The challenge and response to global tourism in the post-modern era: the commodification, reconfiguration and mutual transformation of Habana Vieja, Cuba.

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Abstract:

There is a growing literature on the symbolic and cultural meanings of tourism and the ways in which cities are increasingly competing for tourists through the promotion of cultural assets and different forms of spectacle in the ‘tourist bubble’. To date research on the role and impact of tourism in cities has largely been confined to those in western, post-industrial economies. This paper examines the growth of cultural tourism in the central area of Havana, Cuba, and explores the range of unique, devolved, state-owned enterprises that are attempting to use tourism as a funding mechanism to achieve improvements in the social and cultural fabric of the city for the benefit of residents. The paper concludes with an assessment of the implications of this example for our understanding of how the pressures for restructuring and commodification can be moderated at the city level.

Cultural tourism consists of customised excursions into other cultures and places to learn about their people, lifestyle, heritage and arts in an informed way that genuinely represents those cultures and their historic contexts. (Craik, 1995, p. 6)

In an era of globalisation and post-modernism, cities have been increasingly responding to changing economic circumstances by becoming locations for cultural tourism. This has developed in many different forms and there is a growing literature on the symbolic and cultural meanings of the phenomenon. As cities increasingly compete for a share of the world tourism market, new and more ingenious forms of spectacle are devised to attract the tourist dollar (Debord, 1973; Rojek and Urry, 1997). As cultural tourism grows and long-distance travel becomes relatively cheaper, more sophisticated methods of place-marketing are devised (Kearns and Philo, 1993) in order to seek competitive advantage.

The growing literature on cultural tourism pursues very different themes and perspectives on the socio-cultural implications of the commodification of cultural assets. Some focus on the ‘Disneyfication’ of places and theme parks (Fogglesong, 1999)
while others see culture as a means to overcome ethnocentrism and to promote international understanding. In one review of the theoretical literature, Gotham (2002) groups the key sources under four main headings. First, there is an on-going debate about the shift from consumption to production in cities whereby ‘[there is] a broad shift from production-centred capitalism, rooted in work and coercion, to consumer capitalism, based on leisure, market ‘seduction’ and spectacle’ (Gotham, 2002, p.1737):

Stressing the emergence and centrality of new forms of consumption, thinkers draw attention to the role that tourism plays as a form of commodified pleasure, tourism-as-spectacle that defines individual travellers and tourists as consumers, and the impact of the tourist ‘industry’ in using advertising and marketing to constitute and then exploit consumer desires and needs for profit. (Gotham, 2002, p. 1737)

A second theme relates to the replacement of exchange value by sign value ‘where images have become commodities themselves and operate according to their own autonomous logic within a chain of free-floating signifiers’ (Gotham, 2002, p.1737). Third, and closely related to the second, is auto-referential culture which ‘holds that culture operates according to its own autonomous logic free from the material referents or the constraints of social structure’ (Gotham, 2002, p. 1737). The fourth area of research considers ‘texts’, ‘images’ and ‘stories’ as units of analysis and moves into linguistics and discourse analysis as explanations of urban change (see for example Hastings, 1999 and Jacobs, 2004). Gotham concludes by exposing the limitations of much recent cultural theorising in favour of a more traditional analysis of the political economy of how places are constituted and maintained through the day to day interventions of urban institutions:
Rather than viewing ‘signs’, ‘symbols’, ‘imagery’, ‘meaning systems’ and other forms of signification as products of technology, media and consumer culture, it makes more sense to probe deeper, into social relations of capitalism and the increased range of commodification and production of spectacle. (Gotham, 2002, p. 1753)

Commodification and spectacle to enhance the tourist gaze (Urry, 2002) are generally associated with the capitalist economies of the USA and Europe but as Fainstein and Gladstone note ‘Commodification refers to the particular form that tourism takes under capitalism, but the cultural outcomes of standardisation and stereotyping associated with it would remain even if capitalism were transcended. In evaluating the effects of tourism we must recognise that some compromise of values is inescapable and that it is necessary to assess each instance situationally’ (Fainstein and Gladstone, 1999, p. 34).

The majority of sources discussed so far have addressed the development of tourism in capitalist economies where the ‘tourist bubble’ (Judd, 1999) is clearly signposted and well developed. Judd argues that:

In many cities….a well-defined perimeter separates the tourist space from the rest of the city. Where crime, poverty and urban decay make parts of a city inhospitable to visitors, specialised areas are established as virtual tourist reservations. These become the public parts of town, leaving visitors shielded from and unaware of the private spaces where people live and work. (Judd, 1999, p. 36)

The analysis of cultural tourism raises many questions about the impact of globalisation and the supposed cultural, social and economic costs and benefits which arise from it. It can be argued that international travel is part of the postmodernist search for authentic alternative cultures but as Meethan observes, the binary division between the authentic
and inauthentic itself needs to be questioned. As the tourist market is increasingly segmented, the expectations, assumptions and responses of different sectors of the market may vary and many may well be willing to ‘suspend disbelief’ (Meethan, 2001, p. 112).

The concept of heritage has also been heavily criticised from both the left and right as being inauthentic and ‘as a distorted, commodified and vulgar appropriation of history’ because it ‘lacks authenticity’. It is a simulation pretending to be the real thing’ (Samuel 1994, p. 266 quoted in Meethan, 2001). Yet, as commentators such as Wilk note, the process of cultural commodification creates ‘structures of common difference’ where the form is the logic of the Post-Fordist political economy, whereas the content will vary significantly in different locations (Wilk, 1995, p. 118).

As different countries and cities respond to the global challenge of tourism, political and administrative systems will increasingly be mobilised to promote cultural development and to create public and private spaces for consumption. Thus while multi-national companies may well be invited in to exploit opportunities for investment, their desire to create standardised products which maximise income will be tempered by the demands of state agencies operating at national, regional and local levels. The extent to which public and private spaces are commodified in the interests of global tourism will therefore be modified by political pressures to secure local definitions of authenticity and to maximise the benefits to urban groups such as residents and the local workforce. The challenge facing political regimes, particularly in less developed countries, is to balance a number of conflicting objectives: to be sufficiently open to the multi-nationals to ensure a steady flow of investment, to protect and enhance local definitions of the
cultural heritage, and to utilise the economic benefits to meet the economic and social needs of the resident population. Thus much will depend on the relative autonomy ascribed to, or secured by, ‘local’ city-based institutions and agencies.

Relatively little research has been carried out in cities operating in centralised economies such as China, the countries of the former Soviet bloc and, the subject of this paper, the former colonial centre of Havana (Habana Vieja) in Cuba. Many of these cities are adopting the marketing techniques and place-marketing of the western economies because of the perceived economic benefits of tourism (Scarpaci, 2005). This paper explores the role of tourism in Habana Vieja and examines how a particular set of economic and political circumstances has been exploited to promote the city as one of the fastest growing destinations for cultural tourism. In particular, it evaluates a set of urban institutions which have been created in the past decade to restore the city as a site for tourism and how far the benefits of tourism have been used to fund the restoration of the city and a range of developments of direct benefit to its inhabitants. In a city where around 80 per cent of construction activity is tourism-related (Coyula, 2002), the key challenge facing the city is to both meet the needs of a growing tourism sector and to use the economic benefits to promote urban restoration and social provision for its residents.

This paper is divided into four sections. The first gets the context by describing the historic development of Habana Vieja. The second assesses the importance of tourism and travel to the Cuban economy while the third discusses the main institutions set up to promote and develop tourism and cultural activities in the city. The paper concludes with an evaluation of the impact of cultural tourism on Habana Vieja.
The Development of Havana

Havana is the capital of Cuba and constitutes and administrative province which is made up of 15 lower tier municipalities. In 2001 its population was 2,185,000 out of a total population for the island of approximately 11 million. It was founded by the Spanish in 1514 as San Cristobal de la Habana on the southern coast and transferred to its present site in 1519, where it became an important transhipment point between the Old and New Worlds. It was defended by three fortifications built between 1558 and 1600. A further two fortifications were added in the 18th century while a city wall was constructed around the early Spanish settlement between 1674 and 1797 (Colantonio and Potter, 2006, p. 65). Thus, Havana’s heritage value was established early on in its development and, as will be noted later, its assets have largely been preserved because of its special economic circumstances in the latter part of the twentieth century.

Cuba has long been associated with sugar, rum, tobacco, and more recently nickel mining, and Havana became the main location for trading, warehousing and the transhipment of raw materials. Its economic fortunes over five centuries depended greatly on these staples, underpinned by the slave trade. At the peak of sugar production, there were around 400,000 slaves on the island and it was not until 1878 that slavery was formally abolished in Cuba (Joynt, 2006, p. 7). In the colonial period (1514-1898) the city was laid out on a grid pattern and water was provided by an aqueduct (Zanja Real, 1592). Merchants’ houses were constructed around five squares which combined both trading space and living quarters for largely Spanish colonialists and their servants within the area later defined by the city walls.
The period from 1898 to 1959 is known as the ‘pseudo-republican era’ (Colantonio and Potter, 2006, p. 65) since, although strictly speaking Cuba was independent, it was heavily dominated by the United States after a treaty of 1902. Large amounts of capital were injected into urban development in the form of housing and commercial development, fuelled by rapid increases in sugar prices during both the First and Second World Wars. In the nineteenth century urban development spread along the Malecon seafront to create a large area of new housing now called Centro Habana, which has subsequently been sub-divided by residents in order to generate additional income. Many of these houses are multi-occupied and in poor condition. Later, lower density housing was created in the suburbs of El Vedado and Miramar to the west in an eclectic mix of Art Nouveau, Art Deco and a variety of modernist and International architectural styles.

By the later 1950s, on the eve of Castro’s revolution, Havana was a bustling metropolis, renowned for gambling, high-living and corruption. The population also expanded rapidly particularly up to 1929 (Scarpaci et al., 2002) with high densities and much overcrowding particularly in the old town within the former city walls. As the Cuban economy boomed, US and overseas banks and a stock exchange formed a ‘mini-Wall Street area’ in the centre of the old town. To the east of the city new tracts were being prepared for development with easy access to Havana’s best beaches. Battista, who was first elected as president in 1940 and again took power in 1952 through a coup d’état, took a personal interest in acquiring cheap land to the east of the harbour. He was also responsible for authorising a new road tunnel linking the city with its eastern suburbs. A number of Havana’s best known hotels such as the Nacional (1930) were built in this
period largely with funding from the USA. These were much frequented by US citizens escaping the confines of Prohibition.

With the completion of the revolution in 1959, the Castro regime promoted Cuba’s rural hinterland at the expense of the capital and other cities, although heavy industry, including an oil refinery, was developed around Havana’s harbour and in Regla. As Potter (2000, p. 73) notes, the new policy was to ruralise the towns and to urbanise the countryside through the provision of health and education, job opportunities and infrastructure. As a result of this policy, and increasingly stringent economic circumstances, very little new development has taken place in Havana in the post-revolutionary period. Some of the few exceptions are agreements with overseas investors to build luxury hotels, the large-scale housing developments in the eastern fringes and prestige developments such as the National Schools of Art (1961-65) to the west. Rural migration to the cities continued to place housing accommodation under increasing pressure and many former office buildings in the central business district were sub-divided or squatted. Severe restrictions remain in place on the sale of property, residential rents and on the availability of building materials. While initially Havana residents could run small businesses and restaurants from their houses (paladares), any increase in the latter are now prohibited.

Economic conditions went into freefall when the period of support from the Soviet Union came to a dramatic end in 1989. In August 1990 Castro announced a ‘Special Period’ requiring far-reaching economic and institutional reforms. As Gott observes ‘Few societies have been able to confront such economic catastrophe and emerge unscathed’:
Import capacity fell by 70 per cent between 1989 and 1992 – from $8.1 billion in 1989 to $2.3 billion in 1992. (About one third of gross domestic product had been spent on imports before the crisis). The root cause of the collapse was the loss of the sugar subsidy…..and the loss of external financing, mostly provided in the past by the Soviet Union (down from $3 billion in 1989 to nothing in 1992). The effect on the domestic economy was multiplied by shortages of inputs – principally fuel, but also spare parts, chemical fertilisers, and animal feedstuffs. (Gott, 2004, p. 288)

Tourism, which had previously been considered an unproductive economic sector, was seen as ‘the new pivot of Cuba’s economic development’ (Colantonio and Potter, 2006, p. 67). Its role would become increasingly important as the economic and cultural embargo on the island became ever more restrictive. For the first four years, tourism was encouraged as a temporary measure in order to enable the economy to recover; from 1994 onwards, and as visitor numbers rapidly increased, it assumed pre-eminent importance.

By the mid-1990s Havana was well placed to seize the opportunity to develop as a primary location for cultural tourism in the Caribbean. It has a large stock of cultural assets, such as museums, churches and art galleries, as well as a range of existing hotels and other large buildings which can easily be adapted to current market requirements. Its urban form, based on the Spanish colonial grid system, is attractive to tourists and its architecture reflects its varied cultural development, produced under a succession of different political and administrative systems over 500 years. Above all, it has largely been spared successive waves of demolition and redevelopment commonly found in Europe and the USA. The quality and variety of its architecture means that buildings can relatively easily be adapted to new uses when resources become available. The
unique urban environment of Havana Vieja with its associated fortifications was formally acknowledged when in 1982 it was declared a World Heritage Site by UNESCO. The qualities of Cuba’s cities, as well as its beaches and rural landscape, linked to the increased availability of long-haul flights from Europe and Canada, have made it a very attractive destination. The economic imperative for at least the past decade has been to exploit these assets to the full.

**The Growth of Tourism to Cuba**

‘Cuba has embraced ‘heritage culture’ with all the enthusiasm of postmodernists in the West’ (Gott, 2004, p. 324).

A year before the ‘Special Period’ in 1988 Havana’s office of the Institute of Physical Planning had already identified those areas of the city which offered the greatest potential for tourism (Colantonio, 2004, p. 21). By 1996 these had been formalised as Havana’s five ‘tourist poles’, with each specialising in different forms of tourism. Old Havana was identified for cultural and business tourism while locations on the east and west coasts were to be developed for nautical, sun and beach-related holidays. The growth of hotel accommodation has been uneven between the five tourist poles. From the passing of Law Decree 50 in 1982, restrictions on foreign direct investment have been relaxed with large numbers of new hotels in Havana being developed or refurbished through joint ventures or management agreements with foreign companies. As a result the number of hotel rooms has grown from 4,682 in 1988 to 12,002 rooms in 2002 (Colantonio, 2004, p. 21). In addition, a further 4,500 more rooms in private residences are rented out to tourists, which is the equivalent of 12 to 15 hotels (Coyula, 2002, p. 2). This in itself can exacerbate the housing problem because residents often share rooms or occupy the common parts or roof space in order to generate an
additional income. Cuba had captured 10 per cent of the Caribbean tourist market in 2004 and by 2007 trade reports suggested that Cuba is the second most visited destination in the Caribbean after Puerto Rico (Euromonitor International, 2007).

The most recent data from the Cuban National Institute of Tourism demonstrates that the leisure market is developing far more rapidly than the business market with the average length of stay being 10.5 days (Mintel, 2005). The peak season for overseas visitors is December to April while Cubans tend to take their holidays in July and August. While numbers declined in 2002, in response to 9/11, the total number of visitors in 2003 increased to 1.9 million. In 2002 Canada generated over a fifth of arrivals, which together with Europe and Mexico produced 66 per cent of the total market (Mintel, 2005). The UK market has expanded rapidly from 90,072 visitors in 2000 to 103,741 in 2002. In 2005 Cuba recorded its highest number of foreign visitors as in excess of 2.3 million. Key trends in tourist arrivals from a number of selected countries of residence are set out in Table 1.

![Table 1: Tourist Arrivals in Cuba by Selected Countries of Residence](image)

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<tbody>
<tr>
<td>Canada</td>
<td>143,408</td>
<td>307,725</td>
<td>348,468</td>
<td>23.7</td>
</tr>
<tr>
<td>South America</td>
<td>93,417</td>
<td>124,951</td>
<td>54,217</td>
<td>2.8</td>
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<tr>
<td>Italy</td>
<td>114,017</td>
<td>175,667</td>
<td>177,627</td>
<td>9.3</td>
</tr>
<tr>
<td>Spain</td>
<td>88,763</td>
<td>153,197</td>
<td>127,666</td>
<td>6.7</td>
</tr>
<tr>
<td>Germany</td>
<td>57,171</td>
<td>203,403</td>
<td>157,721</td>
<td>8.3</td>
</tr>
<tr>
<td>Other Europe</td>
<td>112,800</td>
<td>417,061</td>
<td>403,651</td>
<td>21.2</td>
</tr>
<tr>
<td>Other</td>
<td>76,589</td>
<td>152,691</td>
<td>532,362</td>
<td>27.9</td>
</tr>
<tr>
<td>Total *</td>
<td>762,666</td>
<td>1,773,986</td>
<td>1,905,682</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: National Institute of Tourism (Mintel, 2005)
* Not all countries are included so the columns do not add up.

The USA embargo on trade and travel to Cuba has had a significant impact in restricting tourism from what is its closest and potentially biggest market. Mintel calculate that a total of 25 million US tourists have been prevented from travelling to Cuba, whilst American airlines, agents and suppliers lose $565m for every one million US citizens prevented from travelling to the island (Mintel, 2005). Recent estimates suggest that if the current embargo should be relaxed in future, up to 3.2 million additional visitors could be attracted from the US to Cuba (Padilla, 2003, p. 88).

Within Cuba, Havana is a major destination attracting at least 55 per cent of all tourists and contributing 26 per cent of the total dollar income earned from tourism (Coyula, 2002, p. 2), suggesting its cultural assets are a major attraction. Havana contains over 40,000 hotel rooms - a third of the total on the island – and at least 65 per cent are four or five star. In addition, an Italian company has a recently restored the cruise ship terminal located in the old town which brings an additional 100,000 day visitors a year. This number would also increase dramatically if the embargo was lifted since US-based cruise companies are precluded from visiting Cuba.

Cuba has moved from being a reluctant player in the Caribbean tourism market to one of its most popular destinations. The growth in visitor numbers has been extraordinary since it is the only country in the region which is the subject of a USA trade embargo. Clearly the island attracts visitors for many different reasons, not least because of its architecture, culture, tropical climate and Castro’s particular brand of socialism. Havana has proved particularly attractive to visitors and its legacy of pre-revolution hotels has
provided an important foundation for regenerating the city and building a strong
tourism-orientated economy. Those engaged in the restoration process are fully aware
of the paradox of a socialist state renovating buildings from previous colonial and neo-
colonial eras in order to attract tourists from more affluent, capitalist economies
(Scarpaci, 2000a, p. 290).

Tourism is one of the few growth areas in the Cuban economy which overall has very
limited growth and severe balance of payments difficulties. As Mesa-Lago (2005)
records, economic statistics are often unreliable or unavailable. It is clear, however, that
as in the past, the economy is increasingly reliant on friendly states. Venezuela has
become the ‘great subsidiser’ by providing below market-value oil and China is playing
an increasing role by, for example, investing in the nickel industry. Meanwhile, Castro
has ‘recentralised economic decision-making thus reversing modest market-orientated
reforms implemented in 1993-96’ (Mesa-Lago, 2005: p.16). Whilst trends in tourism
continue to be buoyant, the productive sector of the economy is unlikely to improve
until major economic reform is undertaken.

Cuba’s centralised economy would be entirely dependent on mining and agricultural
products without the recent growth in tourism. Yet this heavy dependence on one sector
may represent a significant risk if, for example, there is a down-turn in long-haul air
travel. The next section reviews the role of the key institutions in Havana which have
developed a strategy whereby the consumption of tourism assets is used as a funding
stream to produce an environment which is attractive to both tourists and residents.
The Development of Special Agencies to promote Tourism in Havana

The challenge to renovate the physical and social fabric of Havana in an economy where the use of private capital is heavily restricted is a considerable one. Almost all building work takes place through direct State funding, or through joint agreements with overseas investors. However, since 1993 the city has been able to establish a network of semi-autonomous companies and agencies dedicated to promoting the city’s revival through tourism. These include the main planning agency, the Office of the City Historian (Oficina del Historiador de la Ciudad), which works closely with the municipality, and a series of subsidiary specialist directorates and enterprises, all of which cannot be discussed fully here. The most important is Habaguanex, which owns hotels, restaurants, cafes, museums and other cultural facilities. Figure 1 illustrates the relationships between these organisations.
The Office of the City Historian

The position of City Historian was originally created in the early days of the Spanish colony when, under the Spanish Laws of the Indies, an historian was appointed to record significant events in the conquest of a new Spanish territory (Joynt, 2006, p. 23). Under the Cuban republic in the early part of the 20th century, a group of scholars recognised the need to not only record the city’s history but to seek the protection of its colonial architecture. A particularly influential figure was Dr Emilio Roig, who was
appointed City Historian in 1925. It was under his leadership that the Office of the City Historian (OCH) was founded in 1938 in order to take forward these objectives, albeit in an advisory capacity.

The powers of the OCH were substantially enhanced in 1993 when the Council of State passed Law Decree 143-93. This came at a time when the Cuban state was reviewing its policy towards tourism. It also coincided with a visit by the UK journalist Jonathan Glancey a few months before, who was passing through the old Square (Plaza Vieja) when a building collapsed in front of him. His article on the plight of Old Havana in *The Independent* was syndicated around the world (Glancey, 1993).

Under Law Decree 143-93, The OCH was given unique powers in Cuba to promote the physical and social restoration of Havana Vieja and a number of other key areas and buildings. It is answerable directly to the Council of State and can negotiate joint ventures with foreign companies without the approval of the municipal government or the Ministry of Foreign Investments. As well as Habaguanex, the OCH controls specialist teams working on project managing development schemes, providing housing, social facilities and planning projects such as for the Malecon, the famous seafront boulevard, which is in a very poor state of repair. Other companies within OCH’s control are engaged in real estate, travel arrangements, gardening and construction. It also runs a training school for construction workers to ensure that traditional craft skills are maintained. The work of the OCH is well publicised through a glossy magazine (Opus Habana), which is available in many hotels, and its own radio station, Radio Habana, and produces a regular television programme to communicate directly with residents.
The OCH’s Master Plan Group was established in 1994 to address the needs of the UNESCO-defined area, Central Havana and part of the Malecon (approximately 4000 buildings in total). These constitute the main tourist locations and have a resident population of about 70,000 (personal communication with an OCH official). The Group is also responsible for the rehabilitation of San Isidro, a poor neighbourhood in the south of the old town where the most notorious red-light district flourished in the early 1900s. The 1994 Master Plan was prepared by this multi-disciplinary team with the assistance of the Spanish Agency for International Cooperation (Joynt, 2006, p. 34). The Plan’s main aim is to ‘preserve the historic patrimony of the city, address urban problems and promote responsible community and urban development’ and to manage the ‘social, economic and physical environment through participative planning’ (Joynt, 2006, p. 34). In 1995, a Register of Buildings was produced in the form of an inventory of the character, current state and future intentions for all buildings in the historic core.

The Master Plan team has also produced ‘A Special Plan for Integrated Development’ which is the primary management tool for the restoration and comprehensive development of the ‘Priority Zone for Preservation and Highly Significant Zone for Tourism’ (Joynt, 2006, p. 34). This Plan covers not only the physical improvement of the fabric but also economic development (particularly of tourism), housing, community services, infrastructure, cultural development and sustainability. This Special Plan has four main policies which address housing and the potential displacement of existing residents, the need to avoid areas of gentrification, the creation of new employment opportunities for residents and the provision of infrastructure (Joynt, 2006, p. 35).
The broad aims of both plans are to restore 40 per cent of the designated area by 2010 by focussing on the five city squares (plaza) and then creating ‘corridors of interest’ radiating from these. While providing some new social housing in the old town, the Plan acknowledges that some residents will need to be rehoused elsewhere because of overcrowding. The intention is also to generate employment and to ensure that visitors and residents ‘engage in a responsible way’ (for example, by reducing sex tourism and drug dealing). Work began on the restoration of buildings on the Plaza Vieja in 1981 and included the removal of an underground car park. Since then the OCH records the following achievements:

- 16 buildings containing 30 of the OCH departments have been restored;
- 60 speciality shops;
- 174 churches, cultural institutions, museums and hotels have been restored;
- 3300 homes have been restored and 437 constructed;
- 60 buildings have been refurbished for social purposes;
- 70 per cent of streets have lighting and infrastructure improvements;
- 20 parks and squares have been created or re-landscaped.

(Joynt, 2006, p. 37)

All development schemes have to be approved by the Master Plan Team and a Board of Monuments (of which the City Historian is also a member). These pay particular attention to the design, density, use of materials and cultural and historical authenticity. Conflicts often develop particularly where overseas investors seek additional floorspace or extra floors in order to improve their financial return (Robainas Barcia, 1999).

Tourism development and Habaguanex
The role of Habaguanex is not easily separated from the OCH because both are directed by one charismatic figure, Eusebio Leal Spengler. He is always referred to as ‘Leal’ and has been City Historian since 1967. He is a tireless campaigner for Old Havana and his excellent connections to the senior echelons of government have enabled him to build the organisation from its initial loan of $20,000 to create a turnover in 2003 of at least $80 million (Luxner, 2004). Joynt has obtained more recent figures for the income generated by the OCH group of companies in 2004. These are set out in Table 2.

The primary task of Habaguanex is to generate foreign currency through its hotel, catering, financial and cultural activities. Although financial accounts are not available, in this it appears to have been very successful. A full list of its assets are available in poster form outside its offices and as a tourist leaflet. Habaguanex currently owns or manages 17 hotels, covering all sections of the market and ranging in size from 9 to 96 rooms. It also runs 30 restaurants, 37 cafeterias, eight churches and 51 museums and cultural centres. It is claimed that the OCH group of companies employs around 10,000 employees, 3000 of whom are construction workers. Many of the employees live in Havana Vieja.

Habaguanex has proved particularly adept at negotiating joint agreements with foreign hotel and travel companies. In this it competes indirectly with other Cuban tourism companies such as Gran Caribe, Horizontes and Cubanacan (Scarpaci, 2000a, p. 292). Although the precise terms of these arrangements are confidential, it appears that Habaguanex contributes a suitable site or building, together with architectural services,
while the foreign investor provides the capital and the overseas hotel chain manages the hotel. The investor is also exempt from certain taxes and customs duties and can repatriate profits. However, the design, construction and hotel staff are paid in Cuban pesos, rather than the dollar-based convertible currency, thus significantly reducing the total cost of each project and running costs (Scarpaci, 2000a, p. 293). Nevertheless, hotel jobs, and others in direct contact with tourists, are much sort after because employees can augment their wages with tips in convertible currency.

A good example of these joint ventures is the restoration and conversion of the Hotel Saratoga. This is one of Havana’s most luxurious five star hotels which has been completely reconstructed behind its 1880s façade and with additional floors created internally. A business centre and rooftop swimming pool indicate the market which is being addressed. The Cuba Travel USA website describes the transformation thus:

After a prolonged gestation period, an old star has been reborn on a leafy square opposite the Capitolio, Havana’s version of the dome in Washington DC. The original Hotel Saratoga, carved out of a 1880s neoclassical building, had its heyday in the 1930s but closed shortly after the revolution. After an ignoble period as a boarding house, it was left to rot. With few original features left to save, the new hotel has been built from scratch behind the old façade. It echoes the original (the central atrium, the shutters, the grand entrance) and there is much marble in evidence, as well as fabulously reproduced 1930s lamps. But this is a modern sanctuary rather than a quirkily restored landmark, and it has aspirations to international standards. An impressive collection of contemporary Cuban art decorates the public spaces, and the 96 bedrooms are colonial in style……… The location couldn’t be better for sightseeing, and the rooftop pool and bar area, with views over crumbling old palaces to the sea, is a wonderful place to hang out. The Anacoana restaurant is named after Cuba’s famous all-girl
salsa band who were resident here in the 1930s. This is by far the smartest new hotel in Havana for years, providing levels of comfort other, admittedly more characterful, Havana hotels can only dream of. (www.cntraveller.com)

Building work began in 1998 and the hotel opened in November 2005. Funding was provided by a British-Lebanese consortium and construction was carried out by the Fenix subsidiary of the OCH. The OCH played a major role in the planning and design of the project.

With most recent developments, such as the hotels Telegrafo, Raquel and Saratoga, the OCH has been able to negotiate the use of Cuban architects who are more in tune with the national culture and conservation philosophies. Considerable controversy arose in the mid-1990s when a Dutch company (Golden Tulip) selected a Spanish practice to design the Parque Central hotel. Much of the original structure was destroyed and the hotel is a pastiche of the Spanish colonial style with only passing reference to its location and architectural context. As a result, some of Cuba’s leading architects argued for the need for design competitions and greater use of Cuban architects. But current restrictions forbid the formation of privately owned design practices.

There is relatively little publicly available information about how Habacuanex uses its surpluses and how financial priorities are balanced against social and environmental considerations. Joynt (2006, p. 42) suggests that in the early years 60-65 per cent of funds were devoted to profit-making activities such as hotel building, while 35-40 per cent was used for social projects and environmental improvements. Since 2004, these proportions have been reversed and around 60 per cent is now allocated to the provision of housing, social facilities and infrastructure (for example, telecommunications,
electricity and water supply). An OCH employee suggested in 2006 that 45 per cent is reinvested in productive projects, 35 per cent is devoted to social projects, and 20 per cent is allocated to new projects or returned to the State treasury (Joynt, 2006, p. 43). It is very likely that these proportions change frequently according to market conditions and political considerations.

As well as the development of hotels and the promotion of cultural assets, Havana is increasingly being marketed for all-inclusive holidays. The first edition of a tourist leaflet called ‘Old Havana News’ produced by Habaguanex adverts open-air dinners in three of the main squares. There is also a special offer for newlyweds who stay for at least three nights in one of the Old Havana hotels. They will receive ‘a bouquet of flowers, a special nuptial breakfast, a romantic dinner, discounts in local restaurants and free entry to the museums’ (Habaguanex, 2006). Moreover, the San Cristobal travel agency (one of the OCH’s enterprises) will organise entire weddings, including accommodation, civil and/or religious ceremonies, transport of guests in vintage cars, photos and videos, and onward travel to other destinations in Cuba. The O’Farrill hotel is ‘themed’ to attract Irish visitors. It offers ‘special rates for Irish guests and features Irish dishes and cocktails and traditional Irish music’ (Habaguanex, 2006).

**The Impact on Residents**

It is difficult to assess the impact of tourism on the residents of Old Havana because of the lack of published sources. It has already been noted that many of those working for the OCH enterprises live in the historic centre and it is likely that many benefit financially from direct contact with tourists. In addition, commentators repeatedly assert that the OCH is aware of the need to improve social and housing conditions and that
tourism needs to be fully integrated in the wider community (Joynt, 2006; Scarpaci, 2000a).

There is considerable evidence that many historic buildings are occupied by social facilities, such as schools, old peoples’ homes and health centres, and that social housing is also a high priority. Joynt (2006, p. 43) records a conversation with a member of OCH who said that overseas investors had sought to convert the Angela Landa school in the Plaza Vieja into a 60-room hotel but that this had been resisted:

Market logic is to make it [the school] a hotel or else an office. But the OCH does not follow a capitalist approach. In urban and social terms it makes more sense to keep the building as a school. We’re trying to reduce as much as possible the displacement of people. The kids come from nearby, and the school gives life to the square. Visitors enjoy how people live in the city (interview, September 2005 in Joynt, 2006).

A good example of the dedication of the OCH to social objectives is the conversion of the Convent of Our Lady of Bethlehem (Convento de Nuestra Senora de Belen), which dates back to the eighteenth century. This series of linked buildings and cloisters covers an entire city block and has been granted grade 1 protection as a historic monument. The former church is being used as a day care centre for the elderly and the eastern half is currently being converted to a music academy and a hotel. Building work has been in progress since 1987.

There is considerable evidence that the OCH is actively involved in consulting residents and involving them in decision-making about the restoration of Old Havana. The OCH carried out two surveys of residents in 1995 and 1999 which established that housing
was their primary concern, in particular overcrowding, the lack of facilities and problems with water supply. However, there was a strong sense of community, a willingness to help with repairs and a commitment to invest in small businesses (Joynt, 2006, p. 44). In the San Isidro district of the old town, workshops have been established with local residents and elected representatives to help plan the restoration of housing and the integration of social facilities. This approach is being applied by the OCH in other districts. Colantonio (2004) also discusses a number of surveys of residents’ views on the impact of tourism and concludes that in Old Havana residents feel most consulted and involved in development issues.

Hearn (2004) records how the OCH provides assistance to existing, self-directed community projects and in creating new projects in conjunction with Old Havana residents (Hearn, 2004, p. 82). This is part of a regular consultation process carried out at the neighbourhood level:

…the Office of the Historian (sic) holds public meetings in each of Havana’s seven districts (popular councils), at which local residents and community leaders identify neighbourhood problems and suggest solutions, a method of participation that follows the model of the public accountability…meetings held by locally elected members of the city’s municipal assemblies. Neighbourhood needs and project plans are drawn up on a street-by-street ‘map of risks and resources’ and the most useful, cost-effective projects are selected for implementation. (Hearn, 2004, p.82)

However, Hearn goes on to discuss problems which developed in one project in the old town which was designed to sponsor a weekly public performance of Afro-Cuban folkloric music, linked to a local health education campaign. It was soon subverted by local hustlers more interested in attracting tourists who could pay in Cuban convertible
currency. The OCH had to step in to ensure that the original objectives of the project were restored.

Conclusions

This concluding section will draw on the previous discussion of Cuba’s role in the expanding world tourism market and the local response in Habana Vieja. Whilst it has been possible to draw on a considerable amount of statistical data and published sources about the role of the OCH and Habaguanex, much of the contested nature of development in Habana Vieja is rarely publicised and therefore conclusions must inevitably be tentative.

This section will evaluate trends in cultural tourism in relation to four main themes. First, it will discuss the nature of globalisation and the extent to which this implies heterogeneity or homogeneity in terms of cultural tourism developments. Second, it will explore Habana Vieja as a tourist bubble where consumption has replaced production and where tourism has been privileged over other sources of employment. Third, it will evaluate the impact of national and local mediating agencies in balancing conflicting interests at the local level. Finally, it will discuss the impact of the rapid growth of tourism in Habana Vieja on residents and the local employment market.

In the study of the globalisation of tourism a number of paradoxes arise. While it is clear that globally multi-national companies are increasingly colonising new sites to exploit investment opportunities, and that urban space is increasingly being given over to consumption rather than production, it does not necessarily follow that a standard ‘tourism product’ is being created in each location. Although cultural theorists may lament the loss of authenticity and the creation of artificial tourist bubbles, there is
evidence to suggest that the production of cultural products are increasingly contested and strongly influenced through the role of the national and local state. As Meethan notes, ‘the notion of outside influences simply intruding or ‘impacting’ on localities often ignores processes better described as a mutual transformation and reconfiguration in both material and symbolic terms’ (Meethan, 2001, p.167). In addition, the suggestion that globalisation merely creates inauthentic opportunities for commercial gain can be countered by reference to interpretation centres and similar destinations which have a strong pedagogical value, for example the International Slavery Museum in Liverpool, England, or the ‘Places where women made history’ itinerary in New York and Massachusetts (Meethan, 2001, p. 103).

It is likely that as the global tourist market becomes increasingly segmented, national and local expressions of culture will be established to attract particular sectors of the market. These are likely to reflect local expressions of cultural (including gender, faith and ethnic) differences, historic developments and in some contexts the emergence of competing definitions of ‘nationhood’, as much as purely commercial opportunities.

Thus Gotham’s observation noted earlier that it is more productive to explore the social relations and political economy of cities in a globalised world appears to hold true. In his detailed study of nine Latin American towns, Scarpaci concludes in relation to Havana:

Socialist planning in the old city has gone from an antiurban bias, rejecting a capitalist past, to one seemingly unable to commodify the colonial city quickly enough. In so doing, it runs the risk of becoming another Caribbean port such as Old San Juan (Puerto Rico), Santo Domingo (Dominican Republic), Veracruz (Mexico), or Cartagena (Colombia). Only Habaguanex can bring Habana Vieja into the new millennium and avoid the kinds of

Thus while Cuba has fully embraced global tourism largely for economic reasons discussed earlier, other cities in the former Communist bloc have been far more ambivalent. Hoffman and Musil (1999) note that, while the Czech state has encouraged tourism and provided legal protection for historic buildings, ‘the [Prague city] authorities have conducted no studies of tourism, and tourist-related issues do not figure in the master plan or prognostic studies’ (Hoffman and Musil, 1999, p.195). This is at least in part because of current tax regimes which favour the state over the municipality.
economic and social exclusion that urban revitalisation and restructuring create in historic districts well studied outside the island. Faithful adherence to a socialist project and the geography of heritage depend on it (Scarpaci, 2005, p.205).

Evidence set out above clearly suggests that Habana Vieja is being marketed as an historic colonial city of international quality, which has been officially recognised by UNESCO since 1982. Its cultural assets, public places and architectural heritage are being promoted as spaces in which tourism can be consumed. The more ephemeral cultural products of music, art, street life and themed events attract increasing numbers each year. Even the street hustlers (jineteros) are tolerated because of their potential for earning foreign currency (Ellinson, 1999). The most attractive buildings are being converted to hotels and restaurants charging Western European or North American prices, and public squares, such as the Plaza Vieja, are being given over to tourism-related uses. One of the first acts of Habanaquenex in 1996 was to remove an underground car park from this square (Scarpaci, 2000b, p.733), to pedestrianise it and to insert a replica fountain. For many tourists arriving at the cruise-ship terminal, this square will be one of their first sights of Habana Vieja. In the tourist high season, music, dancing and an air of perpetual festivity spills out of the clubs and bars onto the streets. Yet, even the Plaza Vieja retains its local school and contains buildings with both renovated and unimproved social housing. There is little doubt that the old town has in some respects become a tourist bubble. Commentators such as Scarpaci warn that ‘By striving towards a uniform, Spanish-colonial setting, Habana Vieja’s uniqueness could be lost’ and it could become very similar to other Caribbean ports (Scarpaci, 2000b, p.739).

In the conversion of historic buildings into hotels, the OCH has managed to ensure that in most cases local architects have been used and a generally high standard of
conservation has been maintained (for example in the hotels Telegrafo, Raquel and Saratoga). In other cases results have been less satisfactory, for example in the hotel Parque Central where a Dutch company engaged a Spanish architectural practice. For the tourist, however, the priorities tend to be quality accommodation at a reasonable price, and the perception that they are not staying in a tourist enclave, but that they are fully integrated in an ‘authentic’ Caribbean city centre with a unique history. This is not the case with the hotel Panorama in Miramar; a large and unattractive development largely covered in reflective glass. Its location directly on the sea-front and its design have been heavily criticised by Cuban and international architects (Coyula, 2002).

The role of a variety of Cuban state agencies in attracting, promoting and accommodating global tourism has already been discussed. Particular attention has been paid to the unique role of the OCH and related enterprises in attracting foreign direct investors, such as international hotel chains, and incorporating them into the dense urban fabric of the old town. The task is a challenging one because of the superior bargaining power of multi-national companies and the need to maintain the character of the city centre which is the primary attractor for many tourists. In addition, the significant autonomy delegated to the OCH will only be secure politically if both the Cuban state and the city itself are seen to benefit. The pressures on the OCH are therefore considerable: To maintain the flow of foreign investment so as to keep pace with the increasing requirements to accommodate growing numbers of foreign visitors; to improve the infrastructure to meet the increased demand for water and electricity; to ensure that foreign investment generates sufficient surpluses to fund improvements in housing and social welfare; and to create new employment opportunities for local residents.
Despite difficulties in accessing up to date information, it is evident that the OCH has a strong team of experts able to manage the restoration of the city and the conversion of existing buildings based on a well formulated strategy. It also has considerable expertise in place-marketing and promoting Habana Vieja as an important cultural destination to populations in Western Europe and Canada, in particular. There is also substantial evidence that the OCH has developed a financial model whereby the surpluses generated from tourism are used to fund new projects, cross-subsidise housing refurbishment and social projects and contribute to state income. Indeed, the near monopoly on tourism (including ownership of taxis, 17 hotels and 30 restaurants, and 51 museums and cultural centres) in Habana Vieja ensures that maximum benefits are reaped from tourist expenditure.

The impact of tourism on residents in Habana Vieja is difficult to assess, not least because of the lack of accurate demographic statistics or published research findings. The OCH assumes that the population is in the region of 70,000, and that this is gradually declining because of displacement and rehousing before refurbishment. Joynt (2006, p.37) records that 3300 homes have been restored and 437 constructed, including a small development just off the Plaza Vieja which is used for temporary rehousing. In addition, European states such as Belgium and Spain have sponsored housing refurbishment in the old town. Because of the restrictions on the private ownership of housing, there is no evidence that gentrification is taking place, although a small number of properties are available to rent by overseas visitors.
Evidence from a number of sources suggests that Habana Vieja is experiencing demographic and housing trends similar to other historic centres, with a declining and aging population with high levels of overcrowding and poor structural conditions (see for example Scarpaci, 2000b, p.735). According to him, at least 200 residents have been displaced from Habana Vieja to the large social housing estates in Habana del Este (Scarpaci, 2000b, p.731). However, on the positive side, residents will have benefited from at least 60 buildings which have been converted for social purposes, such as day centres and old people’s homes. Nevertheless, much more investment in housing for local residents will be needed if current demographic trends and overcrowding are to be addressed.

There is also conflicting evidence about the extent to which the population is consulted and engaged in decision-making about the future of the area. Hearn suggests that the OCH holds public meetings and that neighbourhood needs are incorporated in ‘maps of risk and resources’ (Hearn, 2004, p.82). Colantonio (2004) reviews a number of surveys of residents’ views and suggests that old Havana residents feel most consulted and involved in development issues. On the other hand, Scarpaci holds a more sceptical view and argues that ‘community input has not been a central premise of the transformation of Habana Vieja’ (Scarpaci, 2000b, p.737).

Residents are also subject to the pressures of economic restructuring in that most of the jobs available are in hotels, catering and cultural centres. The Ministry of Tourism suggests that in 2002 there were 32,962 employed in this sector in Havana (Colantonio, 2004, p.28). Many of these also live in Habana Vieja. In Cuba’s static economy, where large-scale industries such as sugar refining have been closed, this may represent a
positive achievement. Those employed in the tourist-related industries may be poorly paid but are often better off than those in public services who do not have access to tourists. As already recorded, at least 3000 jobs have been created in construction and the OCH runs a training school in traditional building methods. Further research would be needed to establish whether residents working in tourist-related industries feel privileged because of their engagement in the tourist market, or feel culturally and economically excluded.

In all therefore, Habana Vieja displays all the contradictions and paradoxes of a relatively undeveloped Caribbean state with a unique and highly centralised state apparatus. In terms of global tourism, multi-national companies have identified a niche market and have attempted to exploit a city rich in colonial architecture and cultural assets. At the same time, a local institutional matrix of central state and city-based agencies has evolved in order to manipulate global trends in tourism to its own advantage and use the benefits to advance the employment and living conditions of its people. Through the careful management of foreign investment and the unique circumstances of Cuba’s highly centralised economy, the OCH has been able to exploit the inherent advantages of Havana’s cultural assets in developing its own model of urban spectacle as a means of generating additional resources to achieve social development strategies.

As a cultural entity, Habana Vieja may be, at least in part, commodified to attract a global market but it is has not now, and there is little evidence that it will in future, become increasingly homogenised. Tourists may question the authenticity of the product they are buying but feel they can identify the remaining authentic elements of
the indigenous culture. Of course, this is a heterogeneous blending of 500 years of colonial exploitation. Above all, Habana Vieja represents the complex inter-play of global, regional and local forces. There is every prospect that it will be increasingly reconfigured in order to attract growing numbers of visitors. At present the arguments about whether global capitalism benefits at the cost of local interests are finely balanced. *Much will depend on how political and economic forces evolve in the post-Castro era.*

Finding the correct balance between tourism and social improvement remains the central challenge for the City Historian. In an interview carried out in 2002 Leal said:

> Tourism is here to stay, and it will increase a hundredfold when the blockade is abolished. North Americans want to come here because we have something they don’t: art, architecture, and historic traditions all within Old Havana….The point is to use tourism as a mechanism for development, which other countries have demonstrated is possible. That said, we reject the idea of turning our historic center into a theme park and novelty show; instead we work to improve schools, living conditions, participation and jobs. (Interview with the City Historian, quoted in Hearn, 2004, p. 85)

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