feed off each other in what has been called ‘disaster capitalism’ (Klein 2007). Not only are nature, land and resources drawn into financialized markets, but these markets are also prone to boom and bust and other crises which work towards accumulation for some and dispossession of others. Harvey identifies the predicament of indebted nations, and goes on to explain how indebted governments are extremely vulnerable when they face bankruptcy and can be forced by international financial institutions to agree to policies requiring trade liberalization and the privatization of public assets, as happened during the
years of imposed structural adjustment policies across the global south. This is something which is very apparent in the processes of tourism development, not only in Nicaragua and Central America, but also throughout the global south. Harvey observes that decades of easy loans, neoliberal policies, and increasing indebtedness are often rapidly followed by a political economy of dispossession (Fairhead et al. 2012:245).

The fourth and final mechanism in Harvey’s conceptualization is regarding the changing role of state in influencing redistribution of wealth between actors. Harvey argues that fiscal policies are designed in favor of investment, and therefore in favor of those with commercial power, rather than incomes and security of the poor. Foreign and domestic investors are encouraged by favorable state policies which make available assets, including land and other commodifiable resources. For states with limited fiscal resources, especially in the global south, the incentives for such redistributions towards investors are great. To enable this, policies which incentivize investment are driven through. Furthermore, the weight of international financial institutions, such as the World Bank, is great and through financing, insurance, advice and support, they facilitate such processes (Fairhead et al. 2012).

A crucial aspect of the dual character of capital accumulation, in the processes of accumulation and dispossession, is the way that those implicated in the accumulation of value are also those implicated in the attribution of value itself. A feature of the modern financialized capitalist economy is that the value of commodity is constructed and co-produced within the architecture of its financialization through interaction with the international institutions apparently governing them and the policies of the state. What this means is that “those exerting power over the markets thus also play them with loaded dice” (Fairhead et al. 2012:246).
3.6 Summary

Tourism and land tenure are fundamentally political, economic, social and ecological processes which are shaped by historical, political, social and economic systems. The outcomes of tourism expansion on land tenure and livelihoods are produced by the intersection of multiple processes, which cut across multiple scales, and which are rooted within complex webs of relation and networks. A political ecology framework helps us understand this.

Coastal areas have increasingly been transformed from spaces and places imbued with social, political, historical meaning for indigenous and local people to spaces and places of leisure for international and local elites. The “Emerald Coast” is a spatial production in which Tola’s coastal landscape and the families who live there have been folded into a dynamic with tourists, developers, and elites; through transnational mobility and flows of people and capital, which are shaped by historical, political, social and economic forces. Problems of social inequality and conflicts are closely entwined with the unequal distribution of land and land tenure insecurity throughout rural areas of the global south (Broegaard 2005).

Tourism development as a form of land use, resource concentration and dispossession is a site of struggle. Current trends to accumulate land for these purposes pose a great risk to a myriad of peoples and production systems that do not easily conform to neoliberal capitalist production, distribution and consumption (Gardner 2012).

Land is a basis for sustainable livelihood and a necessary element of life, even in those cases where it no longer plays a crucial role in terms of income generation. Its importance needs to be considered in close relation to changes

in the portfolios of activities of different groups and the large variety of coping mechanisms (Zoomers, 2001).

The production of Tola and the ‘Emerald Coast’ as a tourist space illustrates the complex web of actors and social relations occurring at multiple scales, which construct transnational spaces that in many cases (re)produce inequalities between local people, communities, regions, and nations. Understanding Tola as a transnational tourist space provides insights into the power of global capitalism to expand geographically, to transform and commodify spaces, and to tighten its grip on all aspects of life (Torres and Momsen 2005).

Taking this into account we are able to start tracing the fundamentally socially produced character of the struggles around access and control over resources and uneven development as tourism proliferates along Tola’s coastline.
4. Tourism development in Gigante and Tola

Coastal areas have increasingly been transformed from being spaces and places imbued with social, political, historical meaning for local people to spaces and places of leisure for international and local elites. In the present and the following chapter the thesis analysis will be presented. I will argue that the “Emerald Coast” is a spatial product wherein Tola’s coastal landscape and the families who live there have been folded into a dynamic with tourists, developers, and elites; through transnational mobility and flows of people and capital, which are shaped by historical, political, social and economic forces. Through spatial production, Gigante and Tola have become a “tourism space,” which has reshaped land tenure and access to other resources linked to the control of land and is causing tensions with regards to access and control over other land-based resources in the area such as water and the coast. Furthermore, the tourism and real estate development ‘boom’ in the coastal regions of Tola is in many cases generating conflicts and exacerbating the already present patterns of unequal and insecure land tenure.

The first part of the analysis presented here is organized into two sections; in the first section I explain the ways in which land, the coastline and the ocean are central to the livelihoods of the locals. The second section then goes on to highlight the impact of tourism and real estate development on local livelihoods. In doing so I will provide the context for understanding how the production a “tourism space” is causing tensions in the ways in which resources are going to be used in the area.

In the following chapter “The production of the Emerald Coast” I analyze the factors that have contributed to the emergence of the Emerald Coast, both as an imagined space and as a material reality resulting from the combination of different practices. Chapter 5 explains how the impacts highlighted in Chapter 4 emerged.
4.1 Gigante the fishing pueblo

Every morning, as long as conditions were favorable, Juan Francisco would head out at five in the morning to go fishing. Juan Francisco has always been a fisherman, and he owns and operates his own panga\textsuperscript{12} boat – La Reyna – named after his wife. The first thing we’d do after we arrived down by the beach was to go and retrieve the outboard motor and fasten it to the back of the panga. We would then go and fetch gasoline, the trasmallos (gillnets) and a cooler full of ice from the acopio\textsuperscript{13}. Including his panga, Juan Francisco also owns his gillnets but he buys his gasoline and ice from the acopio. There are currently three acopios in Gigante, the biggest being the one Juan Francisco uses.

After having got the panga ready we would proceed to get the boat in the water. This involved rolling the panga down to the beach and to the water using two large tree logs as a makeshift conveyor belt. A log was placed under the front of the boat, a couple of persons then pushed the boat forwards. One person then had to drag the log from the back of the boat and to the front, at the risk of having their feet or hands crushed at any given point. Once the panga was in the water things got a bit tricky as the panga had to be pushed into the surf at the same time as the motor gets started. This had to be timed perfectly with the waves as they crashed on the beach. For the fishermen of Gigante this was as easy as drinking water as they had been doing it since they were boys.

For the first couple of times I went fishing with Juan Francisco, I was profusely forbidden from pushing the panga in the water. I would be allowed

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\textsuperscript{12} A panga is an open, fiberglass boat, powered by an outboard-motor and is commonly used throughout coastal areas in the global South for small-scale fisheries.

\textsuperscript{13} An acopio is a storage and distribution center and acopio owners act as middlemen between the fishermen and buyers.
to push it with the guys down to the water and then be told to sit in the boat as they pushed it onto a wave. The guys would then jump skilfully into the panga, and we’d be off. The fishing trips varied in length. Usually when I went out with Juan Francisco we’d be leaving as the sun came up and would stay out for four to five hours. Sometimes, though, we would stay out the whole day - over 12 hours – packing a traditional Nicaraguan lunch of gallo pinto and fried platanos.

Normally the gillnets would have been left out overnight. With impressive navigational skills Juan Francisco would be able to find the gillnets from the day before, which were only visible by the floating plastic containers that serve as markers for the gillnets, and to keep them afloat and from tangling. The fishermen in Gigante don’t have any GPS navigation systems or maps. All they have to navigate is the far off coastal landscape and their sense of direction. One time when we were out the motor started playing up. We stayed calm while Juan Francisco fiddled with the motor and Jorge and I shared awkward smiles; “¿sabes nadar?” Do you know how to swim, he asked jokingly. I consider myself a strong swimmer and eyeballed the shore, which was less than eight kilometers away, and asked in return if they thought if it was doable. They laughed and told me the currents would do away with me in no time. I asked what would happen if we didn’t get the motor up and running, would the coastguard or army come looking for us. They laughed again and answered; maybe after a couple of days but by that time we’d be half the way to Guatemala and, undoubtedly, dead. More reassuringly, they then told me that if one of the pangas doesn’t return as scheduled the other fishermen go out looking for the missing boat. However, I could not help but wonder how much luck they would have without any navigation systems or ways of communicating.

It is obvious that being a fisherman in Gigante is not without risk and neither is it easy. The gillnets, seen in Figure 3., are hauled in by hand and there were
never less than five or six nets out when I went with Juan Francisco. Halfway through hauling in my first net my hands were torn, blistered and bleeding. Juan Francisco always has one or two guys working with him on the boat. The couple of times I went out fishing with him there were some rotations on the crew working with him. Before, his son Alan would fish with him, and had done since he was a young boy, but now Alan works for Pastora Tours; a tour operator which is owned by the family of one of Nicaragua’s most famous revolutionary heroes - now turned businessman - Edén Pastora\textsuperscript{14}.

\textbf{Figur 3. Fishing with the guys}

\textsuperscript{14} Edén Pastora, nicknamed \textit{Commandante Cero}, is a former Sandinista guerrilla and was the leader for the \textit{Southern Front}. He is perhaps best known for having masterminded the August 1978 National Palace standoff, where 19 FSLN commandos disguised as members of Somoza’s National Guard stormed the building. The operation was considered a turning point in the insurgency. Pastora later became disenfranchised with the FSLN leadership, and turned against them, taking up arms with the Contras (Kinzer 2007).
Juan Francisco now hires young men from Gigante to go out fishing with him. A lot of the young guys rotate between crews, taking work where they can and when they can. There isn’t a lot of money to be made from the fishing, most of the fishermen and their families earn between $4 and $7 USD a day, (Project WOO 2011) depending on yield. The young men who go out and fish with Juan Francisco only get a small share of the days’ worth, but get to take some fish home to their families.

While it is hard to estimate how many fishermen there are in the area, it is safe to say that most families in Gigante rely on fisheries in some form or other. Besides being one of the most important economic activities for the families in the area, most of them also rely heavily on fish and other seafood as an important part of their daily dietary needs. Fish that is not sold at the acopio or to one of the local restaurants is taken home for the family to consume. It is also common for fishermen to give away leftovers and some of the by-catch to friends and family who wait for the fishermen as they return from their fishing trips. These people will help the fishermen pull the pangas to shore and to carry the gillnets, gas tanks, and catches to the acopios. In exchange these people then get fish that wouldn’t get sold at the acopio or taken home to the fisherman’s family.

Many of the families in Gigante rely directly on fish for their daily dietary needs. Many families are not always able to afford meat and basic foodstuffs, and if they do not have any farm animals or crops of their own to supplement their food sources, they are likely to struggle when times are tough. Having access to the coastline is therefore vital for these families and a crucial safety net. Furthermore, the network of people who benefit from fisheries is much larger than just those directly involved with fishing labor and their families and in this sense, small-scale fisheries are both a means for subsistence and income generation for families in Gigante.
Not all fishing takes place in *pangas* and many fishermen from Gigante and the neighboring communities will walk to the nearby rocky shores to fish from there. This can be because this is the only access they have to the fish, or because it saves on costs, such as gasoline. The most common method used for fishing from the shore is using a hand line. Some locals will also swim out into the nearby rocky areas and set up a permanent net which they check early in the morning for catch. Spearfishing and snorkeling are another method used by fishermen for shore fishing, especially when looking for lobster which has gone up in demand with the increase of tourists and restaurants. On the weekends, or when a school of fish has been spotted, it is not uncommon for the shoreline to be covered with fishermen trying to catch fish.

Many families also supplement their diets by collecting other types of seafood from the rocky coastline. One night I went with Alan, his wife Rosita, and Reynita down to the south end of Gigante to collect concha; a type of shellfish which is used in ceviche. We went after dark armed with flashlights, a knife each, and a couple of buckets. The concha sticks to the rocks which are accessible when the tide is low and you scrape them off the rock with a knife.

While many of the fishermen in Gigante are increasingly diversifying their incomes by catering to tourists, working as boat captains on surf charters and sport fishing tours, they have expressed difficulties in competing with the foreigners and financially stronger Nicaraguans from Managua. The fishermen’s pangas are beat up and battle scarred, the fishermen do not speak English and they do not have the means to advertise or market their services competitively.

Whether or not tourism is offering new means of income for the fishermen in Gigante and their families, it is evident that fishing still remains crucial for local livelihoods. Restricting access to parts of the coastline through the privatization of land, the creation of gated resort and residential communities,
and protected areas, directly affects local people’s livelihoods, both in relation to their income and their subsistence.

In the following section I will discuss how the production of Gigante as a “tourism space” is creating tensions with regards to access and control over resources in the area. I will do so by highlighting the impacts of tourism and real estate development on Gigante. In doing so I will provide the context for understanding how the production a “tourism space” is causing tensions in the ways in which resources are going to be used in the area.

4.2 Gigante the tourist town

The previous section explained ways in which land, the coastline and the ocean are central to the livelihoods of the local population. The following section highlights the impacts of tourism and real estate development in and around Gigante and provides a context for understanding how the “tourism space” is transforming and creating tensions with regards to access and control over resources in the area.

These tensions have first and foremost been with regards to: access and control over resources such as, water, the ocean, land, and infrastructure; labor; differential access to resources (economic, political, social, etc.) that enable actors to benefit from tourism; the exclusion of the locals from participating in the tourism sector and from the use of the physical space; and finally the exacerbation of land conflicts.

4.2.1 Access and control over resources

Problems of social inequality and conflicts are closely entwined with the unequal distribution of resources, of land and of land tenure throughout rural areas in the global south (Broegaard 2005). Tourism and real estate
development have the potential to drastically transform access to and control over resources and land tenure. As we established earlier, having access to the ocean and the coastline is vital for the families living in Gigante and Tola’s coastal areas and fishing remains crucial for local livelihoods.

The proliferation of large resorts and residential communities are drastically transforming land tenure along Tola’s coastline and are increasingly restricting access to parts of the coastline and influencing how resources are used in the area. Today, many of Tola’s beaches no longer remain open to public access. The ones in closest proximity to Gigante are also the largest and most exclusive of their kind in Nicaragua, if not Central America. Four of the largest gated resorts and residential communities are in close proximity to Gigante; Arenas Bay Development, Aqua Wellness Resort and Guacalito de la Isla lie just south of Gigante, and Iguana Golf and Beach Club, and Rancho Santana residential resort community are to its north. They are all high-end resorts and residential communities catering to wealthy tourists, and while there are many developments along Tola’s coast, these are the largest and, arguably, the ones causing the most rapid changes to the area. Together these four developments encompass over 2045 hectares of land and almost all of this land is now fenced off to locals, restricting access to the coast and the ocean, even though the coastal law No. 690 clearly states that developments must provide access routes to the coastline through easements.

Apart from the three fishing acopios in town almost the entire beachfront of Gigante is now occupied by tourism related businesses. The first tourism related businesses in town were all-inclusive surf camps, hostels, restaurants

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16 An easement is an access route to the coastline that coastal plots of land are compelled to open in order to guarantee use and enjoyment of the coast by the population. Investors must include the easement in the initial design of their tourist project (INTUR 2009:4).
and bars, but with the continued growth of tourism in the area new and different types of developers and tourists are arriving. However, the fact that the beachfront is now almost entirely saturated by tourism related businesses means that there is not much physical space left for further development on the beachfront. In any case the ‘buying in’ costs become higher, which is likely to exclude the locals who have less economic and political resources than developers and elites.

We have also seen that water use is becoming more intensive in the area as tourism demands more and more water, and often outcompeting the local residents for safe drinking water. An alarming issue is the intense water use of certain tourism businesses, which has resulted in them drying up one of the public water wells in Gigante during the 2013 dry season. This goes to show that the intensive water demand of tourism competes with the daily water needs of local communities and puts the locals at a disadvantage as many of them are not in a position to access safe water through other means than the local ground water wells.

At one point one of the nearby tourism resorts, Arenas Bay Development and Aqua Wellness Resort, agreed to supply Gigante with water from a well they had drilled but eventually the resort wanted payment and the deal was abandoned. This shows that a logic in which resources are privatized excludes the locals from access to vital resources such as water. What we are seeing is that that these more powerful actors are increasingly in a position to decide and control how resources such as water are going to be used in Gigante. The increasingly intensive demand for water by tourism and the capabilities of more powerful actors to influence how water is used raise important questions about the vulnerability of locals with regard to access to potable water as tourism continues to proliferate in the area. The same can be argued about the increasingly restricted access to parts of the coastline and the ocean and land in
general, which results in greater difficulties in carrying out fishing activities and gaining access to the beaches.

Following this, we can establish that tourism and real estate development are transforming and influencing the ways in which resources - such as the beach, the ocean, water and land - are accessed and controlled. This has a direct effect on local people’s livelihoods, which are multidimensional and built on a combination of produced, human, natural, social and cultural assets (Bebbington 1999:2022). This illustrates how land grabbing does not always entail the direct dispossession of all land in an area but rather by controlling access to resources, processes of exclusion and dispossession take shape. Thinking in this way, I argue, allows for nuancing the idea of land grab showing that land grabbing can be de-centered from land (cf. Borras et al. 2012) and still result in the dispossession of local resources.

The processes of tourism and real estate proliferation we are seeing in Gigante and along Tola’s coastline can essentially be understood as control grabbing, where the power to control land and other associated resources has been “grabbed” in order for developers and investors to derive benefit from control of such resources (Borras et al. 2012). I understand this as meaning that this type of control grabbing is linked to a shift in the meaning and use of land and resources where the new uses are determined by the accumulation imperatives of capital which now has the control over the land and resources.

4.2.2 Labor

Tourism is reshaping the daily lives of many of the locals in Gigante, not least with respect to labor and employment. Many of the fishermen are turning to tourism, working as boat captains on surf charters and sport fishing tours. Some of the locals, especially the younger generations, have increasingly started working for the surrounding tourism resorts, surf camps and restaurants: cleaning, doing laundry, bartending or working in the kitchens.
Not long ago young people in Gigante would have had to leave the area in order to find employment other than fishing. They would in many cases have had to go at least to Tola or Rivas and many would even have migrated to Costa Rica in search of work. Many women now increasingly find work as housekeepers in the nearby resorts or in second homes along the coast. Yet other locals have found work in construction, although many of the jobs in the construction industry are going to migrant workers from other communities.

Working in the tourism sector is appealing because, among other things, it offers the possibility of a regular salary. However, even when the locals access certain types of jobs as outlined above, their subaltern situation remains fundamentally unchanged, as their possibilities to negotiate working conditions are limited. There is limited job security for those who work in the tourism sector and workers can be let go without notice and often merely following an employer’s whim. A young woman was let go from her cleaning job at a local tourism business in Gigante after having been sick too often. It turned out that she had gotten Dengue hemorrhagic fever and almost lost her life. Furthermore, few locals seem to be making it to the higher paid- or managerial jobs, which tend to go to foreigners or university educated Managuans.

A couple of Gigante locals run their own restaurants and businesses renting surfboards and operating surf taxis. These are all small family run businesses. There is also a successful puplería located on Gigante’s beachfront, which does well by selling drinks and basic groceries to the tourists and locals. The local Spanish language school is also thriving, and more and more Gigante locals express an interest in running their own tourism businesses.

Many things have changed over the last couple of years for the local businesses in Gigante. Before the arrival of foreign tourists and entrepreneurs there were only two or three businesses in town. Talking to the Nicaraguan business owners they say that their businesses have grown and improved over
the years alongside increased tourism in the area. They have benefitted from capacity building efforts by the municipal government, NGO’s and the Guacalito de la Isla project. These efforts included loans and grants to build and improve their facilities, such as bathrooms; and courses on how to bartender, clean, cook and wait tables; and also the formation of an association of small business entrepreneurs in the area.

This can be interpreted as meaning that the state, NGO’s and Guacalito de la Isla are increasingly shaping how locals are able to participate in tourism within a perspective where local people are imagined as only able of doing service jobs and thus, although such capacity building activities allow for the diversification of livelihood activities, they do not transform or challenge the subaltern position of the locals in the tourism space.

In other words, with the production of the “Emerald Coast” space, certain social subjects and identities are also produced. As I describe above, the locals are produced and limited to their roles as servants. It can of course also be argued that local people lack the education, the capital or the skills to better take stock of the development of tourism in the area. However, lacking such resources is not a random fact of fate. There are important power asymmetries between rural Nicaragua and Managua for instance, and between rural Nicaragua and places like the United States and Canada, asymmetries that are reflected in the unequal and uneven access to education, formal institutions and capital.

However, a shift away from the all-inclusive surf camp tourism has meant more opportunities for the local businesses. The all-inclusive surf camp, which was what dominated in the early tourist-years of Gigante, had little to offer the locals and they derived little economic benefits from the presence of tourists. Now many of the local businesses see the increase of tourism in Gigante as a symbiotic mutualistic relationship and are happy that the foreign owned businesses often send guests to their restaurants.
That being said most of the businesses owned by locals seem positive about the future of tourism in the area and seem to be in agreement that when united they can achieve more for both domestic and foreign business owners alike. However, it is important to stress that in so far, tourism has not been capable of absorbing all the labor, which is displaced when tourism replaces other sectors, such as small-scale fishing and subsistence agriculture. Also, because fishing and subsistence agriculture are inherently important to the local population’s livelihoods, not only in an economic sense, tourism cannot simply replace these activities in the area, because access to the ocean and land is fundamentally important to local people’s livelihoods. Furthermore, while many of the locals I spoke to expressed interest in running their own businesses and living off tourism, many were apprehensive of the idea of working as wage workers for foreign owned businesses, finding the jobs unfairly paid and the hours long. Another aspect of being sentimental is the sense that many Nicaraguans, especially those old enough to remember the war years, still resent the idea of working for Americans, which historically have played a part in their nation’s oppression.

4.2.3 Uneven access to resources which enable actors to benefit from tourism

One of the ways in which local people could benefit from tourism is by being able to participate in tourism-related income generating activities. However, given the current configuration of tourism development in the area - one which is to a greater extent attracting affluent foreigners and Nicaraguans - to be able to target this type of tourist, businesses and entrepreneurs need to be able to reach them specifically. In order to do so, it is crucial to control or have access to certain resources such as knowledge, networks, technology, information, land and other assets. Given that these resources are unevenly distributed among actors at present in Gigante, their ability to participate in and benefit from tourism is influenced by pre-existing inequalities.
In the past, Gigante has mostly attracted foreign surfers and adventurous tourists looking to get ‘off the beaten track’, and expats, who are usually a ragtag team of the aforementioned and who have settled permanently in the area. There is now quite an extensive expat community in Gigante, consisting mainly of North Americans. While Gigante has mostly attracted a modest type of traveller, the proliferation of luxurious development projects in the area indicates an influx of a new type of visitor that is seeking a more exclusive and lavish experience. This coincides with an increasing presence of elites and big business investments.

There are now about 26 tourism related businesses in Gigante itself. 16 of these businesses are foreign owned and operated, while the remaining 10 are run by Nicaraguans but not all of whom are from Gigante. There are also several high-end tourism resorts and residential communities, which stretch along Tola’s coastline.

Many of Gigante’s local business owners expressed that they struggle to compete with the financially stronger foreign entrepreneurs and the Nicaraguan elite, especially when it comes to marketing and making themselves known to the tourists. One local Nicaraguan restaurant owner explained how the domestic restaurants are outcompeted when it comes to marketing and advertisement:

The competition between us and them is that they have more money for their marketing, they [the tourists] come to Gigante but there are several businesses here they never know of. They only know of, for example, John’s place [Gigante Bay Hostel], but not the other businesses. They know about John’s place because they have their webpage and all of that. It is a form of competition in which they can do more. (Interview no. 4)
What this means, is that even though tourism is booming in the area, and Gigante is being transformed into a “tourist town,” locals – both those who seek paid work in the tourism sector and those who wish to run their own business - are not necessarily able to benefit from it to the same extent as foreigners, upper class Nicaraguans and elites. This stresses the importance of having access to economic, social and political resources in order to fully be able to take stock of tourism. Foreign and domestic developers and entrepreneurs, which I would argue more or less fall under the definition of elites in this context, more often than not have the resources to outcompete the locals for the better jobs and business opportunities. This illustrates how the geometry of power operates. While foreigners and richer Nicaraguans have access to networks, knowledge, technology and capital to be able to take stock of the booming of the tourism sector, locals have to adapt to what the more powerful and better positioned can offer them. In this way, locals have very little freedom to negotiate and determine the limits of what is possible.

Times are indeed changing in Gigante and new power players are emerging in the tourism sector. One of these new emerging power players is the tour operator Pastora Tours, which, as already mentioned, has ties to war hero Edén Pastora. The company offers a range of ocean related activities, from sports fishing and surf charters to snorkeling and diving. Many of the young men in the village already work for the company or aspire to do so. Pastora Tours has an increasingly large presence in town and already occupies much of the beachfront with its headquarters, large fleet of pangas and ATV’s. It is reasonable to think that the establishment of this particular business was also possible through the mobilization of resources accessible to or controlled by the elite. Edén Pastora has a long and turbulent history of engagements with diverse actors, including Colombian drug dealers and the CIA, but is also known for his renewed friendship with President Ortega and with Bayardo Arce, Ortega’s most influential economic advisor (Carranza Mena y Cables 2013, Salinas 2012, Central Intelligence Agency 2007).
Another tourism newcomer in town, which also represents the increasing involvement of elites in tourism development in Gigante is the hotel Machele’s Place, which opened in December 2013. The 700,000 US dollar development (Villareal Bello 2013) is the first of its kind in Gigante and another omen of changing times. Machele’s Place is a “boutique hotel” with a swimming pool, air-conditioned rooms equipped with flat screen TV’s, kitchenettes, and private bathrooms. The hotel is co-owned by a young American couple and two Nicaraguan investors, and it is quite clear that that the hotel intends to cater to a very different type of tourist than what has been the norm in Gigante thus far. During the opening party of Machele’s Place in early December brand new, white Toyota Land Cruiser’s lined the little gravel road running through beachfront Gigante, and some of Nicaragua’s most well-known business elites were present. 17

I see the presence of Pastora Tours and Machele’s Place in Gigante as a clear sign of Nicaragua’s elite increasing entanglement in tourism development in the area. The father of one of the American owners of Machele’s Place is a close friend of Nicaraguan business kingpin, Carlos Pellas Chamorro (Largaespada 2013), and owner of Guacalito de la Isla which is just a stone’s throw away from Gigante. Another elite connection is the Gigante Bay Hostel’s association, through a family connection, with one of the FSLN’s highest ranking officials, Bayardo Arce, who is commonly identified with the pro-business wing of the FSLN and who is currently the economic advisor of President Daniel Ortega (Spalding 2013). Arce is known for being very pragmatic in his approach to business elites and economic growth (Rogers 2011). This means that the “hostel” owners’ move in circles with the top tiers

17 The father of one of the American owner’s is a close friend of Nicaraguan business kingpin, Carlos Pellas (El Nuevo Diario 2013). I mention this because it is a further indicator of how Nicaragua’s business elite is strengthening its presence in the tourism industry in Gigante and Tola.
of Nicaraguan elite and increasingly, wealthy upper class Nicaraguans can be seen frequenting the hostel and Gigante.

Arce’s daughter, who is the girlfriend of the owner of the Gigante Bay Hostel and involved in the running of the hostel also makes a living by advising foreigners who are looking to invest in the area. She was not shy about how her family connections have been important, both in running her advisory business and in the running of the hostel:

I am making my living out of being an advisor of foreigners because they don’t know the law of Nicaragua….one day I realized that having my father is a privilege, being an Arce in this country is a privilege, and, being honest is a privilege…I decided I can work with that and make a living of that…I take the people step by step, and get their paper done. (Interview No. 3)

I have used all my family contacts to make this town as better as we can. The electricity used to go for days. For days!!! And I used to spend hours calling Antonio Fenosa [of Gas Natural Fenosa, formerly Unión Fenosa], like please, the food is going to go bad after one day of not having electricity. …and we finally made it, they started investing more in the electricity lines in the area, but it was, we had to really pushy. (Interview No. 3)

This has many consequences and means that more powerful actors are increasingly in a position to influence and control how resources are going to be used in Gigante and Tola’s “tourism space”. This illustrates, following Bull’s (2014) definition of elites\(^\text{18}\), that controlling certain resources, not

\(^{18}\) Bull (2014) define elites as being: “Groups of individuals that due to their control over natural-, economic-, political-, social-, organizational-, or symbolic (expertise/knowledge) resources, stand in a privileged position to influence in a formal or informal way decisions and practices with key environmental implications.”
always limited to economic resources, facilitates the control of additional resources, such as the beachfront in Gigante and Tola’s coastal landscape more broadly. Using such a definition of elites means that we in theory can include a wide number of different groups. It obviously includes business elites that control economic resources including capital and often major institutions regulating its use. They may also control natural resources (including land, hydrocarbons, water, etc.), but their control over such often crucially depend on additional political and organizational resources. It also includes groups at the height of important societal institutions including the different powers of the state (executive, legislative and judicial), and media elites controlling the stream of information and knowledge. However, it may also include intellectual or scientific elites and elites that base their influence on the control over organizations, such as NGOs (Bull 2014).

Using such a definition of elites is important for understanding how uneven access to certain resources allows different actors to participate in, and benefit from, tourism in Gigante and Tola. A basic but critical aspect that is often overlooked is that in order for people to be able to benefit from tourism, they require access to social, economic, and political resources. Limitations to these resources may prevent the local population from obtaining necessary support from formal state and municipal institutions. Furthermore, corruption and a very expensive legal system often preclude effective and equal enforcement of legislation. It also tends to exclude the locals from being able to participate fully in the tourism sector and from influencing it.

This increasing presence of elites, who stand in a privileged position to influence decisions and practices has consequences, not least the in the use of water, such as we see in the Pastora Tours example, but also for access to the beach, the ocean and its resources; and the exclusion of the locals from participating in business and from the use of the physical space. This means that more powerful actors are increasingly in a position to control how
resources are going to be used in Gigante, and furthermore, how space and place are being produced.

4.2.4 The exclusion of locals and land conflicts

In Gigante and in Tola’s coastal areas we can see the beginning of a process of increasing “elitization” of land. Space and place are being transformed in the interest of capital accumulation and to meet the demands of more affluent groups of society, and not based on the needs of the local population. In several cases the concentration of tourism and real estate development has happened on the basis of accumulation by dispossession, which has meant the appropriation of land that was still in the hands of peasants and which was important to the sustainability of their livelihoods. The proliferation of luxurious resorts and gated residential communities such as Guacalito dela Isla, Rancho Santana, Aqua Wellness Resort, and Iguana Beach and Golf Club are a clear sign of this “elitization” process. Looking at the physical spatial morphology of Gigante and Tola’s coastline we can observe, in a very tangible way, the uneven development and inequitable power relations underlying the “Emerald coast.”

Several mechanisms combine to make this possible. The first one is insecure, unclear and disputed land tenure rights and entitlements that are the legacy of historical processes. The second one is the increased juridification of social relations. With this I mean the increased degree to which social relations are being textured by formal legal rules (Rachel Sieder 2010). As I mentioned in the conceptual framework chapter, I understand land tenure as a social relation and thus, I see land conflicts as social - although not always necessarily legal - conflicts. The fact that the way chosen to solve such conflicts increasingly involves the country’s courts is an indication of the juridification of social relations in Nicaragua. However, it does not mean that the legal system in the country is better equipped to solve these conflicts in a fair and just manner,
rather as my empirical material suggests, more powerful actors are in a better position to win legal and juridical processes. Furthermore, the outcome of judiciary processes is often highly politicized; Nicaraguan courts are in practice partisan instruments at the service of Sandinista or Liberal interests (Martínez Barahona 2012).

In many cases, the tourism and real estate development “boom” is exacerbating the already present patterns of unequal and insecure land tenure, and already existing land conflicts are being amplified by the burgeoning of tourism in the area and the subsequent increase in the value of land. Contradictory land policies from the 1980s and the 1990s have resulted in competing land claims, tenure insecurity, and conflicts. It has been estimated that more than half of Nicaraguan households have untitled or unregistered land, and overlapping titles are still a big problem (Broegaard 2009, Baumeister and Fernandez 2005). More than a decade ago it was estimated that 40 per cent of all households in Nicaragua were in a situation of property conflict or potential conflict (Stanfield 1995). Many landholdings are still under contradictory laws and regulations due to inherent ambiguities and overlaps in the existing legislation (Broegaard 2009). Conflicts and competing land claims are only settled slowly, if at all, in the bogged down court system (Merlet and Pommier 2000). As of mid-2001, 83 per cent of the cases of rural farms under court review after the 1990 change of government were still pending or on appeal (EIU 2001).

To understand the complexity of land disputes in Gigante and in the coastal areas of Tola, it is important to view them within their historical context. In the 1990s, agricultural cooperatives throughout Nicaragua were being dissolved, and millions of hectares and hundreds of enterprises, which had been nationalized between 1979 and 1988, were privatized (Everingham 2001). In May 1990, the Chamorro government began to liquidate state corporations. The initial stage of privatization was rife with “spontaneous” acts that
benefited close allies of the Somoza regime; much like many former Sandinista officials had benefited from and acquired assets in the “piñata,” the freewheeling appropriation of state goods following the 1990 defeat.

Much as in other parts of Nicaragua, these same processes were taking place in Tola and Gigante. Agricultural cooperatives were dissolved and much of their land consequently sold.\(^{19}\) In some cases the rights of land owners whose land had been confiscated by the Sandinista government were restored, even though this would often involve land that was already allocated to – and perhaps even titled in the name of – beneficiaries of the Sandinista land reform. To further complicate things; as part of the peace treaty signed at the end of the Contra war, former FSLN soldiers and counter-revolutionary forces were also promised land, which again could already be in the hands of beneficiaries of the Sandinista land reform. The contradictory land policies of the 1980s and the 1990s gave rise to competing land claims, tenure insecurity, and conflicts. Many of these conflicts became violent (Broegaard 2009:155) and land ownership in Nicaragua continues to be highly concentrated in the hands of a few land owners.

Tola and Gigante have seen their share of land conflicts. In and around Gigante the conflicts have mostly been between tourism and real estate developers, former military members (both Sandinista and Contra), and former members of the Pedro Joaquín Chamorro cooperative. The conflicts have involved; contradictory property claims, power abuse and corruption, falsified property titles, squatting and even guns and machetes. Some of the conflicts have been very high profile; some are ongoing, while others have been settled, although a lingering sense of injustice and betrayal still remains among those

\(^{19}\) Among those buying up the land in the area were corporations with strong ties to domestic business elites and politicians; and foreign and domestic real estate developers and tourism investors.
who ‘lost’. Then other smaller conflicts remain the day-to-day struggles of locals, some of whom are landless and have turned to illegal squatting.

Two of the more prominent conflicts in Gigante are the ongoing fight over the coveted Playa Amarillo, seen in Figure 4., which is considered by many as the most sought after beach in Tola; and the ‘Caso Tola’ conflict between a group of investors and members of the Pedro Joaquín Chamorro cooperative. Both of these conflicts showcase the immense complexities surrounding land tenure in Nicaragua, which are being amplified with continued tourism and real estate development in the area.

![Figure 4. Playa Amarillo seen from the south end of the beach.](image)

The Playa Amarillo conflict involves land that used to be part of Somoza’s Guiscoyol estate. The land lies just north of Gigante, bordering the Pacific
Ocean to the west, and stretches east to the Salinas-Tola highway and the community of El Tambo.

It borders *Playa Colorado* and the Iguana residential community to the north. The conflict involves a range of actors, including private investors, former military members of the National Sandinista Army\textsuperscript{20} and the Nicaraguan Resistance\textsuperscript{21}, local residents the Nicaraguan state through the Attorney General’s office, PGR\textsuperscript{22}. The Amarillo case exemplifies how the contradictory land policies of the 1980s and the 1990s have resulted in competing land claims, tenure insecurity, and conflicts.

Tracing the ownership history of the coveted Amarillo land proved easier said than done. We have already established that the land was a part of the Güiscoyol estate, which was confiscated in 1979. From here on however things become hazy. In 1993, CORNAP\textsuperscript{23} is supposed to have sold or transferred the land to a group of former soldiers, who then sold the land to private investor, Bayardo Argüello for the sum of 10,000 Córdoba, who intended to develop the land with tourism and real estate development in mind. (El Nuevo Diario 2012) However, in the following years many different titleholders have emerged, and in 2006 when the conflict reached boiling point, there were at least 18 different property titles for this same piece of land. (El Nuevo Diario 2012) One party claiming the land is a ten-person group of former Sandinista military members, who claim to have received the land in 1988 through the Sandinista agrarian reform, but which didn’t receive a legalized property title until 2005. This led to an extensive legal battle, which

\textsuperscript{20} Ejército Popular Sandinista

\textsuperscript{21} Resistencia Nicaragüense

\textsuperscript{22} la Procuraduría de la República

\textsuperscript{23} Corporaciónes Nacionale del Sector Público; the state holding company responsible for managing state property and sales in the 1990s
went back and forth through the courts, but eventually ended up with the title being annulled. The group however keeps proclaiming their right to the land. The people belonging to the group of locals that I spoke to seemed to see two outcomes possible in the Amarillo conflict; either that the government gives them their rightful property title, or that the government pays them compensation. In the mind of the locals, there was no doubt that this land is rightfully theirs because of them being the rightful beneficiaries of the Sandinista land reform. That being said, it was also very clear that most of the people I spoke to wanted to be able to sell the land to tourism investors once they received a legal property title.

The ‘Caso Tola’ illustrates other aspects of the way in which conflicts develop in the area. After the Pedro Joaquin Chamorro agricultural cooperative received its official property title in 1994 the cooperative members were able to begin the process of liquidating the cooperative and receiving individual property titles. Consequently parts of the land were sold; mostly to developers with strong ties to domestic business elites and politicians and to real estate developers and tourism investors. Unfortunately this did not come without complications and resulted in fierce land disputes.

The conflict between members of the cooperative and several investors dates back to the year 2000 when an investment company[^24] with strong ties to former president Enrique Bolaños acquired land from the cooperative. The conflict is with regards to land which the investment group González Bolaños acquired, in a highly questionable manner, from the cooperative in the year 2000 for a sum of 80,000 Córdoba[^25]. The land in question, known as Redonda Bay, is now home to Buccaneer Point residential community and the Aqua

[^24]: La Sociedad Inversiones González Bolaños, S.A. including members Alejandro Bolaños Davis, his wife, his two sons, and his son-in-law, Armel González Muhs.

[^25]: 80,000 Córdoba are about 3,130 US dollars at today’s value
Wellness resort. Buccaneer Point residential community and Redonda Bay can be seen in Figure 5.

It was in the late 1990s that the investors began frequenting the area and became interested in land belonging to the cooperative for tourism and real estate related purposes. At this time the cooperative was no longer active as such but did not have the financial means to begin the process of legally liquidating the cooperative and titling its land. The investors and the cooperative struck a deal in which the investors would help with the legal proceedings of liquidating and dissolving the cooperative, and surveying and titling the cooperative land. In return, the investors would be sold several plots of land.

Figure 4. Buccaneer Point and Redonda Bay
However, the process became fraught with irregularities and resulted in a fierce conflict and legal battles. In the late 1990s, when the dialogue between the investment group and the cooperative began, there were restrictions on the sale of the land because of it being cooperative land. To get around these restrictions three family members of Armel González and Alejandro Bolaños Davis were made members of the cooperative despite obviously not being landless peasants and beneficiaries of the agrarian land reform. In 2000 the cooperative sold the agreed upon land to the investment group, and in the following year papers for the liquidation of the cooperative were filed. In late 2003 the investors began the first stages of the Arenas Bay Development, which involved constructing roads and access routes, installing electricity, and drilling a well. At some point during this period the land acquired by the González Bolaños group was sold and transferred to a different company, which included foreign tourism and real estate developers26. This became the group of investors who would begin the development of Arenas Bay. In early 2004 a group of members from the dissolved cooperative filed a lawsuit against the investment group to annul the land sale and return the land into their hands. The deal between the investors and the cooperative had been the sale of three specific parcels of land and in exchange the investors would, through their lawyers, take care of legal paperwork, titling, surveying and such. However, it came to light that the official contract of sale for the land had been vague and imprecise, and had failed to mention which plots of land were being sold or their actual boundaries.27 Instead, the investors had different pieces of land than originally agreed upon titled in the names of their

26 Sociedad San Cristóba, S.A. with shareholders; husband and wife Jocelyn Carnegie and Gail Geeriling, Alejandro Bolaños Davis, his daughter Alejandra Bolaños Chamorro, and Armel González Muhs

27 This is according to a report by a special commission appointed by the Nicaraguan National Assembly in order to investigate the case (Arguello Morales et al. 2007). The report found numerous irregularities regarding the land sale.
relatives, who had been made to look like members of the cooperative, and who then ‘sold’ the land to the investment group. The long and arduous legal battle reached its peak in 2007 with the aforementioned corruption allegations. Following the allegations the government appointed a special commission to delve into the case. (El Nuevo Diario 2007) The commission concluded that there was sufficient evidence to support claims of unlawful acts committed by the González Bolaños group and several public officials, with regards to their dealings with the cooperative. Unfortunately, this did not help the members of the cooperative in their legal battle against the investors and today they have all but given up, not having the means to ‘play ball’ in an expensive legal system, where the investors have a clear home advantage.

In many cases the tenure insecurity and inequality that many of the poorer people in Gigante and Tola experience is being amplified with continued tourism and real estate development in the area. As we see in the case of the Pedro Joaquín Chamorro cooperative versus the Arenas Bay Development investors, it is often those with sufficient economic or political resources who can claim, formalize and enforce land rights, regardless of the original legal tenure situation of the land. Something which is echoed in Broegaard’s (2005) research on land tenure insecurity and inequality among rural farmers in southwest Nicaragua.

Before becoming a tourism hotspot, the coastal areas of Tola were of little interest to the state or to anyone for that matter who was not a fisherman. Little attention was paid to illegal squatting or lack of property titles. This has now changed with the increasing value of coastal land. This presents a harsh reality for many of the poorer families in the area, who have little or nothing to fall back on if they lose the land they live on. As Li (2011) points out, in the absence of national welfare provisions, even a tiny patch of land is a crucial

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28 Titles in the names of Erick González Mush, brother of Armel González, and Alejandra Bolaños Chamorro, daughter of Alejandro Bolaños Davis and wife of Armel González
safety net. Alas, in many cases legal ambiguity favors the wealthy in Nicaragua, and despite decades of land reform the distribution of land remains highly unequal.

4.3 Summary

In this chapter I have tried to demonstrate that the “Emerald Coast” is a spatial product in which Tola’s coastal landscape and the families who live there have been folded into a dynamic with tourists, developers, and elites. The chapter was organized into two sections; the first section explained how land, the coastline and the ocean are central to the livelihoods of the locals. The second section then highlighted the impacts of tourism and real estate development on local livelihoods. In what follows I analyze the factors that have contributed to the emergence of the Emerald Coast.
5. The production of the “Emerald Coast”

The previous chapter discussed impacts of tourism and real estate development in Gigante and Tola, providing a context for understanding how the production of a “tourism space” is transforming and creating tensions with regards to access and control over resources in the area.

In what follows, I discuss the factors that have contributed to the production of the Emerald Coast, both as an imagined space and as a material reality resulting from the combination of different practices. The section aims to analyze these factors, which explain how the impacts highlighted in Chapter 4 emerged. These factors are imaginative, legislative and elite dynamics.

A note of caution however; I do not presume to be able to cover all different factors which have contributed to producing Gigante and Tola as a “tourism space.” The outcomes of tourism expansion on land tenure and livelihoods are produced by the intersection of multiple processes that cut across multiple scales and which are rooted within complex webs of relation and networks (Rocheleau and Roth 2007). Nonetheless, the factors discussed in this section are pertinent to how tourism and real estate development are proliferating in Tola’s coastal areas and consequently creating tensions with regards to access and control over resources.

5.1.1 Factors contributing to the production of the “Emerald Coast”

Imaginative factors

We must not look at the world as an inheritance from our parents but rather as a loan from our children (Carlos Pellas 2012)
Gigante and Tola attract investors and tourists alike. The first foreign tourists to start travelling to the area were mostly surfers who for the past decade have been enchanted with Tola’s crowd-free, world-class waves, which are produced by yearlong favorable wind conditions. A lack of paved roads, reliable electricity, commercial development and few foreign tourists also added to the attraction for surfers and other drifters who want to ‘get off the beaten track’. Ironically, these qualities have added to the growing presence of tourism in the area. While surfers are a strange breed and are often secretive and protective of “their waves”, word travels fast, even in the surfing community. In an era of rapid communication and far-reaching media coverage the word is out, and Gigante and Tola’s coast have become a burgeoning tourist destination. This is apparent in the increasing influx of tourists, expats and property developers in the area, and the high-end resort and residential communities that now stretch along Tola’s coastline.

The first foreign tourists with tourism- and property development in mind started arriving in the area ten to 15 years ago. The first businesses in Gigante were started by Californian surfers- and sailors turned entrepreneurs, who started settling in Giante in 2004 and 2005. One of them described this first group of foreigners in Gigante in the following way:

That’s kind of the first ones of us who came down here, Californians looking for waves. We found our waves and […] the lifestyle for Californians is to live on the coast and all those great things. The ones of us who got kind of caught up in the lifestyle stayed. (Interview no. 1)

Many of the foreigners who have settled and started businesses in Gigante have wanted to recreate a “Californian” way of living, and it is part of this larger idea of “living the dream,” whether to “find the perfect wave” or buy their “piece of paradise.” It is a way in which the “Emerald Coast” and Nicaragua have been imagined as a frontier, where (those who have the means) can create a space which suits their lifestyle.
An important factor at play here is how this part of Nicaragua is imagined and described as the “pristine Emerald Coast”. For example, “A surfer’s paradise awaits on pristine private beaches in the wilds of undiscovered Nicaragua.” Thus sounds the opening catchphrase of an article advertising surf tourism in Tola. The article goes on to explain how “Nicaragua is the land where time stands still” and where “hours melt into days into this virtually unknown surfing haven.” (Outside Go 2014) Words like; untouched, undiscovered, virgin, and pristine are commonplace in tourism articles and marketing material advertising Tola’s “Emerald Coast”, as if Nicaragua were a no-mans-land before the arrival of tourism. Nicaragua is being reinvented as a new frontier for tourists and investors of all shapes and sizes; from the surfers and the backpackers to the expats and retirees looking to settle, and then to the high-end tourist looking for an exclusive and lavish experience.

It is easy to see why a developer or entrepreneur with an eye for tourism and real estate investment would covet coastal land in Tola; the landscape is breathtaking and the prices back in the yearly 2000s were enough to make the most conservative developer giddy.

Investors, travelers, retirees and expatriates have shaped the way in which Tola is imagined and produced. Among other things; through travel publications and the Internet, Nicaragua and Tola are advertised and marketed for those interested in living, retiring and investing “overseas” – usually North Americans and Canadians – as being an affordable “piece of paradise”, a “more affordable” Costa Rica, where they can “make their dreams come true” and “maybe make a lot of money.” (Lloyd 2006)

International Living is a company which has created a global real estate empire around advising mostly Americans investing abroad. The company, which identifies itself as a travel publication, bought over 1000 hectares of land in Tola, which then became the Rancho Santana residential community, a high end resort and residential community north of Gigante. Other similar
enterprises, which are usually a conglomeration of real estate developers and travel publications, have been involved in the development of other resorts and residential communities in Tola, such as Iguana Golf and Beach Club and Arenas Bay Development, and the production of the “Emerald Coast”.

But in addition to the surfers and entrepreneurs, the government of Nicaragua, through the INTUR and in alliance with Carlos Pellas, the owner of Guacalito de la Isla, is promoting Tola and the Emerald Coast as a high end “ecological” tourism destination. The opening of the first phase of Guacalito de la Isla, coincided with a publication in The New York Times (Felsenthal 2012) where Nicaragua was ranked the third most exciting tourist destination in the world, out of a list of 46 places. Guacalito de la Isla and the Emerald coast have been featured in numerous publications including the New York Times, The Wall Street Journal, Forbes, Vogue and others. Guacalito de la Isla is often presented as a project of “ecological sustainability” that will benefit the whole country.

Not only have these developments physically altered the landscape of Tola and Gigante through the construction of resorts, residences, and infrastructure. They have also influenced and shaped the way Tola and Gigante are imagined and produced.

Legislative and institutional factors
Buying land and investing in tourism in Nicaragua would not be as enticing for investors as it is without an inviting investment setting which includes tourism incentive laws, tax cuts and cheap labor. The tourism sector in Nicaragua began to expand rapidly in the 2000s as in other parts of Central America (Cañada 2010), and while we have discussed the desires of retirees and expatriates to move to far-away corners of the world in order to buy ‘their piece of paradise’ and ‘live their dreams’, this migration also reflects an investment opportunity. Important triggers for these developments have been
increased global connectivity and policies aimed at attracting foreign direct investment.

Government commitment in Nicaragua to developing tourism is reflected, amongst other things, in a cluster of tourism laws which have encouraged sectoral growth with tax holidays and tariff concessions. Including in these laws are the *Law on Incentives for the Tourism Industry* (Law 306 of 1999) the *Law of Resident Pensioners and Retirees* (Law 694 of 2009) and the *Law for the Development of Coastal Areas and it’s Regulations* (Law 690 of 2009). The law 306, passed in 1999, declares tourism as an “industry of national interest” (INTUR 1999) and is considered by investors and developers as one of the most generous of its kind in Central America, offering broad tax exemptions. The law 694 serves similar purposes as the 306 law and was intended to promote residential tourism through various tax exonerations and exemptions.

The law 690 on the development of coastal areas was passed in 2009 but was originally filed in 2005, following a long discussion process about the delimitation of public and private areas along beaches and the manner of access to them, as well as the zoning criterion to be used (INTUR 2009). In the end, the law ended up being mostly beneficial to tourism-residential interests and provides judicial security for coastal private properties. It established that public use reaches 50 meters inland from the mean high tide line; in the case of lakes and lagoons, the distance is only five meters. This means *de facto* privatization of the property and public domain that the government had over a two kilometer-wide band along coastal areas, reducing it to 50 meters, and from 800 meters to five meters for lakes and lagoons. While the law states that its objectives are to “guarantee access by the population to the coastline…in order to guarantee use and enjoyment of the coast by the population,” (INTUR 2009) this has, in general, not been the case and the continued proliferation of resort and residential tourism developments
along the coast continues to restrict access to coastal areas and restricting the maneuvering space of many people living in coastal areas.\textsuperscript{29}

Tourism incentive policies have played a large role in the tourism and real estate development along Tola’s coastline and privatization of land; reduced access and control over resources, and dispossession have been among the results. However, another factor has to be taken into account. In order to understand the complexities surrounding the outcomes of tourism development, it is important to view them within their historical context.

Before 1979, the dictator Anastasio Somoza and his close associate and former president of the Nicaraguan congress, Cornelio Hüeck, owned vast amounts of land in southern Tola. The area now known as Gigante was part of one of Somoza’s private estates, called ‘finca Güiscoyol’, covering 4,500 hectares of land. Somoza acquired the land in 1937 and from that time and until its confiscation in 1979, the estate was used for cattle ranching.\textsuperscript{30} As mentioned in the previous chapter ca. 849 hectares of the finca Guiscoyol were redistributed to a group of landless peasants from Tola and their families. Policy changes brought by the Violeta Chamorro administration opened up the possibility to sell this land which was until the 1990s collectively owned. However, before many local families could enforce their land rights and titles, tourism development had already begun in the area.

Tourism development, in this context of contradictory land policies resulting from the profound transformation of the agrarian sector in the past decades, in

\textsuperscript{29} The coastal law No. 690 clearly states that developments must provide access routes to the coastline through easements. An easement is an access route to the coastline that coastal plots of land are compelled to open in order to guarantee use and enjoyment of the coast by the population. Investors must include the easement in the initial design of their tourist project (INTUR 2009:4).

\textsuperscript{30} From 1937 to 1979, the Somoza regimes emphasized private property rights and the pursuit of an export orientated, large-scale commercial agriculture. A small number of large landowners operated large commercial farms, producing products for export. The Somoza family itself held an estimated 20% of the land (USAID).
a region with a long history of extraordinary concentration of landownership, is exacerbating the already present patterns of unequal and insecure land tenure as land in the area becomes more valuable. Furthermore, in a political and economic setting which has encouraged tourism growth with tax holidays and tariff concessions, investors and developers are drawn to the area and are contributing to the production of the “Emerald Coast” and a “tourism space” along Tola’s coastline, and creating tensions with regards to access and control over resources in the area. What I mean to say by this, is that the spaces in which tourism and real estate development occur have been created and shaped by earlier processes of political contention, longstanding patterns of land tenure and use, and pre-existing social formations (cf. Edelman, Oya & Borras 2013).

**Elite dynamics**

Elites in Central America have historically secured their position in part thanks to maintaining the control over natural resources, particularly land, labor and controlling state apparatuses (Brockett 1998; Bull 2014). Further, elite control over Latin American societies in general and Nicaraguan society in particular has been strongly linked to the insertion of the country into the global economy as exporter of raw materials. It should therefore not come as a surprise that elites are interested in positioning themselves in the growing high-end tourism market currently developing at a rapid pace in Central America.

Elite dynamics are intertwined in the emergence of the “Emerald Coast” in three major ways. First, elites act as financial actors providing capital for the construction of resorts, homes, infrastructure, residential complexes etc. Second, by promoting and influencing changes in legislation and tourism- and fiscal policy that favors investment, and which are in favor of those with commercial power. Third, by their close association with the governing elite and political leaders, well placed elites in Nicaragua have been able to use
decentralized deal making to secure exemptions and loopholes that have favored their personal interests.

One of the main backdrops to the current trajectories of elite dynamics in Nicaragua is the 1979 revolution (Bull, Castellacci & Kasahara 2014). The Nicaraguan case demonstrates how processes of elite formation and re-composition intersected with major political changes as the country underwent revolution, warfare, democratization and economic reinsertion. A new Nicaraguan elite developed in response to a process of post-revolutionary market reform in the 1990s that altered the domestic institutional architecture and produced new trade and investment flows (Spalding 2013). A new equilibrium has emerged under neoliberalism as non-traditional exporters and private financial interests gain organizational momentum, economic leverage, and lobbying capacity. Using these resources, elites collaborate to pursue a policy framework and legal framework that will allow them to advance their interests (Spalding 20123).

Elites have a wide repertoire they can deploy – individual and collective, formal and informal, associational and electoral – to pursue their goals. In addition to obvious instruments such as campaign contributions and media ownership, business elites have other levels that increase their influence. The need political leaders have for private sector investment and growth, in order to achieve state consolidation and stability (i.e., the structural dependence of the state on capital), gives the business sector enduring power, which political elites ignore at their peril. At the same time, the ability of business to exercise this influence depends on the extent to which they attenuate the differences among themselves through negotiation, persuasion, intimidation or exclusion of weaker segments (Spalding 2013).

Elites in Nicaragua, through their control over resources and often the institutions which regulate their use, are in a unique position to influence the way in which land tenure is reshaped, and how resources are accessed, used
and controlled. Taking into account elite dynamics is therefore important for understanding how tourism is transforming land tenure in Gigante and Tola, and the ways in which uneven access to certain resources allows different actors to participate in, and benefit from, tourism in the area.

Historically, the Nicaraguan economic elite was centered in the agro-export production of coffee, cotton and cattle (Bulmer-Thomas 1987) and then later banking, and developed in close proximity to the Somoza dynasty. This relationship however soured as corruption levels escalated and political violence increased in the 1960s and 1970s. In the 1970s the business community began to organize around this discontent and as conflict escalated in the late 1970s, some sector of the elite began to shift over to the opposition (Spalding 2013). Although many Nicaraguan economic elites had supported the ousting of Somoza from power and were spared from the confiscation of their assets, the revolutionary government gradually promoted reforms which forced most family business groups to leave the country (Bull, Castellacci & Kasahara 2014).

After the Sandinistas lost the 1990 election to Violeta Chamorro, a 16-year period followed in which leaders from the business community took the political helm and the country shifted toward a neoliberal development model (Spalding 2013). Well placed elites in Nicaragua were able to use decentralized deal making to secure exemptions, loopholes and exemptions that favored their personal interests.

The return of Daniel Ortega and of the FSLN to power in 2006 has ironically been the consolidation of advantages to invest and to diversify in Nicaragua through the extension of tax exemptions to different sectors, a stable macro-economic situation, and a constant dialogue with business groups through the main peak Business association – the Superior Council of Private Enterprise (COSEP) (Bull, Castellacci & Kasahara 2014).
Examination of the political and economic terrain in Nicaragua suggests that there is mutual dependence of political and economic elites, which is manifested in the high-level cooperation between the two.

From the standpoint of the government, engagement with the business sector reduced the threat of elite defection and encouraged the investment required to maintain growth. Openness to exchange and cooperation on legislation helped build a network of elite allies who could intervene in moments of tension with powerful external actors like the IMF and the U.S. government. Ortega’s effort to position himself as a unifier and agent of development was also served by the high profile alliance with business, with visible electoral consequences in 2011 (Spalding 2013).

From the standpoint of the economic elites, collaboration with a government that was committed to stability and growth, and capable of mobilizing resources toward that end, proved an attractive option. Top government officials listened to what business elites wanted in regularly scheduled sessions, and attended to their priority concerns about energy supplies, property guarantees and political access (Spalding 2013).

As we discussed earlier in this chapter, Gigante and Tola are being transformed into the “Emerald Coast”, a space and place of leisure for international and domestic elites. This is evident in the increasing number of luxurious development projects in the area, which are in many cases either the pet projects of some of Nicaragua’s more powerful elite families or have direct or indirect connections to them. And in those cases where the developments are not belonging to Nicaraguan elites, these foreign investors certainly fall under the definition of elites used in this thesis.

We have businesses such as Pastora Tours, Machele’s Place, and Gigante Bay Hostel in Gigante that all have connections to elites and which illustrate the elite dynamic which is inherent in the tourism in Tola. We then have the larger
and more luxurious resort and residential communities which stretch along Tola’s coast. The Guacalito de la Isla resort and residential community opened its doors in early 2013. The 250 million dollar mega-development (some estimates claim 350 million dollar) covers 650 hectares of land and is one of the largest and most exclusive of its kind in Nicaragua, if not Central America.

Guacalito de la Isla was developed by Pellas Development Group, which is a subsidiary of Grupo Pellas, one of the largest financial conglomerates in Central America and controlled by arguably the most powerful elite families in Nicaragua, the Pellas family. Grupo Pellas has business interests, among other things, in: sugar, ethanol, rum, banking, energy, car dealership, media, telecommunications, health care, and recently, high-end tourism (Pellas Development Group 2014). Pellas Development Group was formed in 2005 as a specialized unit that focuses on real estate investments and development across Central America. Apart from Guacalito de la Isla in Nicaragua, Pellas Development Group have two other projects in the region; the 1,500 hectare Santa Elena Preserve in Guanacaste, Costa Rica; and the 283 hectare Santa María Golf and Country Club in Panama (Pellas Development Group 2014). Grupo Pellas has been under the leadership of Carlos Pellas Chamorro since 1985.

The Pellas family has a long and established presence among Nicaragua’s business elite and Carlos Pellas Chamorro represents the fourth generation of the family business (Bogan 2009). Grupo Pellas started out in the production of sugar and sugar by-products with the founding of Nicaragua Sugar Estates Limited in 1890. The group has expanded regionally adding Compañía Chumbagua in Honduras and Grupo Alcoholes del Istmo of Panama, among
Grupo Pellas is now one of the biggest producers of sugar and ethanol in Central America (Bull, Castellacci & Kasahara 2014).

Not only are the Pellas family in an exceptional position to develop tourism and real estate along Tola because of their enormous wealth, they are in a position to exert power over the market and influence tourism legislation and the actual investment setting. In other words, they play with loaded dice.

Another aspect which is important to understanding the elite dynamics in tourism and real estate development in the area is the fact that when agricultural cooperatives and state assets were being dissolved and sold in the 1990s, those buying up most of the land were corporations with strong ties to domestic elites and politicians, and more often than not with tourism and real estate development in mind.

The ‘Caso Tola’ conflict for example involved investors with strong ties to former president Enrique Bolaños. The conflict between investors and members of the Pedro Joaquín Chamorro agricultural cooperative is with regards to land which the investors acquired, in a highly questionable manner, from the cooperative in the year 2000. The land in question is now home to the Arenas Bay Development and the Aqua Wellness Resort. The land transaction was fraught with irregularities and resulted in a fierce conflict and legal battles, which the cooperative members eventually lost. As we see in this case, it is often those with sufficient economic or political resources who can claim, formalize and enforce land rights, regardless of the original legal tenure situation of the land.

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31 Grupo Pellas’ sugar mill and land investment in Polochic Valley, Alta Verapaz, Guatemala, acquired through an 88% shareholding in Chabil Utzaj, S.A. in June 2011, was soon spattered in claims about forced evictions and displacement of Kekchi Mayan peasants (ECLAC 2013:99-100).

32 This is something which is echoed in Rikke Broegaard’s research on land tenure insecurity and inequality among rural farmers in southwest Nicaragua (2009, 2009).
All of these developments are an indicator of how Nicaragua’s elite are showing greater interest in tourism in the area and are strengthening their presence in the Nicaraguan tourism sector, which in its early days was dominated by foreign investors. This has many consequences and means that more powerful actors are increasingly in a position to influence and control how resources are going to be used in the area as Gigante and Tola become redefined as the “Emerald Coast.”

5.2 Summary

The purpose of this chapter was to present and analyze the factors which have contributed to the emergence of the Emerald Coast, both as an imagined space and as a material reality resulting from the combination of different practices. These factors are imaginative, legislative and elite dynamics. In doing so, I have tried to explain how the impacts of tourism and real estate development, highlighted in Chapter 4, have emerged.
6. Conclusion

The purpose of this thesis was to examine how processes of tourism and real estate development are transforming land tenure along the southwestern Pacific coast of Nicaragua. My aim throughout the thesis was to demonstrate that the “Emerald Coast” is a spatial product in which Tola’s coastal landscape and the families who live there have been folded into a dynamic with tourists, developers, and elites. I argued that through this spatial production, Gigante and Tola have become a “tourism space,” which has reshaped land tenure and is causing conflict with regards to access and control over resources in the area, and thus affecting local people’s livelihoods. The findings in the thesis also demonstrate that the tourism and real estate “boom” in Tola is in many cases amplifying the already precarious situation regarding land tenure insecurity and inequality in the area.

Coastal areas have increasingly been transformed from being spaces and places imbued with social, political, historical meaning for local people to spaces and places of leisure for international and domestic elites. In recent years, tourism and real estate development have gained prominence in Nicaragua as means to increase foreign direct investment and as a strategy to develop rural areas in the country. Beneficiaries from the revolutionary land reform in Nicaragua have increasingly sold their lands to foreign and domestic investors who have discovered the “Emerald Coast” along the country’s southern Pacific coast.

Land, the coastline and the ocean are central to the livelihoods of the local population in Gigante and Tola’s coastal areas, and having access to these resources is vital for these families. As we are seeing in Tola, tourism and real estate development have the potential to drastically transform land tenure and access to and control over resources. This becomes particularly relevant considering that problems of social inequality and conflicts are closely
entwined with the unequal distribution of resources and of land throughout rural areas in many parts of the world.

The outcomes of tourism and real estate development are indeed transforming land tenure in Tola and are in many cases causing tensions. These tensions have first and foremost been with regards to: access and control over resources such as water, the coast, land, and infrastructure; labor; uneven access to economic, political, social and environmental resources which enable actors to benefit from tourism; the exclusion of locals from the physical space and the restriction of their maneuvering space, and the exacerbation of land conflicts.

The proliferation of luxurious resorts and residential communities are drastically transforming Tola’s coastal landscape and are increasingly restricting access to parts of the coastline and the ocean. Many of Tola’s beaches no longer remain open to public access and four of the largest projects in the area cover over 2.045 hectares of land. The increasing demand for water as tourism grows in the area is also competing with the water needs of local people. This puts many of the locals at a disadvantage because in many cases they are not in a position to access safe water through other means than the local ground water wells. What we are seeing is that more powerful actors are increasingly in a position to control how resources are going to be used in the area as tourism continues to grow. This raises important questions about the vulnerability of locals with regards to how they access resources such as potable water, the coast and the ocean.

Tourism is also reshaping the daily lives of locals with respect to labor and employment, and many locals have turned to paid work in the tourism sector. Working in the tourism sector is appealing to many locals because it offers a regular salary and the work is in many cases less backbreaking than fishing or working in the fields. However, there seems to be limited job security for those who work in the tourism sector. This is worrying given the seasonal and often whimsical nature of tourism. Most of the locals however see a bright future in
tourism and would like to participate in tourism, especially the younger generation. At the same time, many local business owners expressed that they struggle to compete with the financially stronger foreign business owners and the Nicaraguan elite. What this means is that even though tourism is “booming” in the area, locals are not necessarily able to benefit from tourism to the same extent as foreigners, upper class Nicaraguans and transnational elites.

It is important to stress that while tourism offers many new opportunities in terms of employment, it does not imply that tourism will be able to absorb all the labor which is displaced when tourism replaces other sectors, such as small-scale fisheries and subsistence agriculture. Furthermore, fishing and subsistence agriculture are vital to local livelihoods in more ways than simply generating an economic income, and access to the ocean and to land are therefore a crucial safety net for local families.

While tourism may be offering new job opportunities, it is at the same time reshaping land tenure in the area with a strong tendency towards the re-concentration of land into the hands of foreign tourists, investors and elites. By restricting access to parts of the coastline through the privatization of land and the creation of gated resort and residential communities, tourism is directly affecting local people’s livelihoods, both with relation to their income and their subsistence.

The case from Gigante and Tola indicates that in order for people to be able to benefit from tourism, they require access to social, economic, and political resources. Limitations to these resources may prevent the local population from obtaining necessary support from formal state and municipal institutions. Furthermore, corruption and a very expensive legal system often preclude effective and equal enforcement of legislation. This also demonstrates that foreign and domestic elites, who generally have greater access to these resources, are in a privileged position to not only outcompete locals in tourism
but are also in a position to influence how locals are able, or are excluded from, participating in tourism. As a result, most of the locals are limited to service jobs.

Not only are Gigante and Tola being re-produced as a “tourism space,” they are being transformed into the “Emerald Coast,” which is increasingly a space for the elite. An important factor at play here is how this part of Nicaragua is being imagined and described as the “pristine Emerald Coast”. Words like untouched, undiscovered, virgin, and pristine are all commonplace in the discourse about Tola’s coastline, as if the area had been a no-mans-land before the arrival of tourism. Nicaragua is being reinvented as a new frontier for tourists and investors interested in living, retiring and investing “overseas.”

Indeed, space is being transformed in the interest of capital accumulation and to meet the demands of more affluent groups of society, rather than the needs of the local population. The proliferation of luxurious resorts and gated residential communities such as Guacalito dela Isla, Rancho Santana, Aqua Wellness Resort, and Iguana Beach and Golf Club are a clear sign of this “elitization” process. Looking at the physical spatial morphology of Gigante and Tola’s coastline we can observe, in a very tangible way, the uneven development and inequitable power relations underlying the “Emerald Coast.”

Elites are powerful actors which, because of their control over certain resources, are in a privileged position to influence decisions and practices which dictate how new systems of land use and territorial organizations are produced. Through their control over resources and often the institutions which regulate their use, Nicaraguan elites are in a unique position to influence the way in which tourism and real estate development materialize in Gigante and Tola. One of the more effective ways in which elites have been able to influence tourism and real estate development is through legislative and institutional forces. Well placed elites in Nicaragua have been able to use
decentralized deal making to secure exemptions and loopholes that have favored their personal interests.

In Tola, the tourism and real estate development “boom” is exacerbating already present patterns of unequal and insecure land tenure. In many cases the concentration of tourism- and property based development has happened on the basis of accumulation by dispossession, which has meant the appropriation of land that was still in the hands of peasants and had important community ties. Land and resources are increasingly becoming concentrated in the hands of those already holding capital; in our case foreign and domestic elites and tourists, and when resources become enclosed by private interests for profit, the result is inevitably greater social inequality. Tourism development (construction of homes, resorts, infrastructure, facilities etc.) acts as one of the primary routes for capital expansion and reproduction, where dispossession is taking place through the market. A crucial aspect of the dual character of capital accumulation and dispossession is the way that those implicated in the accumulation of value are also those implicated in the attribution of value itself. A feature of the modern financialized capitalist economy is that the value of commodity is constructed and co-produced within the architecture of its financialization through interaction with the institutions apparently governing them and the policies of the state. What this means is that “those exerting power over the markets thus also play them with loaded dice.” (Fairhead et al., 2012:246)

Tourism and real estate development are in many ways amplifying land conflicts in the area. The land disputes in Gigante and Tola showcase the immense complexities surrounding land tenure in Nicaragua. In many cases the tenure insecurity and inequality that many poor people in Nicaragua experience is being amplified by the burgeoning of tourism. As we saw in the case of the Pedro Joaquín Chamorro cooperative versus the Arenas Bay Developers, it is often those with sufficient economic or political resources
who can claim, formalize and enforce land rights, regardless of the original legal tenure situation of the land. What this means is that in the face of tourism and real estate development, many of the locals in in Gigante and Tola have to navigate through a treacherous landscape of inequality, poverty, lack or unequal enforcement of rights, and power abuse.

Tourism and land tenure are fundamentally political, economic, social and ecological processes which are shaped by historical, political, social and economic systems. The outcomes of tourism expansion on land tenure and livelihoods are produced by the intersection of multiple processes, which cut across multiple scales, and which are rooted within complex webs of relation and networks.

Tourism development as a form of land use and territorial organization is a site of struggle. Current trends to accumulate land for these purposes pose a great risk to a myriad of peoples and production systems that do not easily conform to neoliberal capitalist production, distribution and consumption (Gardner 2012). Land is a basis for sustainable livelihood and a necessary element of life, even in those cases where it no longer plays a crucial role in terms of income generation. Its importance needs to be considered in close relation to changes in the portfolios of activities of different groups and the large variety of coping mechanisms (Zoomers, 2001).

The production of Tola and the ‘Emerald Coast’ as a tourist space illustrates the complex web of actors and social relations occurring at multiple scales, which construct transnational spaces that in many cases (re)produce inequalities between local people, communities, regions, and nations. Understanding Tola as a transnational tourist space provides insights into the power of global capitalism to expand geographically, to transform and commodify spaces, and to tighten its grip on all aspects of life (Torres and Momsen 2005).
There seems to be little understanding of the seriousness of the transformations entailed in these processes of tourism- and property based development that we are seeing along the Pacific coast of Nicaragua. This lack of understanding is worrying, given the intensity and scope of these processes, and becomes increasingly significant when considered within the contexts of insecure and unequal land tenure in Nicaragua, and within a broader context of a global ‘land rush’ and land grabbing.
Bibliography


Appendices

Appendix A: Interviews

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