



Graduate School of Development Studies

**Tourism for What Development?  
The Role of Entrepreneurs and Institutions in shaping  
Paths**

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***Paula Ellinger da Fonseca***  
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Members of the examining committee:

Prof. Dr A. H. J. Helmsing  
Dr Erhard Berner

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***Inquiries:***

Postal address:           Institute of Social Studies  
                                  P.O. Box 29776  
                                  2502 LT The Hague  
                                  The Netherlands

Location:                 Kortenaerkade 12  
                                  2518 AX The Hague  
                                  The Netherlands

Telephone:               +31 70 426 0460

Fax:                        +31 70 426 0799

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## List of Acronyms

AMPCV	Associação de Moradores da Prainha do Canto
APA	Área de Preservação Ambiental
COOPECANTUR	Cooperativa de Turismo e Artesanato
IBAMA	Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis
IDACE	Instituto de Desenvolvimento Agrário do Ceará
IN	Instrução Normativa
MTur	Ministerio do Turismo
NGO	Non-govenrmental Organization
PCV	Prainha do Canto Verde
SEBRAE	Serviço Brasileiro de Apoio às Micro e Pequenas Empresas
UNWT	United Nations World Tourism Organization

## **Abstract**

In face of the dualism between endogenous and exogenous development, this paper analyses how a model of development is defined and control over a sector established. The analysis is made through a comparison of the development process in two brazilian villages – Jericoacoara and Prainha do Canto Verde. The former developed tourism by an exogenous approach, while in the latter tourism was developed through an endogenous approach. The paper also analyses development outcomes, comparing the trade-off and sustainability of both models. The analysis is made through the lenses of structuration theory and is based on the concepts of path-dependence and path-creation. A key conclusion of the paper is that the dualism proposed by literature between external and internal actors should be complemented by another dimension – the drives of change agents.

## **Keywords**

Local Economic Development; Tourism; Entrepreneurship; Institutions; Path Creation; Path Dependence; Endogenous; Exogenous.



# Chapter 1 Introduction

## 1.1 Problem Statement, Research Objectives & Questions

Tourism consists in a fast-growing industry and represents around 30% of global services exports (UNWT, 2008). This figure, together with the special features of the industry - high labour intensity and competitive advantage relying on natural assets, explain the increasing attention to the sector as an alternative for economic development in the South (Huybers, 2007:xv). Despite bringing opportunities, tourism adequacy is frequently questioned due to potential negative side-effects and contradictory shortcomings. Tourism growth in the Third World is marked by high rates of external ownership and leakages, which lead to dependence and increase of socio-economic inequalities (Brohman, 1996:10). Not rarely the local population faces alienation and loses control over the development path, a phenomena associated to other tourism-related problems, such as “overcrowding and overloaded infrastructures”, environmental degradation and “loss of cultural identity” (*ibid*).

In face of these threats, many authors advocate for alternative strategies to tourism development. More participation in planning is considered key to spread benefits among the local population. Furthermore, the way resources are managed and the type of tourism developed are also central to maximize benefits and diminish costs (*ibid*:20).

The main difference between alternative and mainstream tourism regards control over the sector. They reflect, thus, the debate in Local Economic Development literature between exogenous and endogenous approaches, often also referred to as 'development-from-above' and 'development-from-below' (Nelson, 1993?). The debate is grounded on the disappointment with the (Vázquez-Barquero, 2002:22; Blakely, 1994:1, Helmsing, 2002), which exposed the vulnerability of local development pursued under exogenous approaches. Endogenous development has been offered as an alternative, under the assumption that everything that comes from inside a locality supports a sustainable process of development. Despite the various attempts to combine both perspectives in a hybrid approach (High and Nemes, 2007:105-6), endogenous development remains a prevalent argument for ethical and sustainable development.

In face of the debate between endogenous and exogenous development, and its analogous dualism in tourism literature, this research compares both development approaches through a comparative case study between two villages in Ceará, Brazil - Prainha do Canto Verde (PCV) and Jericoacoara. The objective is to **analyze how their paths were shaped towards one model or the other**. Considering the dualism external-local that underpins the debates, this study focuses on agents in control and their differences. Although literature suggests a direct link between 'endogeneity' and local actors, as well as between 'exogeneity' and external actors (Vázquez-Barquero, 2002; Blakely, 1994), this paper argues that one does not lead directly to the other. Rather, other factors play a major role in defining the direction of development as

from above or from below (Ray, 2000). As Schucksmith (2000:209-10) suggests, territories are mistakenly equated to homogeneous communities, while individuals tend to have discrepant power and interests which can not be equally advanced. As not all voices in a community can be simultaneously heard, focusing on external or local actors does not tell much about the model or direction of development when the drives and visions of agents in control are not taken into account. Development is a political<sup>1</sup> process (Goldsworthy, 1988), and as such models and paths are shaped by visions and drives of actors. Despite their relevance, agents are not the only force shaping paths. They act in interaction with structures, which also play a major role in path shaping.

Another aim of this research is to **analyse the trade-off embarked in, and the sustainability of, each paradigm**. By pointing out the limitations and potentialities of both models, this paper stresses the relationship between the type of development pursued through tourism and the visions of actors in control, as well as the institutions in place. Throughout the paper I refer to development paths and development models in general, but the analyses rests on one dimension of paths and models, namely the tourism sector. Furthermore, the research focuses on interactions taken at the local arena. The influence of external nexus (Helmsing, 2001; Wilson, 2008) in shaping local systems is recognized but its analyses goes beyond the scope of this research.

The following questions guide this paper:

1. How were paths in PCV and Jericoacoara shaped towards the current tourism models?
  - 1.1. What contingencies initiated current paths?
  - 1.3. Who were the change agents in each locality? What were their differences in term of drives, visions and power? How did they influence the local paths?
  - 1.4. Which institutions were created and by whom? What institutional gaps did the designed institutions respond to? What incentives and constraints did they entail for the local paths?
2. What type of development did the local paths enable?
  - 2.1. What are the characteristics of the development models in each locality nowadays?
  - 2.2. What are the trade-offs implied in each model?
  - 2.3. How sustainable are the tourism models in each locality?
  - 2.4. How are agents responding to problems perceived in each model?

## **1.2 Background – a brief portrait of the case studies**

Prainha do Canto Verde (PCV) and Jericoacoara are districts of Beberibe and Jijoca de Jericoacoara, respectively. Located in the coast of Ceará, a state in the Northeast of Brazil (figure 1), they were until the 1970's fishing villages, characterized by traditional ways of living and economic dependence on middlemen. On the last decades, they faced a common trend of

'touristification', which turned the reality of sun and beach in Ceará into a factor of competitiveness explored by travellers, speculators, holidaymakers and the three levels of the government (Coriolano & Martins, 2005:232). Despite facing the same trend, PCV and Jericoacoara responded differently to the arrival of tourism. The first followed an endogenous path and developed community tourism<sup>2</sup>, while in the second tourism development was markedly exogenous and culminated in a mass tourism model<sup>3</sup>.

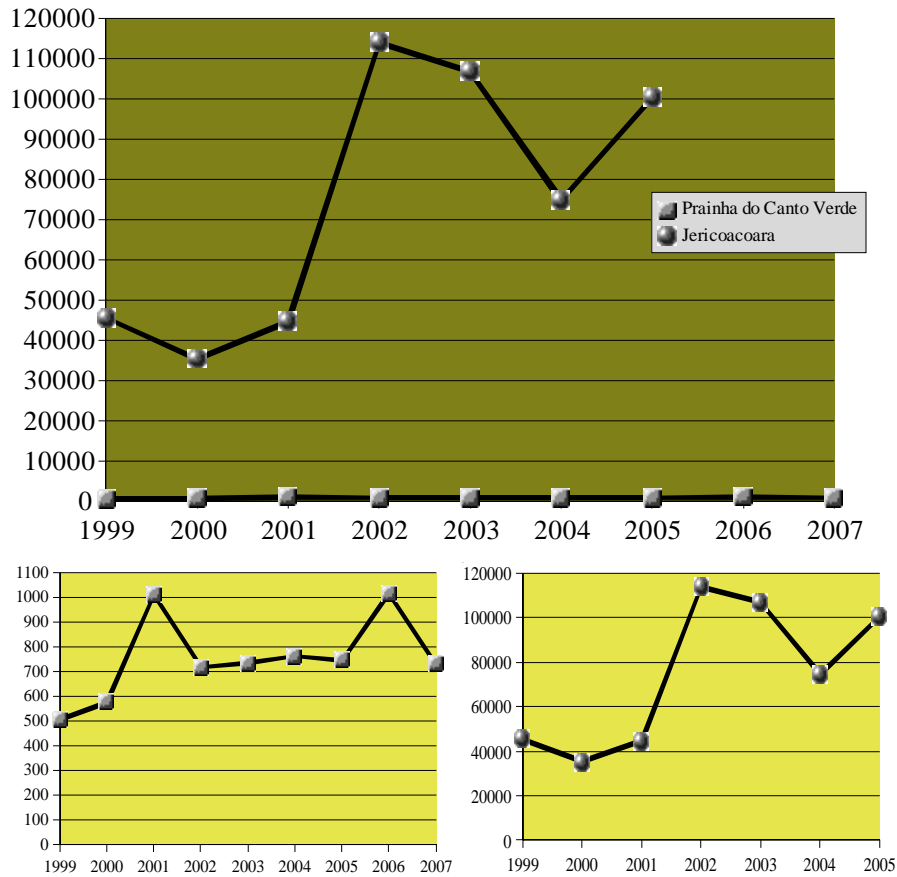
**Figure 1**  
**Location of PCV and Jericoacoara**



Source: edited from Mapa do Ceará, n.d.

The differences in paths and pursued models led to contrasting realities. PCV remains a fishing village and tourism is a complementary source of income. The flow of tourists does not surpass 1100 per year neither presents a stable trend of growth (figure 2). Jericoacoara, differently, turned into an internationally known destination and has a growing flow of tourists, which reached in some years more than 100.000 visitors (figure 2). The two localities also differ in terms of sectoral composition. In PCV, tourism activities are exclusively run by natives while in Jericoacoara external agents dominate the industry (Neto, 2007:21).

**Figure 2**  
**Flow of Tourists in Prainha do Canto Verde and Jericoacoara per year**



Source: COOPECANTUR, 2007; SETUR, in Neto, 2007

The standards of living in both localities also differ. Jericoacoara faces several tourism-related problems, which PCV does not. Examples are traffic, prostitution and noise pollution. The contrast between the two cases is illustrated in figure 3.

**Figure 3**  
**Contrasting Living Standards**



*Prainha do Canto Verde (main street)*



*Jericoacoara (main street)*

Source: Ellinger, 2008a; Ellinger, 2008b

### 1.3 Terms of Comparison – dependent and independent variables

The contrasting realities in both localities may raise questions about their comparability. Nonetheless, the comparison rests on the paths through which the villages developed towards opposite outcomes. The local trajectories after the late 1970's are the dependent variables of this comparison. Considering paths as time-space framed, independent variables are the trajectories of both villages in previous times and at a common higher arena. The next paragraphs explore these independent variables, while the logic of comparison is illustrated in table 1.

**Table 1**  
**Terms of Comparison**

Time	Before late 1970's	After the late 1970's	Nowadays
Space			
Local level	Same path	Deviant paths	Deviant models
Regional level	Same path	Same path	Same model

In what concerns local paths before the end-1970's, both places were fishing villages. Land was public and occupied by poor people (Dantas, 2007:270). Sewage facilities and electric energy were lacking; access to health services and education required travelling large distances; and the local government was absent to answer any of these problems. The economic base in both villages rested on artisan fishing (Fonteles, 2004:134). Production was highly dependent on middlemen (*ibid*), who usually defined prices in their own favour. Despite similar economic structures, the period of 1965 to 1973 marks differences in economic performance, as Jericoacoara went through an economic boom (*ibid*:135; Vila:n.d.).

The second independent variable, namely Ceará's path since the late 1970's, is characterized by the arrival of tourism as a development repertoire and promising economic sector. In the 1970's, fishing villages in Ceará started to be perceived as “paradises” and attracted visitors and speculators. (Coriolano *et al*, 2007:58). At the end of the 1980's, the trend towards tourism was formalized as public policy, inaugurating a process of tourism urbanization and “productive incorporation of the Ceará coast to the national and international economies” (Lima, in *ibid*). Policies for the sector were led by the regional and national governments, with support of International Financial Institutions (Molina, 2007).

The location of both villages in the coast of Ceará entails another independent variable - environmental resemblances. The common proximity to Europe and equatorial latitude (Coriolano & Fernandes, 2005:145-7) constitute a similar competitive profile for tourism development.

## 1.4 Methodology

Towards the purposes of this research, a key methodological step is the choice for a theory that deals with the functioning of social systems. In this sense, structuration theory was selected as a lens to guide the collection and analyzes of the data presented in this paper.

Regarding methods, the research combined field and desk study. For secondary data, various sources were used, ranging from videos and photographs to websites, research papers, reports and governmental documents. Primary data was collected in forty days of field work through observation, photography, semi-structured and in-depth interviews.

In PCV, participatory observation was done by sharing my stay among the three existing 'pousadas'<sup>4</sup>, fishing with the fishermen, attending meetings and taking part in tourism activities, such as a guided buggy tour. In Jericoacoara, observation included daily interaction with tourists and inhabitants, participation in one meeting of the Local Economic Development Agency and participation in a collective initiative to clean public areas.

In what concerns interviews, two types were conducted. On one hand, I interviewed protagonists of the two village's history. Identification was made through secondary data and indication by inhabitants. On the other hand, I conducted random interviews to actors with different occupations in the villages. In this step, I approached local enterprises and talked to owners and employees. In Jericoacoara, due to the immense universe of enterprises, I selected a small, but diverse range. Selection criteria was based on size and years in the market. In order to hear people who are not in the tourism sector, in both localities I conducted random interviews to inhabitants of the poorest zones. A research assistant accompanied me and helped identifying people with diverse occupations and points of view.

In both localities, inhabitants are used to contact with outsiders and therefore were not resistant to interviews. Despite that, several respondents requested not to be recorded. This was specially the case in Jericoacoara, where due to life threats in the past, people are afraid of being recorded talking about politics. In respect to that, all names cited in this paper are pseudonyms.

## 1.5 Limitations and relevance

The short period of field work represents a clear limitation to this research, specially in face of the complexity and variety of elements involved in the process of path formation. But no matter how much time is spent in the field, by nature historical analysis are incomplete and biased (Rueschemeyer and Stephens, 1997:56). So is this research.

An additional limitation refers to the type of data accessed. In PCV, informants were mainly from the 'winning' side and no interview was made to business entrepreneurs. In Jericoacoara, although a few business entrepreneurs were interviewed, the majority of the data collected came from the other side – lifestyle agents.

The components of the history told in this paper were selected from the information that I could reach and on the basis of my own cognition. As such,

this research presents one among possible interpretations of local development processes and aims to add a different perspective to the common interpretation of sustainable and ethical development as explainable by the dualism internal-external. Furthermore, this research is relevant for exploring the process through which models so often advocated take place. In this sense, it highlights elements that, context specificity considered, could be applied in localities sharing a similar vision of development.

## **1.6 Structure of the paper**

Under a historical perspective, this research presents the processes of path structuration by time periods. Periods are framed by topics, facilitating the comparative purpose.

Preceding the analysis, chapter II reviews concepts and theories used throughout the paper. Chapter III deals with path creation between the late 1970's and 1998. Chapter IV presents the consolidation of a path direction between 1998 and 2006. Chapter V explores the situation in 2007-2008, analyzing both models in terms of trade-offs and sustainability. The possibility of path change is also acknowledged. Finally, chapter VI draws a conclusion from the comparison.

## Chapter 2      Theoretical and Analytical Framework

### 2.1 The analytical lens: Structuration Theory

Structuration theory is an appropriate tool to explain discrepancies in development paths and models for enabling the understanding of the production and reproduction of social systems (Giddens, 1984). According to Giddens, social systems “comprise the situated activities of human agents, reproduced across time and space” (*ibid*:25). Following the criteria of activities, time and space, social systems designate in this paper the activities directly or indirectly related to the tourism sector in each of the villages during the specified time frames.

A system is produced and reproduced over time and space through interaction of agents. Agents, thus, produce and reproduce the structures which enable and constrain their actions. This interdependency between agency and structures is referred to as the duality of structure (*ibid*). Structures are “rules and resources, or sets of transformation relations, organized as properties of social systems”(*ibid*:25), while agents refer to intentional and knowledgeable actors (*ibid*; Kaspersen, 2000).

### 2.2 Deviant approaches and models: Endogenous vs. Exogenous development

According to Nelson (1993?:28), development-from-above is based on the neoclassical and traditional regional economic models. It assumes regional development to depend on stimuli from exogenous forces (*ibid*:31). Supply-side and free market are considered core elements in fomenting economic development and spread of opportunities is expected to occur by trickle-down (Blakely, 1994:1,57).

The development-from-below school of thought emerged to challenge the baselines of development-from-above. The endogenous argument stresses the importance for local and regional control over institutions “to create the life-style desired in the region” (Nelson, 1993?:28). The division line between the two paradigms can be deduced from the hypothesis guiding the development-from-below perspective. The components of this hypothesis were synthesized by Ray (2000:166):

“The main components of the (endogenous development) hypothesis are threefold (Ray 1997). First, it sets development activity within a territorial rather than sectoral framework, with the scale of territory being smaller than the national or regional level. Second, economic and other development activity are reoriented to maximize the retention of benefits within the local territory by valorising and exploiting local resources – physical and human. Third, development is contextualized by focusing on the needs, capacities and perspectives of local people; the development model assumes an ethical



dimension by emphasizing the principle and process of local participation in the design and implementation of action and through the adoption of cultural, environmental and ‘community’ values within a development intervention.”

Deducing from Ray's statement, the table below synthesizes the elements of the dualism exogenous-endogenous:

**Table 2**  
**Endogenous vs Exogenous Approaches**

Elements / Hypothesis	Endogenous	Exogenous
Framework	Locality based	Sectoral based
Resources for development	Local	External
Benefits	Focus on spread of benefits	Focus on amount of benefits; the more benefits, the more trickle-down
Definition of development	Based on local needs	Blueprint externally formulated
	Multiple dimensions; ethical perspective	Unidimensional – economic development as sufficient means
	Participation as core	Participation not core

Remarkable is the differentiation between the direction of development and the position of actors stimulating it. As Ray (1999:534) argues, development from below may be initiated and stimulated by external actors, as in the case of national and regional policies to strengthen local control. The same applies for exogenous approaches, which can be initiated by local actors aiming to attract external capital. This distinction reinforces the central argument of this paper that the model of development, either as endogenous/exogenous or alternative/mainstream tourism, depends highly on the drives and visions of actors in control and not so much on their origins.

Although the theoretical dualism suggests pure approaches, this is rarely the case in practice. In this sense, by referring to endogenous or exogenous models or approaches, I mean predominance of a rationale.

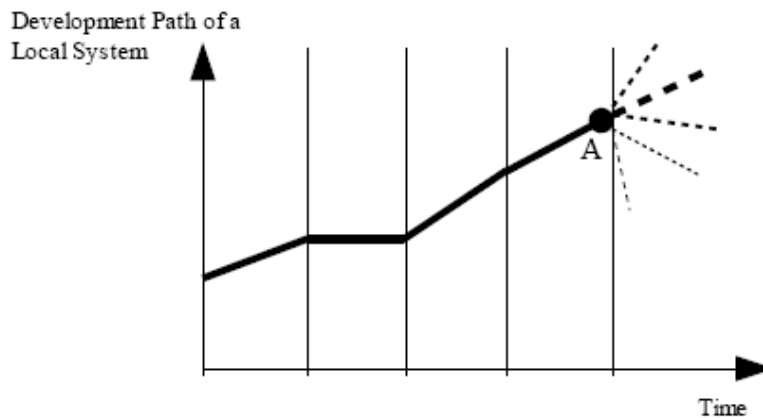
### 2.3 Dependent variable: Development Path

Endogenous and exogenous approaches are embedded in local paths, reflecting, constituting and influencing their course. Development paths are chronological sequences of events connected by a logic of cumulative causation, in which the state of affairs in a place in a point in time results from the underlying sequence of events, as well as adds to it, constituting itself an explanatory factor of subsequent events (Garud & Karnøe, 2001; Mahoney, 2000; Martin & Sunley, 2006). The direction of development trajectories towards one development approach is, thus, “foreclosed or inhibited by directions taken in past development” (Nooteboom, in Mahoney, 2000:510).

Despite the usefulness in explaining 'deviant outcomes' (Mahoney, 2000:508), path-dependence and other related concepts of evolutionary economics are still embryonic (Martin & Sunley, 2006:397) and not consensual. For this research, I will build mainly on the work of Martin & Sunley (2006) and Garud & Karnøe (2001), adopting an evolutionary perspective that marries historicism and structural factors with agency and entrepreneurship. Development paths are historically shaped. This does not imply that path-dependent processes or systems have their faith defined by past events. Rather, path dependence is a “probabilistic and contingent process” (Martin & Sunley, 2006:402), which defines circumstances, but allows innumerable variances of social interaction to shape following steps. Building on the graph proposed by Martin & Sunley (*ibid*:418), path dependence defines the position of a point, but does not define the direction of its continuation. Rather, at any point in time a path faces as many possibilities of direction as the 180° degrees surrounding a point in a progressive graphic (figure 4). What path-dependence highlights is that the probability of inertia towards a direction already in place is higher than the probability of changing direction. The difference in probabilities is illustrated in figure 4 by the variances in the thickness of the possible directions starting from point A. This tendency of maintaining the *status quo* goes hand in hand with the trade-off proposed by Grabher (1993) between adaptation and adaptability, as the former reduces the later and leads to a state of 'lock-in'.

Lock-in refers to a particular outcome of path dependence (Martin & Sunley, 2006:418), in which a system gets 'overcommitted' to established practices and ideas, despite their rationality (*ibid*:405).

**Figure 4**  
**Alternatives Paths at a Point in Time**



Source: based on Martin & Sunley, 2006:418

While 'lock-in' implies rigidification and loss of innovation, it is not an 'inexorable trend'. Alternative outcomes to lock-in may take two forms: change within a same path or creation of a new path. Meyer-Stamer (1998:1509) proposes two interesting metaphors to differentiate changes within a same path and changes involving a new one. The first situation is like any step in

building a house. The structure of the house is always the same, but new things are introduced to enhance it. Differently, changes involving a new path imply redefinition of basic guidelines. It is like substituting the coach of a football team.

Path creation is described by Garud & Karøe (2001) as a 'process of mindful deviation', by which entrepreneurs engage in creative destruction and disembed from the structures in which they are embedded. Martin & Sunley (2006:426) complement Garud & Karøe understanding of path creation by identifying other forms through which it can take place:

“(path creation) may be an incremental process, as Garud and Karnøe suggest, whereby agents consistently cultivate and nurture experimentation in the search for new technologies, products, processes and the like. In other instances, certain critical junctures and large-scale events or shocks may provoke individual agents or policy-makers to devise new strategies or develop new ‘windows of opportunity’ (David, 2005b; Sydow et al., 2005). It is not just strategic agency among entrepreneurs that is important in path creation. (...) we also have to examine the strategic decisions made by policy-makers (...) if we are to properly understand regional path creation.”

Regarding the role of change agents in creating new paths, Meyer-Stamer (1998:1509) described it as one of identifying the incentive structure governing a path and explaining how it can be changed. This incentive structure is the core of path-dependence and undermines systems rationality. Noteworthy is also the role of contingencies. Martin & Sunley (*ibid*) recognize shocks as critical junctures stimulating agents to adopt new strategies and patterns of interaction. Mahoney (2000) refers to these provocative events as contingencies and characterizes them as the starting point of path-dependent sequences. Contingencies are unanticipated and unpredictable breakpoints, which according to a structuration perspective may lead to a variety of paths, depending on the drives and visions of agents, as well as on their interaction with structures and other agents .

A structuration perspective of path dependence implies that path formation is a non-straightforward process. Agents have heterogeneous drives and structures are often not coherent or compliant to a single development model. In this line, I will adopt a concept of unitary, but not continuous paths, in which events and systemic features are never completely coherent, disputes are embedded in the path, and power defines predominance, but not homogeneity, of a model.

## 2.4 Specific concepts

Social systems are formed by a duality: agents and structures. A variety of typologies underlies each category. For this research, specific kinds of agents and structures will be analysed – namely change agents, particularly entrepreneurs, and institutions. The next sub-sections define these categories. In the sequence, the concept of power will be analysed.

## ***Change agents and Entrepreneurs***

In this research, change agents are considered an umbrella category embracing all actors that enable change in a system. These may be entrepreneurs, policy-makers, leaders or managers, as long as they are related to systemic changes. Their role range from initiating to sponsoring, directing, managing or implementing actions that lead to change (Caldwell, 2003:139). The first of this roles – initiating change – is usually attributed to entrepreneurs, as these are actors engaging in innovation. Despite that, initiating change is not what defines them. Entrepreneurs are actors that search, respond and exploit opportunities, regardless of their success in bringing about change (Drucker in Dees, 1998:2). This research focuses on entrepreneurs that succeed in becoming change initiators, although entrepreneurs that didn't, as well as other types of change agents will also be touched upon.

Binks and Vale (1990) identify different types of entrepreneurs, which will be adopted in this research to distinguish individual's innovative level. Catalytic entrepreneurs are those exploiting Schumpeterian opportunities and introducing a genuinely new combination of resources in a system (*ibid*:60). The other types of entrepreneurs, to which I will refer as non-catalytic, are those who work with existing information and engage in non-spontaneous innovations. They exploit Kirznerian opportunities, replicating existing organizational patterns (Shane, 2003:21) in innovative ways (Binks & Vale, 1990:59).

By categorizing different types of entrepreneurs, an emerging question regards the underlying causes of such differentiation – what makes some individuals more innovative than others, and, moreover, others not entrepreneurs at all? This question has been largely approached by literature, without consensual conclusions. This research adopts an understanding of entrepreneurs as a combination of special individual characteristics and a conducive environment (Shane, 2003; Holmstrom, 1998).

Regarding individual features associated with entrepreneurship, Shane (2003) differentiates between psychological and non-psychological factors. The latter includes elements such as education, career experience, social position and opportunity cost. Psychological elements include motivation, cognition and core evaluation. In this research, special attention is given to the element of motivation, also referred to as drive.

Engaging in entrepreneurship implies having expectations of premiums that surpass opportunity costs (*ibid*: 62-3). Expected premiums are the vision guiding agency and thus vary according to entrepreneurs drives. This research adopts three categories of entrepreneurs to refer to differences in drives and visions – social, lifestyle and business entrepreneurs. The table below summarizes the criteria for classification in these categories.

**Table 3**  
**Types of Entrepreneurs by Drives and Visions**

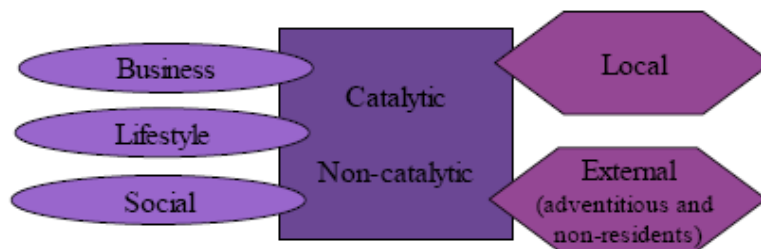
Entrepreneurs	Business	Lifestyle	Social
Criteria			
Drives	Economic	Non-economic	Non-economic
Vision	Private economic value creation	Private non-economic value creation (related to life-style)	Social value creation
Means	Commercial methods	Commercial methods, purposeful limit to scope and scale	Commercial and philanthropy
Criteria to evaluate success	Wealth-creation	Ability to live desired life-style	Mission-related impact

Source: Dees, 1998; Shane, 2003; Ateljevic & Doorne, 2000

An additional category of entrepreneurs is useful for this research, namely the distinction proposed by tourism and local economic development literature between external and local actors (Blakely, 1994; Vázquez-Barquero, 2002). By external entrepreneurs I mean non-natives. They are of two types, resident adventitious and non residents. Although the former eventually become part of the local population, they are considered external actors for being 'outsiders' who chose to live in the localities. Analogous to the case of factories that easily move from one locality to another (Blakely,1994), adventitious have more autonomy and less costs than locals to move to other places. The category of local actors applies to those inhabitants who are historically bound to the indigenous community that originally occupied a locality. In this sense, the distinction between local and external is based on actors origin rather than place of residence.

The three systems of categorization coexist, as illustrate in the figure below. They also apply to the broad category of change agents.

**Figure 5**  
**Categorization of Change Agents**



***Institutions***

At the core of path-dependence are incentive structures, which lead agents to act instinctively in accordance to prevalent patterns of interaction (Meyer-

Stamer, 1998:1509). Institutions are important components of these incentive structures, as they provide stability and predictability to social action (Martin & Sunley, 2006:402). As the “more enduring features of social systems” (Giddens, 1984), institutions tend to reproduce themselves over time-space and point out to continuity of established practices.

While this central role of institutions is relatively consensual among scholars, institutions are conceptualized differently according to distinct ontological assumptions and methodological approaches (Scott, 2001). The understanding of institutions that guides this paper is based on a refusal of individuals as rational and 'all-knowing' agents (Gómez, 2008:25) and on the methodological choice for structuration theory.

Institutions are considered a 'product and a platform' of social action (Scott 2001:75), reflecting the duality of structure. As a platform of social action, institutions play a constitutive and regulative role (*ibid*:64). They provide guidelines for action, framing social practices. Furthermore they create meanings and shape agent's purposes and preferences (Gómez, 2008:25; Scott, 2001:64; Martin & Sunley, 2006:402).

Institutions are themselves produced by agents. They may evolve out of practice or be purposefully designed (Gómez, 2008:26-7). This research focuses on the last case. 'Designed institutions' (*ibid*) emerge as a response to 'institutional gaps', which embark “new situations, changed conditions in the environment, and unsatisfactory results” (*ibid*). Schumann (in Scott, 2001:96) suggests that institutions are created as responses to problems that lack a satisfactory answer repertoire. Of course, the identification of a problem as well as the choice for the way to deal with it are subjective matters. In this sense, institutions are ideological tools, serving the drives and visions of those who design them (Gómez, 2008:27; Hodgson, 2006).

Institutions depend on power to be effective (*ibid*). Those that lack resources to be enforced and reproduced are either abandoned or forgotten (Sewell, in Scott:50). At the same time that institutions depend on power, they also serve as means to legitimize and authorize power (*ibid*). They are, thus, the means through which agents establish, exercise and maintain control over a development path.

## ***Power***

Intentions explain the shape of a path, as they are embedded in structures and define social interactions. But which intentions prevail is a matter of power. Power as conceptualized in structuration theory refers to the capacity of agents to intervene in the world and influence a process or state of affairs (Giddens in Haugaard, 2002:151). It is not a behaviour, but an intrinsic feature of agency (*ibid*; Kaspersen, 2000:40).

Power is in all action and precedes the intentions shaping paths (*ibid*). The concept of power as an intrinsic aspect of structuration dynamics implies that it is itself an outcome of social practice (Haugaard, 2002:149-50). Giddens names structures of domination those that generate power (Giddens in Haugaard, 2002:160).

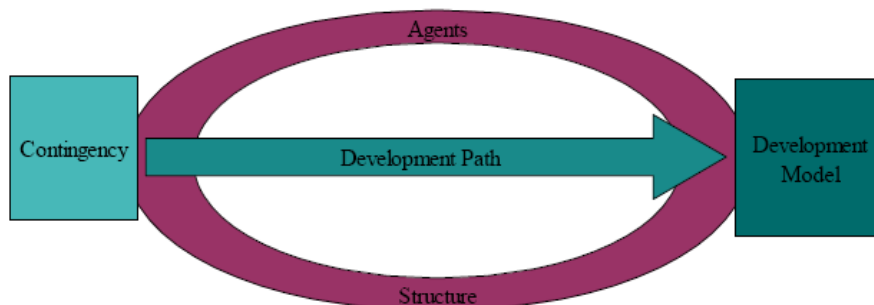
Structures of domination are composed of two types of resources – allocative and authoritative – which are used by agents in all actions. These resources are both a reflection of power and a means through which it is exercised. Allocative resources refer to the possibility of domination over the material world. Examples are raw materials; technology and instruments of production; and produced artefacts. Authoritative resources concern dominion over the social world and over other agents. They include constituted paths; factors of life-chances, such as literacy; and co-ordination of groups of people (*ibid*; Kaspersen, 2000:68).

In conceptualizing power as transformative capacity, Giddens argues that it is not a zero-sum game. Despite that, he acknowledges power struggles and relates them to dispute for control over social systems. Control is defined as the capability of some to influence the 'circumstances of action of others' (Giddens, 1984:283). In this sense, power relations are relations of domination and subordination. Nonetheless, agents are never completely autonomous or dependent. Rather, the weak part has always room to affect the powerful side (*ibid*:16; Kaspersen, 2000:41).

## 2.5 Analytical Framework

Structuration theory is applied to explain the process of path formation, which reflects endogenous/exogenous approaches. The use of structuration theory implies that structures and agents are a continuous, reinforcing and moulding each other in a spiral dynamics. The development path, which is guided by as well as constructs the characteristics of a development model, is defined through time and space, as agents, guided by their drives, interact with structures. This interaction shapes the possibilities of action and conditions the path of development towards a specific model. The analysis does not weight factors explaining divergences in development paths. Although contingencies are considered the starting point of a new path, they do not explain a path's shape, as actors within a specific place-time container have agency to interact in various ways with established structure. The features of agents and their visions, are, thus, crucial in defining the response to contingencies and conforming the structuration process through which a path is built. The analytical framework is illustrated in figure 6.

**Figure 6**  
**Analytical Framework**



## Chapter 3 Path Creation: first moves shaping an endogenous/exogenous direction

Until the second half of the 1970's, Prainha do Canto Verde (PCV) and Jericoacoara shared a common fishing villages scenario. From the late 1970's on, different paths led them to contrasting portraits. The first steps of these deviant trajectories are analysed in this chapter as processes of path creation.

Considering that paths are created by contingencies and followed by structuration processes, this chapter deals with three topics: contingencies, change agents and designed institutions. The topics are analysed under a time-space frame, in which space refers to the local arenas and time concerns the period between the late 1970's and 1998. At the end, a final section traces a parallel between the two cases.

### 3.1 Contingencies inaugurating a new path

In the late 1970's, the common fishing village scenario in PCV and Jericoacoara faced two distinct, but equally threatening contingencies. Next I explore these events and interpret the conditions they created.

#### *Prainha do Canto Verde – an unnoticed speculative threat*

In the 1970's, the start of the 'touristification' trend added a value of exchange to Ceará's coastal land (Abreu & Vasconcelos, 2007:328). In the context of promising gains to land owners, the business entrepreneur Fernandes claimed acquisitive prescription over a 749,44 hectares coastal territory, which included PCV. Based on falsified documents, the speculative attack suddenly put the inhabitants' land rights under threat (Mendonça, 2004).

The threat to the fishing village scenario remained unnoticed by its inhabitants until the arrival of two social workers. Aware of the speculative trend in Ceará, they helped the community to awake for the emerging land problem. They facilitated contacting natives with communities facing similar problems, as well as with a human rights NGO. Knowledge exchanged through this networking process led to the formation of a critical mass. With a mission to secure land rights for themselves and future generations, the critical mass organized as a working group and started a resistance movement.

Parallel to the community organizing process, the land threat gained strength. At the beginning of the 1980's, Fernandes had his property 'rights' recognized by the municipal government and sold them to a Real Estate Company (*ibid*:76). The speculators counted with support of some natives, but these were few and their strategy did not encompass collective action. With no organized opposition, the resistance movement gained strength, increasing support and legitimacy over the years.

The speculative attack created a situation of vulnerability and uncertainty about the village's future. By threatening the public good that bound the community, the contingency spurred collective action. The exploitation of this



contingency as an opportunity for the catalytic event of community organizing can not be divorced from the social drive of the critical mass and the social workers.

### ***Jericoacoara – no middlemen, no economy, no village?***

Jericoacoara enjoyed a boom in the fishing industry until 1973. In this year, the industry lost its motor, as the middleman left the village and no substitute arrived to take his place. This was caused by two contingencies which simultaneously hit the locality - health problems that affected the middleman and a heavy winter during which rains destroyed the access to Jericoacoara, constraining transport of production and preventing new markets to open (Fonteles, 2004:137).

The two contingencies left the local population without an economic base or perspectives of recovery. The effect was noticeable to every family's livelihood, as reflected by the selection of migration as a survival strategy. The decrease in population seemed to indicate a move towards the village's disappearance (*ibid*:135).

Despite this initial reaction, Jericoacoara obviously did not vanish. Rather, the new path's initial direction turned toward the emergence of a new economic base – tourism. Such shake is directly attributable to the arrival of outside change agents and the regional 'touristification' trend.

Between the late 1970's and early 1980's, alternative tourists started arriving to Jericoacoara. They were people looking for more contact with natural environments (*ibid*:131) and found in Jericoacoara an 'ideal and real place' (Lima, 2000:9). Other visitors also arrived to the village in the early 1980's, such as a politician (Fonteles, 2004) and business entrepreneurs, who will be presented in section 2.2.

Realizing the visitor's interest in the village, natives started asking them to buy their houses. Noteworthy is that the land was owned by the State and culturally only natives had the right to enclose empty pieces. As demand for 'the locality' grew, natives commodified the asset and turned it into an allocative source of power. The perception of outsiders as an opportunity relies on the economic needs the village was facing as well as in the approach through which they arrived, which was respectful to the community's rights over land. Despite this, some natives were worried about losing control over their territory and advocated against the sale of land.

By affecting access to private goods, contingencies pushed natives to individually look for recovery strategies. The incentives for non-collective efforts shaped the circumstances found by outside entrepreneurs in the following years, as well as favoured disintegration of natives as a group.

## **3.2 Heterogeneous change agents and disputing visions**

In the two localities, contingencies broke path-dependence and represented an opportunity for recreating directional trends. In this context, agents entered in dispute for path control. The next sub-sections explore differences between agents and highlight how they pursued their envisioned models.

## *Conflicting moves in Prainha do Canto Verde*

### **Business vs. Social agents**

The contingency in PCV was provoked by the arrival of business entrepreneurs. Fernandes and the Real Estate Company fit into the category because of the economic motivation of their plans to occupy the area with tourism investments (Mendonça, 2004:76). Besides the vision of profit, the project (as well as the way it was pursued) reflects an essentially exogenous approach.

Resisting this plan, the community organized to ensure local control over the development path. The movement, from the start guided by a social vision and endogenous purpose, was later formalized as a Resident's Association. Throughout the 1980's, the association broadened its *raison d'être*. In addition to struggling for land, it engaged in a holistic development mission, which embarked economic restructuring and community development (Escola, 2004:5).

The enlargement of the organization's mission is directly related to the arrival of Joseph Schmidt (box 1), a swiss social entrepreneur, to the village. Schmidt's role was described by several interviewees as one of broadening the vision of the community: *"He showed us which were the other needs the community had, as by then the community did not have this open perspective"* (interview to community leader). Furthermore, his international network enabled funding<sup>5</sup> for various social projects and positioned PCV in the aid chain. As an agent introducing new information and establishing social external nexus, Schmidt shaped the repertoire<sup>6</sup> and actions of the critical mass.

#### **Box 1 Social Entrepreneur - PCV**

When Schmidt first visited PCV, in 1987, he was a high business executive looking for a switch in his life. He wanted to use his knowledge to make social contributions and identified in the village an opportunity. The combination of 'underdevelopment' and community organization allowed him to engage in social projects. Since 1992 Schmidt was welcomed to live in the village. Nonetheless, not all natives approve his contributions. Nowadays he is supported by an NGO that invests in social entrepreneurs and broadened his work to other fishing communities.

*(Sources: interview; Museuda Pessoa, 2008 Mendonça, 2004:76)*

Schmidt's envisioned path for the locality started from economic restructuring. His first proposal was a fishing cooperative, through which the role of the middlemen was eliminated and the fishermen upgraded in the value chain. In the sequence, he suggested and supported the implementation of several other community development projects (Mendonça, 2004).

The arrival of Schmidt brought strength and complexity to the development model envisioned by the critical mass. Such contribution does not diminish the role of the latter, but attributes different functions to agents struggling for a same path. Important is that Schmidt's innovative role is directly related to non-psychological factors, such as his past experience and human capital. The fact of being an outsider who brought new insights enabled

him to play the catalytic role described. None of this would be possible, though, if the critical mass wasn't already constituted and engaging in risk-taking behaviour.

### Active struggle for path control

One factor made the business and social projects incompatible from the start – land control. In this context, conflict emerged as active struggle. The central piece under dispute was in the hands of social agents, and as such conferred more power to this group. Land occupation was a determinant allocative resource. Other resources also played a role as means of power, as illustrated in table 4.

**Table 4**  
**Means of power - PCV**

	Social entrepreneur and critical mass	Business entrepreneurs
Allocative Resources	Land occupation	False Land Property Document
	Funding (External nexus)	Financial Capital Physical violence
Authoritative Resources	Community leadership	
	Implementation of social project	
	Human capital (social entrepreneur)	

Agents used power resources in different ways to achieve their intended outcomes. Tactics by business entrepreneurs included a lawsuit claiming recognition of land rights, threats to the community, use of physical violence and attempts to start building in the area (Mendonça, 2004:76). All building efforts were demolished by locals. Other actions to constrain business plans included opening of a process in the judiciary and mobilization of public attention to the community's cause (*ibid*; Escola, 2004).

Once the Resident's Association broadened its vision, economic, social, cultural and environmental projects started to be developed in PCV. The path for community empowerment and endogenous development, despite vulnerable, was already being traced. This step falls into Giddens category of 'temporal-spatial constitution of paths' (Giddens in Haugaard, 2002:160), representing not only a sign of domination, but also an authoritative resource in itself.

Backing the 'temporal-spatial constitution' (*ibid*) of the local path were other key power means – land, donations, human capital from the social entrepreneur and community leadership. The three first were already argued to increase capacity to influence. Regarding community leadership, it enabled the critical mass to play a role of parallel government, thus representing an important authoritative resource.

One question remains – where is the tourism dimension? Since the early 1990's, social agents were debating the incorporation of the sector. The formal choice for community tourism, though, only happened in 1998, as argued in chapter 4.

## *Conflicting moves in Jericoacoara*

### **Contrasting drives and visions: Business vs. Lifestyle entrepreneurs**

The direction of Jericoacoara's path after the contingency is directly related to the arrival of outsiders. The factor attracting new residents was one – the natural setting (figure 7). Nonetheless, the meaning attributed to such environment, and thus the reasons driving decisions to stay, were heterogeneous. For some, Jericoacoara was the ideal scene for life quality, while for others it was an unexplored treasure.

**Figure 7**  
**Jericoacoara Bay**



Source: Krönner, 1995

### **Box 2** **Business Entrepreneur – Jericoacoara**

Gonzalez arrived to Jericoacoara in the early 1980's. He was impressed by the natural beauty of the place. It was heaven, and still unexplored. Envisioning a high potential for investments, he decided to stay. Soon he opened a 'pousada', the first in the village to have a swimming pool. In 1991, Gonzalez was elected major of the city. Nowadays he owns significant lots in the village and remains head of the local government.

(Source: interviews; Fonteles, 2004:140)

### **Box 3** **Lifestyle Entrepreneur – Jericoacoara**

In the early 1980's, João had a good job in a big city. After a trip to Jericoacoara, though, he realized suit and tie were not for him. A few months later, he moved to the village. Throughout the years, he had different occupations, including as a fisherman. Nowadays, he owns a shop and a 'pousada'. João was also an active member of the Community Council, but since the early 2000's diminished his participation. In 2008, his leadership is coming back, as he was elected member of the board of directors of the new Local Economic Agency .

(Source: interviews)

The boxes above exemplify the story of one business and one lifestyle entrepreneur<sup>7</sup>. The narratives suggest differences in their drives, hence justifying the categorization. Business entrepreneurs prioritize economic

growth, while 'lifestylers' give more importance to conservation of specific ways of life. In this sense, the former envisioned the transformation of Jericoacoara in a top tourism destination, while the latter aspired for an endogenous and slow process of development.

In addition to entrepreneurs, politicians also played a major role in the village's path. The most influential of them were also business entrepreneurs, and therefore fall into the above considerations of visions and drives. One of them, Gonzalez (box 2), started as an entrepreneur and entered the political life later. The other, Monteiro (box 4), initiated as a politician and became an entrepreneur afterwards.

**Box 4**  
**Politician – Jericoacoara**

Monteiro is part of a traditional political family in Ceará. In 1983, he was elected alderman and led the movement to turn Jericoacoara in an Area of Environmental Preservation (APA). From 1996 to 2002 he worked in the executive of Ceará's government. In 2002 he was elected member of the regional parliament.

Parallel to the political life, he is also an entrepreneur. He owns a 'pousada' and big plots of land in Jericoacoara.

Sources: interviews; Fonteles, 2004; Amoriim, n.d.; Bursztyn, n.d.

As for what concerns natives, many of them turned into non-catalytic entrepreneurs. According to some interviewees, they opened 'pousadas' and restaurants, imitating the initiatives of the new comers. They were always 'a step behind' in terms of innovation and investment, but since the development speed was low, they could follow the rhythm. Regarding their drives and visions, they were heterogeneous, some looking for economic growth, others advocating for preservation of the traditional lifestyle (Fonteles, 2004: 198). When talking about the two groups of entrepreneurs, I imply that natives are within both of them. Noteworthy is that not all natives or outsiders fit in a category, as not all were, or are, entrepreneurs.

### **Division of interests in path control**

Since their arrival, external business and lifestyle entrepreneurs contributed to tourism development in Jericoacoara. They opened 'pousadas' and restaurants and stimulated natives to also enter the sector. Differences in values and motivations between the two categories were visible in the type of business they initiated, but did not constrain each other to implement their personal projects. The process of development was slow, but progressive, a condition that satisfied the businesses entrepreneur's interest in more demand, while not destroying the characteristics of the village that 'lifestylers' appraised.

Despite apparent compatibility, the paths envisioned by the two groups were essentially different. This was noticeable in the type of local economic development strategies implemented by each group. On the business entrepreneurs side, major initiatives included marketing strategies, such as a fun tour organized by Gonzalez, and the creation of the Area of Environmental Preservation (Área de Preservação Ambiental - APA), by initiative of Monteiro (box 3). These initiatives attracted attention to

Jericoacoara (Fonteles, 2004:144) and stimulated the demand needed for tourism. On the lifestyle side, an important event was the creation of the Community Council. By promoting environmental preservation and protection against building speculation (*ibid*:149), the institution contributed to maintenance of the village's characteristics.

While business and lifestyle entrepreneurs equally contributed in forming tourism supply, business entrepreneurs had an additional participation in shaping the local path, as their initiatives also contributed to create demand. The prominent role and the model pursued by this group were always questioned by the other side, but 'actual struggle' for path control only emerged after 1998, when physical restructuring of the village came into quest.

The greater influence of business agents over the local path is directly related to their access to public sector decision-making at the local and higher levels. On one hand, Monteiro had close relations with, and was himself part of, the regional government. The regional tourism policy was driven by economic growth purposes (Bernal, 2008) and as such represented an external nexus reinforcing and supporting a business agenda. On the other hand, Gonzalez was since 1991 head of the local government and guided local policies by a business vision. Despite the relevance of these authoritative resources, other means of power were also used by both sides in the dispute for control, as illustrated in table 5.

**Table 5**  
**Means of Power - Jericoacoara**

	Lifestyle entrepreneurs	Business entrepreneurs
Allocative Resources	Financial and human capital	Financial and human capital
Authoritative Resources	Community leadership	Close connection with higher levels of government (External nexus)
		Decision-making positions in local government

### 3.3 Institutions

Institutions are ideological tools defining, enhancing and reflecting control over a development path. Under this assumption, the current section explores relevant institutions introduced in both localities between 1980 and 1998.

#### *Prainha do Canto Verde: institutions shaping an endogenous path*

The first relevant institution is the already mentioned Resident's Association. The organization is open to all inhabitants of PCV, whose membership depends on a symbolic monthly financial contribution. The executive board is periodically elected, but is usually composed by the same people, reflecting a process of elite formation (Constantino-David, 1995:163).

The objectives of the association broadened over the years, but the core one remained fight for land rights. This role required protecting the community from external speculators, but also from “internal groups with bad intentions” (Escola, 2004:8). With this purpose, a land regulation was created in 1996. It is an informal written document, which regulates the use of land. It determines, for example, that those intending to build a house in the village need approval from the association (AMPVC, 2008; AMPVC, 2001). To enforce the rules, the association uses strategies ranging from partnership with the local government to awareness signs (figure 8).

**Figure 8**  
**Land Regulation Sign**



*“If you think it is right to sell land, answer: where will our sons live when the land is all sold?”*

Source: Ellinger, 2008a

Both institutions, the land regulation and the Resident's Association, were designed by social agents in response to land rights threat. The broader role acquired by the association answered the institutional gap created by an absent local government and the need for a political-administrative institution to provide public goods. Together, they established an endogenous repertoire and served as tools for shaping the local path in social terms.

### ***Jericoacoara: institutions launching a two-sided path***

In the concerned period, the main institution designed in Jericoacoara was the Area of Environmental Preservation (APA). Created in 1984 by initiative of Monteiro and supported by natives and environmentalists, the institution responded to contradictory institutional gaps. The underlying environmentalist

discourse suggested its function to be one of protection. The attention it generated in a context of environmentalism raise in Brazil, though, indicates a role of creating demand (Fonteles, 2004:143). Despite the contradictions, the APA represented a clear benchmark in the village's path, attracting visitors and entrepreneurs and stimulating transformation of the territory (Molina, 2007:18).

The transformation of Jericoacoara in an APA led community members to design an organization for its good governance – the Community Council. The institution aimed to preserve the traditional way of living, thus serving a lifestyle vision. The activities of the Council included projects of community development, which were financed with governmental resources.

Another important institution is the municipality of Jijoca de Jericoacoara, created by initiative of Monteiro in 1990 (Fonteles, 2004:140). In the first elections, the business entrepreneur Gonzalez was appointed major. Since then, he controls the local government. The authoritative resources generated by this designed institution have so far served business purposes. Its influence over the local path will become clear in the next chapter.

A fourth institution designed in this period was the Normative Instruction (Instrução Normativa - IN) nº4, from 1992. It was a formal rule launched by the central government to regulate land use in the APA. The IN nº4/1992 provided detailed norms, such as the prohibition to construct new 'pousadas' and the limitation of building's high to 1 floor and 4 meters (Instrução Normativa nº4, 1992). By imposing such constraints, it played a role in preserving the area and controlling the speed of growth. Noteworthy is that the IN nº4/1992 controlled, but did not impede increase in supply, as several entrepreneurs irregularly opened new businesses.

The presented institutions support the argument that until 1998 the path of Jericoacoara was simultaneously driven by lifestyle and business visions. While the Community Council and the IN nº4/1992 set the parameters for a controlled and endogenous development, the creation of the APA stimulated economic growth. The municipality by itself is less biased, as the visions it serves depends on the agents in power. So far it supported a business vision.

On one hand, the divergent purposes underlying these institutions were embedded by potential conflict. Indeed, they were the central pieces of the active struggle that emerged after 1998. On the other hand, this heterogeneity left significant prints in Jericoacoara's path. Their dual stimulating and preserving functions contributed to the current model of development, which despite business driven, conserves various features of the traditional lifestyle.

### **3.4 Tracing a parallel between the two cases**

As unexpected threats, the contingencies created vulnerability in both communities. Nonetheless, they affected different kinds of goods and established distinct incentives. In PCV, public goods were hit and collective action was stimulated. In Jericoacoara, access to private goods was affected, encouraging recovery through individual strategies.

While contingencies created incentives for collective or non-collective strategies, the response to these incentives can not be divorced from change agents and their drives. Furthermore, the resulting paths cannot be explained



solely by these first responses. The continuity of a trend has to be attributed to decisions made by agents at every point in time. Whose decisions influence more depends on power and translates into path control.

In both places, path control was disputed under a dualism of economic and non-economic motivations. Despite that, in each locality one side of the struggle was more influential. In PCV social agents had a more prominent role, while in Jericoacoara business entrepreneurs were the most influential group. Prominence of roles is directly related to the power resources accessed, as well as to the incentives provided by external nexus. In PCV external nexus favoured a social vision, while in Jericoacoara they supported business purposes.

In both localities, institutions were designed to exercise power and shape local paths towards a specific vision. Designed institutions were essentially political, as they resulted from power struggles and intentionally favoured some outcomes at the expense of others (Goldsworthy, 1988:508; Gómez, 2008:27). In this sense, they reflected and reinforced prominence of some agents.

Contingencies, change agents and designed institutions built the conditions for the endogenous or exogenous model later consolidated in each locality. Noteworthy is that in this period the tourism sector was either absent or emerging in the villages. The industry was only consolidated after 1998, but as it did, it followed guidelines rooted on the moves presented in this chapter.

## **Chapter 4 Path Consolidation: political decisions feeding and featuring endogenous/exogenous tourism sectors**

The previous chapter presented the beginning of the development paths in Prainha do Canto Verde (PCV) and Jericoacoara. Despite prevalence of some agents, control was undefined. As such, guidelines for responding to the 'touristification' trend were unclear. In PCV, there were exogenous attempts to develop the sector as well as efforts to resist to it. In Jericoacoara, endogenous and exogenous approaches coexisted, as lifestyle and business entrepreneurs simultaneously inaugurated the sector.

The period dealt in this chapter, namely 1998-2006, is marked by formal answers to the regional 'touristification' trend. The chapter explores the means through which some agents gained control and defined the sector, as well as the process of conflict resolution with contesting agents. Furthermore, it analyses the tourism models consolidated in each village, highlighting their economic implications. The chapter consists of two main sections – one per locality. Each section is subdivided in analogous parts: state of the tourism sector in 1998, political decisions for the sector, designed institutions and economic effects. Finally, an additional section traces a parallel between both localities.

### **4.1 Prainha do Canto Verde: a conscious choice for community tourism**

#### ***Portraying the tourism sector by 1998***

In the early 1990's, while the community of PCV resisted the speculative attack and, thus, touristification attempts, the first flow of tourists arrived in the village. The visitors were development practitioners attracted by the community resistance and development model. Their arrival, coupled with the examples of nearby villages being transformed into tourism destinations, alerted the population of the inevitability of 'touristification'.

This trend represented to most community members a motive of concern, after all other communities and the speculative attack showed tourism as arriving through outside investments. Besides a threat to local control, though, tourism was also perceived as an opportunity to increase local autonomy. In this sense, one thing was clear – there was the need for the community to anticipate itself and implement strategies to ensure local control. Since 1995, a working group was discussing the issue, but it was not until 1998 that an official project of community tourism was constituted (Mendonça, 2004).

### ***Political & Juridical decisions***

The year 1998 marks the conscious and formal decision of the community to enter the tourism industry under the condition of developing the “*tourism that we want*” (Silva, 2003:62-5). As any other development initiative in the village, tourism became a project led by the Resident's Association. In 1997, the project's vision was defined: “Develop an ecological tourism in a communitarian way, aiming to improve inhabitants income and well-being; preserving our cultural values and the region's natural resources” (Estudo, 2003?:7) This model was influenced by the experience of nearby touristic villages and aimed to achieve the main benefits (economic growth) and avoid the major losses (drugs, cultural disintegration, etc.) perceived in these localities (AMPVC, 1994). The project resulted not only from the social vision guiding the community, but also from a learning process. Important to highlight is the role played by the social entrepreneur, who stimulated the community's reflection on the type of tourism that they wanted (Silva:2007,63).

As a political decision, community tourism elevated the implementation costs of alternative projects (Considine, 2006:18-9), namely the business one. Despite that, the Real Estate kept on attacking the village. Vulnerability was high and security of the endogenous-social model depended on a juridical decision about the Real Estate's property rights. In 2006, the court decided in favour of the community and the dispute between business and social entrepreneurs came to an end. This juridical decision consolidated control of social agents over the local path.

### ***Institutions***

Tourism in PCV emerged as a development project. As such, it was launched, planned and implemented by a specialized and planning meso-institution (Helmsing, 2002). Different from the usual trajectory of local economic development, the phase of 'active collective efficiency' (Helmsing, 2003:72) preceded tourism activities. Initially, the tourism council was the institution responsible for coordinating the sector. In 2001, it was transformed in a cooperative (COOPECANTUR - Cooperativa de Turismo e Artesanato). The organization follows a hybrid model, which “combines income distribution with incentives to individual push and creativity” (Silva, 2003:65). The cooperative's role embarks community, locality and enterprise development<sup>8</sup>. The latter involves financial and non-financial services. The locality development function includes implementing marketing strategies and ensuring the small scale profile of the sector<sup>9</sup>. Furthermore, the cooperative is also a service provider itself, as it organizes events and owns accommodations (Meireles, 2005:40-1).

For this research, the locality development function taken by COOPECANTUR is of major importance, as it is through this role that the institution produces and reproduces the path envisioned by the critical mass and the social entrepreneur. It is, thus, a structure of domination strengthening local control and reinforcing a pattern of collective action.

Despite the central role of the cooperative, the community tourism project can not be divorced from the institutions presented in chapter III.

Besides creating the conditions for the project, they also contributed to its implementation. The Resident's Association is the umbrella organization hosting the cooperative, while land regulation constrains the arrival of outsiders as owners of spaces.

### ***Economic effects – how designed institutions shaped the tourism sector***

If collective efficiency preceded sectoral activities, how did tourism enterprises and services emerge? Common enterprises already counted with an infrastructure<sup>10</sup> when the tourism project started (Estudo, 2003?:15), while private enterprises were slowly built by natives (ibid), who used personal savings to improve their houses and start 'pousadas' and restaurants. The entrepreneurs were supported by the tourism council, and later cooperative, who besides managing a rotative fund, organized courses to build technical capacities. This service was also offered to natives interested in other tourism segments, such as that of guides.

By providing support services as well as stimulating demand, the cooperative turned tourism into an opportunity for natives to diversify their source of livelihood. Considering that the population was relatively homogeneous in terms of access to assets, and having in mind that opportunities provided by COOPECANTUR were exclusively for natives, the institution created conditions for a participatory and endogenous development path and model.

**Figure 9**  
**'Pousada' over the years in PCV**



*Pousada Sol e Mar as it started ...*

*... and as it is nowadays*

Sources: Ellinger,2008e.; Ellinger,2008g

## **4.2 Jericoacoara: top-down decisions for tourism growth**

### ***Portraying the tourism sector by 1998***

By 1998, Jericoacoara was a discovered hidden place. Tourism was the economic base of the village and visitors were coming and going. Still,

Jericoacoara was a hidden place, in the sense that it was not targeted by high investments and the speed of growth was slow.

In 1998, this scenario started to change. The year marks the arrival of electric power in the village. As an improvement in basic infrastructure, it created a conducive condition for growth. Following that, decisions made by the three levels of the government consolidated business guidelines for Jericoacoara's development. Not without surprises, this led to reactions by partisans of a lifestyle path. Business and lifestyle agents entered in active struggle, and although the former ended up dismantling as a group, they managed to leave significant prints in the path's shape (Audiência, 2001; Molina, 2007:108).

### ***Political decisions***

In the previous chapter, business entrepreneurs were attributed authoritative resources that lifestyle entrepreneurs lacked – decision-making positions in the local government and connections to higher governmental levels. It was through these means that business agents exercised power and shaped the local path.

The central piece establishing business guidelines was the Master Plan of Jijoca de Jericoacoara, formulated in 1999 by Gonzalez's government. The document was part of an urbanization program launched by the regional government with support of the World Bank. The Master Plan was designed to develop tourism as the main economic base of the municipality. Under this purpose, it included a project for 'Urban Recharacterization of the Village of Jericoacoara', which entailed activities like the construction of public buildings; paving; and signaling paths. Besides that, the laws composing the Plan framed new criteria for constructions in the village, such as the elevation of buildings maximum height to 7.5 meters and two floors (Molina, 2007:94-7; Prefeitura Municipal de Jijoca de Jericoacoara, 2000).

In reaction to the Plan, the residents of Jericoacoara elected a Commission to elaborate a counter-proposal (*ibid*). The group aimed to “add to it (the Master Plan) a missing component: the vision and the fine tuning of those who (..) know very well the various peculiarities of the village, for living in it since long” (Comissão Comunitária de Contra Proposta ao PDDU, 2000:1). The demands made by the group aimed to preserve local architectonic, social and cultural characteristics, avoid environmental imbalance and impede growth towards unsustainable tourism (Molina, 2007:100). The most remarkable demand is the one for limiting building's height to 1 floor and 5 meters. Despite being an outcome of a participatory and legitimate process, the counter-proposal was “apparently ignored”. A month after its presentation, the Master Plan was approved as it was (*ibid*:99). This outcome illustrates the powerlessness of ‘lifestylers’, who lacked authoritative resources capable of influencing policy-making.

The Master Plan required replacing institutions that constrained its implementation. In this sense, the Normative Instruction (Instrução Normativa – IN) n°4/1992 was reversed and reformulated into the Normative Instruction (Instrução Normativa – IN)n°4/2001. The new regulation liberated

constructions of new 'pousadas' and changed the height limit of buildings to 7.5 meters and two floors (*ibid*). This change, made by IBAMA<sup>11</sup> (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis), the federal entity managing the APA, was in line with the Law of Land Use and Occupation established by the Master Plan (Prefeitura Municipal de Jijoca de Jericoacoara, 2000). In this sense, it added to the move towards a business driven path.

The circumstances in which the IN n°4/2001 and the Master Plan were formulated reflect a non-participatory decision-making process for rapidly turning Jericoacoara in a tourist destination. In response to that, partisans of a lifestyle path organized as the movement SOS Jeri to publically denounce the decisions transforming “that ecological sanctuary into another place destroyed by men” (SOS Jeri, 2002?). For the group, local development should be at slow pace, and not at the high speed imposed by the business-driven view. Despite being incisive, the movement was short. According to some of its members, the lack of response by authorities and the life threats they received led to group dismantling. Limited capacity to influence outcomes is related to authoritative resources available only to business agents.

The accusations made by SOS Jeri were also done by the Community Council. Through the Attorney General and other governmental bodies (Audiência, 2001; Sousa, 2001), the council managed to paralyse the construction works foreseen in the Master Plan. Many of them were later retaken and finalized, but the resistance also left permanent prints in the local path. Until nowadays some of the constructions have not been completed or started, such as the sewage system and pavementation of parts of the village (Molina, 2007:103-5). The latter will probably remain a forgotten plan, as the sand streets maintain the village's traditional look, representing one of its main competitive advantages. Noteworthy is that in this period the council was perceived as an oppositional political faction and therefore had its governmental financing cut off. This cut-off resulted in the practical deactivation of the organization (*ibid*:65-6).

In 2002, the Federal Government responded to the public accusations by creating the National Park of Jericoacoara. The Park, which does not encompass the village (figure 10), was conceived to protect the area (*ibid*:101). For members of SOS Jeri, though, it was a 'smoke screen' to silence the accusations raised by the movement (SOS Jeri, 2002?).

**Figure 10**  
**National Park - Jericoacoara**



Sources: Parque Nacional, n.d.

The National Park was created by political allies of the actors driving the Master Plan and the IN n°4/2001. The three institutions compose a tripod designed to guide Jericoacoara's path towards high speed tourism growth. Reflecting a political nature, the tripod either extinguished or silenced the two main institutions serving the opposing lifestyle project - the IN n°4/1992 and the Community Council.

### ***Institutions***

The Master Plan, together with the IN n°4/2001, created the possibility for opening formal and bigger enterprises. The National Park around the village preserved and incremented the image of the destination as a protected area, thus improving competitive advantage without constraining growth. Yet, another important institution favouring investments has not been mentioned – land regularization. In 2001, the regional government, through the Instituto de Desenvolvimento Agrário do Ceará (IDACE), gave titles for plots which before only counted with land tenures (Bursztyn, n.d.). By providing security for property rights, titles added to the institutional framework conducive to tourism growth.

These institutions are mechanisms for locality development and represent structures of domination guiding the local path towards a business vision. In what concerns institutions for business development, several occupational organizations emerged after 2002, such as the Association of Buggy Riders and the Association of Guides. Although few of them are actually active, those which play a role are promoting collective efficiency (Neto, 2007; Helmsing, 2003:72). Despite their economic importance, these associations have limited influence over the local path itself, as they work within a politically defined model.

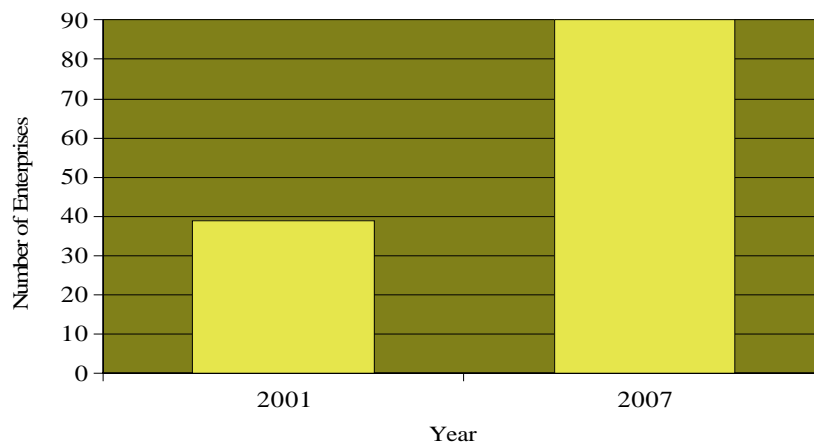
***Economic effects – how designed institutions shaped the tourism sector***

Security tenure, allowance to build new hotels, increase in template size are some of the conditions that after 1998 consolidated the business vision for Jericoacoara's path. How did the business guidelines resonate in practice? By the arrival of higher investments and an abrupt growth in demand (figure 1) and supply (figure 11). The main symbol of change is the five star Hotel Mosquito Blue (figure 13, left side), inaugurated in 2003. Despite this stimulus for growth, the village maintained its rustic features. As a consequence, 'lifestylers' remained the majority of the entrepreneurs attracted to the village (Neto, 2007:25).

Planning for the sector was based in an exogenous approach. Mechanisms were created to increase transaction volume, but not to support enterprise development. As such, entrepreneurs were faced with increased competition, but no tools to improve competitiveness. Furthermore, no governmental institution played an active regulative role, a condition that encouraged irregularities and informality (*ibid*). Basic services like waste management, health and security did not improve to respond to the demand boom. The scenario was one of disorganized growth, prevalence of market forces and absence of coordinating institutions.

The non-participatory way through which the sector was shaped diminished local's sense of ownership over the village's path, as well as discouraged collective action. Adding to the individualistic trend inaugurated by the contingency, the business guidelines defined the milieu's 'cognitive dimension' (Vázquez-Barquero, 2002:28) by the logic of 'army of one man'.

**Figure 11  
Accommodation Supply in Jericoacoara, 2001 and 2007**



Sources: SOS Jeri, 2001?; Neto, 2007

In regards to life-style entrepreneurs, those who stayed or entered the sector had their drives shaped by the business model. Increasing competition turned business sustainability into a challenge and forced 'lifestylers' to enter what one of them called 'the machine'. Under this moulding of strategies,



'lifestylers' contributed to the village's rapid growth, as illustrates the example in box 5.

**Box 5**  
**Example of 'lifestylers' Moulding**

The biggest windsurf center in Jericoacoara is owned by one ex-member of SOS Jeri. As the movement dismantled, the owner realized that the guidelines for the village were to make profit. "If this is the case, I will make mine", he thought. He went to Europe and started promoting Jericoacoara as a windsurf destination. Nowadays, the village is considered one of the ten best places in the world for a windsurfer to live. Indeed, this niche constitutes the main flow of tourists to the locality in the months of august to november. Besides contributing to tourism growth, windsurf attracted various entrepreneurs to Jericoacoara. Despite the new comers lifestyle drive, they add to supply pressure and often end up adapting to the business model.

Sources: interviews; Jericoacoara Turismo, n.d.)

### 4.3 Tracing a Parallel between the two Cases

In the two cases, the period between 1998 and 2006 marks the development of tourism under precise guidelines. Agents used power resources and designed institutions to influence social practice and structure local paths according to their agenda. In PCV, COOPECANTUR was the means for shaping an endogenous and social driven path, while in Jericoacoara the institutional tripod shaped an exogenous and business driven path. The consolidation of local paths as endogenous or exogenous reflected and strengthened agents in control. In PCV, social agents were in control, while in Jericoacoara business agents had control over the local path.

Path shaping suggests control over direction, but not without resistance. Rather, in both cases dominance turned conflict of interests into active struggle. In PCV, conflict was solved by outside intervention of a legitimization body, while in Jericoacoara it ended by the actual exercise of control. Without much room for manoeuvre, lifestyle entrepreneurs had to incorporate the business logic to survive and as such accepted control. Both cases differ in terms of the influence alternative projects had in shaping the local path. In PCV, the influence of business entrepreneurs was indirect. The business project represented a threat to the community, and as such strengthened the argument for a social and endogenous path. In Jericoacoara, lifestylers directly influenced the local path, as their visions were partially incorporated in the business guidelines for the locality.

Regarding the consequences of control establishment, in both cases it resulted in sectoral stimulus. While in Prainha do Canto Verde it was a controlled and targeted stimulus to both supply and demand, in Jericoacoara it followed the logic of 'the more, the better'.

## **Chapter 5 Sustainability and Trade-off: Changes to strengthen or transform local paths**

The previous chapter explained how control over both paths was defined and directions towards an envisioned model consolidated. In Prainha do Canto Verde (PCV), the model that was implemented reflected an endogenous approach, as it was based mainly on local resources, contextualised to local perspectives as well as oriented towards social objectives and spread of benefits. In Jericoacoara, the model reflected a predominantly exogenous approach, as it focused on mechanisms for economic growth and was not designed or implemented in a participatory manner. Despite that, Jericoacoara's model was also partially shaped by the endogenous demands of 'lifestylers'.

The consolidation of these models through designed institutions suggests their continuity over time. This chapter deals with the likelihood for consolidated models to become locked-in, as well as with the possibility for alternative outcomes to emerge, either through change within the same path or creation of a new one. Path 'shaking' only takes place when agents perceive over-commitment to a model as undesirable. It is, thus, a matter of how and by whom a model is evaluated. In this sense, this chapter presents the features of both models and analyses their trade-offs and sustainability as potential reasons for agents to engage in change. In the sequence, attempts for path change in each locality are explored. The period concerned is 2007-2008.

### **5.1 Consolidated models in Prainha do Canto Verde and Jericoacoara**

#### *Contrasting characteristics*

##### **Economic dimension**

The contrasting models in PCV and Jericoacoara are reflected in the size and quality of the demand and supply of tourism. Demand has already being argued to be more than 1000% higher in Jericoacoara (figure 1).

Regarding supply, I will use the accommodation segment to illustrate the contrasts in both cases. In PCV, there are 3 'pousadas' and several rooms to rent. The majority of these venues are part of the cooperative and are owned by natives. The standard of enterprises is similar (figure 12), and as such gains are almost equally distributed. Recently, though, one of the 'pousadas' is growing faster due to savings made by the owner from years living outside the village. As a consequence, during field work it was possible to note a process of demand concentration in that enterprise.

In Jericoacoara, the supply scenario contrasts with PCV by the abundance and diversity of enterprises. Since 2001, under the guidelines of the institutional tripod, the segment more than doubled. Between that year and

2007, the number of enterprises in the segment jumped from 39 (SOS Jeri, 2001?) to 90 (Neto, 2007:25). The sector is marked by heterogeneity and offers options for all tastes and budgets (*ibid*:35), as illustrated in figure 13.

**Figure 12**  
**Comparison of Standards - accommodation segment in PCV**



*Biggest Pousada*

*Smallest Pousada*

Sources: Em frente aos quartos, n.d.; Ellinger, 2008f

**Figure 13**  
**Comparison of Standards - Accommodation Segment in Jericoacoara**



*Five Star Hotel*

*Small Pousada*

Sources: Hotel Mosquito Blue, n.d.; Ellinger, 2008d

In face of the supply 'boom' and the change in demand profile, survival in the sector requires additional resources. On one hand, small entrepreneurs reported that nowadays tourists require services that they can not offer, for financial reasons. These include air conditioner and hot water. On the other hand, Neto (2007:39) argues that lack of management skills is the main reason for leaving the sector. Regarding entrance, there are no formal barriers and lack of fiscalization actually facilitates the start-up of new businesses. Despite that, the invisible hand tends to marginalize those who lack financial and human capital. Services to support businesses exist, but they are not benefiting all entrepreneurs. Credit availability is restricted to those able to assume a debt (*ibid*:37), while capacity building, abundantly provided since 2007 by the Brazilian Service of Support for Micro and Small Enterprises (SEBRAE), faces

resistance by part of the entrepreneurs (*ibid*:41). Furthermore, SEBRAE focuses on formal enterprises, thus giving more support to entrepreneurs that can afford taxes. In this context, financial assets and 'know how' acquired in external experiences (*ibid*) are key competitive advantage causing natives to loose control over the development path.

In PCV, the pattern of entrance, stay and exit of the tourism sector contrasts with the exogenous and market driven approach just described. In the village, entry barriers are clear in excluding non-natives, as the land regulation demonstrated. Among the local population, barriers to newcomers are less evident. On one hand, the model is designed to diminish constraints and stimulate participation in the sector. On the other hand, stagnated low demand and the existence of idle supply makes it almost irrational for entrepreneurs to engage in tourism. In this sense, entry barriers are higher to late comers than they were to first starters. Furthermore, while any native can enter the sector, those adherents of the social repertoire have more survival chances, as support services offered by the cooperative are limited to members of the Resident's Association.

A key feature of the model in PCV is the high level of organization. Despite enabling collective efficiency, though, this model also embarks a high level of dependence on the cooperative and its manager. Indeed, several interviewees attributed the low tourism demand to the poor performance of the current manager.

In Jericoacoara the situation is the opposite, as disorganization is a rule constantly fed by the path dependent lack of collective action. In this line, residents describe the village as composed by "armies of one man", meaning that each service provider or producer acts individually to get his/her own share in the market. This condition results in high transaction costs and reduced profits. Despite that, a few segments are organized in associations, which function to limit and organize supply (Neto, 2007).

### **Non-economic dimensions**

Economic development is a means for enlarging human choices (Haq, 1998). As such, tourism models can not be compared without considering their implications for other development spheres. In PCV, the choice for community tourism is part of a broader social project and other development dimensions are in parallel taken care of by the Resident's Association. Results are perceived in the quality of health and education, which are recognized by several researchers as superior when compared to similar communities in the Northeast of Brazil (Silva, 2003:61). Furthermore, all natives have the right for housing. The village lacks sewage facilities, but some projects have been implemented to deal with the problem. An example is the initiative to build ecological toilets. Other important development projects promote youth entrepreneurship and traditional fishing. Beneficiaries are selected on the basis of participation and membership to the Resident's Association. Under these criteria, many inhabitants who are not engaged in the association complain of exclusion and refer to the critical mass as a 'clique'.

Community tourism is not only a component of this broader social project, but also an engine to it, which contributes to its implementation and reproduction. As a direct contribution, the cooperative designates 20% of its annual profit to educational and social initiatives (Estatuto Social, 2003). Furthermore, by offering an alternative to the exogenous pattern of tourism that invaded Ceará (Bernal, 2008), the model reinforces an endogenous-social repertoire. The model also helps in avoiding tourism-related problems that are currently common to various coastal villages in Ceará, such as traffic, noise pollution and prostitution.

The standard of living in Jericoacoara is very different, as illustrated in figure 3. Drugs, prostitution, traffic, noise pollution and high cost of living are among the main complaints of Jericoacoara's inhabitants. These are problems directly related to mass tourism (Brohman, 1996; Greiner, 1998)

Tourism literature also identifies positive externalities accompanying the negative ones just described (*ibid*). Greiner (1998:4) suggests enhancement of facilities and basic services as benefits associated to tourism growth. In Jericoacoara, though, this was not the case. Education is poor and residents declared in informal talks that there are cases of 6<sup>th</sup> grade students who don't know the multiplication tables. Health services are also unsatisfactory and inhabitants complain about absence of doctors. The village still lacks sewage facilities, but differently from PCV, there are no community development projects to handle the problem. In what concerns the public buildings constructed after the Master Plan, many of them are not meeting their purposes. An example is the public market, which is nowadays used as housing by poor families. This reality contrasts with the high interest in the village showed by the local government on earlier years. Some interviewees attributed the current negligence of local authorities to the fact that the mayor has few voters in the village.

Absence of local government is a situation also faced in PCV. The difference between the two cases rests in collective action as a substitute to solve public issues. In Jericoacoara, only few matters motivate collective efforts. The main one is waste, a problem perceived as directly harming the motor of the local economy.

### ***Trade-offs implied in the tourism models***

The scenarios reached in PCV and Jericoacoara are not surprising when their underlying paths and controlling agents are taken into account. Unintended outcomes considered, the general outlines of both models coincide with the visions and drives of agents in control. The features presented, as well as the conflicts that preceded model's consolidation, suggest a trade-off between unfettered market driven economic growth and 'ethical' development.

In Jericoacoara, the tourism model allows economies of agglomeration and presents much more financial results than in PCV. Still, actors are locked-in a pattern of lack of cooperation, which undermines the cluster's potential and the overcome of social, environmental and cultural problems. In PCV, the model prevents these problems, but implies an inherent limited potential of growth. Based on the data presented throughout this paper, the table below

illustrates the trade-offs implied in the models. The coloured cells represent the costs and the white cells illustrate the benefits.

**Table 6**  
**Trade-offs**

	Model in PCV	Model in JERI
Economic Development	Slow growth	Fast growth
	Low employment rate	High employment rate
	Benefits minority of population	Benefits majority of population
	Dependency on fishery	Independence from fishery
	Relative equal spread of benefits	Unequal spread of benefits among
	Increasing entry barriers	Increasing entry barriers
	Support services available for survival	Support services for survival with limited role
	Dependence of entrepreneurs on cooperative	Independence of entrepreneurs
	Cooperation, 'Active collective efficiency'	Lack of cooperation
Non-economic development	Avoids tourism-related negative externalities	negative tourism-related externalities
	Strengthens local identity and culture	Disaggregation of local culture/identity
	Does not increase living costs	Increases living costs

### ***Non-sustainability of both models***

Preference of a tourism model is a subjective matter. Despite desirable, though, models are not necessarily sustainable. In PCV, community tourism comes at the expense of economic growth. The limited perspectives of economic gains, together with the closure of the sector, causes frustration for those who are left out. Fishery was argued by several interviewees to be an activity they do not wish for their sons and which has no place for their daughters<sup>13</sup>. In this sense, the majority of the population hopes that tourism can provide more economic opportunities, as it did in nearby villages. As many are not willing to pay the costs of the present model, it faces significant constraints to reproduction over time. One interviewee highlighted the non-sustainability of the model when evaluating people's interest in reproducing endogeneity: "if someone comes here today offering R\$300.000,00 for a house, 95% of the inhabitants would sell".

In Jericoacoara, the costs of the model also constrain its reproduction over time. Deterioration of non-economic local features reduces competitiveness and affects the industry in its core (*ibid*). In this line, the non-sustainability of the current model is perceived with concern by one service provider: "Jericoacoara is in urgent need for help! I say this because I talk a lot to tourists (...) and they complain about the beach being dirty, full of bottles (...)".

The non-sustainability of both models indicate a need for change. Indeed, this is what is happening in the two localities in 2008. The next section explores the current moves in both paths.

## 5.2 Attempts to change

Several times throughout this paper, the distinction between changes within a path and towards a new one has been made. In the cases studied, attempts to create a new path are backed by the desire to invert the trade-off implied in a tourism model. Differently, efforts to make changes within the same model reflect approval of a trade-off and desire to maintain a model by making it sustainable. Before going into the change attempts taking place in the two localities, it is important to highlight that the worth of the trade-off is assessed differently according to agents interests and values. Box 5 and 6 illustrate that.

### Box Model assessment in Jericoacoara

**Pro-model**

Italian business entrepreneur investing in Jericoacoara since 2007: "There are more investors arriving; buying things a bit uglier and making them more beautiful. If this mechanism further develops, I think Jericoacoara may become one of Brazil's top destinations"

**Against model**

German lifestyle entrepreneur living in Jericoacoara since 2003: "If we (...) want to return to the Jericoacoara from the 1980's, we don't have this power. This let many people frustrated and upset and looking for the guilty part."

(Sources: interviews)

### Box 7 Model assessment in PCV

**Pro-model**

Sharer (talking about the challenge to strengthen the current model): "There is no more equality(...) so we have to search ways for them (the biggest pousada) to participate more and share"

**Against model**

Fishermen, non-member of the Resident's Association: "Tourism is too weak(...) There should be one (big hotel) to give people jobs, specially women.(...) The Resident's Association doesn't want the beach to grow(...) but staying this way is not possible"

(Sources: interviews)

## *Prainha do Canto Verde*

### Changes within the same path - towards sustainability of an endogenous model

In PCV, the non-sustainability of the current model is not neglected. Instead, it is approached in several ways and through various initiatives that intend to strengthen it. A central example is the seminar organized by COOPECANTUR in august 2008 to reformulate the tourism project. In this planning process, participants decided for changing the structure of the cooperative. The change aims to decrease dependence on the tourism

coordinator and stimulate participation. The initiative of strategic planning came from inside the locality and reflects adaptability instead of lock-in.

Another relevant innovation is the creation of the Rede TUCUM – a network of community tourism in Ceará. The initiative is expected to function as a marketing tool and push qualified demand to several community tourism destinations in the state of Ceará (Instituto Terramar, 2008). While attempting to strengthen the endogenous model, the initiative is being driven by non-locals, namely an NGO and the social entrepreneur Schmidt.

Another initiative to strengthen the current model in PCV is the attempt by the Resident's Association to transform the village in an unity of environmental conservation. The organization made a legal request for the Federal Government to create an Extraction Reserve (Reserva Extrativista - RESEX) in the village. In this kind of Reserve, land is public, but conceded to the community for collective administration (Ata, 2007:3). As a formal designed institution, the RESEX intends to reassure local land control. It aims to substitute the land regulation, which because of its informality has no power to prohibit sale of lands. This initiative gains importance as selling lands may become an alternative for those not satisfied with the economic cost implied in the current model.

### **Changes to create a new path – towards the inauguration of an exogenous model**

Parallel to the initiatives for strengthening the current model, individual moves towards a path of economic growth are taking place. Examples are the restaurants on the beach, which left the cooperative and work through individual strategies. Another example is the growing 'pousada', which despite being a member of the cooperative, also invests in own individual marketing. Furthermore, and maybe more important, there are a few houses in the village on sale. The offers are hidden<sup>14</sup> made, as they go against the local norms. Still, they represent a significant step towards breaking the current path and inverting the endogenous model.

## ***Jericoacoara***

### **Changes within the same path - towards sustainability of an exogenous model**

Resident's of Jericoacoara are concerned about the non-sustainability of the current model. Despite that, the path dependent lack of collective action makes them pessimists about the possibilities of change. There is no internal attempt to create a new path and few agents engage in strengthening the current one. This reflects lack of adaptability and lock-in. Despite that, the potential of Jericoacoara as a 'golden goose' has been once again identified by governmental bodies and since recently there are new public investments for making the local exogenous model a sustainable one.

One example is the incorporation of Jericoacoara in the agenda of the Ministry of Tourism. After selecting the village as one of the 65 Brazilian destinations to achieve international quality standards, this federal body is



supporting the creation of a Local Economic Development Agency in the locality. The agency, which was formed in August 2008, will provide business development services and lead initiatives of locality development.

Besides that, since February 2008 the village counts with a Regional Agency for Sustainable Development. The agency attends the destinations of the “Rota das Emoções” (“Route of Emotions”) - Jericoacoara, Parnaíba and Lençóis Maranhenses. By linking these three destinations, the integrated route provides a differentiated tourism package (Brito, 2007) and plays a role of locality development.

### **5.3 Tracing a parallel between the two cases**

As outcomes of political processes, the two models imply trade-offs. Whether the benefits are worth the costs is a subjective matter. In PCV, those unsatisfied with the model are engaging in individual attempts to create a new path. In Jericoacoara, this is not the case. Even though many inhabitants are not satisfied, they are in a situation of cognitive and political lock-in, which undermines dynamism.

In both localities, models were argued to be non-sustainable. In the two cases, initiatives to overcome this condition and strengthen models are taking place. In PCV, they are being driven by outsiders as well as locals, while in Jericoacoara the drivers are mainly outsiders. The weakness of bottom-up initiatives in Jericoacoara is directly related to the scenario of lock-in in the village.

## Chapter 6 Conclusion

As a journey in time-space, this research looked back in the trajectory of two village's to link past social dynamics to current development portraits. The analysis enables answering the two main research questions and gives food for thought to scholars as well as development practitioners and policy makers. The present chapter fulfils these purposes and concludes the journey by emphasizing the structuration dynamics in both villages. Comprehension of embedded conditions is a first step for social change (Garud and Karnøe, 2001; Meyer-Stamer, 1998:1509), and as such this conclusion may also be taken as a start.

### 6.1 How were paths shaped towards the current tourism models?

Tracing the roots of the endogenous and exogenous models that respectively characterize Prainha do Canto Verde (PCV) and Jericoacoara nowadays, this research identified two contingencies inaugurating local paths. In both localities, contingencies at the late 1970's broke path-dependence of the fishing villages scenario and created the conditions for remoulding local social systems. In threatening the villages existence, they led agents to disembed from intuitionist social practices and engage in new actions. In PCV, new practices involved collective action to maintain local control. In Jericoacoara, they were mainly individual and based on external resources. These findings confirm the theoretical proposition that paths initiate with events which are de-linked from past developments, but which have decisive influence on subsequent actions (Mahoney, 2000:511).

While differences in contingencies are relevant for understanding path's deviant directions, they are not sufficient. Paths are formed by the everyday interaction of agents and structures, and as such are produced and reproduced at all moments of social practice. In this sense, the shape of local paths as endogenous or exogenous is not an outcome of a single event, but a reflection of the repertoire prevalent in social practices in a specific time-space frame (Kaspersen, 2000:64). In PCV, the endogenous shape was defined by a social repertoire, while in Jericoacoara an exogenous path was shaped by a business repertoire.

Whether social or business, the repertoire structuring local paths reflected the agenda of actors in control. But control is itself generated and reproduced through social practice. In the two localities, authoritative and allocative resources generated at the local level or through external nexus defined control.

Power, meaning capacity to influence (Giddens,in Haugaard, 2002), enabled path shaping according to their holders agenda. Designed institutions were the tools used for path shaping in the two localities. As ideological instruments, they represented structures of domination through which power smoothly flew in the process of social reproduction (Giddens in Haugaard,

2002:159), defining the paths direction. Noteworthy is that institutions set expectations of what development tourism would bring, as well as constrained and enabled social practices according to the envisioned model.

Institutions and agents, in a reflexive dynamics, shaped the course of development towards current outcomes. The features of the development processes, formed by everyday social interactions, underpin the properties of the current models. In analysing the characteristics of the processes in the two localities, this paper identified several differences – speed of development; level of participation; regulatory density; degree of organization and collective action. Each of these factors can be explored in depth in further research.

Agents in control had greater capacity to influence local paths, but they were not the only influential force. Power relations imply domination and subordination, but the weaker side always has some degree of influence on the powerful one (Giddens in Haugaard, 2002:152). In PCV, despite not being in control, business entrepreneurs influenced the path by enabling the formation of the social repertoire. In Jericoacoara, ‘lifestylers’ resisted the business agenda and even outside control left significant prints in the paths direction.

In the two cases, knowledgeable agents (Kaspersen, 2000:35) were at the core of path shaping. They interacted with structures to define directions and approaches according to own visions. As path shaping involved power, interests and values (Goldsworthy, 1988), it was a political process. This research analysed the political nature of path structuration at the local arena. Nonetheless, the process of path shaping in both localities can not be considered as a pure outcome of interactions at the local level. Rather, both localities are part of larger social systems, which influenced their development paths. In this regard, the paper touched on the role of external nexus as well as on the influence of the regional ‘touristification’ trend. External influences over local paths, especially in the case of PCV, illustrate that local control does not mean complete autonomy. Rather, and reflecting the dialectics of control (Giddens, 1984), power implies that all agents, and in this case localities, are simultaneously autonomous and dependent.

## **6.2 What type of development did the local paths enable?**

In PCV, tourism development is part of a broader local development project, fitting the territorial perspective advocated by endogenous development scholars. The guidelines for tourism were marked by the aim of retaining gains and adapting the industry to the needs and aspirations of natives. Furthermore, tourism was from the start linked to non-economic development dimensions. The choice for community tourism was made in a participatory way, although the critical mass was more participative than other natives. But equal participation by all community members is an ideal situation hardly met in practice (Botes and van Rensburg, 2000) and as such the institutional mechanisms designed to facilitate participation (Brohman, 1996:17-8) are what categorize the process as participatory. All these factors coincide with what scholars (Ray, 2000; Blakely, 1989; Vázquez-Barquero, 2002) claim as key for endogenous development.

The process in Jericoacoara represents the other extreme – exogenous development. The tourism sector was launched by individual actions and on the basis of external resources. Later, clear business guidelines for developing the sector were established. The guidelines were defined in a non-participatory way and reflected a sectoral framework instead of a territorial one (Ray, 2000). Evidence of that is the negligence observable nowadays in non-economic development dimensions in Jericoacoara.

Considering both cases representatives of the ideal models proposed by local economic development and tourism literature, it makes sense to compare outcomes in the two villages with theoretical assumptions. Endogenous development literature pledges social and economic well-being for local communities as a whole (Vázquez-Barquero, 2002:22; Ray, 2000b:2). In PCV, relative equality and holistic development are some of the outcomes achieved, confirming theoretical propositions. Despite that, the expectation of growth relying mainly on local assets has not been met, or at least not in a satisfactory way for the majority of the inhabitants.

Exogenous development approaches are expected to enable economic growth, trickle down to all inhabitants and spread to non-economic development dimensions. In Jericoacoara growth was indeed met and trickled down. The village is the economic engine of the municipality and provides job opportunities not only to locals but also to people from nearby villages. Despite that, as wealth trickled down, the majority of the benefit stayed at the top and gains were unequally distributed. Contradicting the expectation of spread to other development dimensions, in Jericoacoara non-economic spheres did not witness significant improvement throughout the years. This is very much related to the absence of active public actors managing the locality. In this sense, market forces proved to be not sufficient in trickling down gains.

These findings confirm that tourism by itself is not a driving force for development (Huybers, 2007). While several authors have already argued that the industry carries various threats (*ibid*; Brohman, 1996), my point is that these threats are part of the trade-off intrinsic to development. Development is usually masked under the idea of good change, but the claim for positiveness comes accompanied with the impossibility of positive-sum for all parts (Goldsworthy, 1988:508). In this sense, the opportunities and threats of the industry should not be divorced from the question of what development is tourism to achieve. Once the intended type of development is defined, the choice for an economic development approach becomes a matter of coherence with desirable outcomes.

### **6.3 Reflections for scholars**

The analysis made in chapter 5 suggests that reliance on either external or local assets is not enough. An approach in between, combining local and external inputs, is desirable. Several local economic development authors have already pointed that out (High and Nemes, 2007:105; Helmsing, 2002). In this sense, research about cases following a hybrid approach would add to the findings presented in this paper.

Underlying the exogenous-endogenous dualism is the claim for local or external actors in control (Vázquez-Barquero, 2002; Blakely, 1994; Ray, 2000). Nonetheless, and as argued in the introduction of this paper, endogenous development should not be confused with local actors in control, as much as exogenous development is not a synonym for outsiders in control. In PCV, for example, a central actor guiding the local path was the external social entrepreneur. In Jericoacoara, the exogenous path was indeed shaped by outsiders' visions. Despite that, some local actors supported the exogenous approach, while many 'lifestylers' were outsiders fighting for endogenous development. These findings suggest that paths take directions according to agent's drives and visions. In this sense, it is more likely that endogenous development depends on social and lifestyle agents in control, while exogenous development depends on business agents in control.

The importance of drives, visions and power indicates the need of politicizing local economic development theory. Advocating for local or external agents is a repertoire divorced from what has been extensively written about communities – local needs, local preferences and local expectations are not unitary or coherent elements that can be achieved by participation of local actors. First because not all local actors participate equally. Second because those who participate more do not have the same agenda as those who participate less (Botes & van Resburg, 2000). In this sense, while participation is desirable, it can not advance the visions of all parts (Schucksmith, 2000:209-210). The type of development pursued, thus, remains a reflection of interests and values of those who have more power (Goldsworthy, 1988).

By stressing that change agents should be politically analysed, I do not mean that the distinction between external and local actors is meaningless. Rather, the two cases suggest origins of actors to be highly influential in path shaping. In both localities, the catalytic role underlying path creation was played by outsiders, while locals had a major role in incorporating the new information in social practice. In PCV, the swiss entrepreneur innovated the vision of development which was pursued by the critical mass. In Jericoacoara, outside entrepreneurs were said to be always a step ahead in terms of enterprise development. Furthermore, locality development strategies that created demand for the destination were mainly driven by non-natives. While findings suggest that outsiders have more probability of becoming catalytic change initiators, this does not mean that locals can not do so. This research attributed the relationship between outsiders and catalytic roles to their access to different information. Nonetheless, further research on this correlation is needed.

Another topic for further investigation regards the heterogeneity of drives and visions – how are these differences shaped? Are they inherent to agents or shaped in social practices? These questions were not within the scope of this research and would add value to the task of understanding development processes politically.

## 6.4 Reflections for Development Practitioners and Policy Makers

'Tourism for what development?' is a question to be seriously taken by development practitioners and policy makers. Advocating the sector as a 'golden goose' means promising a positive sum which is essentially not feasible. While the extreme position of the two cases studied suggest the desirability of a model in between, trade-offs are anyhow implied in the sector. Avoiding the threats of tourism requires limiting economic growth according to the local carrying capacity (Weaver, 2000) and, thus, prioritizing between economic growth and 'ethical' development. Brohman(1996) suggests that the trade-off may be minimized if participatory planning coordinates market forces. Yet, planning also implies prioritizing.

The political choice underlying the industry is often masked under the promise of low entry barriers to developing countries and marginalized communities (Huybers, 2007). The Brazilian tourism policy is a good example of that. While the National Tourism Plan for 2007-2010 is based on a discourse of social inclusion (MTur, 2007:5), it focuses on capital accumulation (Neto *et al.*, 2008:5). The incoherence of this discourse is reflected on the expenses of the Brazilian Minister of Tourism. With a budget of R\$ 2,7 billion for 2008 (Palumbo, 2008:12), the federal body designated only R\$150.00,00 to community tourism initiatives (Marco, 2008; Turismo eHotelaria, 2008)While this amount benefited 50 destinations, the budget for the same year designated to Jericoacoara alone the double amount (SIGA, 2008). These figures illustrate the type of tourism being prioritized under the discourse of positive-sum.

Besides calling tourism practitioners to reflect on the type of development being promoted, this research also claims that there are always costs involved in a choice and these should not be neglected. In PCV, costs were economic. If the model is to be consolidated through the creation of an Extractivist Reserve, more attention should be given to partnerships and support services for attracting demand. The Rede Tucum intends to play this role, but governmental support is also needed. In Jericoacoara, the consolidation of the locality as an international tourism destination requires attention to non-economic development dimensions, otherwise growth will become self-destructive. The Federal Government, together with SEBRAE, is investing in initiatives to coordinate growth and turn the development process sustainable. While functional lock-in is being addressed, a major challenge remains overcoming cognitive and political lock-in. Inhabitants and entrepreneurs of Jericoacoara are sceptical of participation and collective action. While these features are not tackled, it is unlikely that change will take place.

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## Notes

<sup>1</sup> In this paper 'political' acquires an essentialist meanings and refers to a feature of processes that belong to the domain of politics, thus reflecting its “own' essential attributes (...)and normative properties” (Goldsworthy, 1988:524)

<sup>2</sup> Community tourism “centres on the involvement of the host community in planning and maintaining tourism development”(Blackstone, 2005:39).

<sup>3</sup> Some characteristics of mass tourism are: highly commercialized, high density, large scale, emphasis on economic growth, short-term etc. (Weaver, 2000:218).

<sup>4</sup> 'Pousada' in Brazil referes to 'Bed and Breakfast'.

<sup>5</sup> Friends of Schmidt organized in the NGO “Amigos da Prainha” (Friends of Prainha). Throughout the years, many other NGOs supported the projects developed in the village. Schmidt was usually the person contacting raising funds.

<sup>6</sup> Repertoires refer to “a stock of resources or regularly used techniques from which the repertoire possessor can select according to the requirements of a situation” (Ray, 1999:525)

<sup>7</sup> The business entrepreneur had a policy-making role, thus representing a key change agent. The same relevance does not apply to the lifestyle entrepreneur, who was introduced for sake of illustration of a group profile.

<sup>8</sup> Helmsing (2003) identifies three main categories of Local Economic Development approaches – Community Economic Development, which aims to improve livelihoods; Enterprise Development, which aims ‘specialization of the local economic base’ (*ibid*:67); and Locality Development, which targets management and planning for enhancing competitiveness of an area.

<sup>9</sup> Among the mechanisms to constrain enterprises growth is the criteria for credit, which excludes projects for increasing enterprises capacity (Estatuto, 2003).

<sup>10</sup> They were outputs of former development projects (Estudo, 2003:15)

<sup>11</sup> Several interviewees argued that the director of IBAMA and the major of Jijoca de Jericoacoara were allies.

<sup>12</sup> The majority of Jericoacoara inhabitants are originally from other municipalities, and as such do not vote in the village.

<sup>13</sup> Fishermen claim that life in the see is very hard. They would prefer to have a source of livelihood that gave more security and did not affect their health so much.

<sup>14</sup> On the internet there is at least one offer, but which does not identify the house on sale or its owner (CID, 2008).