

Neoliberalism, Heritage Conservation, and the Resulting Dispossession at Machu Picchu, A Protected Area in the Peruvian Andes

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Privatization is when the government comes in and takes away your property.
(*Privatización es cuando el gobierno viene y se apodera de tu propiedad.*) —FRANCO²
Community of Huayllabamba, Machu Picchu, Fieldnotes May 25, 2002

Abstract

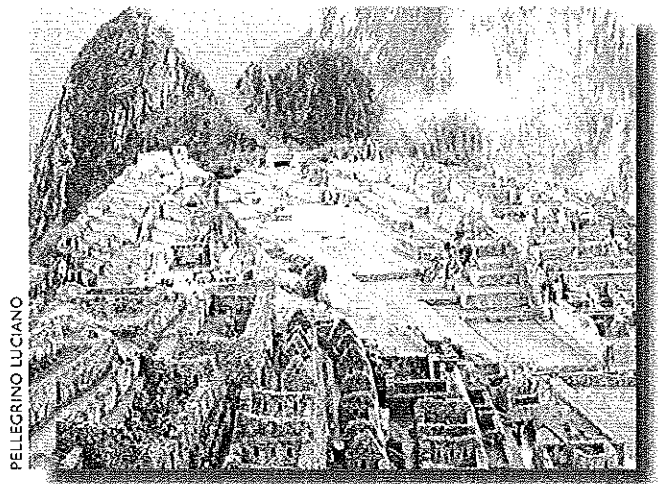
This article discusses social changes in the archeological and ecological Sanctuary of Machu Picchu located in the southern Peruvian Andes. It examines the status of the people who live within its boundaries. The goal of this paper is not to criticize conservation efforts per se but to call attention to the contradictions people face when those efforts are integrated with privatization policies, sometimes referred to in Peru as neoliberalism. What happens when conservation and the need to attract global investments come together? I explore Erving Goffman's work (1961) on life in asylums, particularly secondary adjustments and the institutional loops they create, as helpful in understanding the lived contradictions of people who live in protected areas.

Introduction

This article examines the inconsistencies experienced by district residents in the historic and nature Sanctuary of Machu Picchu, over the Peruvian government's drive to implement neoliberal policies. Heritage conservation in the southern Peruvian Andes is increasingly shaped by current privatization efforts and structural adjustment demands. The people who live in Machu Picchu live in a protected area that gives the state expropriating powers to claim the land as a public good. The central problem is that under neoliberalism, a public asset is used for private gain at the expense of residents. Inhabitants experience a contradiction between the neoliberal claim of a free market, and the hand of the government creating conditions that select some groups over others. I argue that by reframing public goods in neoliberal terms, the stage was set for dispossessing inhabitants. Heritage conservation combined with economic structural adjustment policies create conditions that justify the takings of possession rights, civil status and the public resources in order to accommodate the interests of larger capital investments.

The Quechua term *Machu Picchu* basically translates into Old Mountain or Old Peak. As a place name, the term initially referred to the name of a mountain located on the eastern slope of the southern Peruvian Andes about 70 kilometers east of Cuzco. However, over time a political

district, a rural town, an archeological site, and a nature reserve also came to be called Machu Picchu. Machu Picchu as a district is located in Urubamba, which is a province in the Department of Cuzco, Peru. The district was established in 1941, some forty years prior to the state's creation of a historical and natural sanctuary in 1981, 42 years before it was inscribed in the



The Archaeological Citadel of Machu Picchu surrounded by over 32 thousand hectares constituting the Historical and Nature Sanctuary of Machu Picchu.

World Heritage List in 1983 of the United Nations Educational Scientific and Cultural Organization (UNESCO), but 30 years after the discovery of the Incan Citadel.³ The district is comprised of a pueblo, which is the capital of the district, and four rural campesino communities. Like the district, the pueblo capital is also called

Machu Picchu, though many in Peru and even in Cuzco, not to mention foreigners, refer to it as *Aguas Calientes* or Hot Springs. In addition, Machu Picchu refers to the famous citadel. The Citadel of Machu Picchu rests on a ridge cradled between the mountains Machu Picchu and Huayna Picchu⁴. It is not known what the Incas called their citadel or the mountains between which it is positioned. The Citadel of Machu Picchu harbors the same name as one of the mountains, but reference to these mountains can be dated only as far back as the mid-19th century (Tamayo Herrera, 1981).

It is important to note the various intersecting spaces called *Machu Picchu* because it connotes the different ways the Machupicheños are implicated in conservation regulations that would otherwise be obscured by the generic use of the same name.

Cultural Heritage and Neoliberalism in Peru

Like globalization, the term neoliberalism can be a vague concept. As such, the development of neoliberalism must be understood in Latin America, as elsewhere, as a process (Gledhill 2004). The current trend towards neoliberalism in Latin America is connected to the debt crisis of the 1980s. The oil crisis of 1973 increased the cost of petroleum, which increased the cost of everything from transportation to food production. Less developed countries were severely affected by the crisis leading ultimately to steep deficits in trade balance. As banks and lending institutions filled with so-called petro-dollars, they offered loans to third world countries at low interests (Green 2003:27–30).

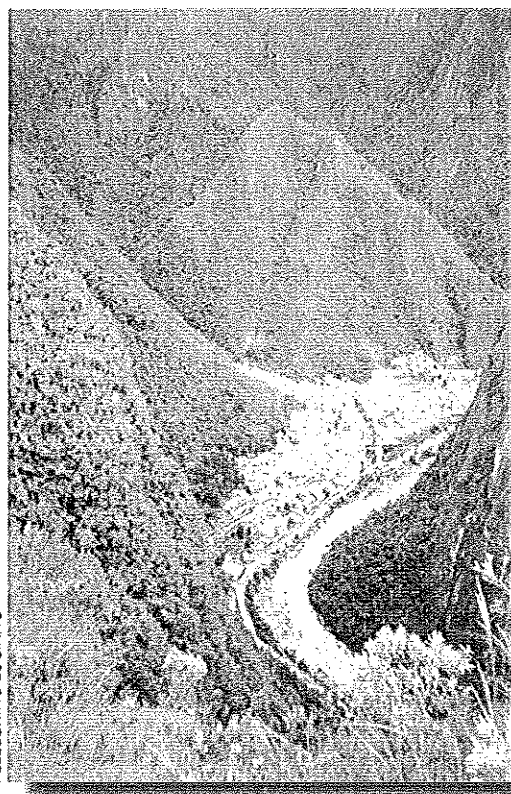
As the balance of payment deficits for imports and development costs increased, many Latin America countries became ever more dependent on foreign loans. Throughout the 1970s, most

Latin American countries borrowed heavily from Western banks at low interest rates in pursuit of development. But those rates eventually increased, and ultimately along with trade deficits and extensive inflation, led to the debt crisis by the 1980s as Latin American countries, as in most of the Third World, defaulted on payments. As a result, foreign creditors became determined in forcing their economic perspectives on reducing government intervention and promoting free

market policies. The World Bank and the International Monetary Fund (IMF)⁵ intervened to impose structural adjustment programs that reflected the economic ideals of the Washington Consensus. The International Monetary Fund put forward structural adjustment policies as a condition for debtor nations to obtain additional loans. The adjustment entailed the triple prescription of privatization, liberalization, and deregulation, meaning privatizing many state operated sectors, integrating trade and investment with the global economy, and reducing state regulation of the economy (Green 2003:39–46;

Thomas-Slayter 2003:52). However, the governing mandates of financial institutions are not necessarily congruent with the rapidly changing global economy. Thomas-Slayter (2003:149) observes that there is often a tension between the kind of demands international financial institutions place on poorer nations with the flexibility global capital investors have to evade national laws and requirements.

In Peru, along with the debt crisis, the 1980s saw *Shining Path* insurgents engaged in a violent revolutionary struggle against the state. The war had devastating social repercussions. Rural inhabitants were often caught between the



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The Pueblo of Machu Picchu as well as the Capital of the District of Machu Picchu. The district boundary overlies and extends beyond the Sanctuary boundary (photo taken from a mountain adjacent to the Citadel).

violence of the military and that of the Shining Path (Degregori 1990, Poole and Renique 1992). However, in the early nineties, the military gained the upper hand on the Shining Path with the capture of its leaders. Alberto Fujimori, president of the Republic of Peru, 1990–2000, made an international effort to attract direct foreign investments and to change the image of Peru as a dangerous place. A strong effort needed to be made to demonstrate to foreign investors the government's commitment to transform the economy. Hence, one of President Fujimori's creations was *PromPeru*⁶ an organization charged with coordinating and fostering activities related to the promotion of Peru to a global audience and for attracting foreign investment. PromPeru also used foreign media to help build a tourist market by creating interest in the Peruvian pre-Columbian past by diffusing information through sources such as the newspaper *The New York Times* and via television on the Discovery Channel. Nationally, PromPeru advanced social and cultural projects meant to increase local awareness of the significance of tourism for the economy, offering workshops on improving services.⁷

In Peru's 2000 presidential elections, Alberto Fujimori won under dubious conditions. Under the pressure of the Organization of American States (OAS) re-elections were held a few months later in which Fujimori lost to Alejandro Toledo. One of the striking aspects of this election was the role race played in the campaigns. Since Toledo has what are seen as Indian facial features, it seemed he was able to manipulate this quality to gain votes in the Andes, as his greatest support came from the sierra region⁸. He represented himself as part of Peru's pre-Columbian past and gained popular support, especially in Cuzco, the seat of the former Inca Empire. For the first time in Peruvian history, Toledo held his inauguration ceremony at the Citadel of Machu Picchu, using the site to call attention to Peru's pre-Columbian origins. Unlike Fujimori, Toledo's pre-election campaign emphasized anti-privatization policies, in particular, a promise to keep the hydroelectric companies in state hands. When Toledo entered office in July 2001, there were media discussions that a new Peruvian democracy was emerging after Fujimori's ten-year authoritarian rule and the protracted war

against the Shining Path.

Toledo placed a great deal of emphasis on increasing tourism in Peru. He, like his predecessor, stressed tourism as one of Peru's greatest economic options and thus began seeking avenues to further develop the industry. However, in spite of his pre-election anti-privatization platform, once in office, he continued Fujimori's neo-liberal agenda under the demands of the International Monetary Fund. In less than a year, Toledo lost support even in the sierra. It seemed as though he was attempting to sell everything under state authority. Popular dissent followed, and in Cuzco anti-neoliberal protests invoked Machu Picchu as a rallying flag against the privatization efforts taking place. The politics of privatization merged with that of heritage conservation on both sides of the neoliberal debate.

Relationships among cultural heritage, nationalism, and nation-building are well established (Handler 1985; Hewison 1987; Walsh 1992; Clifford 1997; Kirshenblatt-Gimblet 1998). They have to do with ways representations of the past factor into contentious politics, and are hegemonic sites where people struggle over the interpretation of the past, and to redefine identities (Handler and Gable 1997; Bender 1998; Meskell 2002). However, less attention has been paid to how pressure from international financial organizations, in addition to conservation institutions, influence governance, and to how heritage preservation and promotion factors into state reorganization under such pressures. For example, heritage can shape projects that define and represent the state to the rest of the world. Heritage can be drawn on to represent state economic policy and used as symbols for attracting direct foreign investments. Heritage also entails boundaries codified by jurisdiction. As is the case in Peru, heritage is legally designated and managed under the auspices of the central government, as opposed to provincial or local governments.⁹

Lastly, through heritage, we see a particular way in which the retreating neoliberal state reappears with different institutional arrangements and forms of coercion. Heritage provides the state with expropriating power that can be a venue for dispossession. Hence, in light of Thomas-Slayter's (2003:149) insight noted above, I argue

that what we see in the case of Machu Picchu is how international financial institutions coupled with the demands and mobility of global capital translates into greater control by the state government over resources firmly in its grip, which here means state subjects and national heritage.

Sanctuary as Institution: Social Identity in a Protected Area

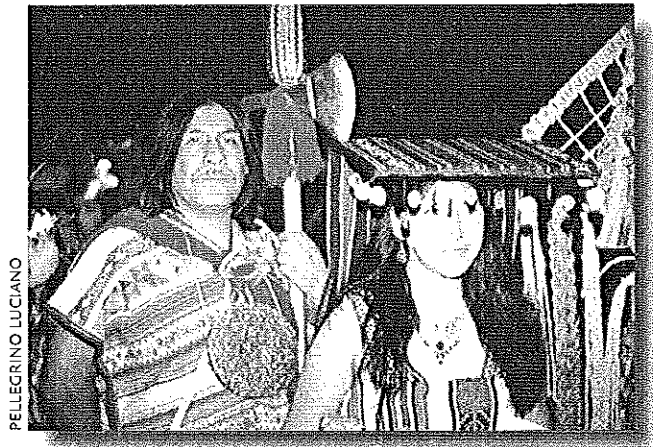
When I arrived in Machu Picchu, the pueblo was in the midst of its big festival, the anniversary of the founding of the political district. The anniversary festival is a special event for the people of Machu Picchu. It is perhaps a time when the community reasserts its jurisdictional autonomy over the sanctuary designation. Festival activities are often encounters with the intersecting spaces of district and sanctuary.

As part of the festivities, a dance competition is planned. David, the president of one of the *barrio* or neighborhood associations, had spent the last few weeks preparing his dance group for the evening contest. In designing the dance he called *Rito al Dios Sol* or A Rite to the Sun God, David wanted to create a dance to represent the Pueblo of Machu Picchu. Although David knew little about dance or choreography, he took it upon himself as a *barrio* president to organize some of the local children. David explained,

The pueblo does not have an identity, and creating its own dance would offer something unique to Machu Picchu. We are the only pueblo in Peru ... [with] no identity. (*Somos el único pueblo en Perú que no tiene identidad*).

That evening, spectators crowded the plaza waiting for the competition to begin. All participants were from the pueblo with the exception of those dancing for the Instituto Nacional de Cultura (INC), which is the state archeological conservation agency. Many objected to their participation, claiming that these dancers were outsiders. When it was time for David's group to dance, he entered the stage to explain to the audience that this was their new dance created to represent ancient times in Machu Picchu. He stressed to the pueblo that they should accept this dance as theirs because, "our pueblo does not have its own dance."

At last, all the dance groups performed. The judges decided that the INC had won. David and his group began shouting, "fraud." He was furious and insulted the panel of judges made up of officials from the municipality. "Incompetents," he cried. He expressed the feeling that the municipality had betrayed the pueblo and explained, "They don't represent us, but rather the powerful. The felt need by many, such as David, to create a Machu Picchu identity, raised the ques-



Two dance participants playing the role of Inca king and queen for the pueblo team in the 40th district anniversary dance competition.

tion of what is considered an appropriate identity for the pueblo and why having one had become urgent.

The people of Machu Picchu live in a landscape made to represent a utopia, classified as an intangible zone by the tourism industry, state institutions, and bodies of the United Nations. For example, UNESCO defines Machu Picchu as a heritage area for all humanity or *patrimonio de humanidad*.¹⁰ Since the creation of the sanctuary in 1981 residents of the district overlapping the sanctuary were granted user rights. What happens to those rights when the concept of intangibility has been steered to serve neoliberal policies? In one sense, the criteria for inclusion and exclusion involve having the right commoditized identity for the landscape. The mammoth growth of the tourist industry in Peru turned Machu Picchu into a commodity that commercializes an image of the past. That image dictates the kinds of identities that are marketable within the sanctuary boundaries. In another sense, governing agencies methodically manipulate social identities and the law to promote some interests above others and to move poorer people out of

the way. Sergio, a pueblo resident, responds to my question: What do people mean when they say Machu Picchu is an intangible resource?

What is the meaning of intangible? They say the Historic Sanctuary of Machu Picchu is intangible—everything that you see [points to the landscape] is intangible. But this intangibility is only for the poor, it's not intangible for them [points to Sanctuary Lodge]. [T]hey say it's prohibited to construct buildings with concrete but in reality they [the state authorities] don't care. They can violate the rule [pertaining to intangibility] but for the campesinos that have been living here for years, and understand the ecology, only they are [said to be] destroying the environment.

It might stretch the imagination to think of the residents of Machu Picchu as inmates, living in a total institution (Goffman 1961), because the conservation agencies of the state are not designed for the management of people in the same sense as a prison or hospital, but rather that of a protected heritage area. Moreover, people are not confined behind physical walls and cut off from the wider society, as are people in a total institution. Also residents are not so brutally stripped and leveled, in Goffman's sense, of status, as they would be in a prison. And of course the residents of the district do not quite live in so-called batches where all activities are carried out in the constant presence of others (Goffman 1961:4–28).

Nevertheless, sanctuary life shares similarities with life in a total institution. For instance, while people are not confined, exit and entry into the sanctuary is highly controlled, and it is difficult for a resident to receive a family member or friend without the guest paying tourist entrance fees. Furthermore, the privatization of the railroad has meant that residents are subject to fare hikes that in effect limit their movement. While residents of Machu Picchu do not live in batches, their movements are constantly watched by park rangers, and from the perspective of the director, the status of community is denied to the rural residents. At least in his eyes, residents are nothing more than a chaotic mass of people, referred to by terms like *grupos humanos* or human groups,

rather than legitimate communities.

However, the semblance of a total institution arises when since the mid-1990s the state integrated neoliberal policies into their management of the Sanctuary. First, by tying nature to Peru's foreign debt with a debt-for-nature exchange with the government of Finland,¹¹ and second by offering multimillion-dollar contracts to non-governmental organizations (NGOs) to conserve specific ideas of nature that stigmatize the activities of the population, and finally, the privatizing of services formally run by the state such as transportation and major hotels, to the global-scale tourism company *Orient Express*. In effect, the state retains control of a nationally symbolic territory while maximizing capital accumulation needs. It does so by balancing the idea of a public good, a commons normally *not* associated with the politics of privatization, with an emphasis on private property creating a contradiction that needs to be resolved, and the resolution is a coercive politics of blame. There is a fuzzy problem of whose property is defined as public goods, and who does damage to them.

Suddenly, residents find themselves stripped in the sense of having their possessions taken or restricted for the financial benefit of others, and leveled in the sense of having a new commercialized identity imposed on them as a qualification to live in the sanctuary. Equally important, people must still respond to the strict rules and regulations of the sanctuary. What we see is something akin to what Goffman referred to as "secondary adjustment" where people adapt to the institutional order often through secretive and deceptive practices. These are

practices that do not directly challenge staff but allow inmates to obtain forbidden satisfactions or to obtain permitted ones by forbidden means (Goffman 1961:54).

As Machu Picchu is part of a configuration of tourism icons in Cuzco, which in particular is a kind of gateway for tourists to the sanctuary (van den Berghe and Flores Ochoa 2000: 8), we might expect investment interests producing similar types of relationships that result in comparable forms of adaptation on the part of local people. An examination of secondary adjustments, in neighboring areas outside of the

Sanctuary of Machu Picchu further shows that conservation enforcement is drawn on as a rationale for the facilitation of privatization policies that increasingly favor some interests over others. Corporate and governmental interests come together to impose an intensified institutional order of people management.

For example, up until 1999 the *Plaza de Armas* or central plaza in Cuzco was teeming with small level merchants selling artisan goods arranged on the pavement, along the portals, and under the balconies that encompass the plaza. Men and women without the resources to rent pavement space ambled around the plaza as they carried their goods, such as clothing, jewelry or food, to sell. There were shoeshine boys and children who sold postcards or posed in traditional Andean garb with a llama or a lamb, and for a small fee offered tourists a photo opportunity. And of course the plaza area was also filled with tourist establishments such as, tour agencies, artisan shops, restaurants and bars. At the turn of the millennium all of that changed. The wealthier establishments were left untouched, but the merchants selling their wares on the portal pavements were sent off to a newly built artisan market located about a mile away from the plaza, where most foreigners never go. The rationale was that they were unsightly and that they posed a hazard to tourists by attracting criminal elements. In contradictory fashion, another artisan market was constructed for them near the central market, an area where many tourists are specifically told not to go because it is considered dangerous and unsightly. These markets are also not well advertised and tourists tend to make their purchases in the establishments in or around the plaza. The displaced small merchants thus suffered great economic loss. Hence, just as the Orient Express captures the high-end tourist market in Machu Picchu, plaza space is regulated to capture the dollars of wealthier western tourists by removing competition and the temptation of customers purchasing cheaper goods or memorabilia.

A more dramatic alteration of plaza space in Cuzco can be seen in the new laws that prohibit street sellers of any sort from entering the plaza. Whereas once poorer families could reasonably benefit from the tourist economy by selling

goods without having any overhead costs, now they cannot. The plazas are in effect swept of poorer people who do not look well educated or cosmopolitan, and are thus viewed as different. Nevertheless, people do adjust to the laws governing their built environment. People sneak goods into the plaza hidden in bags, under vests, and the like. They make their products visible only when they approach potential buyers. However, now there is a need for vigilance. On one occasion, a child of about 10 years tried to sell me postcards, but when a police officer passed by he shoved his package of cards under his shirt. Police can confiscate a person's goods if they are caught in the act; hence, special tactics are necessary to avoid suspicion. Those who sell food are often faced with the problem of arousing police attention because customers tend to eat purchased food openly. A popular option for the sellers is to camouflage the economic transaction as a personal exchange between friends. Once while I was sitting in the Cuzco plaza, a food seller sat down beside me, feigning a personal relationship by pretending to be engaged in a conversation. While this might work when dealing with the denizens of Cuzco, or a curious anthropologist, it is often much harder with foreign tourists because of language barriers and because tourists are likely to interpret such behavior with distrust. Western tourists often come to Peru with preconceptions that it is a dangerous so-called third-world country. Tourists may thus mistake such action as an attempt at being swindled, or perhaps being offered contraband or stolen goods. In the nearby community of Fortaleza similar problems occur. The community is located above Cuzco in the park and archeological site of Sacsayhuaman, a popular tourist destination, and also the place where the *Inti Rymi* winter solstice ritual is held. Most of the residents were not granted permits by the INC to sell artisan goods to tourists, even though they live next to the ruins. As one woman explained, "we have to [quietly] chase after tourists as if we were delinquents [trying to rob them]."

In contrast to Cuzco, in Machu Picchu the boundaries of the sanctuary not only define the market space, but also a public good, and the commodity sold; a tourist must pay to enter the sanctuary to have a heritage experience. In

Machu Picchu, the changes in sanctuary laws affect the interactions between tourists and residents with profound economic consequence. Here, great effort is made to separate tourists from locals. For example, tourists were once allowed to hike the Inca Trail alone, crafting their own kind of experience through interactions with residents. Residents could make some extra money by renting a bed to a hiker. Tourists at that time were far more likely to attempt to engage in dialogue as well as receive local interpretations of Inca monuments. Also, before privatization, tourists could, if they chose, to take the local train either to the kilometer from where they would start their hike on the Inca Trail, or go directly to the pueblo to visit the citadel. While it was crowded and not the most comfortable ride, many tourists chose the local train not just because of cost, but also to be engaged with the realities of a contemporary Andean population. With a shortage of seats, a tourist might be asked to share a seat with a child to lighten a mother's load. From a resident's perspective these interactions were also opportune moments to establish economically significant godparent relationships with foreigners.



Campesinos from the rural community of Pampacahua protesting INRENA control during the 40th anniversary festival civil-parade. Some of the banners demand liberty from INRENA, as well as respect for the campesino way of life.

Now the tourists are no longer allowed to use the local train. Tourists are also no longer allowed to hike the Inca Trail alone, but must go through tour agencies that provide a tour guide. Andean life as well as the past is now interpreted through a professional tour guide who echoes official versions of the past.¹² The tour company provides all the food, and there is little interac-

tion between locals and tourists. Tour groups have designated campsites that, while often located near homes, offer few opportunities for interaction with residents. The little interaction that does take place between locals and tourists is largely confined to the purchase of a bottle of water or a candy bar as they pack their gear to depart on the trail. Residents must pick other moments and places to sell to tourists directly, often tagging behind them as they walk.

In addition to survival strategies, another issue raised in secondary adjustments pertains to how people are affected by the kinds of actions they perform. Perhaps, what is most interesting about secondary adjustments is the possibility that local people can create narratives that provide for them a sense of historical awareness about their own actions and behaviors that differ from conservation framings.¹³ As in one case, Don Marcos a farmer in the sanctuary, was illegally chopping tree branches for wood, when he related conservation personnel to the old hacendado family. As Don Marcos stripped the limb, I inquired about the old hacienda. Only half interested in my question, Don Marcos provided his own perhaps more interesting reflection saying: "Peru [the state] is like the hacendado, it's as if we live in a hacienda. Those from UGM and INRENA (state conservation agencies)¹⁴ prohibit everything, they don't want us to work, they don't want us to cut trees, work the fields, they don't want us to do anything, yeah just like the hacendados they watch everything and prohibit everything, and yeah those from UGM and INRENA are just another hacendado." Don Marcos described the hacendado-peasant relationship, saying that "The hacendado from kilometer 88 would come to see how many animals we had, how we worked. He watched our families. Sometimes everybody, women and children, had to work his fields." He explained that the work done for the hacendado was referred to as *la condición*, or the condition, referring to the contract that allowed them to cultivate the hacendado's fields. After the agrarian reform, the distribution of land never came to pass legally because of the politics of the sanctuary. The *campesinos* were never able to obtain land titles from the government. Don Marcos said in a sarcastic tone of voice: "People

say it's a sanctuary, at least that's what the rangers tell us all the time." For Don Marcos the residents shifted from abiding by the conditions of the hacendado to those of the conservation agencies, explaining how now they conduct garbage collection duties for the state.

Hence in order to understand how neoliberalism results in dispossession in the sanctuary, one needs to distinguish between the commoditization of identity from the governance of identity. The commoditization of identity is a much more direct response to market forces as in the world tourism industry, and to what images connect to the expectations of tourists and by extension sell. On the other hand, the state's manipulation of identity as a means of social control is more akin to the effort to build an institutional framework that facilitates the movement of capital, and demonstrates compliance with structural adjustment demands. Making the distinction between the two forces that shape social identity under neoliberalism allows us to better see how the economy is politically organized to favor elites, whereas a focus on identity as commodity opens the door for blaming market failures on local peoples' inability to create a competitive product for tourists.

What may at first appear from David's defiance during the dance competition described above as an all too common attempt on his part to commoditize an identity for tourists, can be more completely understood as a defeated challenge to the state's method of disqualifying the population's right to belong in the sanctuary. For both the conservation authorities of the state, and the expectations of the tourism industry, an idealized nature must be populated by nothing short of an idealized Indian. The current population is out of place, because they do not fit well with the romanticized notion of an Incan past symbolized by the citadel. Race and Indian identity are not merely implicated in the dance festival but are also more directly embedded in the history of the area, the development of a tourism economy and the effort to attract direct foreign investments and appear loan worthy to international financial organizations.

Conclusion: The Neoliberal Double Bind

Goffman's notion of secondary adjustment

(1961) does not connote attempts at subverting social hierarchies. In the setting of a total institution, secondary adjustments are a mode of adaptation to power, but not a confrontation. But more importantly, as the institutional setting becomes more encompassing, adjustments can backfire and be made to serve the interests of those who are in control. Goffman's notion of looping (1961) describes a double-bind scenario where inmates making secondary adjustments to survive the rigors of the institutional order, can then be used by the staff to further justify the rationale for their incarceration.

I apply that reasoning to situations revolving around economic structural adjustment and state conservation efforts. The concept of secondary adjustment here is a way of understanding how people are disciplined to respond to economic conditions designed to favor more powerful interests. I suggest it shows how market space is cleaned up, so to speak, to make way for larger investors. Many low level secondary adjustments resemble De Certeau's description of "poaching in countless ways on the property of others" (1984: xii). As long as the adjustments do not go beyond a certain point, they are accepted. From the injured party, one might, at most, receive scowling stares, or as the saying goes, a piece of one's mind, for conducting activities that might be considered crude and inappropriate. Foucault's term for such secondary adjustments is necessary illegality. Foucault explains how from the age of monarchy in Europe through the 18th century, people of lower stratum found a space of tolerance for certain kinds of thievery and other infractions needed for continued existence. Those necessary illegalities changed after the downfall of the feudal system and the emergence of new propertied classes. With the emergence of capitalism, came an increase in crime, and what were once considered tolerated practices were afterwards defined as crimes against property (Foucault 1977: 82-85). Thus, serious attempts to thwart secondary adjustments by using force implies that one party is no longer willing to abide by the informal strategies involved in secondary adjustments, suggesting also that new social and economic relationships may be developing in Machu Picchu and more broadly in the tourism economy of Cuzco.

This application of secondary adjustment connects with the way, the geographer David Harvey (2003:149) refers to neoliberalism as the "the cutting edge of capital accumulation by dispossession." He ties the imperial impulses of global capital to dispossession of land and property as ways of clearing away smaller property holders to make way for larger investments and cheaper labor, identifying state force as the primary means. The introduction of a neoliberal economy in Machu Picchu has changed the relationship between conservation enforcement and forms of economic adaptation. Now a concerted effort is placed on criminalizing the more fuzzy infractions found in secondary adjustments, converting them into more severe crimes to be prevented. Locals are now excluded from a market arena. In these cases, secondary adjustments become much more of a gamble at the same time as they become more crucial for survival. People risk expulsion from the sanctuary and their district as well as property confiscation.

If we view the sanctuary as a place where public goods and user rights collide with privatization efforts, we can see secondary adjustments eliciting harsher government discipline. Initially the expropriation of property was justified by the state in the name of the public good. Now, the uneven standards in nature-preservation enforcement mean that, the more stringent the enforcements, the harder it is for residents to survive without making secondary adjustments. The more pervasive secondary adjustments become, the more those governing institutions turn to documenting ecological violations or damages to a public good. This situation leads to increasing justification by governing agencies for the further dispossession of sanctuary residents, and the subsequent turning over of that space to larger capital holders. Machu Picchu is an intangible good. Equally intangible are its institutional walls. ○

Notes

1. Pellegrino A. Luciano received his Ph.D. in anthropology from the Graduate Center of The City University of New York (CUNY) in October of 2005. This article is based in part on a chapter of his doctoral dissertation (Luciano 2005). He can be reached at 34-21 Crescent Street, Astoria,

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2. All names have been changed to protect informants' identities.

3. The district was established on October 1, 1941 by law 9396. The Sanctuary was established by National Law 001-81 AA on January 12, 1981.

4. Huayna Picchu is also a Quechua term usually translated into English as Young Mountain or Young Peak.

5. Both institutions are creations of the 1944 Bretton Woods Conference to establish an international monetary system.

6. PromPeru stands for The Commission for the Promotion of Peru.

7. Interview with PromPeru representative on July 16, 1999, from the author's fieldnotes.

8. Racial categorizations in Peru differ from that of the United States in that they are not based on conceptions of blood-line. In Peru, definitions of race often allude to cultural differences and social status such as education level, dress, and custom rather than biological notions (see De La Cadena 2000).

9. In contrast, cultural heritage in the United States can be designated federally but also by state and even counties.

10. According to UNESCO Legislative Resolution 23349, Peru is required to "identify, protect, conserve, restore and transmit to future generations" its world heritage sites.

11. Generally, a debt-for-nature exchange is a method of providing funds for nature conservation programs in third world countries, while simultaneously reducing their international debt. A first world government or a non-governmental organization (NGO) buys a portion of a developing country's debt from a

commercial bank on the international secondary market, usually at reduced prices. Usually, once the exchange is worked out, a national NGO carries out the selected conservation programs. The basic benefits to a recipient country include the reduction of debt and access to hard currency (Patterson 1990). In the case of Machu Picchu, the debt-for-nature exchange was based on Finland's debt forgiveness over a loan default.

12. The exception is found in agencies that specialize in mystical tourism. The explanations of the past by such tour guides vary, but they are often romanticized narratives that cater to the Western imagination. Hence it is not surprising that many locals refer to these tour guides as *chísticos*, a phrase comprised of the two Spanish words—*chiste* meaning joke and *místico* meaning mystic.

13. Contrary to the criticism against Goffman's role theory as being one that lacks an "inner story," the notion of secondary adjustment shows how people draw on "inner resources to adapt to rigid institutional conditions" by creating personal narrative about their situation (Manning 2000).

14. *Unidad Gestión Machu Picchu* (UGM) is the state institution that was, at the time of this research, tasked with coordinating the efforts of all other conservation agencies in the sanctuary. The *Instituto Nacional de Recursos Naturales* (INRENA) is the state agency tasked with protecting the natural resources and the national parks of Peru.

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