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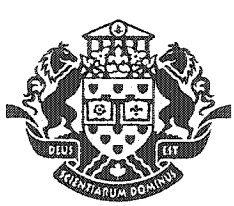

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Consumption Patterns in Developing Regions – Their Impact on Family, Community and Cultural Dynamics: Case Studies from Cusco, Peru

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Consumption Patterns in Developing Regions: Their Impact on Family, Community and Cultural Dynamics Case Studies from Cusco, Peru.

by

Séverine Minot

A thesis submitted to the Faculty of Graduate and Postdoctoral Studies
in partial fulfillment of the requirements for the degree of

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Preface:

This research represents two years of work. It is the product of my genuine interests in fields such as the effects of globalization, cultural change, family and community relations, politico-economics, etc. I elaborated this project, first to understand the role of consumption in our lives. As I was reading up on the subject of consumption, I discovered that consumption was too often reduced to mathematical equations that served purposes related to market research in a capitalist context and macro statistics. As a sociologist, I then proceeded to ask myself some fundamental questions. How could I show that consumption, as a cultural activity, is in fact a key dimension of social relations? How could I demonstrate that consumption trends shape the way we think and feel about ourselves, the other and the world in general?

I came to understand that consumption practices are relative to a number of factors, namely time and space, international and regional market trends, values and norms, gender and age-based preferences, the media and the way it portrays ideas about products, socio-economic status, politics and market policies, etc. Hence, confirming that consumption choice is influenced by countless variables. What I endeavored to find-out next was whether consumption had been studied as a cause of something, or whether consumption acted as a factor behind specific social behaviours. It occurred to me that most of our habits, rituals and practices depend on our capacity, or lack of it, to consume. In this sense, we not only consume things, products or services, but also information, time, space, cultural forms, ideas. At first, such a position seems abstract, thus mainly because we associate consumption to an exchange of something for money. Though this notion is but a partial representation of the truth, especially in a third world context.

I then decided to expand the notion of consumption so as to account for, not only the acquiring of things, but also the uses we make of both material and immaterial resources. As such, consumption choices and practices must include the consumption relations that are born out of them. How we acquire and use things, thus obviously shape or dictate the way we interact with others.

I began to look at how consumption patterns differed from place to place, though found very little on the subject. I wanted to find out whether the same criteria for choice applied across the

board. Confirming my suspicions, the literature pointed to important inadequacies in the way consumption was analyzed, and I took it upon myself to elaborate a different discourse about consumption and its effects on people. To make it interesting, I wanted to stay away from the known world of occidental consumerism. I wanted instead to develop a new understanding of consumption and so I took a particular interest in the way it affects developing communities. As I became focused on Latin American development, I also realized that the push and pull between tradition and modernity generates a distinct problematic concerning consumption choice and relations.

Finally, I came to develop this project, which I think offers a different perspective in regards to the analysis of consumption. The success of this research, in its elaboration and implementation is in part due to a number of people and organizations, and it would be unfair to not formally thank them for supporting this endeavor. My thesis supervisor, José Havet from the University of Ottawa's Sociology department, my evaluators: Victor Darosa and Scott Simon, also from the University of Ottawa's Sociology department, my funding agencies: CIDA (Canadian International Development Association) and CBIE (Canadian Bureau for International Education), as well as my numerous collaborators in Peru from the CIES (Consorsio de Investigación Economicas y sociales), IEP (Instituto de Estudios Peruanos), GRADE (Grupo de Analisís para el Desarrollo Economico), and CBC (Centro Bartolomé de las Casas). All have played a precious role in promoting, enabling and guiding my work. It follows that I want to formally thank them and all my research participants for having been involved in this great learning experience.

Consumption patterns in developing regions, their impact on family, community and cultural dynamics: Case Studies from Cusco, Peru.

Introduction:

Our everyday lives can scarcely be described without mentioning one or another facet of our consumption habits. What and how we consume when we eat, drink, dress, work or play, represents the extension of our personal identity, of our family's and community's means and preferences along with our culture's norms. Here, the problematic lies in that groups of people consume very differently between and even within regions and thus, according to very specific sets of circumstances. In turn, different consumption patterns have a fundamental influence on local market dynamics. In the developed world, countless studies, in both the private sector and academic world analyze consumption trends, calculate consumption probabilities and elaborate consumption theories. Coincidentally, mainstream approaches usually follow standard economic principles which have been developed in order to better understand the behaviour of modern western consumers in a capitalist context. In time, we have come to understand that these same principles are profoundly inadequate in explaining third world consumption, and even more inappropriate when attempting to expound its qualitative effects on living standards, family relations, community dynamics and cultural changes in developing regions. To make sense of this problematic, the problem will be outlined in broad terms and the present research's objectives clarified, along with its theoretical inclination, analytical framework and methodology. Then, to better understand the need for such a project, popular discourses on consumption in economics, development, globalization processes and cultural change will be reviewed. Then, a brief explanation as to why Peru was chosen as the site for this project's case studies will be presented, as well as a critique of Peruvian and Andean politico-economics. Finally, research findings and conclusions will be presented and discussed, keeping in mind the broader contexts of globalization and international development. This work, among others, suggests that a new discourse on the politics of third world consumption can help us understand how specific sets of constraints and assets pertaining to local economies can be mediated or enhanced through local market policies. In turn, it is argued that it may be more appropriate to focus on a holistic and pragmatic approach to market policy development and decentralizing politics. In retrospect, this project also confirms and promotes the need to further investigate the problematic of local consumption politics, as it affords the possibility of coordinating efforts related to local or cultural market dynamism.

The problem:

Consumption patterns have been neglected as key indicators of development, as factors of social change and as tangible indicators of living standards. Shifts in modes of production and institutional reforms, along with very general national poverty, health, education and employment statistics are too often seen as the sole indicators of development. Thus, what development indices fail to show, resides in how people in different regions experience new and ever more complex material realities, how cultures adapt to global trends and how ideas, values and lifestyles change in the face of modern consumer culture. By adopting new consumption patterns, developing communities are inevitably exposed to new ideas, new ways of doing things. Naturally, development encompasses the introduction of new commodities and with them, new values and practices; changes that can potentially prompt important, necessary or rather devastating lifestyle changes. Accordingly, consumption research can uncover such trends as well as evaluate their risks and benefits. This is important, because if we want to develop new forms of knowledge about development, and to perhaps rethink structural adjustment intervention models as with market policies, we have to understand that these last ones will be all the more effective if they simultaneously resolve the dysfunctions of domestic consumption trends while harnessing the spontaneity and dynamism of local cultural markets and local enterprise. In broad terms, this project consists in assessing, analyzing and reporting, local consumption trends and their impact on households and community relations. This can be done in different ways. First, using recent and current data, researches and reports, we can begin to outline the socio-cultural, economic and political conditions through which localized consumption patterns are shaped. Secondly, through field research, we can accumulate data which will allow an analysis of consumption patterns as indicators of both, living standards and socio-cultural changes.

The objectives of this research are threefold:

-To uncover how developing communities consume, that is how they gain access to, adopt, adapt or reject commodities, and to decipher how traditional and modern ways are pragmatically and contextually intertwined through consumer choices.

-To develop a better understanding of how newly introduced commodities change the way people live and the way family members interact, and to assess whether such changes are culturally viable, (and/or compromising).

-To show that contextual third world consumption patterns can be useful indicators of localized development and living standards, while also demonstrating that the production and transfer of goods and services must be attuned to the needs, circumstances, rhythms and cultural preferences of local communities.

Chapter 1: Theoretical Framework, methodology and analytical Foundations

A global-local perspective:

National economic data-sets confirm that every country's political economy is particular. The problem, which is increasingly pervasive in socio-economic development debates, is that macro-economic analysis does not expound localized industry or market successes and/or failures. This means that local production, distribution and consumption patterns, or rather local market dynamics, are too often disregarded by macro economic analysis. On one hand, such data is still useful, especially in that it provides broad economic performance indicators such as GDP's, import and export quotas, and information on national resources and capital (Castells, 1996; Londono, 1996; Ferranti et al., 2000). On the other, none of the macro-economic figures explain how specific communities contribute to market flows. As such, a global-local perspective provides insight as to the relationship between market scales: taking into account global or international market trends (externalities), while focusing on local or regional market processes. In other words, this global-local dialectic shows that market flows can be understood as geographically bound relations of production, distribution and consumption, notably at the regional, the national and the supranational levels.

Before we begin, however, there are some details that need mention. First, international development debates and initiatives must, in order to better understand and deal with third world socio-economic realities, take into account the specific conditions which contribute to, or inhibit local productivity and market dynamism. Secondly, these conditions cannot be disassociated from the political discourse inherent in all development, foreign aid, structural adjustment and national management efforts. Thirdly, the link between local and global flows confirms the importance of context in the analysis of political economies. Fourthly, the mechanisms of production organization and collective consumption should not be analyzed in a vacuum, for they are extensions of important and meaningful cultural manifestations and inter-cultural phenomena (Howes, 1996; Storey, 1999). Finally, and since market flows transcend regional market relations (of production, distribution and consumption), one must consider globalization processes and liberal politico-economic philosophy as inextricably related to perceived notions of 'economic success'. This last point, as it will be discussed further, must be expounded with nuance and finesse. For one, because globalization processes do in some respects, allow the maximization of efficiency and effectiveness, which ensure returns and flexibility in growth orientation but also, because universal economic rationality

as defined by the "global-liberal" dogma, is a concept that should be questioned and criticized, if not actually refuted for a number of reasons.

Analytical scale, as with 'perspective' is at the foundation of the following theoretical discussion. Subjectivism has become a fundamental concern in social sciences and cultural studies, though much less in economics. As such, it follows that we put in perspective some of the socio-economic trends that are at the core of the subjectivist debate. From homogenization and standardization to fragmentation, contingency and local specificity, one can note that globalizing and hegemonizing forces work for, as well as against (usually through praxis), socio-cultural uniformity. Here, the work of Serge Conti (1997) demonstrates that a pragmatic oscillation between global and local scales, can help us analyze the relationship between general and particular socio-economic phenomena. Here perhaps, let us be reminded that market relations are the focus of this discussion.

First, on a global scale, Conti (1997) identifies two major phenomena, namely globalization and internationalization. These are distinct and overlapping in that the internationalization of organizations, institutions and industries is parallel but not equal to the mechanisms of globalization. Exchange processes are globalizing insofar as through them, global actors (organizations, institutions, corporations and governments, mainly) expand and diversify relational (exchange), operational (production-consumption), and communicational (diffusion and distribution)- networks, thus relying on capital, informational and human flows in ways that encourage global competitiveness. Internationalization, is more precisely centered on improving domestic competitiveness through bilateral and multilateral arrangements between states, institutions, industries and organizations, and whereby alliances and cooperative processes are centered on product transfers and trade agreements (Conti, 1997: 16). Here, I start from the premise that there are three main market transfer levels: the local or regional level, the national, international and continental level, and the supranational and global level. These are intricately linked, which confirms the need to oscillate between them in our analysis of market dynamics.

The need for more localized socio-economic research, complements the notion that dominant macro-economic paradigms are not designed to tackle the reality of subjective local conditions. Then on a local scale, it follows that economic behaviour is all the more relative to

space and time[1]. Furthermore, changes in the relations between supply and demand can be translated into "a growing autonomy of market demand" (Conti, 1997: 18), meaning that while some warn of risks related to homogenization and standardization, others validate the increasing pertinence of variety and variability of products and services, which by and large contribute to socio-cultural specificity.

For Conti (1997), district research is by definition oriented toward local or regional analysis. The framework he proposes is a systemic analysis which takes into account externalities as well as local social dynamics and contingency factors, while focusing on operating, market, and supporting spaces (Conti, 1997: 32-33). By this, it is meant that space functions as an environment for production (operating space), consumption (market space), and broader circumstances of distribution such as policy, resource allocation, transport, communication and infrastructure (supporting space). District research also aims at resolving the incompatibilities between macro and micro economic discourses, linking them together through an intermediate analytical dialogue. In addition, districts are seen as fundamental units of analysis, for knowledge derived from district research elucidates the ins and outs of regional economic successes and/or failures, while also shedding light on details related to production and market organization. Moreover, this approach underlines the relevance of socio-cultural contexts as key variables in the organization of production and consumption, while also considering technological, informational and structural circumstances, as well as reliance on informal economic relations. Finally, Conti also posits that such a perspective allows a reevaluation of universalist and reductionist models/ paradigms of economic rationality (Conti, 1997: 22-23).

As noted previously, globalization processes and liberal economic philosophy are fundamentally linked to perceived notions of economic success. Hence, it follows that we discuss

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[1] A notion which is interesting given that 1) it is at the base of a potentially dogmatic sort of subjectivism: i.e. everything is relative to time and space; and that 2) time and space parameters act as specific variables at either of the three levels of market relations. At the local level, human activities are bound by an organic and mechanical experiences of time and space, transfers are relatively slow (vernacular real time). At the supranational and global level, time and space limitations have largely broken down, transfers are instantaneous (tele-communicational real time). At the national and international level, the two 'time and space' rapports seem to intersect as they are combined, thus mainly because of the levels' intermediate position.

how these, affect market analysis. We know for example that globalization processes encompass fundamental informational, communicational and technological requirements, and that these promote competitiveness (Conti, 1997). This is true at all levels of market relations. For local producers and other regional organizations and institutions, these innovations and the knowledge that is derived from them, enable access to global market networks, which in turn generates returns, and encourages international transfers and market competitiveness. These last points are deemed desirable mainly because imports and exports are key measures of industrial and national economic success (Nicolas, 1999). Whether a country's domestic industries succeed in meeting the national population's consumption needs, is usually irrelevant according to macro-statistics. This is one of the reasons liberal economic rationality should be re-evaluated, especially in the light of the fact that many third world countries are trapped into producing export goods at the expense of domestic consumption needs, hence neglecting the extra cost of importing international products and services that would be less costly (on the long run) to produce locally. Adjacently, one should question liberal orientations which embrace complete deregulation, extensive openness of markets, privatization and the withdrawal of the state from economic affairs (Nicolas, 1999: 631). Without some sort of control on national markets and resource exploitation and distribution; States surrender their power to external agents, which means 1) that national democracy is compromised due to the implications of foreign decision making, 2) that States literally inhibit their own ability to respond to national demands and needs, and 3) that States also renounce to their responsibilities to protect, enable and empower its national population in the light of global economic pressures.

So, on one hand, domestic industries benefit from developing informational, communicational and technological know-how as it will improve efficiency and effectiveness in market relations (Castells, 1996: 16). On the other, one must keep in mind that measures of success are constructed according to the values of dominant economic forces operating within the world system (Chossudovsky, 1998; Amin, 1992). By extension, 'success' as it is measured through liberal discourses, becomes pertinent mainly in the context of international and corporate hierarchies (Ibid), and unfortunately this completely undermines the relevance and potential social as well as economic viability of domestic strategies aiming at developing internal regional and national markets.

Clearly, there are fundamental value systems that are competing between levels of market relations. At the local and regional level, we can assume that priorities should reside in maintaining

quality of life, generating employment, providing adequate health and education services, insuring cultural maintenance and sustainable development. At the national level (which includes political and corporate actors), priorities seem torn between on one hand, concerns over international financial flows (investments and loans) and increasing export productivity thereby boosting international bargaining power; and on the other, providing social structures and infrastructures that enable (preferably long term) population and market prosperity (+or - sustainable: development). At the supranational and global level, priorities are centered on free trade, political deregulation and the need for structural adjustments which also encourage mass market flows, such as mass financial and informational flows, large scale commodity transfers and the expansion of the "global market place." These different sets of values confirm the need to oscillate between perspective scales in order to more diligently analyze the conditions of market relations. Conti (1997) establishes the general parameter of the "global-local nexus" of production relations, which we extrapolate to analyze market relations in general (production, distribution and consumption). So because interactions between actors (governments, institutions, organizations, unions and syndicates, NGO's, industries, companies, corporations, consuming communities) are conceptualized as occurring within and between market scales, a neo-territorial logic (Conti, 1997), may benefit both business and socio-economic or development research.

It can be argued that production relations are bound by power differentials at all levels of market analysis. Similarly, consumption though clearly a local phenomena (Howes, 1996), cannot either be completely dislocated from the power relations which extend from global, international and national contexts. As such, Howes notes that consumption does occur within the context of accelerated world trades and wonders "what happens when the culture of production and the culture of consumption are not the same." (Howes, 1996: 2) Relying on Grant McCracken's work, Howes maintains that consumption substantiates cultural forms, preferences and identities, and that in turn, consumption represents a cultural repertoire of referents that infer meaning to habits and choices. Howes also posits that modern consumption is intrinsically multi-cultural[2]; keeping in mind that it is also symbolic of capitalist penetration and that this phenomenon entails the spread of hegemonic

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[2] Perhaps potentially falsely multi-cultural, following Baudrillard's perspective on *The precession of simulacra*- the construction of mainstream ideas about the 'other' is always based on caricatured perceptions- and as the model or template is laid out, culture is literally created out of preconceived notions. (Baudrillard, 1999)

consumer culture and potential resistence towards this last one (Goulet, 1994; Howes, 1996).

As with Conti, Howes is concerned with the dialectic between homogenization (dominating paradigm) and differentiation. On one hand, the uniformity and standardization of mass market commodities is easily noticeable, while on the other, we are increasingly witnessing the mutability of commodity forms; meaning that 'things' or commodities are subject to transformations through praxis: the relative context and usages create alternative meanings. Finally, Howes is discontent with the limited conceptions of dichotomized phenomena (homogenization versus fragmentation), and instead contends that hybridization or 'creolization' acts as an intermediate construct. According to this last contention, the intent of the producer is irrelevant and the 're-making' of product relies on contextual collective re-appropriation (Howes, 1996: 6), which points to the multiplicity of local-global articulations of inter-cultural consumption.

Conceptualizing Market Relations and Culture:

Here, it is essential to underline, as it has been shown throughout the preceding discussion, the fact that macro-economic production, distribution and consumption data is both useful and incomplete, especially when analyzing local socio-economic realities and inter-cultural market forms and dynamics. Moreover, as market relations are bound by multi and inter level transactions and hence subject to colliding value systems and unequal power relations, some are bound to be more oppressive than others. Latin America in general and Peru more specifically, have long suffered the ravages of foreign penetration and by extension, undeniably oppressive acculturating forces, exploitive labor practices and undemocratic rule. It also follows that Peruvian cultures and identities have been deeply affected by capitalist imperialism (Radcliffe and Westwood, 1996: 83), and that fewer cultural manifestations today, can be said to be truly 'authentic' (or genuinely pre-colonial). It should be noted however that it is specifically through local modes of production, distribution and consumption that cultural practices are preserved, enhanced, or dissipate over time (Breton, 1982; Prott, 2000; Stiles, 2000).

In short, cultural forms and identities are indeed affected by market dynamics, meaning that while relations and practices related to production, distribution and consumption are transformed through the processes of industrialization, commercialization, internationalization and globalization; cultural forms mutate, become hybrid, or altogether disappear.

> "In recent years, the question of preserving cultural identity in a context of economic globalization has reached a scale that would have been difficult to imagine in the early 1980's. It now ranks among those issues (together with the environment and work) which the Director-General of the World Trade Organization (WTO) described in May 1998 'as exerting growing pressures on the international trading systems, which are a genuine source of concern for the public at large but for which a solution cannot be found merely within the trading system itself' (WTO focus, no 31. June 1998, p.2)" (Bernier, 2000: 70)

Clearly, international and global discourses have become consumed with cultural product transfers and cultural production in the context of world market developments and trades. Moreover, it seems that the potential risks and benefits in regulating cultural industries and market flows is also cause for concern, for it is assumed on one hand that western consumer culture acts as a hegemonizing and homogenizing force, and on the other, that cultural production transfers encourage local industry development. Here the irony may reside in the fact that cultural products can be manufactured anywhere in the world, meaning that surely, Latin American cultural products can just as well be made in China. What Bernier neglects is that traditional and mass consumer cultures tend to blend, for they transcend material manifestations and represent practices, values and beliefs. Here, the signifying power of commodity use becomes contingent on local re-appropriation (Howes, 1996), for one can already witness traditional local carnivals and fiestas now ornamented by modern plastic and poly-synthetic paraphernalia which may be manufactured anywhere in the world, but which still contribute to maintaining and expressing cultural identity.

Beyond mass consumer culture and mass market flows, one can easily notice that production and market organization are fundamentally linked to culture. The way people work, organize their time and space, how they problem solve and mobilize, what they value, the way they spend, save, waste or accumulate, the way they share, the way they do business and the way they interact in and around sets of commodities, all illustrate how cultural manifestations act as variables in local consumption relations. In turn, these can be interpreted as more or less hybrid, more or less authentic, or more or less innovative socio-cultural trends; thus, based on how people and

communities adapt to the inter-cultural experience which emanates from commodity consumption. Here, identity and consumption are intrinsically linked, for what and how people consume will in turn affect (encourage or inhibit) cultural maintenance mechanism. Constance Classen and David Howes contend that "although Third World people may *seem* to be manipulated into buying consumer goods which are alien to, and destructive of, their culture, in fact they are actively employing consumer goods to express and forge their own unique cultural identities." (Classen and Howes, 1996: 178-179) Following this idea, they use the concept of creolization, referring to the "indigenization of consumer goods." (Classen and Howes, 1996: 179) On this tokens' back side however, they acknowledge that the massive influx of Western goods (and the values associated with them) into third world societies, can indeed have deleterious effects on local cultures, and that the ethics of consumption raise important questions concerning world culture diversity (Classen and Howes, 1996).

So on one hand, we see Third World communities increasingly consuming the West, and on the other Western societies increasingly endorsing the consumption of non-Western cultural goods (Howes, 1996). We see that both 'Western' and 'non-Western' type-goods can be manufactured anywhere in the world, phenomena which can be referred to as the global reproduction of cultural products and as the dislocation of cultural production and consumption. Again, we can denote that a local-global dialectic creates a complex interplay between local cultural identities (and by extension consumption practices and values) and global market trends.

Dynamic functionalism in a culturally specific context

Before explaining how the following theoretical framework can help us analyze the effects of consumption patterns on family, community and cultural dynamics, some basic principles should be outlined. These are useful in linking consumption research to international development initiatives, especially if these pertain to harnessing cultural preferences in order to enhance market dynamism. Here, some important ideas are only skimmed over, as many are further examined in the following section on globalization, development and culture in sociology. Obviously, development is a complex process of socio-cultural and politico-economic change. By extension, it can be argued that negotiable and fluid cultural boundaries absorb and resorb the forces of hegemonizing trends. In understanding how cultural systems interact through consumption dynamics, the concept of cultural diffusion (and infusion) is also useful. This last one conceptualizes

the process through which communities 'spread' or "export" their cultural forms and absorb (or potentially reject) new and foreign ones. It follows that consumption choice is a cultural act that transcends the general criteria of contemporary economic theories and models; that consumption pattern fluctuations contribute to profound social changes and that particular and distinct sets of cultural criteria (as well as factors of local means and constraints) dictate the orientations of consumer choice; thus, notwithstanding the fact that globalization and its processes also clearly influence the way developing communities come to understand the implications of consumer culture[3]. Finally the idea of flexible and interacting systems of signs and symbols is used in reference to cultural and inter-cultural dynamics because it allows us to grasp the idea that things, actions, behaviours, preferences, and also perception of the self and of the other can be seen as culturally encoded messages, and that these "codes" are selectively used, re-used, maintained and/or transformed according to a groups' understanding of the world. By extension, consumption relations, or the way people and groups of people interact when they exchange and use commodities, are a complex facet of cultural and inter-cultural dynamics by which consumption represents the manifest and/or implicit integration and/or rejection of systems of values and knowledge.

Dynamic functionalism was chosen as the main theoretical framework for this research, because it accounts for both stability and change within societal systems, phenomena that are fundamental in understanding local development processes. Moreover, this framework integrates structural and infra-structural elements such as family functions, community organization and institutional processes, while making room for cultural mechanisms (maintenance and balance versus potential anomie). In this sense, developing economies and cultural institutions are thought to be all the more sensitive to potentially dysfunctional consumption trends. This is to say that consumption patterns can be either functional or dysfunctional given their circumstantial effects on individuals or social units. It follows that while dysfunctions may perturb social order, these may not necessarily affect the whole of society as part of a quasi-mechanical domino effect.

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"La globalization des marchés implique la mise en concurrence, à l'échelle mondiale, de toutes les entreprises qui reproduisent des biens culturels : disques, films, programmes, journaux, livre, supports et équipements de toutes sortes, mais aussi alimentation, restauration..., soins de santé, tourisme, éducation. C'est elle qui suscite les deux débats qui nous occupent : comment les multiples cultures singulières, celle de la tradition, celle du local, réagissent elle devant un tel déferlement ?" (Warnier, 1999: 41-42)

Consumption, as a cultural manifestation which occurs first at the level of family units, has various functions, namely: subsistence production[4], basic needs fulfilment, comfort, health, prestige, leisure, communication and social bond maintenance, as well as instrumental activities such as work and education. By extension, dynamic functionalism is an appropriate framework because it considers fundamental processes of socialization, whereby individuals learn to integrate society through their activities within institutions such as the family. Here, the notion of socio-economic development does not necessarily have to entail the Americanization of world cultures or the impoverishment of cultural diversity; though it should entail the strengthening of national cultural industries and local markets. Again, dynamic functionalism can help us evaluate whether communities are effectively coping with the cultural as well as socio-economic pressures of globalization. Perhaps, one of the limitations of dynamic functionalism, is that it does not address questions of power differentials, privileges and inequalities; though it does make room for an analysis of how these can become socially and systemically deleterious (or dysfunctional). This is important because in Peru, poverty rates are sky high (according to the CIA Factbook, and national Peruvian statistics, close to 52% of the population is considered to be living at or below the poverty line which is set at 2 dollars U.S. per day), as it has become a genuine concern in terms of national living standards, social welfare and criminal activity, and a serious impediment to market prosperity.

As an extension of these ideas, and congruently with marketing research, notably in the field of psycho-demographics (Luke, 1997; Bailey, 1998; Byrom, 2000), consumption research is also useful in assessing whether national markets meet the needs of its population. It can serve to evaluate whether consumption habits are detrimental to the environment (Luke, 1997) or whether

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[4] An example which I find pertinent in terms of demonstrating the inextricable link between subsistence consumption and local export lead production is illustrated by one of J. Havet's case study. The following example perfectly demonstrates the inter-connectedness between consumption and subsistence production. In reference to a culturally diverse region of rural Mexico, Havet writes "this subsistence economy does not by any means imply autarky; on the contrary, beyond traditional rural activities, it simultaneously relies on commercial transactions, remittances and salaries, i.e., diverse activities embedded in the market economy....local subsistence economy is a complex one...even considering the temporal dimension of Chayanov's family life-cycle of changing subsistence strategies....the cultivation of corn, beans, pumpkins and a variety of vegetables...are...destined to local consumption. All other production activities are oriented towards markets external to the region, yet ... this must be understood in the frame of subsistence strategies." (Havet, 1999: 61)

significant market weaknesses prompt community mobilization or whether they significantly reduce and/or improve well-being (Bailey, 1998). In western contexts, geo-psycho-demographics are also used to evaluate the risks and benefits of local market expansion (Byrom, 2000). It follows that in a third world context, geo-psycho-demographics could perhaps also be used to uncover local market advantages and constraints. As such, we would be better equipped to examine the factors of localized market growth. Arguably, consumption policy, derived from market and consumption research, can and should promote local market dynamism. This means among other things, avoiding dysfunctions related to consumption trends and promoting functional consumer behaviour while harnessing the natural dynamism of cultural industries. This also means developing internal market policies that are designed to strengthen or enhance market foundations related to job security (because guaranteed income levels promote consumption), infrastructure viability, access to credit, business and home finance management, product safety and cultural production. This last point is of utmost importance because the integration of new or foreign consumption habits may compromise a community's ability to preserve the collective power to maintain a strong local culture. Moreover, by promoting a demand for locally produced goods and services, a nation can begin to counteract some of the negative effects related to capital flight. It then follows that local cultural production and consumption can be promoted to avoid acculturation while enhancing local market sustainability.

Again, dynamic functionalism can frame the scenario of acculturation, especially in that exposure to culturally dysfunctional ideas and/or habits (related to consumption) can still, given specific circumstances, generate a chain reaction which can effectively, but not necessarily, destabilize primary socializing institutions as well as potentially, seriously compromise or even impede the setting and maintenance of cultural boundaries. In this context, dynamic functionalism also expounds the fact that socio-cultural systems exists in relation to other systems, from the local to the global, between localities, and even within localities (since regions are most often culturally heterogenous). Finally, this framework allows an analysis of the 'community' as an agglomeration of consumer units which by extension represents collective consumption choice and preference. This is to say that social, economic and culturally sensitive development, in order to maintain order and promote sustainability and growth, must encourage functional behaviour. This idea is applicable at the level of production, distribution, and consumption, within operating, market, and supporting spaces.

Theoretical foundations for a micro analysis of consumption relations:

Because this research is concerned with family, household, community and cultural relations, it does also require a more micro-level analysis. From an ethno-methodological perspective social actors are considered active cultural agents, meaning that local consumption patterns are seen as the extension of individual and collective human agency, and that people demonstrate forms of social competence and knowledge in the activities they engage in and in the choices they make. Hence they cannot be dismissed as participants, contributors and creators of socio-cultural realities. If we start from premise that social actors, through their participation in consumption, distribution and production activities (Slater and Tonkiss, 2001), (re)create and (re)produce family and community norms, then they also play an active role in substantiating cultural forms. Here, consumers are seen as social actors which have relative degrees of agency as to what and how they consume, thus even if they have very limited means. According to John Storey, "goods...require the active agency of human subjects...Furthermore, 'any choice between goods is the result of, and contributes to, culture' (Douglas and Isherwood, 1996: 52)" (Storey, 1999: 43) It follows that elements of semiotics will thus enhance our analysis. For example, if we accept that commodities, products and services, as with their relative usages, carry meanings and represent sets of cultural signs and symbols, which we come to integrate and interpret; then we must also accept that consumption norms in turn affect the construction of identity, or perceptions of the self and the other. Since identity is also manifested through consumption preferences, then it also follows that our perceptions of others as with the way we interact with or behave around them is in part influenced by what and how we think they consume.

Finally, various ideas from the symbolic interactionist approach can also be useful. Accordingly, the cultural meanings associated to commodity forms and usages affect how people interact with each other, which means that the nature of consumption relations affects individuals, social groups and in turn, entire market networks. It thus follows that family and community relations are inextricably linked to both culture and consumption. Making room for contingency factors, it also make sense to account for variables such as race, class or economic means, occupation, values, religion, knowledge, education, gender, age, social status, physical condition and health, household and community norms, family responsibilities and status, exposure to and understanding of mass media messages, etc. Symbolic interactionism is a framework suited to the

analysis of consumption relations principally because it is centered on social processes (Jary and Jary, 1995). From Cooley, we espouse the distinction between primary and secondary groups. "The former have their own norms of conduct and involve much face to face interaction, whilst the latter are large and rarely involve direct interaction with all the members." (Jary and Jary, 1995: 519) From Mead's looking glass self theory, we accept the notion that we "internalize the group's values as our own...[thus appearing] competent in the production and display of social symbols." (Jary and Jary, 1995: 403) Then, from Blumer, we emphasize two of his three main theoretical principles: that people act towards things based on the meanings they derive from them and that meanings are inferred by social interactions (Jary and Jary, 1995: 672). Finally, inspired by the work of Goffman, it may be pertinent to examine how consumption relations are structured and organized, as with how consumption rituals are conducted and played-out.

Hypothesis and analytical foundations:

Research findings on changing consumption relations can be drawn from an analysis of consumption trends; though such conjectures should consider the nature of local contingencies while focusing on the effects of consumption on family, community and cultural dynamics. To illustrate the framework for this hypothetico-deductive approach, a local consumption model has been designed below. Here, *consumption choice and trends* act as our independent variable (i) (see model and refer to the definitions below). This last one is influenced by four intervening variables, namely: *living standards* (ii), *group realities* (iii), *cultural forms* (iv) and *market realities* (v). These intervening variables are linked to each other through correlation and/or causal flows (see model). For instance, *living standards* (as defined below) clearly dictate a number of *group realities* (causal flow). *Cultural forms* and *group realities* on the other hand are mutually linked (dual correlation), as the former establishes norms for the latter, while the latter can be seen as reproducing or maintaining those norms. Similarly, *Cultural forms* and *market realities* are also mutually correlated, as cultural forms may shape *market realities* and vice versa. Moreover, *market realities* and *living standards* will also undoubtedly be mutually correlated since we can assume that changing market realities induce changes in living standards and that changes in living standards also induce changes in market realities. Then, as an auxiliary intervening variable, *physical realities* (vi) will influence both *market realities* (dual correlation) and *living standards* (simple correlation flow). As such, physical realities while imposing specific constraints and advantages on variables ii) and v); will not be easily influenced by mere fluctuations in living standards; this said, changes

intervening variable should be added; thus, accounting for the regional (and perhaps also matters related to the national) *political economy* (vii). In this sense, policy decisions are seen as carrying implications on consumption. It then follows that this last one (*political economy*) is obviously linked to *market realities* and *living standards* (causal flows). As the *political economy* variable is directly linked to *market realities* and *living standards*; these latter are themselves related to *family realities* and *culture*. In short, this means that the *political economy* variable has indirect effects on both *family realities* and *culture*. Finally *Consumption choice and trends*, in turn shape *consumption relations* (viii), our dependent variable. The *consumption relations* variable is a grey zone representing social relations occurring in different contexts (familial, community and cultural). Though consumption relations are also important in institutional contexts, this research does not address this field for reasons related to limited resources. This grey zone is nonetheless of utmost significance, especially because it exerts pressures on social interactions. Then, through concerted feedback loops, family, community and cultural relations are simultaneously impacted upon.

Variables:
i) Consumption (independent variable) refers to the choices and preferences of people regarding commodity forms (services, products, produce, materials, etc).

ii) Living standards refers to the conjuncture of factors such as occupation, work and remuneration, social class, basic needs requirement (levels of privation and satisfaction), access to basic resources (health and education), property analysis (necessities, accumulation goods, utilities, luxuries, surpluses), consumption inflow analysis (price paid for supplies, quantities of supplies, method of procurement, nature of goods- foodstuff, medical supplies, reading material, hygiene products, clothes, etc.), household conditions (infrastructure, bedrooms per person, basic maintenance needs) and mode of transportation.

iii) Group realities relate to the consumption unit's characteristics, number of member, how many households, how many living in each household, number of dependants, gender and age composition, division of labor and distribution of responsibilities, special needs, values and household norms (concerning privacy, property, communication, structure, cooperation, discipline, etc.), leisure preferences, values, status (of the group or family in the community and of family members), etc.

iv) Cultural forms represents interrelated cultural manifestations, such as religion, norms, beliefs and social values (related to life, love, work, play, gender, age and ability), rituals, knowledge and skill, historical heritage, language, art, diet, dress, preferences, modes of social cooperation as well as time, space and financial rationales[5].

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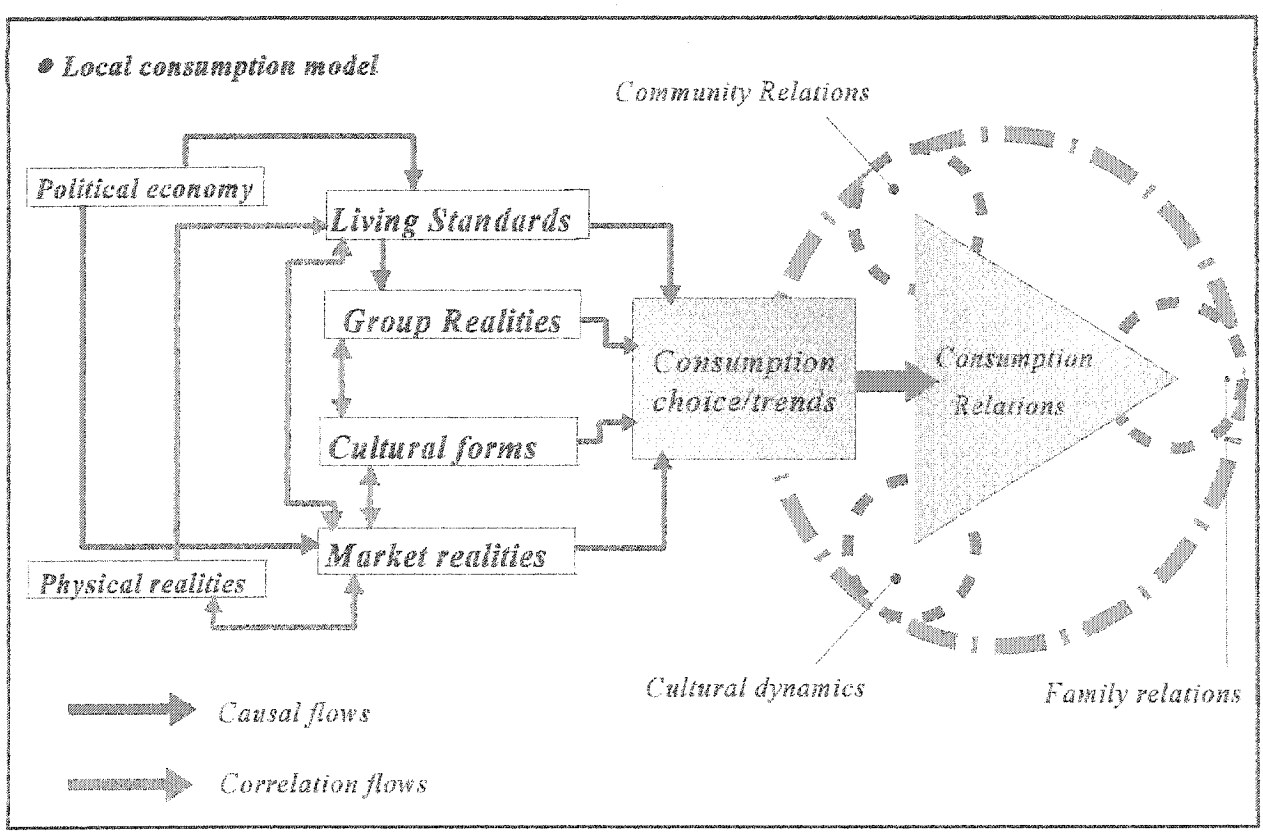
[5] Here, the notion of time, space and money rationale is used in reference to the French expressions "rapports au temps", "rapports aux distances et à l'espace", "rapports à l'argent."These are conceived as culturally specific behavioural and perceptual modes which are subjective to local norms.

v) Market realities account for regional industries, the nature of local transfers and trades, market organization, rhythms and tendencies in local socio-economic development (social support networks, access to credit, parameters of business operations, economic bearings of mass-tele communications, etc), market selection and price averages (norms).

vi) Physical realities encompass the circumstances (advantages and constraints) related to geographic location, weather, local natural resources, general infrastructure (streets, buildings and establishments), public sanitation and safety elements.

vii) The political economy variable alludes to the three tiered analysis presented in the theoretical framework section. Here, global, international, national and regional (civic) politics are seen as organizing the parameters of production, distribution and to some degree consumption. As such, this variable accounts for structural adjustment initiatives, foreign market penetration, privatization and liberalization, the introduction of 'new', 'modern' or 'western' commodities, taxes, public service delivery (administration and distribution), political and judicial organization, social control measures, public expense, state revenues, imports, exports, international trade agreements, etc.

viii) Consumption relations represents the sum of relations and individual and/or group activities which are related to the purchase, procurement and use of commodity forms. Consumption relations are seen as occurring within specific contexts; those which we focus on, are the family, the community and the culture. Of course, it possible to extrapolate this model to study other institutional consumption relations, meaning those which occur within the contexts of medical establishments (hospitals and clinics), schools, the government and state administration, judicial systems, production systems, distribution systems, etc.



It is imperative that we come to understand consumption as a political and a socio-cultural issue. Also, the data analysis will be geared towards understanding how consumption habits influence social relations at the level of market, family and community operations, as well as its role in maintaining or promoting culture.

Research methodology and implementation:

Arguably, one of the best way to develop an accurate portrait of local consumption patterns, aside from first reviewing published material and academic research data on the subject, is to immerse ourselves in the cultural community context. As such, the main strategy of this research was to engage in participant observation all the while accumulating data. The data gathering process was threefold: first, a number of participant observation session were conducted in different public environments such as the street, markets, and stores. These consisted in observation, participation, and note taking of surveyed behaviours. To log these observation, a public life diary (Appendix A) was designed.

Then, interviews can be seen as generating important qualitative and quantitative information on the what, how, why and when's of local and family consumption. You will find in Appendix B an interview guide in both Spanish and English. These informal, semi-structured interviews were geared towards assessing whether specific family/ household consumption habits reflect collective, community or class patterns. Also, the questions were designed to enhance our understanding of the logic or the limits behind commodity choice, whether it be access, material desire, cultural preference, economic means, time and space rationales, infra-structural or structural circumstances.

Thirdly, household inventories and market selection were logged. Four grids have been designed for this purpose (Appendix C). The first chronicles household goods, their condition and use. This grid divides the household by the number of rooms and account for accumulation goods such as furniture, appliances, electronics, books, tools, decorations and ornaments, etc. The second grid documents household services such as utility use, accessibility and restrictions as well as means of transportation. Services include such utilities as access to water, electricity, gaz, communications (telephone, cable, Internet), etc. The information on household means of transportation will adjacently indicate the modes and conditions of family travel. The third grid compounds weekly

supplies of food products and the types of uses they are associated to. This is important because we cannot assume that principles of 'private property' and usages are necessarily analog to occidental norms. Moreover, some commodities may be purchased and owned with the specific purpose of being shared by multiple families or family members. Also, certain usages may be specific to gender, age, status, or social function. These grids allow us to record whether traditional or modern values transpire from specific usages. It follows that these particular grids allow us to visualize both the family's lifestyle and socio-economic class. Finally, The fourth grid will account for the selection of goods and services that are readily available for local consumption. To this effect, market selection, price and target consumer group (typical buyers or intended market) will be documented when possible.

It is mainly through participant observation that individual, family and community activities and attitudes have been documented, because specific activities involve specific commodities. Thus by looking at how people (adults- elders, workers, parents- and children alike) behave towards and around commodities, we can begin to understand how material realities shape the way people interact. The last data gathering tool consisted in a family daybook (Appendix D). This device, along with the public life diary were designed for the purpose of recording activities and behaviours which are centered around particular commodity usages; or rather, to note how commodities seem to affect family and social interactions. In sum, these data gathering procedures meant to resolve the objectives outlined above.

It is fundamental to keep in mind that this research is a pilot project and that as such, the sample of participating families was small and representative of very specific socio-economic strata. In order for the data to be more meaningful, a team of researcher should follow a similar process, albeit with a focus on different socio-economic classes and institutions. This means selecting a sample which is representative of the socio-economic distribution of the region and one which accounts for the consumption of goods and services of main institutions. Moreover, a thorough process should also cover all of the main markets and districts, whereby participant observation and data accumulation can respectfully represent the socio-economic realities which characterize each sector of a community.

In the context of this research, only four households / consumption units were selected, and

for which informed consent was obtained by the head of the household. These were of lower and middle class and residing in different districts. This is interesting because as results clearly show, consumption habits differ greatly based on class and available neighborhood resources. Also, three different markets were accounted for: a central market, a more high-class, newly constructed market and a peripheral one. Accordingly very different conditions and a substantially different range of goods characterize each of these "buying environments." In terms of participant observation, data was accumulated data in many varied contexts: in the streets, in public transports, watching children play or parents tending to their young ones, before and after Christmas, during and after the tourist rush, in surrounding regions, in various institutions, watching workers, examining teenage behaviour, etc. It follows that these observations have yielded a wealth of information; so much so that this present report is but the tip of the iceberg. It is but a window into the economic reality of Cusco, which is enough to generate an innovative discourse on consumption in developing regions.

The proposal for this project was submitted to the University of Ottawa deontological committee and received approval with conditions based on the family's informed consent. Finally, this project also involved a collaboration with different NGO's (Non-Governmental Organizations). First, CIES (Consorsio de Investigación Economica y Social) provided valuable support in the form of documentation, previous studies and reports, published material, etc. Then IEP (Instituto de Estudios Peruanos) provided me with a enriching work environment, access to their library, as with a supervisor's guidance (Carmen Montero). Then, collaborating with Manuel Glave, an economist working at GRADE (Grupo de Analysis para el Desarrollo Economico), I had the opportunity to exchange some concerns and focus on a different dimension of Andean consumption. Together, we discussed the consumption of local Andean crops (tubercles mainly), and the market mechanisms which inhibit or promote their production, distribution and consumption. Last but not least, my collaboration with the CBC (Centro Bartolomé de las Casas) entailed access to some of their resources (documents, previous studies on related subjects, published articles, etc.), the writing of a book review to be published in "*La Revista Andina*": notably on the subject of Andean consumption and consumption analysis, and a public conference on this research's findings (April 21st, 2003). The present research was also funded by the Award for Canadians program offered by CIDA (Canadian International Development Association) and CBIE (Canadian Bureau for International Education).

Chapter 2: Placing consumption on the map.

The politics of consumption economics at a glance:

Societies and social groups have always 'consumed' in ways unique and specific through time and space, and according to sets of preferences, needs, constraints and assets. Consumption trends are by extension dependent on a number of factors which elude mainstream economic models: namely factors related to differences in social organization and social stratification, cultural production and identities, local values and circumstances of product or service accessibility, etc. It follows that variability and contingency are characteristic traits of consumption politics at a local level, and thus especially in the context of developing regions which are experiencing rapid socio-economic change. Inconveniently, modern economic paradigms generally avoid the problematic of contextual third-world consumption. To be more specific, they tend to associate and often reduce consumption to 'capital-commodity transfers': that is the exchange of currency for goods and/ or services. Thus, as if consumption matters only in its explicit quantitative form, as a generator of surplus value, as an indicator of normative expense, and as a product of permanent predictable income. In the context of third world subsistence, informal and/ or trade economies, such an approach will explain little in terms of actual local material reality and/or consumption relations.

Furthermore, with the emergence of increasingly disparate fields of interest, discourses become clearly divided as we seem to endlessly debate a number of politico-economic issues all related to consumption: issues such as energy efficiency, waste, profit, safety, convenience, environmental concerns, excessive accumulation, basic needs, consumer rights, choice and power, corporate rights and freedom, niche marketing, standardization, differentiation, service provision, access to information and exposure to mass communications or mass communication technologies. To complicate matters, we can juxtapose the additional problematic of interacting cultural systems, which creates different patterns of consumption preferences between regions. Thus notwithstanding circumstances of contextual geographies, social-politics and demography. In turn, each of these sets of circumstances, produce a range of specific contingency factors through which consumption variances take form. To illustrate my point, lets consider how consumption patterns may vary between high altitude, prairie and/ or coastal living, or between subsistence economies and tourist driven markets, between regions which afford adequate public services related to health and education, and those that don't, or between overpopulated cities and scarcely populated rural

communities. Evidently, each of these sets of circumstances will influence what, how and why people consume. It follows that such contingency factors are important in understanding how specific populations consume; though they continue to be, for the most part, unaccounted for in mainstream consumption theories

We can also conceive of an overwhelming range of possible contingencies related to lifestyle, including relative local (community and household) means and constraints, parameters of product distribution and services provision, manifest cultural choice related to tradition, religious affiliations, local knowledge, local modes of production, dress, diet, art, folklore, etc. Consumption also unquestionably transcends the market sphere, as it includes "subsistence production-consumption"[6] (an important component of sustainable living in the third world) as well as traditional, indigenous, illegal or a-legal types of trades and trade-relations.

These issues point to some important inadequacies in applied economic theory and by extension conventional national market statistics. As we should understand that they cannot alone explain all the dimensions of consumption patterns, let alone third world consumption as it relates to lifestyle specificity and rapid transitions into 'modernity'. Though standard economics and mainstream statistics are useful in illustrating and theoretically concretizing commodity consumption 'logic' in the north, they fall short of understanding how people in developing economies reason about, and behave in their, consumption choice. Nor are they interested in how lives and cultures may change as a result of it. For these and other reasons, the study of consumption should not be a strictly economic or quantitative affair. On the contrary, because consumption is a social phenomena involving complex social relations, it is embedded with rich qualitative dimensions. Moreover, because consumption patterns are relative to local contingency factors, then consumption should be the object of regional research and analysis.

Though applied economic theories claim the benefits of having multiple consumption profiles (or models) to chose from (Deaton, 1992:29); it is clear, as for Deaton's argument that

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This term is used in reference to types of household production which help meet the family's consumption needs. Good examples of such types of household production are: maintaining a garden of fruits or vegetables or raising farm animals for household consumption, sewing, weaving or knitting to satisfy the family's clothing needs, or even carpentry work which can help in furnishing the household.

consumption profiles are for the most part centered on and reduced to linear growth (Deaton, 1992:77). Deaton contends that conceptual consumption models become increasingly complex as contextual particularities (contingency factors) challenge linear economic growth reasoning. This points to the notion that consumption irregularities may be more important than previously thought, especially in understanding how particular sets of circumstances, such as infra-structural limitations, regional conditions, cultural tastes or values, or special local consumption needs or 'habits'[7] influence collective choices, and thus market dynamics.

On one hand, complex micro-economic calculations tend to have chaotic, stochastic tendencies (Deaton, 1992: 79) and on the other, macro-economics are obviously too general for the task of understanding specific living standards and socio-economic changes at the level of both household and local market. Nonetheless, economists have 'designed' a myriad of data sets which attempt to log the pertinence of factors such as utility, timing in consumption, preferences, durability of product, satisfaction expectations, habitual or cohort choice, risk aversion coefficients, liquidity constraints, saving rates and deviations from optimality (Schmidt-Hebbel and Servén, 1997: 78-86; Deaton, 1992: 97-102). In the end however, 'real' consumption, as it is referred to in economics, is a world away from the realities of developing economies[8].

A social unit or a community is for example, thought to hinder its growth if it refuses (through collective choice) not to consume sets of commodities. This is ironic because the "introduction into [developing countries]... of new products that have been developed in and for developed countries can have important welfare implications... in some cases, the new products may impose absolute losses on society." (Stewart, 1993: 39) It then follows that mainstream economic

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7 Not only in the sense of habit as either moving-averages or "autoregressive representations of intertemporal preference dependence," (Deaton, 1992: p.17) but also in the sense of the more or less stable consumption anomalies (mutations and deviations) which are derived from tradition, preference, values, local natural, material and human resources, and politico-economic structural particularities.

8 According to Jeffrey James, "the value of consumption theory is greatly diminished by its inability to come to grips with - and hence to assess and influence - the changes that form part of what is known as the modernization process" (James, 1993: 1)

models (Deaton, 1992: 79), because they avoid the real politics of local consumption, do not adequately expound contextual third world household and community consumption. As a result of this, potential dysfunctions related to consumption often go unnoticed and un-researched as governments, institutions and industries are themselves unaware of (if at all interested in) growing material inadequacies in both rural and urban regions. For these reasons, product or market policy should perhaps be adapted to contextual consumption needs and constraint (James, 1993: 91-107: Stewart, 1993: 39-42).

There are important discrepancies between the nature of the economic discourse on consumption and the inadequacies of its theoretical or conceptual applications. This is to say that on one hand, the discourse on consumption economics does account for the reality of wide ranging contingencies; while on the other, applied consumption models fall short of illustrating this reality. In *The theory of consumption*, Kyrk (1923) confirms that "consumption habits vary with time and space...[that it is central to] numerous modes of activity..., [that the] motives, interests and impulses behind it are of infinite variety, and are molded, shaped, and organized by the whole environment in which the individual is placed." (Kyrk, 1923: 6-7) Also, according to Cochrane and Bell (1956), consumption economics is "the study of decision making by households with respect to the choice of goods and services used in living, together with the relationships growing out of, and the activities surrounding, that decision making." (Cochrane and Bell, 1956: 6) This is interesting because such definitions on the nature of consumption emphasize both the importance of contextuality and social relations. Components which economic models seem to either struggle with or altogether dismiss.

In terms of analytical framework, Burk (1968)

> "identified five dimensions of consumption economics: (1) behavioural, drawing on concepts and variables of the behavioral sciences; (2) economics with a focus on the economic problems of maximizing utility or minimizing costs; (3) technical, in that it must take into account technological relationships involved in production and distribution as well as the technical characteristics of the goods themselves as input in the process of producing utility; (4) temporal, in that it is concerned with both relationships in a static situation and

> change; and (5) aggregative, in the sense of being concerned both with the individual household and with aggregate data about population groups" (Magrabi et al. 1991:2)

Finally, since this work is concerned with household economics, social behaviour, situational conditions, and aggregate consumption patterns as cultural manifestations in the third world; one should perhaps ponder whether the theoretical and quantitative templates used as a basis for calculations, analysis and understanding are representative of reality at a any given point and time.

Consumption and the discourse on development and globalization:

For the purpose of this discussion, and in an attempt to bypass the rhetorical task of re-evaluating meanings, let us agree that development refers to social transformations which are guided by human agency and action and which aim at improving the living standards of societies, thus regardless of politico-economic or cultural orientation and preference. Adjacently, we shall accept that modernization is the process by which communities, again guided by human agency, create, reproduce, adopt, and 'perfect' methodological, technical and technological know-how according to principles of 'modern' rationality, efficiency and effectiveness; ideas which generally stem from capitalist, western liberal politico-economics. In this sense, both development and modernization processes are also inextricably linked to globalization processes.

We already know, and this out of our own experience, that medicine, books, non perishable foods, clothes, electricity and even toys play an important role in our quality of life. Material realities clearly dictate what must be done in a day, how things are done in the family and in the community. Standards of living as with social relations are by extension affected by transitions in consumption patterns. In the context of developing economies and considering the diffusion of global consumer culture worldwide, shifts in modes of consumption necessarily entail the emergence and introduction of new and foreign commodities (products, produces, materials, services, technologies, etc.). Albeit this phenomenon, third world consumption patterns can be said to be particular because of enduring cultural differentiation trends, thus not withstanding how countless constraints related to labor, production mechanisms, distribution networks and living conditions continue to impede both social mobility and sustainable market growth.

It is true that third world consumption has been largely ignored and that the sociology of third world consumption can bridge the gap between standard economics and development research and initiatives. As such, the knowledge generated through the present research project, could have multiple applications in a number of different domains of interests, including sustainable development, localized market growth, micro-credit and savings, institutional restructuring, enterprise development, poverty alleviation and in the maintenance of cultural intangibles.

The volume of research directly dealing with third world (and more specifically Latin American) consumption is maigre; though we should not disregard the substantial amount of research (both applied and theoretical) which has been conducted in various related fields. Notably, micro-economics and household consumption theories (Bennet and Kassarjian, 1972; Magrabi et al., 1991; Deaton, 1992; James, 1993) have been useful in outlining some of the major factors which influence consumption choice while also providing a basic critique of probability modeling. Then, other important works, notably on labor and production organization (Marx, 1976, 1867; Dignard and Havet, 1995; Castells, 1996, 1998-2000), have contributed to our understanding of work relations in different contexts. Thus implying that the role of consumption in production and production relations (through the use of technologies for example) is an important factors behind non-negligeable changes at the level of labor organization. Moreover, countless anthropological and socio-cultural studies (Gereffi and Donald, 1990; Radcliffe and Westwood, 1996; Green, 1998; Chodkiewicz, 1999), have contributed to identifying key differences and particularities in regional or local social organization, morals and values, identity formation, etc. Local specificities that are very often described and illustrated with examples of local consumption rituals and habits. Finally, discourses on globalization and international relations (Featherstone, 1993; Chossudovsky, 1998; Jameson and Miyoshi, 1998-1999; Castells, 1996; 1998-2000) show us that world wide capital flows, the information age and the spread of western consumer or "pop" culture (Magrabi et al, 1991; Putman, 1993; Storey, 1999), all play an intrinsic role in dictating market dynamics and thus, by extension what, why and how people consume at a local, regional and national level.

On one hand, most studies concerned with linking social changes to consumption in sociology have been centered on new versus old means of production (the process of industrialization or modernization entailing the consumption of new technologies) and various other productive or profitable economic activities that in turn affect the social and structural organization

of power and status (Sen, 1983; Sutcliffe, 1985; Green, 1998; Malherbe, 2000; Samedy, 2000; Slater and Tonkiss, 2001). On the other hand, a number of cultural studies do in fact document how traditional and modern cultures interact. These are however, usually centered on the conception of identity and the adoption of, or interplay between, different cultural value systems and social practices (Featherstone, 1993; Frow, 1995; Radcliffe and Westwood, 1996; Warnier, 1999). Again, consumption is latent to more politically subversive cultural interplays. In these cultural, ethnographical or anthropological studies (Samir, 1989; Carre, 1992; Perera, 1995; Yunus, 1997; Chodkiewicz, 1999; Godlin, 1999) consumption patterns are most often briefly and superficially described, and authors and/or researchers tend to neglect the impact of changes in consumption patterns on socio-cultural dynamics, family/ community relations. Peter Jackson (1993) was one of the first to notice the huge potential of consumption research, especially in regards to consumption politics and the power dynamics and inter-cultural relations which can be associated to the processes of commodity transfers and usages. Pushing this investigative field further, the emerging discourse on inter- or cross cultural consumption (Howes, 1996) has become increasingly political.

Focusing on a sociological perspective, consumption patterns are obviously guided by socio-cultural, economic and political, (infra-)structural and geo-demographic circumstances (Miller, 1995). Factors such as local poverty levels or the distribution of wealth, housing conditions, literacy and education, gender and class norms, religion, tradition, local cultural industries, conditions of labor, transfer networks and their limitations (trade blockades or openness of markets, formality vs informality), community exclusiveness, geographic distance, exposure to mass media, access to goods and services, access to credit, access to telecommunications, all contribute to shaping particular, locally specific market dynamics. (Magrabi et al., 1991; Perera, 1995; Castells, 1998-2000; Yunus, 1997; Havet, 1999; Storey, 1999) It follows that a wide range of local factors help shape consumption pattern specificity thus, even if consumption is also a phenomenon which clearly has a broader context, notably that of globalization and modern consumer culture (Lee, 1993; Lury, 1996; Castells, 1996). Third world consumption is particularly interesting because consumption constraints and opportunities are relative to particular and specific sets of internal (local) as well as *glocal*[9] circumstances. In addition, one should note that "one of the most important ways in which

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[9] Glocalisation is "a term popularized by Robertson to describe how global pressures and demands are made to conform to local conditions." (Cohen and Kennedy, 2000) It has emerged as a concept illustrating the relationship between the local and the global or the supra-regional. It is a notion centered on the power relations and mutual

advanced countries have changed poor countries is through the impact of new products." (Stewart, 1993: 15).

A number of authors such as Alain Touraine (1992), Pierre Lénel (1998), Michel Chossudovsky (1998), Samir Amin (1992) and Pierre Bourdieu (1998), have also been increasingly concerned with globalizing trends and the nature of development. Accordingly, development does not equate to liberalization imperatives and deregulation of international markets. While modern logic seems to dictate a certain development template, we should recognize that such orientations evacuate the inextricable socio-cultural and politico-economic particularities imbued in contextual developments. Mainstream discourses tend to reduce development to modernization and industrialization processes while it has become clear that economic rationality and liberal politics do not adequately frame nor solve the problematic of development 'successes' and/or 'failures'. Furthermore, to reduce development to the relationship between dominant and dependent nations minimizes the complexity and heterogeneity of regional development forms. On the same token, such interpretations tend to downplay the importance of endogenous development initiatives, especially those which aim at sustainability rather than growth.

In short, social sciences' research, especially those concerned with development processes, generally focus on how changing modes of production shape new patterns of socio-economic relations. Adjacently, modes of productions have been amply if not thoroughly analyzed in their social functions, implications and repercussions (Marx, 1976, 1867; Sutcliffe, 1984; Samedy, 2000; Slater and Tonkiss, 2001). Whether it be the East Indian cast system, Chinese communism, Amish communal work complexes, industrial or subsistence based societies, sociologists and anthropologists have invested a great deal of effort in documenting and analyzing how different social systems tend to espouse specific modes of production and how these in turn affect social order.

Following the previous argument, it should be noted that production can be seen as consumption's alter ego; thus, because any type of production requires consumption: consumption at its base and at its end. In other words, one must consume in order to produce, while production

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adaptations between a community and its related national, extra-national, international and supranational politico-economic institutions and organizations. Also the local-global dialectic is an increasingly relevant one according to authors such as Conti (1997), Taylor and Conti (1997), Shaw (2000), Uvin (2000), and Kendall (2000).

serves consumption purposes. By extension, changes in modes of production can be linked to changes in consumption patterns, thus at both ends: pre-production and post-production. Though production has always been a primary concern in development and modernization initiatives, consumption has not gone completely unnoticed since the mid 18th century. Unfortunately, early social thinkers such as Rousseau, Marx, and Hegel have tended to reduce consumption to a by-product of capitalist or individualist materialism, a symbol of class status and manifestations of dominant or more marginal (sub)cultural trends. Here, post-production consumption is thought to manifest identity markers related to class and status. From this point on, the analysis of consumption diverges. On one hand, consumption is presented as the manifestation of identity, an integrated sense of self that people display. In this sense, consumption carries cultural or sub-cultural implication, for is conveys an encoded message for which the meaning is decipherable by other members of the group. In the case of the Indian chief with its feathered head dress, the Krishnas and their orange robes, the punk with its colored hair or the lip plates of Surma and Mursi women, consumption serves a symbolic function: that of expressing identity and adherence to a group's norms.

Though these observations still hold true in conventional sociology, one should not dismiss the important contribution of postmodernists and post-structuralists such as Baudrillard (1973, 1999), Giddens and Bauman (1992; 1998). These social thinkers stipulate on the other hand, that the semiotics of consumption are much more complex than previously thought, and that the study of signs and symbols which extend from the product itself, merits attention. First, it is thought that products are meant to reflect a certain hyper-reality, or a (re)construction of what we think something means or represents. That ideas about a product are engineered before the product itself, and that in the end, the products' image or significance is consumed or at least marketed, as if it were deeply meaningful. In fact the essence of consumption choice is thought to reside in the meanings which are carried through 'the life of commodities'. Then the concept of multiple, inter-changeable identities came to challenge the conventional idea that the link between identity and consumption is always representative of the truth. In turn, it is argued that identities or the different selves, we manifest through what we consume and how, are inter-changeable, flexible and malleable. As such, the emerging postmodern discourse reveals the importance of perception and social norms in our consumption habits. We are aware that people form opinions based on appearances, and so we play the game, we follow the rules according to how we think our peers

perceive us, so as to temporarily adhere to the group without controversy. Like the business man who at night hangs out, in his leather frocks, with his biker friends; the plumber who once a week puts on his expensive golfing outfit so as to appear as all the other club members do, or the punk who 'cleans up' his appearance every time he goes to work as a telecommunication officer in a big company; consumption is conceived as a way to manifest our various identities. Still however, such concerns are centered on post-production consumption; this time, as a way to express not only the many dimensions of who we are, but also to adhere to different group contextually.

Now if we can perhaps integrate the idea that consumption is more than just by-product of personal identities and a means to adhere to norms. We can begin to explore some other function of the social activity. Consumption as we know it, is much more than a symbolic or economic feature of our lives. It is at the foundation of social bond maintenance and a vital element of social change and development. For it to be the traditional Sunday family diner, or the little chat with the corner grocer, our consumption activities are undeniably a life line of social networking. For it to be the massive introduction of cars, vacuum cleaner, washing machines or television into our lives, consumption patterns are also an essential dimension of social change.

Unfortunately, consumption has been largely neglected as a cause or factor of social change. Yet, it is clear that the way people consume, in terms of what, why and how will in turn affect social, economic and perhaps political relations and organization. How many times have we heard elders talk about how things used to be in reference to Christmas holidays, travel or banking procedures. "Back then, we sang songs around the fire and told stories about baby Jesus.... and we were lucky to receive an orange or a knitted scarf.... but we were all so together.... now the kids watch midnight cartoons on cable TV while parents clean up the ripped-up pieces of wrapping paper from beneath the plastic Christmas tree before they drive us back to our retirement home....where we receive 24 hour professional nursing care...." "Back then, we had to harness the horses every time we had to go to town,... and we always asked the neighbors if they needed anything or if they needed a ride, just because we knew it wasn't so easy to run errands.... now you just take the car, call a cab, or take the subway to the nearest shopping center.... and there, you have access to just about everything.....and there are so many people, the cashier doesn't even remember you,...." "Back then, we went to the bank once a week or even less, and we planned your budget....all our expenses,.... and at the counter we talked with a kind person who could help us figure things out if

we had questions,.... now we have bank cards and codes to remember,.... telephone and Internet banking,... and you can pay all your bill without even talking to anyone,...." And so, the riddle goes on. Why is consumption such a marginal research theme in sociology? Do we even notice that patterns of social interactions change according to consumption norms? And why is it that development research is not yet invested in finding out how consumption norms influence social change. Ending this digression, we might also wonder whether the effects of changing consumption patterns in developing regions are the same. Still, according to conventional economic data on consumption, these qualitative social concerns remain invisible abstractions dismissed for the impracticality and un-substantialness of their research applications.

As noted previously, the data most commonly referred to as consumption data is usually compiled according to macro-economic parameters that fails to expound localized economic development : variances and contingencies of local market dynamics. The conclusions that are extrapolated by such data, which is usually compiled by supranational banks, international organizations, research institutions and national governments (Schmidt-Hebbel and Servén, 1997; Ferranti et al. 2000) generally follow the guiding principles of export led growth and structural adjustment models. These statistics enhanced by social and academic research does however reveal important information concerning international finance as well as data on cultural industries, resource (mis)management, waves of social mobility, wealth and resource distribution, poverty standards and socio-economic inequalities, education and health. (Altimir, 1982; Girard, 1982; LACCDE, 1990; Goulet, 1994; Londono, 1996; Loker, 1999; McDonald, 1999). Arguably, these are not to be dismissed, but rather enhanced by regional qualitative research on consumption relations.

Other important debates in development research concern the prevalence of informal economies in developing regions (Deyo, 1990; LaTouche, 1991; Perera 1995; Tinker, 1995; Yunus, 1997), dependance on foreign capital and international aid as well as the magnitude of third word debt (Stalling, 1990; Diets and James, 1990; Blanchet, 1997; Chossudovsky, 1998; Kendall, 2000), Market Policy Intervention (Bradford Jr, 1990; Castells 1996) and the emergence of countless micro- or local- cultural industries (Waterbury, 1999; Dilly, 1999). These issues, although all connected to consumption and consumption relations in one way or another, reflect the complex realities of market evolution, economic policy intervention and international relations.

Notes on culture and the inter-cultural nature of modern consumption:

As previously mentioned, consumption is a cultural act; thus it may be pertinent to review what different scholars say about culture. Roy Wagner (1975) notably, identifies culture as an invention, insofar as it occurs "whenever and wherever some "alien" or "foreign" set of conventions is brought into relation with one's own." (Wagner, 1975: 10-12) It thus follows that consumption choice implies asserting cultural preferences. That the idea of choice is having to chose between local products and foreign ones. Also, it is clear that culture works as a referent, in that people identify themselves and others to it, or according to seemingly clear cultural criteria. As Fredric Jameson (1999) and John Frow (1995) would argue, culture is one of the foundation of identity and knowledge, it is a concept which people readily and commonly use to associate themselves to a group and to disassociate themselves from other groups; individuals can 'have'(or feel that they belong to) more than one culture and to some degree embody them pragmatically. As such, consumption patterns reflect a dimension of local identities. In this sense, the function of consumption serves to differentiate one group from the others. Adjacently, the notion of 'other' refers to a generalized other, meaning that a culture does not exist as an opposition to another culture, but rather as a particular social manifestation which is distinguishable from all other cultures. Thus, "culture is always a matter both of what binds together and of what keeps apart." (Frow, 1995:2) As such, differences and similarities in consumption choice patterns will inevitably promote or rather compromise social bonds. People or groups who consume very differently, whether it is cause by different levels of means or values and preferences, are thus divided through their different lifestyles. Notably, culture represents 'ways of life' and the values and meanings associated with those ways of life. For Raymond Williams, culture is "a description of a particular way of life, which expresses certain meanings and values not only in art and learning but also in institutions and ordinary behaviour;" (Williams, 1966: 41) hence, in collective and daily consumption choice and relations. Don Slater also has an interesting slant, he argues that culture "is best understood as material culture: the transformation of things, through praxis, in relation to social value." (Slater and Tonkiss, 2001: 159) In retrospect, it is obvious that culture transcends personal or group identity, and that it represents the way communities are organized (economically, politically, statutorily, materially, etc.), what community members believe in, how they do things (such as work, play, communicate, create, pray, treat each other, raise children, care for elders, dress, eat, cook, travel, etc.), and how they feel compelled to rescue, maintain or re-invent their unique sense of tradition (or the mechanisms of cultural cohesion). By extension, consumption

research can indeed shed light on previously ignored (sub)cultural differences between groups.

To these definitions, we should add that cultures are dynamic formations that are influenced by both, inter-cultural transfers or exchanges as well as intra-cultural processes (cultural diffusion is a concept which is discussed further). This means that processes which induce social change are both endogenous and exogenous in nature. As dynamic social formations, cultures require that their boundaries be periodically or even constantly (re-)negotiated (through praxis, based on interacting symbolic value systems) between and among members and non members. These 'negotiations' are the extension of asymmetrical power relation between symbolic value systems and the social agents which embody or adopt them. Though dynamic, cultures do however provide stability in the form of core cultural elements or dimensions, such as lifestyle, tradition, language, practical skills, folklore, knowledge and ideology, religion, history, territory, etc. These in turn, allow members to develop a common identity thread and feel a sense of belonging that should normally promote social cohesion. Furthermore, it is probably irrelevant whether or not we can delineate the limits or boundaries of cultures, as long as we understand that through human exchanges, as well as commodity and value transfers, cultures interact and change. Figuratively, cultural boundaries absorb and resorb the forces of change. As hegemonizing forces contribute to the push and pull of inter-cultural relations, people assert their cultural identity in changing ways. In fact, it probably makes more sense to conceive of cultural boundaries[10] as fluid and indeterminate, though encompassing peripheral cultural forms (a grey zone) that can change without serious repercussion to cultural identity and cohesion. When core cultural referents or institutions become compromise, whether it be through consumption or not, communities risk anomie, instability, disorientation (temporary or prolonged).

Another concept which can be useful in illustrating the asymmetrical power relations and the inter-cultural nature of commodity and value transfers (Forbes and Rimmer, 1984), as well as the importance of consumption in the organization of society is that of Gramsci's cultural hegemony (Slater and Tonkiss, 2001; Skelton and Allen, 1999; Jary and Jary, 1995; Lee, 1993). In general, Gramsci argued "that the domination of ideas in the major institutions of capitalist society, including the roman catholic church, the legal system, the education, the mass communication media, etc.,

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10 The concept is inspired by Fredrick Barth, though it is used here with reservations about his essentialist view, notably about the notion that ethnicity entails a sort of natural guaranty on cultural maintenance.

promoted the acceptance of ideas and beliefs... [but that people can resist] by developing [their]... own alternative hegemony."(Jary and Jary, 1995: 279) It is crucial here to further elaborate and nuance this idea. First, hegemonic processes are experienced in context; meaning that the organization of group interests varies based on collective mobilization capacity (reference to manifested resistence to, and/or endorsement of 'modern' or dominant politico-economic alternatives and orientations). Secondly, development clearly acts as a hegemonizing force, spreading westernizing institutional norms and material hints of modern consumer culture. Thirdly, globalization (as with mass production, mass distribution, mass communications and mass market expansion) should be conceived as the main process through which western culture is diffused (spread). It follows that the concept of asymmetrical cultural diffusion[11] can be useful in explaining this phenomena. By extension, the acceptance and progressive integration and normalization of 'modern' or 'western' ideas, beliefs and practices, can be seen as the infusion_ the impregnating of_ hegemonic culture[12].

It then makes sense to define consumption as an inter-cultural process, one through which social actors collectively, while being exposed to sets of consumption opportunities or to images, information and ideas which expand consumer imagination, chose to consume not only based on circumstantial means and constraints, but also according to specific local cultural preferences or tastes (their own as well as new or foreign ones). In developing economies, meaning those communities that are progressively gaining access to a wider range of modern commodities, social actors (consumer units) have certain choices to make. These choices are cultural in that they will inevitably affect a multitude of inter-related social dynamics such as family, peer and neighborhood relations, social cooperation, social stratification, leisure and labor behaviour, values, fashions and

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"The concept of cultural diffusion has also been linked to the debate which emerged over theories of economic and social development and modernization. Theorists such as Talcott Parsons (1964) argued that the cultural values characteristic of western capitalist democracies was essential if third world development was to occur." (Jary and Jary, 1995: 167) This view has been contested by the left, in that cultural diffusion does not necessarily entail development, and that cultural and politico-economic imperialism can in fact result in serious social dysfunctions (to use functionalist terms).

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These last arguments should not be reduced to simplistic binary and unilateral relationships between a center and its peripheries. On the contrary, it is the basis for asymmetrical power relations between all cultural industries and nations, and the values and interests they represent. There are many centers with dynamic sets of more or less related peripheries, representing relatively cohesive groups which have particular interests to defend.

trends, and by extension knowledge, lifestyle and identity (Mignolo, 1999; Moreiras, 1999; Subramani, 1999; Frow, 1995). Consumption is thus a manifest example of how different cultures inter-mix in the context of economic and social development; meaning that through commodity choice and usage, through the mixing of various cultural preferences which translate into modern, foreign, new and/or traditional sets of consumption habits, communities shape local culture and integrate certain perceptions about the symbolic 'other'.

Finally, it is crucial that we revise some of consumption's implications. Consumption is a productive economic activity because it contributes to the creation of surplus value, while it can also markedly improve living conditions (or deteriorate them!). Hence, it can also serve as an indicator of standards of living. Fluctuating consumption patterns directly affect how people interact, how they work and play, as well as how they organize their world. Consumption choice is also a manifestation of enduring or changing cultural preferences, pointing to the emergence and maintenance of a diverse range of locally specific cultural industries (Storey, 1999 Girard, 1982; Mattelart and Piemme, 1982; Przeclawski, 1982).

Chapter 3: Peru as the subject

Peru, has yet to politically, economically and socially stabilize. To be frank, Peru is short of being chaotic. Poverty rates are sky-high (CIA Fact book; Lancaster, Ray and Valenzuela, 1999), infrastructures are grossly inadequate (Uco, 2002); precarious capital flows, bank assets and credit capacities inhibit stable economic recovery (Rojas and Costa, 2000); public services and resources are notoriously insufficient (Uco, 2002; Carbajal Ponce, 2002) and the government is in shambles (Colombant, 2002; Mauro, 2002; Webber, 2002). Moreover, corruption and censorship continue to inhibit democratic processes (Uco, 2002) while crime, especially in narcotic production and trade (Osorio Machado, 2001) as well as recent violent protests against privatization further reiterate problematic international issues. It is however a country rich in tradition and cultural diversity (Perrottet, 2001), one where native communities have long struggled to improve their quality of life and one where cultural production is at the basis of economic survival (Ibid). It was decided that this research would be conducted in Cusco, for a variety of reasons. Known as the cultural capital of Peru, Cusco is located at approximately 3 400 meters in altitude, in the south central Andes. First, its location makes it a perfect site because it affords a number of very distinct conditions. Its geographic exclusiveness imposes constraints on distribution thereby affecting consumption trends. This means that access to products and services may be limited, whereby conditions may impede accessibility of commodity forms. Secondly, the weather varies from frigid to warm, meaning that consumption must be attuned to seasonal conditions. Thirdly, it is a known center for indigenous trades, and members of many neighboring communities, representing diverse ethnic groups, unite as merchants and peddlers in Cusco's markets (Ibid). Cusco is also particular because it attracts a considerable amount of tourists, especially since it is but a few hours away from the historical Inca royal fortress, Matchu Pitchu. It then follows that cultural industries represent an integral part of local business thus, albeit the fact that they may cater to an alternate consumer population (tourists). In short, Cusco is ideal because local populations are retaining a strong cultural foundation, while also adopting modern market trends. This, by extension indicates that distinctly hybrid consumption patterns are most probably changing standards of living, social relations and cultural forms.

Linking Peruvian politico-economics to consumption:

Peru shares its geo-political boundaries with Ecuador, Colombia, Brazil, Bolivia and Chile. It was colonized in the 16th century (in 1533) by Spanish conquistadores who defeated the Inca empire which held the city of Cusco as its politico-economic center. It is in 1535 that Lima (the

present day capital) was founded, as it became the central axis of Spanish expansion. Though Peru gained independence in 1821; it is only in 1824 that the uprising of Creole-Europeans against Spanish colonial rule ended. Already, native Peruvians had suffered unprecedented repression and exploitation and "[I]ndependence did little to alter the fundamental structures of inequality and underdevelopment based on colonialism and Andean neofeudalism."* Here, we shall not thoroughly revisit the past. Though it should be mentioned that the politico-economic history of Peru is lengthy, controversial, and staggeringly disenchanting. The political turmoil and economic instability which characterize the Peruvian nation are not incidental. They are direct consequences of politico-economic mismanagement; then perhaps, awareness about the mistakes of the past can help shape a better future.

Certainly, we can posit that the exploitation of Peruvian natural resources is a consequence of European colonization and can be said to have financed European industrialization. (Perrottet, 2001; Galeano, 1973, 1997) In turn, this phenomena can also be linked to Peru's dependance on the Western and/or international economy, which was (re)produced from the template of early liberal economics and free trade. In short this means that colonial exploitation has oriented Peru's economy towards an export based model; that Peru continues to rely on raw exports in order to generate revenues. Still today, many of its export industries continue to be (mostly) owned and managed by foreign interests; which obviously points to how the flight of capital impoverishes the nation. Also, considering that raw exports are subject to low and fluctuating prices on the world market, one can understand how such industries have failed in securing a viable form of economic development.

A few examples can perhaps help us understand how the Peruvian politico-economy contributed to creating dysfunctional consumption patterns. Let us be reminded however that consumption relations occur not only at the micro levels of family, community and regional dynamics, but also at the level of national, continental and international exchanges. For this reason a systemic analysis at different levels of exchange can only enhance our understanding of

consumption functions and dysfunctions. "During the 1820s, [for example,]silver mining, the country's traditional engine of growth, collapsed, while massive capital flight resulted in large external deficits."* The economy recovered partially in the 1830's and 1840's due to increased silver extraction (pre-production consumption) along with the emergence of new export trades (wool, nitrate and guano). The benefits of these exports was then countered by a large scale influx of British textiles, which devalued local garment production and "virtually destroyed the production of native artisans and *obrajes*, which were unable to compete with the more technologically advanced and cost efficient overseas competitors."* Despite this lack of 'comparative advantage', the Peruvian economy survived due to the small marketable surplus of self sufficient households and communities.* Obviously, consumption, as well as production trends were affected by the nations' market policies. Local population had to adapt to the conditions imposed by national and international trades. The point however, is that subsistence production, and thus subsistence consumption served to sustain albeit low levels of living standards.

Between 1845 and 1870, guano became the primary national industry, as it fueled rapid economic growth on the coast. Such developments did however generate many negative feedbacks, such as growing inequalities between the rich and the poor, the coast and the interior, and the sharp depletion of this natural resource (guano).

> "Coastal export-led growth not only intensified the uneven and dualist nature of Peruvian development, but subjected the economy to the vicissitudes of world trade....however, while great fortunes were accruing to the new coastal plutocracy, little thought was given to closing the historical inequalities of wealth and income or to fostering a national market for incipient home manufacturing that might have created the foundation for a more diversified and truly long-term economic development...What proved a greater problem in the short term was the state's increasing reliance and ultimate dependence on foreign loans, secured by the guano deposits which, however were a finite and increasingly depleted natural resource"**

In the 1860's, Peru became the most important borrower on the London money market, thus due to mounting state expenses such as railway projects and wars over either, territory (with Ecuador,

*Http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+pe0024)

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1859-60) or guano rich resources (with Spain, 1865-66). Then in the 1870's, the Peruvian economy collapsed due to compounded factors: namely gross economic mismanagement, increasing external debt, the depletion of guano, and forlorn development initiatives. (Gootenberg, 1991). Again this translates into the dysfunctional consumption patterns of the state. In this case, the state itself is the consumer. Bad choices pertaining to what will be bought or invested in and how; will thus inevitably have repercussions on the national economy and also on the national populations' living standards. A national economy, apart from involving a range of activities and responsibilities far more complex than households, can perhaps be compared to economic management at a micro level. As such, the head of the household, and many times a number of its members, must manage expenses in relation to revenues, in addition to administering household resources and distributing them so that members may have access to comparative opportunities. In this sense the household serves as an analogy to state and state spending.

After a war against Chile (over nitrate rich bordering land) and subsequent Guerilla warfare in the late 1800's, the economy began once again to recover. Between 1883 and 1910, exports rose from 1.4 to 6.2 million pounds sterling. Thus while United States investments soared from 17 to 161 million US$. Export-led growth was once again promoted as the principal model for development.

During the depression of the 1930's, Peru kept its head above water due to its cotton and industrial metal exports (mainly lead and zinc). Adjacently however, Peru which was left with a huge burden of international debt; had to declare "a moratorium on its US$180 million debt on April 1st, 1931. For the next thirty years, Peru was barred from the United States capital market. "* By extension, this is analogous to a consumer unit declaring bankruptcy due to its incapacity to pay its debts.

Throughout the first quarter of the 20th century, clashing interests between militarist and populist parties promoted regular and sustained waves of political violence and censorship. In 1945, "Bustamante and his Aprista minister of economy moved Peru away from the strictly orthodox, free-market policies that had characterized his predecessors. Increasing the state's intervention in the economy in an effort to stimulate growth and redistribution, the new government embarked on a general fiscal expansion, increased wages, and established controls on prices and exchange

*Http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+pe0032)

rates."(Ibid) These market policies, albeit well intended, were unfortunately neither adequate nor efficient, for they were introduced at a time when export revenues were dropping, which resulted in a wave of hyperinflation and labor unrest that coincidentally destabilized governing powers. To facilitate our understanding of this dynamic process one must understand that if export revenues drop, production returns also sag. This means that producers, or the owners of the means of production in an attempts to maintain their margin of profit would normally be compelled to find ways to decrease production costs or increase sale prices. This, combined with the policies mentioned above (the rising of wages and price controls), probably further reiterated the problematic of escalating production costs and declining profits. Accordingly, production rates decreases, buying power drops, employment is subject to cutbacks, the value of currency drops; which altogether may easily prompt both inflation and labor unrest.

Before the end of his term, Bustamante was involved in escalating political conflict, rehashed by diverging interests between the stakes of the conservative right and the intentions of the political left. In 1948, the military, backed by the oligarchy, deposed Bustamante and instated the presidency of General Manuel A. Odria. "Odria imposed a personalistic dictatorship on the country and returned public policy to the familiar pattern of repression of the left and free-market orthodoxy."* Such measures did however attract foreign investments, in the manufacturing sector mainly; industry which grew an average of 8% per annum between 1950 and 1967, representing a rise from 14 to 20% of Peru's GDP. Odria also promoted the development of other industries in the mining and petroleum sectors, thus also with the aid of substantial foreign investments. (Gonzales de Olarte, 1994: 28) After Odrias term, M. Prado came to power (1956- 1961). Following the industrialization trend, Prado sought to develop certain industries with the intention of implementing a process of import substitution which was meant to reduce some of the pressures of payment balances. Though well intended, this strategy did not account for the need to develop industrial technologies in order to promote long term sustainable industrial development; which by extension impeded competitiveness. (Gonzales de Olarte, 1994: 29) These efforts however, combined with an elevation of world market prices, increased Peruvian national revenues substantially (representing a 5% growth rate per annum).

*Http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+pe0032)

Of course,

> "not all benefitted from [this] period of sustained capitalist development, which tended to be regional and confined mainly to the more modernized coast. This uneven pattern of growth served to intensify the dualistic structure of the country by widening the historical gap between the Sierra and the coast. In the Sierra, the living standard of the bottom one-quarter of the population stagnated or fell during the twenty years after 1950. In fact, the Sierra has been losing ground economically to the modernizing forces operative on the coast since the 1920's."*

As an extension of the rising poverty in the Andes, new problems emerged. Populations began migrating to coastal cities in search of opportunities, while confrontations between peasants and landowners intensified. Accordingly, 1958 statistics, show that "2% of the country's landowners controlled 69% of arable land [while] 83% of landholders, holding no more than 5 hectares controlled only six percent of arable land. Finally, the Sierra's terms of trade... in agricultural foodstuffs steadily declined because of the state's urban bias in food pricing policy, which kept farm prices artificially low..."(Ibid) Also, population growth rates increased rapidly between 1900 and 1970, as the national population went from 3.7 million to 13.6 million, thus swelling labor force capacity. In short, a higher demand for work, caused by both urban migration and the elevated population growth rates, produced a decrease in wages, which obviously further impeded social mobility. A new middle and professional class did however emerge out of the phenomena of urbanization and industrialization.

These last few points are important because inequalities as well as demographic circumstances do play a fundamental role in guiding market dynamics and thus demand and supply trends. By extension distinct forms of consumption relations are established, not only through the emergence of a middle class, or the gap between the rich coastal region and the poverty ridden Andes, but also through population migration. Moreover, the dominant paradigms of export led growth, the reliance on external investments and loans, and later the strategy of import substitution, also contribute to guiding general consumption patterns. Peruvian national industries, because they always have been centered on exports, have not afforded the conditions necessary for the development of a strong national market base.

*Http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+pe0032)

By 1962 Peru became the leading fishing nation in the world and fishmeal accounted for fully one third of the country's exports."* Aided by new technologies and the abundant fishing grounds of the coast fishmeal production soared. Again, this points to the country's dependance on export led development; which on one hand affords a temporary increase in national revenues; while weakening the country's capacity to cushion the impact of world market price fluctuations on the national economy. This means that when the revenues of export expansion can no longer sustain the country's development, when international commodity prices drop, when import commodity prices escalate, when imports jeopardize the comparative advantage of smaller national industries or when the country's production fails to meet the consumption needs of the national population, new problems related to regional and national production and consumption will inevitably arise. For one, it can be assumed that the importance of the export sector in the economy is fundamental to the country's economic sustenance, while also impeding the development of national industries capable of meeting national demands for goods and services. Secondly, it can be assumed that export led industries are too often backed by foreign loans and/ or investments, which on the long term contributes to the country's incapacity to finance its own operations (administration, public services, national industry and social development). In this sense consumption of foreign products and services (related to capital) creates serious administrative and market dysfunctions. These can be translated into a lack of balance between market development options.

By the end of the 1960's, export expansion could once again no longer sustain the country's development. The burdening payments towards administration costs and international loan interests, caused a devaluation of the Sol (Peruvian currency). Moreover, new controversies emerged over the management of the national petroleum resources, whereby the International Petroleum Company (IPC) disputed its right to orient the exploitation of La Brea and Parinas oil fields (north of Peru). Conjunctly, in 1968 foreign shares accounted for 75% of mining, 50% of manufacturing, 66% of the commercial banking system, and 33% of the fishing industry.**

In the seventies, General Velasco worked to transform the economy, passing from an export based model to a mixed approach, whereby the export base would be combined to strategies of import substitution industrialization. He also implemented measures which aimed at workers

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protection and income distribution in the hope of expanding and stabilizing the domestic market. Lead by Velasco, Peru also became an important actor in the creation of the Andean Pact which meant that a new coordination in trades and investment policies could be established, enabling a common market between Peru, other Andean and Latin American nations. Velasco also sought to diversify Peru's trade relations and thus established economic relations with the Soviet Unions, eastern and western European countries, Japan and other developing nations.

These last few point show a distinct progression in Peru position as a production and consumption unit. Analogously the Andean pact could be compared to neighbors getting together to coordinate production orientations as well as the means intended for meeting their consumption needs. Also, the choice to diversify trade relations can be seen as a defensive approach to international trade, for it creates a safety net which can minimize the impact of potential conflicts or diverging interests between the nation and its most important investor/loaner. In sum, national consumption relations, similarly to community or regional market networks must be diversified in order to cope with the conditions of trade or counteract the constraints imposed by one or another actor.

By the mid 1970's new and mounting pressures from the international market, notably the oil embargo of 1973, a growing national debt, as with over-bureaucratization and the negative bearings of El Nino affecting both fisheries and agriculture, created another wave of hyperinflation. By 1980, Belaunde which had been reposited by way of democratic elections, now had to contend with a growing number of pressing issues: namely national debt payments (due to Velasco's heavy reliance on international loans) and the emergence of an expanded informal economy in all sectors of small to medium sized business.* The country now owned 36% of national production, thus compared to 18% before Velasco's reforms. This meant that Belaunde had a little more leeway in managing national industries. Belaunde who had become more conservative in his approach, came to rely on foreign "expert" advise which emphasized export-led growth and privatization of state run businesses. Belaunde then reduced food subsidies and allowed food prices to rise, thus in an attempt to stimulate agricultural production. These measures did little to help the national economy, as national production dropped 12% and wages 20%. "Unemployment and underemployment [were] rampant, affecting perhaps two third of the work force and causing the

*Http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+pe0033)

minister of finance to declare the country in 'the worst economic crisis of the century.' Again the government opted to borrow heavily in the international money market....Peru's total foreign debt swelled from US$ 9.6 billion in 1980 to US$ 13 billion by the end of Belaunde's term"*

The economic policies which were put in place under Belaunde obviously failed in promoting a viable and sustainable socio-economic development for the region. In the 1980's, living standards, especially in the Sierra continued declining; infant mortality rose (120 per 1 000 birth), infantile malnourishment swelled at 60%, and average daily calorie intake was considered to be below the United Nation's standard.* Social and political discontent was bound to erupt into some form of social disorder. As such the emergence of the Shining Path (Sendero Luminoso- SL) and the Tupac Amaru Revolutionary Movement (Movimiento Revolucionario Tupac Amaru- MRTA), lead to numerous campaigns of terror as early as 1980. As a desperate act to maintain social control, the army proceeded to apply counterinsurgency techniques, which by the end of Belaunde's term had cost approximately 6000 Peruvian lives. Despite the fact that this move was criticized by a number of human rights organization, Belaunde continued to rely on such tactics instead of developing more adequate measures of social intervention: "measures that might have served to get at some of the fundamental, underlying socioeconomic causes of the insurgency."*

Belaunde also had to contend with the mounting problem of drug trafficking, by which the cultivation of coca served not only the consumption habit of Andean peasants (coca leaf chewing suppresses hunger and alleviates both pain and cold), but also the huge business of cocaine processing and international smuggling. Since the 70's, the rising demand for cocaine in the United States and in Europe promoted the cultivation of the crop in the Andes. Bolivia and Peru became the two largest producers, while Colombia became the number one trafficking country. This means that the raw substance was cultivated in Peru and Bolivia (accounting for 80% of total South American production) and at times partly processed locally. Then, Colombian dealers bought and finished processing the product for the purpose of transportation and smuggling. Peruvian coca production was valued at 240 million US$, it was thought to be cultivated mainly in five Sierra department, thus until production was intensified in the Upper Valley of Huallaga. In the valley alone, the number of cultivators was then estimated at 70 000.

The national coca problematic is however much more complex than it first appears. The

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cultivation of the crop was made illegal as early as 1978, though this did not stop its expansion. Under increased pressure from the United States, the Belaunde government attempted to intervene with the help of both the military and police forces. This move alienated increasingly wealthy growers which resorted to hiring the help of the Shining Path guerilla (SL). The guerilla protected the growers against state intervention and the extortion of traffickers. It follows that the Shining path "became one of the wealthiest guerilla movement in modern history by collecting an estimated US$ 30 million in "taxes" from Colombian traffickers who controlled the drug trade."*

When Belaunde finished his term, the nation had yet to significantly stabilize. Quite on the contrary, thus albeit the re-implementation of democratic politics, Peru had become a breeding ground for corruption and social disarray. We should note however that Belaunde did manage to complete his mandated term as president; quite an achievement considering that this only happened twice in the forty years between 1945 and 1985. Alan Garcia Perez of APRA was elected in 1985. With the left, firmly in place, thus at the level of the presidency and congress, one can also speculate that important changes would soon shake the waters of Peruvian politico-economics. The task at hand was however more than a plateful for any politician. The national debt stood at 13 billion US$, wages had dropped 30% between 1980 and 1985, the value of Peru's export remained low on the world market, a recession was raging and guerilla violence was increasing.

Garcia's "attacks on neoliberal economics were directed primarily at foreign capital and the IMF, a convenient beating board because Peru was unlikely to get any capital inflow in the near future; he carefully avoided attacks on domestic capital,"** thus abstaining from shaking the boat of Peruvian conservative middle and upper classes. His intervention measures were short lived and by 1987, APRA followers, as well as members of his own party were pushing for more radical structural changes. As a result, Garcia announced the nationalization of Peruvian banks. This was a decision which did not effectively improve the nation's politico economic course, thus especially considering that only 20% of the banking system remained privately owned. From this point on, Garcia's cautious politics turned to outright anti-capitalism. Problems were worsening rapidly. Garcia started attacking the domestic private sector. Then, attempted implementing unrealistic subsidy programs that subsequently emptied fiscal reserves and generated mounting deficits along

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with another wave of hyperinflation. Expenses related to state bureaucracy and the public sector debt could not be sustained while living standards dropped dramatically. Wages further decreased and public services were cut (mainly in the health sector). At the end of Garcia's term, serious shortages in some of the most basic commodities (such as electricity and water) were common. Finally, publicized controversies of corruption in both government and law enforcement further discredited state institutions. In sum, it can be said that once again, gross mismanagement and lack of transparency fueled both, social disarray and economic downfall.

The tragic 80's can be said to be the culmination of almost two hundred years of politico-economic instability. Moreover, with a surge in criminal violence and approximately 20 000 deaths associated to political violence, the 80's can certainly be said to have been disillusioning and disenchanting. In 1990 alone, political deaths amounted to 3 384, which is more than the number of deaths associated to the Lebanon civil war for that same year.* In 1990, the famous government of Fujimori came into power. From the onset, Fujimori concentrated on price stabilization, and structural reform.(Country ViewsWire: March 28th, 2002) He also focused on an export-based economic recovery combined with import substitution and on the curbing of guerilla activity. A new model of international economic relations began to emerge as major privatizations were completed since the 1990's, thus mainly in the mining, electricity and telecommunications industries. (CIA Factbook, 2001). Foreign investments and additional loans from the IMF and the World Bank allowed a temporary, albeit significant economic recovery between 1994 and 1997. Then, with the effects of El Nino, both fisheries and agriculture were once again markedly impacted upon and subsequent years (1998- 2000) were once again lean. Within this decade, high rates of unemployment and/or underemployment prevailed, public and government institutions further compromised their credibility, the banking sector weakened, basic infrastructure deficiencies became obvious and income inequalities continued to worsen. At the 2000 elections, Fujimori would not be deposed, though with increasing pressures from disapproving international organizations foreign corporations and governments, mounting corruption scandals and public discontent due to massive job cuts, public service inadequacies and the backlash of a mass sterilization campaign (geared toward reducing the birth rate of indigenous rural families and which was based on the providing of misleading information and threats) (BBC News World Edition, 24 July 2002), Fujimori was forced to resign at the end of that same year. It was shown that what had been

*Http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+pe0134)

presented as poverty alleviation data during the nineties was in fact fraudulent statistics and incomplete assessments. (Wilson; Washington Post: June 16th 2002) As Fujimori fled to Japan to avoid persecution, a provisionary government was put in place to prepare for the next attempt at democratic elections.

Then, in July 2001, president Alejandro Toledo was elected. His task: reestablish social order, start a process of public service restructuring, put in place mechanisms aiming at yet another economic recovery and working towards job creation (Reuter, 2002) and poverty alleviation. His first efforts were however once again focused on elaborating more liberal economic policies, promoting privatization of major industries, all the while investing in education and basic infrastructure development. (Country Views Wire March 28th, 2002) This plan did not propel his political career very far. Within but a few months, massive protests against privatization raged in Arequipa and other regions, thus while Peruvians planned for a series of national strikes (Keller, Financial Times: July 10th 2002). Public discontent, further reiterated by extreme poverty levels, was now centered on the lack of work: jobs that had been promised and never provided, jobs that had been cut and never replaced. After only eleven months in office his approval rates had sunk while an estimated 2 million Peruvian also fell into extreme poverty. (Wilson; Washington Post: June 16th 2002) "Peru's poverty had been reinforced for decades by government neglect, corruption and enduring racism that has traditionally relegated the rural poor of Indian descent to last in line for government help." (Wilson; Washington Post: June 16th 2002. P. A22) Though Toledo, reshuffled the ministers cabinet and reoriented 15% of the country's defense budget towards poverty alleviation programs (Ibid); still the social, political and economic conditions that Peru continues to face are not very encouraging. The national challenges are huge, especially considering the population's disillusionment towards national politics. The problems are wide ranging and the real question behind a vision of positive sustainable socio-economic change is: "where do we start?".

Present day Peruvian politico-economics:

In 2000, the Peruvian external debt was estimated at 31 billion dollars U.S. (CIA Factbook). Its' GDP for the year 2002 was evaluated at 13.2 billion dollars U.S. (according to the International Monetary fund data base), of which an average of 15% is generated through agriculture, 42% through industry, and 43% through services (1999 data). (CIA Factbook) Also, it may be interesting to note that the 1996 state budget projected 8.6 billion dollars U.S. in revenues and 9.3 billion

dollars U.S. in state and capital expenditures. (Ibid) In sum, this means that the Peruvian external debt represents 234% of the country's nominal gross domestic product; that this same debt represents 360% of its budgeted yearly revenues (according to 1996 data) and that the state incurred a deficit of approximately 800 million dollars in 1996.

We know that Peru depends on export led growth, and that historical experiences have contributed to developing such strategies in order to facilitate economic recovery, though not viable long term economic growth. Accordingly Peru's main export partners are the U.S., the European Union, the Andean Community, Japan, and Mercosur (representing 32%, 25%, 6%, 4% and 3% respectively of total export). Total exports represent 7 billion dollars U.S. and consist in fish and fish product, copper, zinc, gold, crude petroleum and by-products, lead, coffee, sugar and cotton (CIA Factbook). Historical experience, also shows that liberal politics do not and cannot alone ensure sustainability because primary export industries, on top of being sensitive to normal constraints (physical, environmental, social, etc.), are also subject to the whims of corporate giants in a globally competitive system. Prices of primary resources on the global market are usually low and most of the time fluctuate out of the control of producers; which means from the onset, that raw (primary resource) exports cannot ensure sustained profitability. Also, capital movements can become dangerous for a precarious national economy such as Peru, "especially if they appear mainly as the inflows and outflows of highly liquid financial funds that are less committed when compared to productive capital." (Rojas and Costa, 2002: no page numbers). This means on one hand that foreign investments are more easily dislocated, moved and/or removed from economically volatile environments; and on the other that local capital (the money of the higher class) will likely be placed in foreign banks which offer better interest rates and/or invested in foreign industries which ensure higher returns. "Therefore, while previously the terms of trade determined how favorable were our [Peruvian] relations with the rest of the world, it is now the interest rates that play this role." (Ibid) Outflows of capital, while creating and worsening account deficits (which can lead to relying on national reserves which later causes cut backs on public services) can also engender a depreciation of the real exchange rates (which in turn may also prompt inflation). In the face of important outflows, banks may be inclined to reduce loans, limit access to credit, reconsider their interest rates, etc. By extension, entrepreneurs, directly impacted by such banking crises, will then have to develop coping mechanism to cushion the financial blow. This means that businesses, as with banks, will seek to lower operative costs (production and administrative) and reduce size. This

equates to cut backs on employment and salaries. Obviously, this leads to a chain reaction with at the end, an intensification of social discontent and economic insecurity. Hence, it follows that the state must not only focus on attracting foreign investments, it must also find ways to control or keep in check capital outflows.

Surely things are not so simple. International relations are by nature quite complex while most of the time benefitting dominant institutions more than marginal ones. In this sense, the Peruvian government is already quite tied up in a number of international arrangements. This means that the state, in order to establish "good" trade relations with dominant institutions and other developed countries, has committed itself to opening its market. That in order to attract foreign capital, in the form of investments and loans, it has agreed to respect the business conditions and interests of foreign actors. In short, the push and pull of international economic relations is imbedded in a diplomatic discourse which on one hand promises development and returns for the host country, and on the other seeks to promote the short term interests of international corporate giants. The problem, is that in doing so, the state sometimes compromises the national population's standard of living, the environment, and perhaps also de democratic process.

Foreign investments, for example can be seen on one hand as helping develop national industries, and on the other as compromising part of the revenues that would/could be generated through the exploitation of natural resources and/ or national markets. Moreover, in order to keep attracting foreign investments, the government must also guarantee low production costs, which means low wages for Peruvians, low taxes on exports and imports and often, an absence of quotas and/or adequate price controls. A good example of this in Peru is that of Telefonica (a Spanish corporate giant), which has recently attempted to replace la "renta basica" (basic service cost) for minimum payment/ minimum use packages. Communities, in all of Peru, organized several manifestations against this corporate move. Toledo, and his ministers, attempted negotiating with the representatives of Telefonica though with little success. The problem, is that the Peruvian state allowed Telefonica to monopolize the national telephony market[13] while promising an absence of price controls; that Telefonica invested billions of dollars in the development of the industry and

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[13] Telefonica (Peru) does not have a national competitor. For international calls, AT&T and America Tell have almost complete control of the Peruvian long distance industry.

that now, the corporation expects certain returns. Thus, whether or not price hikes should be considerable burdens on the household overheads of already struggling families. Finally on April 2nd, the government of Toledo, after failed negotiations with Telefonica and a series of ministerial meetings, concluded on one hand that the elimination of the "renta basica" was unconstitutional and on the other, that only market competition should create normal price fluctuations. In the light of the fact that there is no competition, tariffs cannot for the moment be neither changed or controlled, for this would be a breach of contract between the Peruvian government and Telefonica. Finally, the government also noted that in two months, it will call for telecommunications contracts on the international market, thus to allow normal market price variations and perhaps in order to promote savings. (Gestion, Diario de Economia y Negocios; 2-04-2003, p.8)

In addition, international loans, whether they implicate the IMF, the World Bank, the U.S. or London money market, are also sources of strict conditions imposed on government structures and legislation, and on the national market economy. Notably, some conditions which are extremely constraining obligate structural adjustment measures which clearly compromise social welfare. The government, in order to receive these loans must endorse and implement a reform process (designed mainly by foreigners) geared towards the redistribution of state spending. On one hand, administration costs are sought to be managed, while on the other public services related to health, education, justice and social benefits are usually cut or left to the bare minimum. In this sense, the Fujimori years were indeed disastrous. Whereby strong collaboration with the IMF and the World Bank (CIA Factbook), also implied state reforms which further curtailed the development of adequate public services. Then, with the privatizations of the 90's, namely in the mining, electricity, and telecommunications industries (CIA Factbook), the government forfeited both its responsibility to regulate national industries and its rights to many of its potential sources of revenues. In the short term however, the government is relieved from having to develop these industries or markets because such endeavors imply costly undertakings; that it will profit from the selling of its raw resources; and that it will also benefit from instant returns in the form of an agreed-upon percentage share of proceeds or export tariffs. On the short and medium term however, the government is also setting low prices on its natural and human resources and inadequate market controls. On the long term, the state washes its hand of its responsibility to develop strong national industries, all the while allowing the flight of capital (promoting foreign profit making rather than national and regional industry growth). If we start with the premise that substantial state revenues cannot be

generated through income taxes because salaries are low and uncontrolled, and because the informal sector is so prominent. Then we must concede that state revenues must either come from the profits of national industries, the selling of its resources to locals and/or foreigners, and the granting access to its national market/ consumer base (to foreign industries). The vicious cycle in which the Peruvian government is stuck, may result from a lack of balance between these options.

If the government invested in the development of strong, efficient, and profitable national industries, industries that are not only centered on primary resource exploitation and exportation but rather on processing, manufacturing and service provision, it could sell its 'products' for more on the international market, sell them for less nationally, raise national wages and promote national market expansion. It follows that these conditions would help create a more dynamic national consumer market and contribute to federal revenues through business and income taxes (which in turn ideally implies fair redistribution of public funds through quality public services).

The problem, people say, is that 'there is no capital'. Here, one should strongly disagree, because Peruvian fiscal capital is mainly tied up in non-productive activities such as international debt payments, military and defense related expenses, public infrastructure building, high administrative costs, inefficient service provision, etc. Also capital takes-on different forms, and surely one does not have to look very far to note that human and natural resources are indeed forms of capital which are commonly exploited rather than administrated according to their actual and potential worth.

We have to be careful! In Peru there is capital, though little liquidity. What happens, is that to obtain fast and easy liquidity, the state sells its resources to foreign corporation or borrows on the international money market. Obviously it takes money to make money; the problem is that the liquidity obtained through such activities, is not reinvested in productive activities. Here is a concrete examples from the mining industry. In the mid nineties, the Peruvian government, at the time led by Fujimori, signed with the famous BHP Billiton company and other international mining corporations an arrangement which granted the rights to develop and exploit, for a period of twenty years, regional mineral deposits. This project would become the well known Antamina mine endeavor. In turn, the government will benefit from the revenues generated from albeit low export tariffs. The Peruvian government also set another condition which consisted in setting a minimum

investment amount of 2.52 billion US$. The condition also included a subclause which demanded that if the full investment was not disbursed, then the company would have to pay an extra 30% of the difference between the set amount and the amount actually spent. Such conditions are meant to secure minimum investments towards the development of industries. Finally the company invested 2.148 billion US$, a little less than the set amount. In turn the government received a payment of 111.5 million US$ (30% of the difference), which it planned to use towards development projects (civil infrastructure mainly) in the said mining region. Conversely, such revenues could indeed be invested in productive activities such as the creation of manufacturing and processing facilities which would not only create more jobs and specialized employment opportunities, but also raise the value of national products.

Surely, we can agree that the state and also local communities will benefit from the Antamina project; though perhaps not the environment. The government by allowing such foreign investment and industry development, created jobs and secured some national revenues. It could be said however, that the government could have negotiated its right to co-invest in the development of the Antamina project, and that as a co-investor, the state would have retained a percentage share of profits and keep a level of control on the industry's development and administration. It should be noted that, despite the large start-up investment, Antamina Mines, which have now reached full production, will have an estimated output of 675 million pounds of copper and 625 million pounds of zinc in the next ten years. Also, it should be noted that during the development phase BHP Billiton announced "that proven and probable mineral reserves at the Antamina project have been increased" (Antamina Project Update, 27th November 2000*) from 494 million tonnes to 559 million tonnes of minerals (including copper, zinc, silver and molybdenum). World market values for primary resources such as minerals are unstable and it is difficult to estimate just how much profit the Antamina mines should procure. This said, the market value for copper and zinc at the end of March 2003, revolved around 0.72 and 0.7575$U.S. per pound respectively. Prices are also expected to rise in the next six months. Also the set price for silver, at the same time, was valued at 4.44$U.S. per ounce. (El Comercio; 29-03-2003: p. B4) Though BHP Billiton does not give an estimation of silver reserves in the mines, we can calculate that 559 million tonnes of minerals (estimated reserves), sold raw, on the world market at a hypothetical 0.70 $U.S. per pound (a minimum value for copper and zinc alone) should procure 402.5 billion $U.S. in returns. In sum, this, is a

*http://www.bhpbilliton.com/bb/newscentre/newsReleaseDetail

perfect example of productive investment which the Peruvian government forfeited to a foreign corporation.

Today the main exploitable natural resources in Peru consist in copper, silver, and gold, petroleum, timber, fish, iron, coal, phosphate potash and hydro power. What usually happens with crude products, is that these raw resources are exported for processing and then re-imported as manufactured products. Such a cycle, in turn contributes to important relative losses. First, jobs provided by raw export industries are not usually well remunerated, while employment in the processing sector ordinarily implies higher paying jobs in specialized sectors. Peru has not yet developed a strong and varied industrial economy, as manufacturing and processing are still marginal sources of national revenues. It follows that imported goods play a major role in supplementing market selection, though also in creating, for smaller Peruvian industries, a loss in term of comparative advantage. Thus especially given that consumers in Peru, do not generally foster a sense of patriotism towards the goods they consume. Ultimately, this means that Peru, generally pays more for imported goods, than its gains from the goods it exports. Also, this means that communities, and perhaps also cultural forms, in their local contexts may be all the more sensitive to the influence of product inflows, and therefore to the effects of 'imported' consumer cultures.

In this and the previous section, the state is considered as a consuming entity. Every expense, investment, trade-off, service provision, or state project represent a consumption choice because it extends from budget management and decisions on fiscal allocations. Then, the means to secure or achieve these last ones, wether they involve international loans, relying on national reserves, savings, multilateral arrangements, contracts, or even convoluted manipulation or corruption, represent consumption relations and their dynamics. By extension, market and trade policy serve as the formal parameter of national production, distribution and consumption trends. The state, like any household must then manage its expenses in relation to its revenues, it must make due with budget limitations, market constraints and conditions, and organize its spending priorities according to the needs of the people who depend on its support.

The informal sector

Peru's informal sector is quite preponderant at the level of the national economy and also

fundamental to subsistence. There are different arguments that try to substantiate the existence and continued presence of large informal sectors. "Some analysts view the informal sector as that part of the economy which is "unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated" (Castells and Portes, 1989:12)" (Marcouiller and al, 1997: 367) In the specific case of Peru, the informal sectors represents preponderant unregulated, a-legal or illegal and pragmatic forms of production, distribution and consumption relations, that people of any socio-economic class may implicitly or explicitly sponsor; though it can be argued that most people who work in the informal sector are less educated and perhaps generally of humbler background compared to those who are employed in the formal sector. (Marcouiller and al, 1997). In Peru, 42.5% of firms are thought to operate within the formal market, while 57.5% are thought to be informal. Also, only 38.2% of people have social security coverage, which suggests that 61.8% of people work in the informal sector. (Marcouiller and al, 1997: 369)[14]

In the case of Peru, the existence and persistence of the informal sector may be substantiated for a variety of reasons. First, from a historically point of view, the political and bureaucratic experience never actually promoted the value of orthodoxy and convention in economic affairs. Secondly, from a politico-economic perspective, the cost of formality (the process by which businesses register to obtain 'necessary' permits and certifications) is too high in a country where half the population is at or below the poverty line. Thirdly, according to a more sociological outlook, the simple process of formalizing 'business' may not be so simple for people that don't have bank accounts, lack adequate education and perhaps can't even read. Fourthly, considering infra-structural and geographical variables, some people may not have easy access to the 'institutions of society', for their geographic distribution does not reach isolated towns and communities. Fifthly, perhaps touching psycho-social elements, Peruvians in general are actually quite disillusioned with the forces of social control, and enforced licensing would probably promote more bribery, corruption, and maybe even violent protests. Sixthly, the rewards and conditions of formal work may not always meet the needs of workers and/or equal the benefit of working informally. Seventhly, in locations where formal work is scarce, people still have to work to survive. Eighthly, formal employment may be difficult to find given a person's competencies, physical ability, sex or age.

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[14] It should be noted that the data provided by this study does not include domestic services and or people who work with wage regressions in the context of family business.

In Peru, it was evaluated that close to 87% of working teenagers between the ages of 13 and 20 labor within the informal sector. Similarly, it is estimated that 79% of older workers, those 61 years of age and older, also work in the informal economy. Thus, compared to 57% and 59% of workers aged 21 to 35 and 36 to 60 respectively. (Marcouiller and al, 1997: 370) It should be noted that younger workers in the informal economy will usually work for small firms, while older worker will usually work independently as self employed. Adjacently, it was also evaluated that close to 94% of worker with less than six years of schooling work in the informal sector; thus compared to approximately 30% of those with more than twelve years of schooling. (Marcouiller and al, 1997: 371) Also five principle industries account for 62% of the informal sector, namely retail trades at 32%, personal services at 9%, manufacturing at 9%, transportation at 8% and construction at 4%. (Marcouiller and al, 1997: 372). Moreover, it was evaluated that remuneration for men and women in the informal sector is quite comparable, and that 75% of women compared to 62.9% of men are considered self employed or owners. (Marcouiller and al, 1997: 378-79)

The problematic of informal work lies in that income is difficult to calculate, for it is both unstable and unclaimed. Also, working conditions are almost impossible to regulate or keep in check, which by extension opens the door to potentially dangerous and abusive practices (especially in terms of child labor). Informal work is usually precarious and workers do not benefit from any sort of protection. In general, there is no minimum wage, there are no maternity leaves, there is no two weeks notice before dismissal, there are no syndicates or unions, there is no worker's compensation in case of accident or sickness and there are not necessarily any behavioral guidelines surrounding professionalism. Although informal work seems more like a curse than a blessing, some workers will argue that it does have its advantages. Most often, hours are fairly flexible and mothers, and more rarely fathers can bring their children along. Supervision is less rigid and work relations more social. Remuneration can be based on either productivity or hours worked and workers can learn on the job instead of presenting formal competencies. Practical skill, such as cooking, sewing, knitting, woodworking, sodding, welding, jeweling, are valued while informal work may also allow creativity, whereby musicians, painters, drawing artists, jugglers, comedian and street actors can all perform and/ or sell their work. Informal work is prominent in both Lima and Cusco, though it obviously takes-on different forms.

In Lima and Cusco street vendors are everywhere. In Lima some vendors will stand at street

corners and wait for the traffic to stop, usually at a red light. They will then walk between the cars, showing their products to drivers. They will sell everything from books to music, from drinks to snacks, from plastic hats to toys, from candies to candles, from batteries to cell-phone car plugs, from sunglasses to hearing aids. In Cusco, street vendors usually stroll the sidewalks and hang around in parks, markets and touristy places. Depending on what they sell, some will target mainly tourists, while other will simply scream and chant about the product they are selling. Some sit at the sidewalk's edge with their vending cases (selling mass produced or homemade traditional snacks, cigarettes, chocolates, cooked corn, vegetable, fruit, etc.), while others walk around in search of customers. Near the center, or the *Plaza de Armas*, children sell postcards, candies, finger puppets and small purses. Teenagers and young adults sell cigarettes and distribute bar, restaurant and laundry service propaganda. Art students sell their paintings and offer to draw portraits. Women in traditional 'rural type' clothing sell knitted belts, purses, gloves, hats, etc. Also, women and their children will dress in folkloric apparel and seek to have their picture taken by tourists for one or two Soles (the local currency). Then, in less touristy places, men, young and middle aged as with mainly young women will sell everything from thumbtacks, pens, batteries, wallets, tang-tops, socks, pyjamas, toys, etc. In both cities, there are quantities of vendor with different kinds of carts and stands, which they use either for cooking or for transporting their goods. They will sell food such as sandwiches, tamales (a stick of sweet or salted corn puree) and anticuchos (cow heart brochette); some concoct and sell hot beverages (herb emollients) while others sell different varieties of fruits and vegetables.

The informal economy of Peru and more specifically in Cusco, is not only a fundamental part of human activities and work; it has become an integral part of the culture and an influential factor behind forms of community relations. Accordingly, these and other aspects of the informal economy will be discussed a little further.

A glimpse at Lima's socio-economic structure

Today, the national population stands at approximately 27.5 million (July 2001 estimate). (CIA Factbook). Between 52 and 54.8 % are said to live at or under the poverty line which is set at 2$U.S. per day (CIA Factbook; Wilson: Washington Post. June 16th 2002. P. A 22; Instituto Nacional de Estatisticas e Informaticas, 2002:11). In economic terms, this means that more than half of the country's population do not succeed in meeting the minimum requirement for basic need

consumption. Though it should be noted that such statistics hide some important discrepancies about what this means for people living in different regions. It is evaluated that the urban poverty rate stands at 42% while the rural poverty rate hovers at 78.4%. It follows that this situation carries some important implications related to the phenomena of urban migration (Instituto Nacional de Estatisticas e Informaticas, 2002:11). To escape poverty, people move to cities, though cities do not afford the conditions for subsistence lifestyle. According to the National Peruvian Statistics Institute, the rural poor, is said to be three to four time poorer than the urban poor; though I argue that rural subsistence is quantitatively and qualitatively different from urban poverty. This difference is not one that can be expressed only with numbers or statistics which again confirms the need to procure a more complete analysis of standards of living, one which is not only quantitative but also qualitative. Statistics alone fail in accounting for household production, especially that which is geared towards meeting basic needs or the generation of savings, for they focus on a consumption unit's ability to pay for consumption goods. This means that while statistics arguably point to the fact that people are poorer in rural areas, 'poverty' in this sense refers to the fact that in rural areas, there is less money, that families have less currency and that in turn they are unable to pay for goods. Obviously, this is indeed poverty; though poverty is also a consumption unit's inability to produce in order to meet basic needs. Perhaps statistics should start considering that poor urban families cannot have gardens, or keep farm animals, that they also often have lost the skills, abilities or perhaps also the time, necessary to knit, weave or sew which also helps in diminishing costs (related to clothing) and maintaining standards of living. In this sense, urban and rural poverty are fundamentally different, and that they cannot and should not be compared in a strictly quantitative manner.

By extension, worth or value is perhaps a more subjective dimension of consumption, as it should be evaluated according to its direct relation with means and invested effort. This notion refers mainly to the process or way by which consumption units acquire or procure goods and to the products relative value in terms of the savings incurred by and from the method of procurement. Therefore, the relative worth or value of a home knitted sweater may perhaps be higher that a manufactured sweater of the same quality. Here, the problematic is that the qualitative dimension of consumption, especially in contexts where social classes are polarized, cannot be limited to utility and preference, for it also relies on the subjective experience of "having" and "not having". Because "not having money" does not equate to "having nothing", or because "having things" is not

necessarily equal to "having money"; and that in the end, goods, whether they are bought or home made, may on one hand entail similar usages and utility, while on the other entail different worth in term of the subjective experience of "having". For example, a manufactured shirt is not more useful than a home knitted shirt though one can clearly argue that the latter may carry a higher symbolic or relative "value", and even more subjective "worth" if limited means inhibit the purchase of such goods[15]. Store bought chickens are not either more nutritious than home raised poultry, though the invested work in raising it may point to its higher relative value. Finally, home grown tomatoes and lettuce are not either less wholesome than those bought at the market or superstore, though their implicit role in generating savings, may also point to their higher relative value. Concomitantly, one should question whether poverty indices are representative of material realities in the context of subjective experiences of class consumption. I do not argue against the fact that people living in the Sierra (mountain) and Selva (jungle) are generally poorer than those living in cities; only that they have different ways of subsisting. By extension, intervention geared towards poverty alleviation should perhaps differ between regions; thus in response to specific consumption and production needs. This again cannot be deduced or extrapolated from strictly quantitative data.

Ending this digression, it should be added that Lima's population is now estimated at close to eight million inhabitants (CIA Factbook) if one includes "pueblos jovenes" (new and emerging urbanizations in Lima's peripheries). Its poverty rate is thought to be between 31.2 and 35.5% with an extreme poverty rate of only 3.1%. In the Andean department of Cusco by contrast, the poverty rate is approximately 75.3% while the extreme poverty rate is 51.3% (Instituto Nacional de Estatisticas e Informaticas, 2002:14) . Now we can justly assume that the specific needs of these populations, while similar in some way, are also fundamentally different in other ways.

In Lima, some neighborhoods are literal slums. Infrastructures are grossly inadequate, for

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Hypothetically speaking, one could see how value or worth, in a subjective sense rises as financial means decrease and as invested labor increases. Also, one could see how utility rises as product quantities diminish. In this sense, I argue that the relative utility of a product is maximized when no other product complies with its same exact use. That as we accumulate goods with the same use, the relative utility of each product decreases exponentially, because each good can be replaced by all the other goods which serve the same purpose. I argue that there is a relative point, set according to the objective of consumption, which separates need and excess. Past that point, relative utility still declines, though less rapidly and never reaching zero; thus because the relative utility of excess goods parallels their potential to eventually replace other goods with the same use.

people with scarce resources commonly live in unsanitary and precarious conditions. These same people, in order to survive often rely on informal work which is also related to low and precarious revenues. Those that attempt to infiltrate the urban market are usually "unable to meet the requirements of building codes or procure licenses needed to establish [legitimate] businesses. It is estimates that 50 000 people work in the informal market of Lima." (Uco, 2002: 3) In most of the 'popular' markets of Lima, buildings are made of straw and mud bricks. "Electricity lines are uncovered and hang like spider webs from the roofs, and tap water is undrinkable...many roofs are made of plastic and cardboard." (Ibid) Lima's growth has gone uncontrolled for years, and as such, civic authorities cannot maintain proper control of urban developments.

I have visited some very poor neighborhoods in Lima; areas where road and sewer infrastructures are non existent; places where children play with dead rats in mud streets and where people still do not have access to electricity, telephone lines and indoor plumbing. Urban poverty obviously leads to crime, and in Lima, this is evident. Knowing also that police response time is usually slow and home insurance rarely bought, people protect their homes and property with high fences or security walls that are topped with spikes and/or cemented broken glass. Windows have rails, doors have triple locks, and middle to upper class neighborhoods pay 24 hour armed street guardians to ensure security. In Lima, this is the norm rather than the exception, which by extension seriously inhibits healthy community relations. These details are useful because they help us visualize standards of living and perhaps also some cultural norms; though the intent of this section is not to thoroughly describe Lima in its socio-economic structure. Middle to upper class neighborhoods are contrasted to poor neighborhoods in ways that emphasize acute differences in safety and sanitary standards and classes are clearly divided by district as poor people do not generally mix with the upper classes.

Lima is also undergoing a serious employment crisis whereby a large number of people are underemployed. It is not uncommon for professionals such as engineers and accountants, to be driving taxicabs for a living. The irony is that unemployment is evaluated at a low 10%. (Escobal and Iguiniz, 2002: 75) Here, the problem lies in that quality employment is rare. In general, remuneration is low, hours are extemely long, the level of specialization is disreputable, mandates are inflexible, hierarchies are exaggerated, and employment benefits are scarce. (Escobal and Iguiniz, 2002: 76) The economy of Lima is evidently based on commerce, both formal and informal;

though there are industries from the primary sector which play an important role in the production of consumption goods. As such, 65% of production from the primary sector (produced within the department of Lima), namely foodstuff (agriculture, livestock, fisheries) is sold to the industrial sector for processing. (Gonzales de Olarte, 1992:45) It follows that this sector aims at meeting basic consumption needs and that consumption of non essential goods is still generally dependent on importations.(Ibid) An interesting point is that the region of Lima is firstly dependent on internal production (locally produced goods are consumed within the region), secondly on international production (intermediate and luxury goods must be imported to satisfy the regional demand), and lastly on interprovincial production (the rest of the country's production contributes very little to supplying Lima's markets). This last point is important because Lima is evidently the number one region in term of consumption potential. This said, other provinces or departments scarcely contribute to meeting consumption needs in the capital. The few exceptions concern the hydro-electricity sector and some intermediate sectors such as lumber, metals, and clothing. (Gonzales de Olarte, 1992). It follows that we ask why are provinces not actively involved in supplying Lima. On one hand, it can be assumed that the nature of provincial industries, because they are centered on primary resource exportation do not meet the consumption needs of the capital. On the other, one can speculate that global consumer culture and thus foreign imported goods, are more appealing to the emerging middle and higher classes of Lima, and that goods produced in Andean provinces are not only thought to represent a culture of poverty, but also viewed as being below international standards.

Finally, the spite between people from the coast and people from the Sierra which in Lima, is evident in common discourses that implicitly spell racism and disrespect toward 'Cholos' (people of the mountains), may also contribute to impeding economic collaboration between these regions. A certain cultural rivalry in the popular conscience of Andean communities and criollo Limanians can easily be detected. According to general stereotypes, the former conceives the other as arrogant, hedonistic and chauvinistic, while the latter perceives the former as uncivilized, un-professional and dirty. Although such attitude or cultural rivalries seem frivolous and perhaps irrelevant; they are fundamental impediments to successful economic cooperation between regions because inter-regional trust and respect would obviously contribute to the coordination of strategies geared towards a sustainable economic recovery. This said, the situation is slowly changing, especially given urban migration trends. Andean families are progressively infiltrating Lima's population

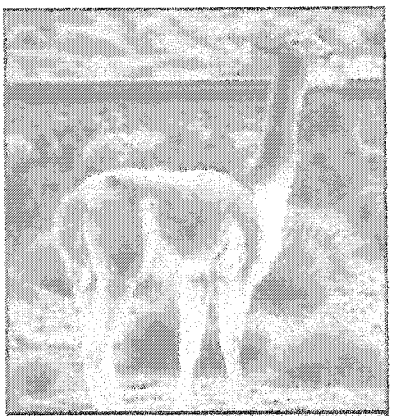
which may prompt changes in mentalities.

A glimpse at the socio-economic structure of the Andes

As previously discussed, poverty levels are considerably higher in the Andes compared to the coast. Also, the idea that poverty in the Sierra is also distinct from that of Lima based on fundamental lifestyle differences has already been debated. The politico-economy of the Sierra is characterized by subsistence based production, scant formal employment, preponderant informal economic relations, limited access to currency, precarious infrastructures and usually inadequate access to public services related to education, health and justice. Javier Iguíñiz, posits notably that any sustainable development in the sierra will have to come about through radical changes in its position in the national economy. It will not be procured by the old model of primary resource exports, nor will it come about through industrial import substitution. (Iguíñiz 2, 1994:37-39) One of the problems is that in the sierra, like in the Selva (jungle), there are few well remunerated fields of work. Well paying jobs are usually concentrated in urban centers. Notably, another issue which also further impedes development in the Sierra and Selva, is that most of the qualified workforce migrates to Lima and/or coastal cities in search of better opportunities. What happens then, is that the Andean economy is seen as being impoverished by centralization trends. Though Peru has begun a process of political decentralization (with the election of first time regional candidates in the fall of 2002); 'decentralization' is also fundamentally dependent on the states' capacity to promote regional retention of qualified young workers. (Iguíñiz 2, 1994: 40).

It follows that the means of production and distribution in peripheral regions also depend on access to technology, adequate infrastructure and services as well as the promotion of a dynamic internal consumer market. This means that technologies, infrastructures and access to services must enhance production options. In other words, productive developments will be born out of a combination of access to fundamental resources (promoted and supported by state outreach) and the production of affordable consumable goods (Iguíñiz 2, 1994: 50). In other words, access to appropriate technologies, adequate infrastructures and affordable utilities (electricity, water, telecommunications, etc.), should facilitate the expansion of micro enterprises. Iguíñiz, argues that it makes little difference whether products are sold as raw resources or at their primary stages of elaboration. He contends however that product transformation can be quite lucrative, when industries reach advanced stages of product elaboration. He adds that the final stages of production

can be realized near market destinations in order to promote convenience and efficiency in the process of production/distribution (Iguiniz 2, 1994: 53). Then, considering that geographic distance (in the case of the Andean economy) impedes low cost distribution, it is also fundamental that we seek to promote local consumption. Dynamic internal markets, in conjunction with a cooperation between local and inter-regional businesses can in turn encourage the development of efficient distribution networks. If, for example, entrepreneurs collaborate in the organization of product transportation processes, we can assume that considerable savings could be incurred through the coordination of product movements. Finally, to ensure sustainability, it is crucial that regional industrial developments aims at diversification and flexibility. This implies that a widening of the range of production options (goods produced and services offered) and the ability to adapt rapidly to market demands, will afford sustainability in the form of viable production orientations and a broadening of potential markets.



Young llama in the Altiplano*

Agriculture and production activities

In Andean regions, industries concentrate around agricultural activities and farming, mineral extraction and craft production. Foodstuff production will often vary depending on the altitude, climate and soil type; for example in the Altiplano, soil types and temperatures are inadequate for the cultivation of cotton and grains, though it is ideal for certain varieties of tubercles and types of livestock (alpacas and llamas are usually used for their wool, more than for their meat). In the mountains, where humidity and rains are abundant and accompanied by slightly warmer temperatures; cotton, tubercles (potatoes, cebadas, yams, papalisas, ollucos, ocas, mashua), grains and cereals (rice, quinoa, kiwicha, wheat, corn), beans (Tarwi, Habas) as well as livestock (cows, chickens, sheep and to a lesser extent pigs) are the bases of food production. (Smith, 1999) Communities, on top of being concerned with the fulfilment of basic needs, will also produce these crops and muttons for sale (Rajes Salazar, 1992). These most of

Peruvian corn varieties
http://www.hoxie.org/amazon/Corn.jpg

*http://www.spanishschoolsbca.com/peru.htm

the time must be transported to more affluent regions, whereby a more extensive market base also implies increased demands for certain goods.

The problem with traditional Andean produces, is that market demand is increasingly precarious. A research, conducted by Trivelli and Smith (2001), notably confirms that the demand for traditional Andean crops drops considerably in some urban regions. Their research was centered on uncovering some of the factors behind consumption choice in regards to traditional crops (oca, olluco, quinoa, kiwicha, habas); which is interesting given that the consumption of these produces points to preferences which clearly carry cultural implications. Comparing the consumption patterns of people living in Andean cities (Huancayo, Huaraz, Ayacucho, Cusco and Puno) and costal cities (Lima/Callao), they have observed that in Lima, first generation migrant, those that come from the Sierra, continue to consume traditional crops, though to a lesser extent. By contrast, non migrant living in Lima, consume substantially less of these same crops.(Trivelli and Smith, 2001) The analysis presented by the authors is mainly statistical and so it is necessary to extrapolate their conclusions to examine the cultural as well as socio-economic implications of the patterns they have uncovered. First, because eating habits are clearly cultural forms, we should address the problematic of acculturation; whereby second generation migrants and non migrants show a distinct disinterest for Andean alimentary cultural forms. Accordingly, the authors suggest that the consumption of these crops is associated with a culture of poverty; thus, the choice to abandon such habits may carry implications in terms of class identity. Secondly, Trivelli and Smith (2001) mention that there are important discrepancies concerning food policy pricing in Lima, and consumption of imported products is promoted at the expense of national produces. Then, there is the problematic of distribution, whereby the demand for traditional crops is not yet massive or consistent, which by extension works as an inhibiting force towards investing in the development of efficient and cost effective distribution networks. It was also noted that people who migrate to coastal cities usually change lifestyle forms, which is to say that the question of time management becomes a daily concern. Given that the preparation of traditional crops requires time and that the structure of labor activities in Lima do not allow for much free time (especially for lower class migrants), many chose to adopt eating habit that are 'faster' and 'easier'. (Ibid) By contrast, traditional Andean crops are very accessible and quite affordable in the Sierra. They are key ingredients in typical dishes and are recognized for their nutritive values. Finally, it is clear that local domestic consumption of these produces still outweighs extra-regional demand.

The rural economy of the Andes can be divided into two distinct spheres. First, the industrial, mining and agricultural sectors, along with large scale farming point to the presence and potential availability of large amounts of capital as well as established and expanded distribution networks. Then, there are small producers, which occupy the "merchant space." Their activities are centered on small to medium scale production, commerce, regional distribution of their products, and collective financing. (Gonzales de Olarte, 1994:269) Community based production in the Andes is fundamental to both subsistence and social integration. It can be best understood as a meso-economy, whereby inter-family interaction and cooperation strengthens the community. This, in turn, transforms the community into an institution; whereby forms of work relations, hierarchies, and modes of cooperation become normalized. (Gonzales de Olarte, 1994: 210-211) Using a dynamic functionalist approach to analyze such a phenomena, we can note that the functions of family inter-relations serve to promote communal reciprocity and trust. It follows that community relations reinforce social order, maximize resource use, enhance productivity, set norms of redistribution, and perhaps even discourage deviance.

Many Andean producers manage small to medium scale plantations or farms, which means that once again, the issue of collaboration between entrepreneurs is fundamental in order to coordinate the production and distribution of their products. Suitably, a number of farmer's association have emerged in order to facilitate the economic insertion of small producers. (Villasante Florez 1992; Rejas Salazar, 1992; De la Torres Postigo, 1994) Jose Rajes Salazar (1992), sustains in particular, and concordantly with Chayanov, that the "rural (campesino) economy possesses its own logic which is contrasted to the capitalist logic; moreover, that the relation dynamics it maintains at the level of community, while insuring the reproduction of internal characteristics, also afford resistence towards the penetration of capitalist production" (Translation from Spanish/ Rajes Salazar, 1992:22) He also argues that one should not treat the campesino economy as a model of production in itself, but rather as a productive sector which maintains relations of interdependence between production units (families and small communities) and the society at large through market activities and exchanges. (Ibid) Associations of small producers and of working women, now are becoming common. These are distinctly organized, though in a hierarchical way, they still afford group cooperation and more importantly a coordination between

socio-economic actors. They will advocate for their rights, mobilize so as to seek representation, and unite in their efforts to obtain financial support, maintain production and facilitate distribution. (Villasante Florez 1992, Rejas Salazar, 1992)

Consumption in Cusco represents a complex dynamic between people from both rural and urban backgrounds. Accordingly, exchanges between pastoral communities and urban municipalities are also intrinsically inter-related. People from the 'campo' need to sell their products so as to earn currency, while urbanites depend on the produces that 'campesinos' bring from the countryside. Their interdependence is crucial, especially given that imported produces are quite rare in Cusco. This is in part due to the fact that Cusco, a citiy of 350 000 habitants, does not have conventional super markets where all can be bought under one single corporate roof. On the contrary, in Cusco, at the start of this research, there was nothing close to a super market. Sure there were small stores that sold 'all the basics', but not one "superstore". Finally, a "Di-mart" opened in December 2002. Accepting all major credit cards as well as offering a play park for kids (while their parent shop) and a shopping space of approximately 3300 square feet, which is not that big compared to North American standards; it immediately attracted the middle-upper class. This said, "Di-mart" sells much of the same produce (though washed and wrapped) than that which is found in street markets.[16] My point, is that the Department of Cusco depends on agriculture, that locally grown produces meet most domestic consumption needs, and that contrarily to the North American norm, corporate control of foodstuff sales is far from being an economic reality.

As noted, the principle economic activities in the department of Cusco surround agricultural production. Though, one should note that production can be divided into two large sectors, the human consumption sector and the industrial consumption sector. In Cusco, but also in most of Peru, these sectors usually do not intersect, which means that they essentially produce different goods destined to different ends. In other words, each sector of production depends on a very specific market, which makes it vulnerable to demand fluctuations. The recession of 1988-1990

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"Di Mart" buys its produce from contracted local and extra-regional producers, which it sells at a competitive price. It imports some international products (mainly north American and Latin American), though prices for these are above the local norm. (Accumulated data: Cusco; December, 2002)

exemplifies how exclusive production orientations work against sustainability. In 1990, the value of the human consumption sector was evaluated at 47%, while industrial consumption represented 53% of total agricultural production. (Instituto Nacional de Estadistica e informatica, Oficina Regional de Cusco and Instituto de Estudios Regionales Andinos "Bartolome de las Casas", 1991) Agricultural production in Cusco, that which was geared towards satisfying local human consumption demand (human consumption sector- HCS), consisted in the cultivation of rice (2% of HCS), non brewing barley (2% of HCS), dried beans (1% of HCS), hard yellow corn (8% of HCS), starchy corn (20% of HCS), sweet corn (2% of HCS), potatoes (55% of HCS), wheat (4% of HCS), and yucca (manioc) (6% of HCS). By contrast, the industrial consumption sector (ICS) sponsors the cultivation of exportable produces such as cacao (25% of ICS), coffee (68% of ICS), barley (for brewing) (2% of ICS) and tea (4% of ICS). (Instituto Nacional de Estatistica e Informatica, Oficina regional Cusco y Centro Bartolome de las Casas Cusco, 1991).

Between 1988 and 1990, a number of production sectors suffered important declines because human consumption demand could not be sustained. The human consumption sector was heavily touched while the industrial consumption sector, because of its focus on exports, cushioned the blow of the economic crisis at hand. A serious recession was raging, wages dropped and hyperinflation afflicted all internal markets. Accordingly, the annual PBI variation (between 1985 and 1990) for human consumption of agricultural produces dropped from 2.1% to -5.9%; thus, while the annual PBI variation for industrial consumption of agricultural produces rose from 1.9% to 2.6%. (Ibid) As noted, this difference can be explained by the nature of the intended market. While the latter was geared towards the precarious internal Peruvian market, the other depended on external demand. In the years prior to 1988, a program of economic stabilization had been implemented, though could not be sustained on the long run. In 1988, hyperinflation raged, and the region of Cusco had to cope with a rise in prices evaluated at 131%. National reserves were already depleted and could not be used to cushion the blow. In all of Peru, public sector salaries and minimal vital remunerations (minimum wage) declined substantially in terms of buying power. (Ibid) More specifically, central government salaries, public sector enterprise salaries, and the minimum wage, respectively lost 80.6%, 75.9% and 40.7% of their buying power. (Ibid) Also, between 1989 and 1990, mineral production in the department of Cusco also dropped sharply, for the annual variations (in Real %) went from 16.3 and 23.1 in 1988/89 for metals (copper mainly) and non metals (sand, rock and salt)

respectively, to -11.5 and -60.6 in 1989/90 for these same Minera. Still, what we see, is that non metals production literally crashed for its intended market was largely internal. These events were also accompanied by bad climactic conditions which also contributed to impeding mining operations and agricultural production.

As noted, most Peruvian industries were affected by the recession, including part of the manufacturing and processing sector. Notably, the food industry saw a sharp drop from 29.3% to -15.2% in term of its annual variation between 1988/89 and 1989/90. By contrast, the chemical industry, which chiefly catered to foreign markets and for which a plant was re-opened after a period of maintenance, made a substantial jump from -5.8% to 44.5% in its annual variation. (Ibid) Since most sectors of production were touch by the economic crisis, it also follows that electricity consumption also declined at the level of household (residential consumption), commerce (commercial consumption), industry (industrial consumption) and public use (public lighting). (Ibid) In sum, regional economies are fundamentally dependent on the national economy, that market orientations must be flexible and diversified so as to avoid internal economic crises, and that market policies must seek to implement price controls and protect workers wages in order to avoid uncontrolled inflation and consequential drops consumption and thus in standards of living.

Tourism

At the beginning of the 90's, international tourism in Peru was also generally low. Terrorism, associated with the activities of the Shining Path and the hyperinflation (mentioned above) worked against tourism. During Fujimori's term, inflation was reduced to 15% and terrorism had been curbed through direct military action, which created an environment where tourism was encouraged and promoted. (Raymond, 2002:26) Finally, in 2000, 1 026 876 tourists visited Peru, of which 250 000 came to Cusco to visit the ruins of Matchu Pitchu. (Raymond, 2002: 27) Today, it is estimated that approximately 340 000 international tourists come to Cusco each year to get a glimpse of Matchu Pitchu. (Ibid) It should be noted that internal tourism is also important, and that Peruvians also visit Cusco. In 1998, it was estimated that approximately 110 000 national tourists (data collected by the National Cultural Institute at controlled site entrances) came to Cusco, also to visit the 'imperial city' and Matchu Pitchu; thus notwithstanding the thousands of Peruvian that are unaccounted for, and that come for annual festivals and family visits. (Ibid) Ultimately, Peru's main

tourist destination is Cusco. (Raymond, 2002: 30)

Then, considering that today, tourism is one of Cusco's main revenue generating industry, it is normal that cultural production and tourism oriented services take center stage in sustaining local revenues. Travel agencies abound in Cusco, competition is fierce and business, though potentially profitable, can fluctuate tremendously depending on seasons and travelers' flows. This is to say that the tourist industry, as one of the pillars of the Cuzquenian economy, rests partially on external factors such as international travel prices, currency exchange rates, demand for and interest in Peruvian cultural forms, etc. Between August and December, an important influx of North American and European visitors contribute to tourism oriented activities, which consist in visiting the numerous sites where the Inca civilization or colonialism left their mark. Colonial churches, cathedrals and monasteries, as well as museums are quite popular, while sites such as Matchu Pitchu, Sacsaywaman, the sacred valley- Pisac, Lamay, Urubamba, Ollantaytambo, Puca Pucara are also very sought by tourists. In November and December, many groups of young national tourists come to Cusco as part of their end of year school trip; and they too will visit pre-colonial and colonial sites so as to not only celebrate the beginning of vacations, but also to cultivate a sense of cultural identity. (Raymond, 2002: 31) Then, between January and Marsh, and sometimes up to June, international tourism is leaner though a greater number of visitors from Chile and Argentina come to spend part of their summer vacations in the Andes. From April to June, while tourism is lower, the local economy is supplemented by harvest season returns. Once harvesting is done, local communities will then focus on the activities of the dry season such as weaving and knitting, construction and repairing the damages caused by the heavy rains of summer (December to April). (Barret, 2002: 90) In June and July, Peruvians from all over the country come to the Andes to celebrate a number of festivals and celebrations such as the beer festival, the Inti Raymi (the festival of the sun), Cusco day and the 'Corpus Christy' (in may or June). These festival, like so many other events and processions are quite remarkable because they blend modern, Inca and catholic influences in eclectic and unique ways; and thus attract a large number of international tourists, (Barret, 2002: 114-115)

Surprisingly, Israelis are known as all year round visitors that stay not for a few weeks, but for a few months. They are so present in Cusco that a number of businesses, such as travel agencies, hostels and restaurants advertise their services in Hebrew; which is unseen for French, German, Japanese or any other language other than English and Spanish. Moreover, there are current jokes about how an Israeli can easily establish himself in Cusco without ever having to learn Spanish. Mockery aside, Israelis now own and manage a number of tourist oriented businesses, such as a motorcycle rental agency, hostels, restaurants that sell falafels and humus and arts and crafts shops. In the most touristy streets, restaurants will normally offer some famous traditional meals (cuy- roasted or fried guinea pig; anticuchos- cow heart on a stick; lomo saltado- beef, veggie, french fry, stir fry; etc.) as with a sensible range of foreign comfort foods. You will easily find Italian, Mexican, French, Asian and to some extent American dishes. More importantly however, you will not find a McDonald, Harveys, Burger King, KFC, Pizza Hut, Taco Bell or Dominos Pizza in Cusco. The reason still being obscure, it is commonly suggested that cultural resistence plays a role against the infiltration of "fast food" foreign industries.

These are interesting phenomena which speaks volume about local consumption relations. On one hand, we can note that tourists have particular preferences in food; that while they are interested in trying some typical dishes, they also want access to the foods they are accustomed to. Food is an important source of personal security and daily satisfaction, whereby people feel more at ease if they have access to the foods they know and like. Notably, I eventually developed an urge for peanut butter, which is neither easily found nor cheap in Cusco. Again, to speak of particular consumption preferences, and considering that such preferences are sought to be satisfied in order to maintain foreigners' presence is by extension, speaking of how an elite group of consumers (because tourists have money) can influence production and distribution parameters. If locals are not receptive or quick enough in responding to demands and preferences, it will be foreigners, as in the case of Israeli businesses, that will take advantage of niche market opportunities.

Considering the tourist driven market, it is obvious that cultural goods such as alpaca and

llama wool knits, ponchos, mantas, goros (winter hats), as with sculptures, jewelry, Andean music and other arts and crafts are in high demand in Cusco's center. As such you will also find a huge number of more or less expensive shops that cater specifically to the tourist demand for such products. These shops often fix prices above the local norm and do not generally bargain them down. Ironically, these same products are also available in various markets (central and peripheral), which usually sell for less. Market place vendors are usually pushy (or insisting) though they will readily bargain with potential buyers. Unfortunately, tourists are often discouraged from going to these markets, especially San Pedro (the central market), because they are deemed dangerous due to the proliferation of thieves. Given normal necessary precautions however, such as wearing a money belt, keeping a close eye and a hand on one's backpack, abstaining from wearing expensive jewelry, and preferably going before dark, such claims of "danger" are slightly exaggerated.

Musicians playing Andean music
http://www.hoxie.org/amazon/Musici~1.jpg

Tourism also generates and/or contributes to a number of local business trends. For one, the popularity and mystical character of Inca spirituality an rituals have promoted an interesting industry. Tourists who are interested in spiritual healing, gatherings and outings can, for a modest sum, participate in such activities. They will meet shamans, *brujas* (witches), and spiritual guides (some self proclaimed) which will teach them (some supposedly) traditional rites and practices. In this context and considering the tourist demand for cultural goods and services, one can note that culture will pragmatically be reconstructed to fit the expectations of foreigners. This is to say that the authenticity of manifested cultural forms, can at times be questionable. In other words, tourists come with certain expectations about what they will see, feel and live; as such, in order to comply with such expectations, culture, through goods and services, is recreated for their benefit. This is indeed a lucrative business in Cusco; one which takes many forms according to different degrees of authenticity.

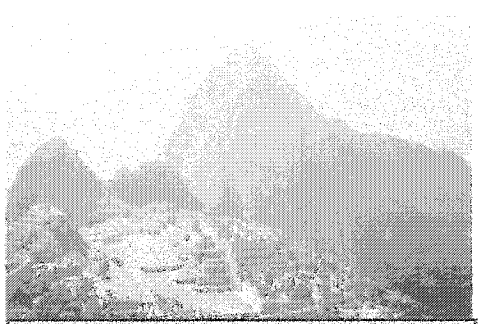
Chapter 5: Linking consumption to family, community and cultural dynamics

Research Results

This research sought to uncover how consumption, and therefore the relations that are born out of it, impact family, community and cultural dynamics. Moreover, this project sought to elucidate the role of consumption in the maintenance, improvement or deterioration of living standards. Then, to uncover with precision how consumption choices, preferences and habits affect social behaviours and well being, data was gathered in different families, in different neighborhoods, within different market-spaces and through various activities. First, it should be noted that the productive industries afore-mentioned, notably agriculture, farming and tourism, have a tremendous influence on consumption patterns in Cusco. Moreover, these industries, coupled with the weight of importations, for the products and services that are made available through them, have a huge impact on the local culture. Obviously, specific agricultural activities make available specific produces such as traditional crops; which by extension creates consumption patterns which tend to reproduce and to a certain extent, change some local cultural forms. Similarly, the tourist demand for 'local' cultural commodities or the tourist demand for specific foreign goods, also create consumption trends which shape the local culture. In retrospect, the presence of large numbers of tourist creates and promotes the commodification of culture.

Matchu Pitchu: a lucrative cultural commodity

As an example, one can argue that the subjective experience of 'Matchu Pitchu' reveals how culture is marketed and consumed as any other commodity form. An ancient city of carved stones located at 2800 meters above sea level, Matchu Pitchu is naturally a cultural site to be preserved. It was the spiritual heart and royal fortress of the Inca civilization. It follows that any good tourist, goes to this magical site and that many have been bombarded with images of what it will be like. Surely, one should not expect any more or any less than ruins. Upon arrival however, one will find the site partially reconstructed in ways that betray historic authenticity. The Incas did not have cement, yet there are 'reconstructed' rock-cement walls. They also constructed with an intricate sense of geometry, one which



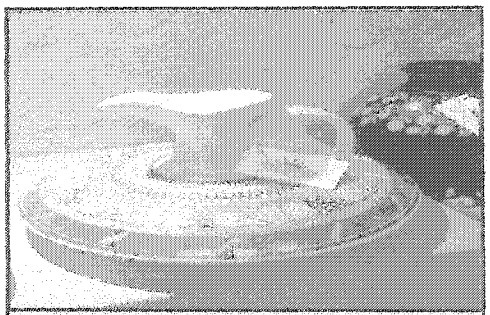
Matchu Pitchu

was not reproduced in the new constructions. Also, new straw roofs had been built, to give the impression of 'how things must have been'. Tourists did not seem to mind, nor notice, that the original ruins had been modified to satisfy their expectations. Perhaps tourists would not be satisfied with 'only' ruins, for hypothetical reconstructions can give the impression that the abstractness of antiquity is suddenly elucidated. Then, to enhance tourist comfort, satisfaction and marveling, an expensive hotel and restaurant have been provided right at the top of the mountain, thus providing a lovely and enchanting view. To add to the cultural delight, we were entertained by musician dressed in robes of cloth (a modern Inca costume) and playing what we think is traditional music. Finally, at the end of the journey, a 'little Inca boy' in a traditional looking tunic salutes visitors; running down the hill, to meet the bus at every turn, screaming a farewell chant in Queshua (the Inca language); then, at the bottom hopping on the bus, completely out of breath for applause and a few coins.

Though not in the least unpleasant, this subjective experience of consuming culture and perhaps history is however quite meaningful, thus especially in understanding the nature of cultural industries. Like any other commodity forms, the product: which in this case is Matchu Pitchu and the image of the Inca culture; is modified and/or enhanced to fit the expectations of the consumer. Literally, Matchu Pitchu, the idea of the Inca civilization and all that comes with it, its art and folklore have become commercialized. Like a movie which aims at good reviews, or an amusement park which seeks repeat business, Matchu Pitchu is a cultural commodity. Its historic reputation surely precedes it, though ruins alone can scarcely compete with Walt Disney World, Bio-Domes, and other virtual worlds. The 'mise en scene' of Matchu Pitchu can be perceived as an enactment; like modern gladiators fighting while we dine on the side lines; one which gives an idea of an historic past under the assumption that it might be demystified in an entertaining way.

Access to such cultural commodities has also become expensive, for the trip from Cusco to Aguas Calientes (the small town at the bottom of the mountain), which can only be done by train, plus the cost of the bus to Matchu Pitchu, plus the cost of the ticket to the site, represents a disbursement of approximately 100 U.S.$. Considering that an estimated 340 000 international and 110 000 national tourists (these usually pay less than foreigners) visit Matchu Pitchu each year, then Matchu Pitchu alone (tourist transport plus site entrances), represents a 40 million dollars (U.S.) industry. The business of tourism in Cusco is the business of culture and as I suggested, it is

indeed quite lucrative. The local population knows that the prosperity of the region depends largely on how well they sell cultural images and experiences. This is not to say that 'it's all fake', on the contrary; culture is reproduced and recreated (and perhaps enhanced), which in turn shapes regional identities.



Decorative pottery
http://www.mtigrp.com/amazon/

In Cusco, people participate in a wide range of cultural activities (celebrations, festivals, carnivals, processions, manifestations) that not only contribute to making Cusco a cultural Mecca, but also maintain a strong sense of local identity. The irony, is that in Cusco, locals often have contradictory feeling about foreigners. It's like a love/hate relationship. On one hand they appreciate them, for the money they bring, and perhaps for their other contributions (whether they be cultural, intellectual or social). Locals can be proud of what the region has to offer, of who they are, thus because foreigners clearly admire both the culture and the vicinity. On the other, Cusquenians, for their specific colonial history, also feel a sense of disenchantment toward foreigners. The local economic dependence on tourism can be said to compel an attitude of crooked compliance towards foreigners. An attitude which is warm and polite on the outside and sometime bitter and contemptuous on the inside. I became aware of these mixed feeling through my contact with locals, whereby they readily expressed their combined appreciation and apprehension towards foreign strangers. Also, I noted that certain cultures are much more stereotyped than others. Americans are for example called "gringos". Typified as rich, arrogant and somewhat ignorant, the middle-aged American tourist of middle-upper class will be a target for rip-offs.

Tourist artifact market*

The phenomena of stereo-typification is quite interesting given that is goes both ways. While foreigners are typified and stereotyped, the local cultural forms and thus the people, are too. Cultural products, whether they are sculptures, paintings,

*http://www.libbyandtony.com/SA_Peruvian_Market.JPG

ceramics, clothes, carpets, mantas, furniture, musical instruments and/or music, food and/or entertainment, will inevitably represent people in how they live, work and play, in what they value, in how they perceive the other, in what they think the other wants, etc. Considering postmodern analysis of consumption and hence, the meanings and significations of the products themselves, consuming Cusco's local products, from the point of view of foreigners, is also consuming the local culture. By extension, the tourism industry and the consumption it implies by and from tourists, also represents the potential diffusion of certain cultural forms.

Obviously, the social implications of such market dynamics are visible at a more local level, whereby the tourism industry generates business. Business, being largely informal, employment being sparse and poverty rates being exceptionally high in the Andes, it is normal that a multitude of social actors seek in their own unique ways to exploit market trends. On a daily basis, in Cusco's city center, tourists will be besieged by a multitude of tour guides trying to recruit clients for their day's work. Also, it is not uncommon to see women and children in colorful traditional looking clothing (which are in fact folkloric costumes) with their furry animals (llamas, baby sheep and/ or puppies) seeking to have tourists take pictures of them for a few coins. As noted, street vendors are everywhere, selling postcards, candies, cigarettes, paintings, knitted belts, and much more. These are obviously subsistence strategies that may or may not be viable depending on local demand. The problem, is that the sheer quantity of vendors targeting foreigners causes stress on the relationship between locals and visitors. Foreigners feel as if constantly assaulted by people who want their money, while vendors continue to push for sales because their subsistence depends on their daily success.

Interpersonal relations between sellers and potential consumers are most of the time polite and courteous, though sometimes, when a tourist refuses to 'buy', one may also hear muttered commentaries and insults about how cheap one may be. It is indeed unfortunate that the idea that all tourists have loads of money has integrated the popular conscience, since it clearly affects how tourists feel they are perceived by locals. The interaction that such interpersonal dynamics promote can thus degenerate into what can be perceived as assailment which then also promotes aggressive defense. It follows that when innumerable vendors target and follow a tourist, that this last one may be stunned, reacting in an aggressive manner. In such circumstances, some tourists lash-out in rage. On one occasion for example, a middle-aged woman, with a strong English accent, verbally and

physically threaten a young boy (postcard vendor) no older than eleven years of age. With her fist in front of his face, she shouted "and you, you want this; I don't want any of your f*c**ng postcards!" The boy obviously did not understand English, and stayed frozen as the lady walked away. The other children (other postcard, cigarette and candy vendors as well as shoe polishers) showing solidarity, came round to ask what happened and so the boy explained as he could. In less than a minute they were all laughing, making fun of the lady, imitating her and making comments about "Gringos" (the typical American tourists). This incident, reflects a distinct dynamic between locals (especially working children and teenagers) and foreigners. First, it is understandable that tourists become saturated with 'purchase solicitudes'; for it is literally impossible for a Caucasian to walk in central Cusco without having vendors follow you in an attempt to sell you one or another type of product or service. By contrast, for the young vendors, this type of work is both a form of subsistence and a great challenge in term of maintaining personal self esteem and dignity; thus, because much of the time, a successful sale means compelling pity. Nonetheless, their well being clearly depends on their ability to sell, which means that they obviously depend on tourist consumption.

Children and street work:

The central plaza is the place of choice for round-ups of children selling postcards, cigarettes, candies, hand knitted purses, finger puppets and shoe 'polishing' (only boys). Some of these children are obviously homeless and/or abandoned, though many are asked to work by parents who otherwise could not afford to meet their basic needs. Many do it because culturally, it is normal for children to contribute to household revenues. Strategies are so wide ranging that one should be aware that some children are really goods actors or really good thieves, while others are really good PR (public relations) agents. It is not uncommon for children to ask tourists where they come from; from which they will proceed with information on that country's capital, naming some of the main cities and the languages spoken there. Thus in an effort to establish a positive contact that could result in a sale or in the obtaining of a gift or donation. It is sometimes difficult to decipher what is real and what is not; if one is being played or manipulated or if all of what is going on is transparent and true.... A boy, no older than 5 or 6 years old, crying on a church's steps, may be abandoned and in need of help, or a really good actor wanting to generate pity and sympathy in order to obtain free food or money. Through participant observation I documented such an act, by the same little boy, at the same time of day on weekdays, in front of the same church, enacting the same

drama for any tourist which might have the heart to stop and talk.

Here, one should consider that child labor is not everywhere viewed in the same way. In Peru, and especially in the Andes and in surrounding rural regions, child labor is an integral part of the socializing process. Moreover, for poor families, child labor is very often fundamental in maintaining family revenues at a viable level for the household as a whole. Through work, children have traditionally learned to integrate their society while contributing to the familial economy. This is in sharp contrast to western practices whereby children are socialized through formal schooling and extracurricular activities, and whereby children and their undertakings represent overheads rather than returns. In Cusco, many children from poorer backgrounds work on their own during part of the day and go to public school during the other part of the day. By extension, one can speculate that children spend less time in the household or with their parents integrating principles of healthy family relations. This is important because what traditionally has been of the domain of familial enrichment and upbringing, is then compromised by the child's lack of exposure to healthy and cohesive kin contact.

This dynamic can be analyzed from two different perspectives. First, from an symbolic interactionist approach, we can posit that the lack of consistent and stable relations with the primary group (the family) may cause for the child profound insecurities as to his or her sense of belonging. On the other hand, his or her participation to family revenues may generate a sense of contribution within the group; one which, if not fulfilled, may cause feelings of inadequacy and uselessness. Then, following another approach (dynamic functionalism) and analyzing systemic functions and dysfunction of such social patterns on a long term scale, child labor may not be dysfunctional if it does not interrupt primary group bonding. By extension, child labor that implies a child regularly working alone on the streets, away from parental supervision, and/or close kin contact may in fact be a serious impediment for the future generation. To be clear, this potentially dysfunctional social orientation compromises healthy family relations and the learning of 'good parenting' skills. Obviously, good parenting is rarely if at all, learned in school or on the streets, which means that when these street working children shall become parents, they may be likely to emulate such sparse family dynamics. On the flip side, children who work along side their parents may be advantaged, for they might learn valuable skills, be exposed to constant or more consistent supervision and care

and develop primary social group bonds that might in turn promote family cohesion and good parenting in the future.

Family, work and consumption

I have had the chance to develop close contacts with a lower class family of ambulant merchants (Family A-1). Through their distinct production relations and consumption habits, I have learned a great deal about their standard of living, the gender dynamics in the family and the labor organization of that household. All the children, three boys and two daughters, participated in one way or another to the household work load (with the exception of the youngest son which was but two years old at the time of the study). The father and the oldest son (17 years old), worked in and around the household: molding, shaping and polishing silver sculptures. They used custom homemade molds, rudimentary tools and a small outdoors stove which served to meld, fuse and shape pieces of silver into typical cultural ornaments, figurines and pendants. In the meantime, and less than ten feet away, the five year old son watched the chickens in the yard while playing with some usually homemade toys such as dollies and bundle balls. Sometimes, he would accompany his sisters and mother to Cusco's center where they would setup their tarp and expose their products for sale. The mother, while tending to her two year old son, with her daughters learning at her side, would knit sweaters and hats, weave typical belts or fashion cloth dolls that represent the Patcha Mama (mother earth). Everyday, mother and daughters would leave their humble mud brick home, located in an unpaved neighborhood on the city's outskirts, to sell their various products (holding an average market value between 5 to 25 nuevo soles or 1.5$ to 7$ U.S. per unit sold). Sometimes, the oldest son would come along in the morning to help setup the tarp, because the girls usually had classes in the morning, after which they would meet their mother in center town.. Their older brother went to high school in the afternoon, which allowed him to lend a helping hand in the morning. The girls sometimes missed classes because they only had one uniform each and if it was washed the night before, it would not be dry by the morning. In this case, the girls would accompany their mother, as usual to sell and make goods in center town. The daughters (nine and eleven years old) were also active in tending to the youngest sons (two and five years old), for their mother would sometimes leave the girls in order to tend to other affairs; thus, proving her complete confidence in their ability to watch over both their venture and younger brothers. It was particularly enchanting to see that both parents were usually patient and kind with their children, and that in return, all were

polite and obedient, willing to work and contribute to the family's economic activities. This is a good example of how the family unit is also a production unit, a system that, on one hand integrates its members, while also providing a cooperative work environment. Raw materials are bought and goods are successfully produced and sold due to the active participation of all members, which by extension generates returns that will benefit the entire group and maintain, an albeit low standard of living.

Before Christmas, I asked the girls what they wished for. After much resistence (in the form of shyness and trepidation) and after suggesting to only imagine if all was possible, the youngest said a doll and more specifically a Barbie doll. The other replied that she wanted her brothers to get what they wanted; thus, as if her wants were secondary to her brothers or perhaps non existent. This behaviour may connote machismo, whereby women and girls are still second class citizens. This may also point to the close ties of family members: ties through which group cohesion is manifested through solidarity, sharing and giving. Thus, such family dynamics also show how some family members may be prompted to wish for the happiness of their kin in place of their own. Through the time spent with the girls, it occurred to me that they had not developed complex consumption preferences.[17] They did not complain about their clothes or about the food they had access to (which at times consisted in collected leftovers shared between themselves and their parents), and they did not either demonstrate brand consciousness (except for the Barbie Doll). On the contrary, it seemed that their limited means and collective hard work made them realize just how inappropriate and inconsiderable such predilections would have been. In other words, why should one have caprices when the entire family struggled daily to meet its basic needs.

The parents had chosen to migrate to the city of Cusco in search of opportunity, thus with the arrival of their first son and Queshua remained its main language. They came from a rural region of the Sierra, and still held strong traditional values. Upon arrival, they settled not too far from other relatives' homes, relatives who had migrated previously in similar circumstances. Though they

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In this sense complex consumption preferences refers to brand-name consciousness, the desire to consume and accumulate specific goods or the expression of likes and dislikes related to the products they have access to. Data accumulated through participant observation, in November 2002.

maintained close contact with their local extended family, they did not trust their neighbours and deemed their neighborhood community dangerous.[18] This is a community dynamic which I found was recurrent in most of my case studies. One, whereby the extended family is extremely cohesive while strangers, whether they be long time neighbours, are not easily coalesced to the original primary group. I, for one was privileged enough to be warmly welcomed by the parents, thus because I invested a fair amount of time and energy in caring, talking, sharing and listening to the children. Eventually, I was asked to be the godmother of the youngest son and, hence, participated in the traditional ritual that consisted in the child's first haircut. This could be said to be the traditional equivalent of a baptism.

This A-1 case study allows a better understanding of the importance of family consumption and production relations in sustaining a said standard of living and confirms that still a good number of Peruvian/ Cusquenian families produce in order to consume. Indeed, different forms of home-based production serve to generate returns as well as minimize expenses. That is to say, on one hand, that goods and/or services are sold to a said consumer group: a production activity that represents household revenues; while on the other, goods are also produced for the purpose of household consumption: production activities that represent savings. For households of the lower class, revenue generating production is based on the transformation of raw materials; while savings generating production is centered on meeting basic needs related to food and clothing. The middle class, by contrast did not, in either case studied, sell homemade products. They did however sell manufactured products or services from home: activities that clearly demanded a different level of organization and less manual skills. Moreover, activities that meant to reduce household expenses, also seemed to be centered on fulfilling both: essential or basic needs, as well as more luxury oriented consumption preferences. This is an interesting phenomenon given that either type of production activities represent the manifestation of different subsistence strategies, or means by

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[18] Here, danger refers to the presence of thieves and the occurrence of occasional violence or fights. Also, the respondent made it clear that she could not trust their neighbours, that she felt unsafe and feared for her children. As it had occurred in the past, her children, sometimes carrying a little bit of money from the days' sales, could easily be robbed by older teenagers. Interview January 19th 2001.

which standards of living can be maintained. The only difference resides in the production form that is elected and in its direct consequence on household consumption. In order to explain these observations, I propose to review how each family studied, engaged in production and consumption based operations. This will enable a better understanding of inextricable links between production and consumption; as well as how standards of living and family relations are greatly dependent on the way families conduct their production and consumption activities.

To illustrate living conditions, it may be useful to describe the material reality of family A-1. First, a good portion of the household flooring is dirt, though in the bedrooms large pieces of plywood cover the ground. The girls sleep together in a single bed, as with the younger boys. The older son has his own bed, which is located a little to the side from the other's sleeping space. The parents sleep in another room and have a homemade double bed, which consist in a simple frame and a mattress made out of superposed wool blankets. Clothes and personal articles are kept in stacked wooden boxes. There is no access to indoor plumbing, though there is a faucet outside. The toilet, consisting in a rudimentary porcelain bowl with no tank, is outside in a shack near the workshop and directly connected to the sewers (buckets of collected rain water are used to flush down excrements). The family (A-1) holds a small lot that can be described as a muddy yard where they keep chickens and ducks for household consumption. Also, the mother usually knits sweaters and socks (and pants for the baby boy) to meet some of the clothing needs of her children. Clothing was passed down from one child to the next, though the mother, does at times, buy or have access to cheap second hand articles.[19] Laundry is done by hand in large basins or vats and hung to dry either outside (when it does not rain) or at one end of the workshop. In the kitchen, there is a two element gas stove (with no oven) and a range of containers (buckets) for drinkable (boiled) and undrinkable water. There is a simple wood table with chairs which serve as dining area; and where the children do their scholarly homework. The household is usually dark, for there aren't a lot of window and/or electric lights. Though they have a radio, they do not have a phone, a television, a water heater or any electric kitchen appliances (refrigerator, oven, microwave, blender, etc.). They

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[19] Second hand clothing can be found in most markets, notably the San Pedro and the san Jeronimo. Used clothing costs between 2 (for a child's shirt) and 10 (for children's pants) nuevo soles or between 0.6 and 2.5 U.S. dollars. These are always tax free. Interview: January 19th and participant observation January to Marsh, 2003.

do not either utilize public Internet services and have little to no exposure to computers[20]. Their transportation consists in taking the bus (50 centimos or 25 cents U.S. per adult- accompanied children ride for free- though with the rise in gasoline prices, fares increased to 60 centimos or 30 cents U.S. in February 2003) and walking. Very rarely could they afford to take taxicabs (average rate of 2 soles during the day and 3 soles at night or 0.6 US$ and 0.9 US$ respectively). And finally, the parents did not either have bank accounts.

Obviously, such living conditions and consumption patterns reflect an urban subsistence lifestyle, one by which space, means, utility consumption and goods accumulation are all limited. Consumption is geared toward short term and pragmatic fulfilment of basic needs, meaning that the family did not engage in the purchase of reserves, such as large quantities of produces or goods, or in the purchase of luxury goods. This is important because living standards sustainability and perhaps even upward social mobility, can be promoted through regional market policies. Considering that such household's revenues come from activities conducted within the local informal economy, standards of living are best assessed according to the family's consumption patterns. Thus, in order to alleviate some of the difficulties felt in terms of consumption limitations, low tariffs for basic utilities must be implemented for families that barely meet the basic needs of their members. If the problem resides in evaluating income, knowing that a substantial portion of household revenues come from the informal sector; then living standards could be evaluated more accurately, taking in consideration certain consumption traits (food, space per person, essential and luxury goods, services, etc). Municipalities and utilities corporations could then adjust their fares

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[20] The use of computers and especially public Internet booths is becoming very popular. In downtown Cusco such businesses abound. Tourism promotes this phenomenon because visitors use the Internet to stay in contact with their families and friends. Also, the contacts or friendships that locals make with tourists can be maintained through email and Internet chat. The cost of computers is clearly out of range for the majority of Cusquenians, which points to the potential of business in public Internet services. An hour usually costs 2 nuevos soles (0.6 $U.S.), though in poorer neighbourhoods, where the clientele is chiefly local, prices revolve around 1.5 nuevos soles (40 cents U.S.) per hour. This phenomena also implicates a number of social consequences related to the local 'youth culture'. More specifically, teenagers but most particularly boys, with the little moneys earned through work or parental contributions, spend a fair amount of time playing computers games (first person shooters) on the web. Girls and boys, also use chat spaces to meet international Internet friends. (See the work of Ludwig Huber, 2002)

and taxes to accommodate those living in precarious conditions. Thus, instead of setting prices strictly based on district norms, as is the case in Cusco. Again, the state and its representatives, especially now that political districts have been delimitated, could perhaps implement programs geared towards facilitating access to basic utilities. Such programs could for example involve qualitative and quantitative assessments of family consumption and revenues in order to adjust fares based on necessity and means.

The other family of lower socio-economic status (Family A-2) that was studied, also engage in craft oriented production activities. Both parents fashion and sculpted stones into chess pieces representing the Incas in black and the Spanish conquistadores in white. The chess board also, is custom-made out of stone. Their product though more time consuming in its fabrication (representing up to two days of work with two workers, for each game set), has a higher market value per unit (between 100 and 150 soles, or between 35 U.S.$ and 53$). They sell their work to merchants who then raise the price for their tourist customers. In this family, the children (two boys, aged 11 and 13) do not participate in household production: one goes to school in the morning while the other has classes in the afternoon. The youngest often plays with a portable electronic game set which was given to him by family for his birthday. The older spent his time reading and playing with neighbors. This family is also fervently catholic and participates in a number of weekly meetings with its congregation. The children are very active in this setting and attend mass and choir practice with diligence. Unlike family A-1, family A-2 has a garden, that yields herbs (medicinal and aromatic) and some vegetables such as onions and tomatoes . At times, the family keeps chickens for household consumption, though this is not a continuous subsistence strategy. The mother often knits, scarfs and socks mainly, which contributes to meeting some of the family's clothing needs.

The house is located on a steep hill in a peripheral neighborhood not to far from center town. It does not have direct access to a street, and rock carved steps must be used to reach the front door. This is not uncommon for Cusco; first, because the city is not divided into square blocks, and also because cross street could not be constructed on the city's steep edges.

The family's living space is divided into two halves, both sections are constructed out of mud bricks though partially recovered with plaster and cement in some places. In the first, there is

the living room, the master bedroom and the washroom (only a toilet and a sink); while the other, consists in the kitchen and the children's sleeping quarters (upstairs). Some rooms are partially painted which embellishes the household. The two sections are divided by a private paved yard, where there is a faucet and a cold water shower shack. There, the laundry is also hand-washed and hung. On the south side of the yard, the kitchen serves as a cooking, dining and workshop space. It has an unfinished dirt floor, a two-element gas stove with no oven, a large table and six chairs, and a small radio with a tape deck. Moreover, because there is no indoor plumbing in the kitchen, different sized buckets and containers are used to separate the drinkable (boiled), non drinkable water and liquid wastes. The workshop corner consists in a small table and a range of non-electric hand-held tools. In both households (family A-1 and A-2), covers and utensils are un-matching though fairly abundant. Still, in both households, there are no counters on which to prepare the food. The mothers will sometimes use the tables though most of the time sit on small benches or stools, preparing the food at floor level. In the middle of the kitchen, there is a home-made wood ladder which leads to an unfinished second floor (with some holes in a few places). Upstairs is were the two boys sleep. Their mattresses are made of wool and stand on homemade bedframes. They do not have many things. Their clothes, books and few old toys are kept in a single shelving unit. In the other section of the house, on the north side of the paved yard, there are finished wood floors and painted walls, a cushioned chair and another dining table and chairs. These last ones are of higher quality compared to the ones in the kitchen, though still quite old and simple. There is an old black and white television in a wood frame (no cable) and a wall unit with lots of papers and a few books. There are no other ornaments aside from a picture of the Virgin Mary on the wall. In the master bedroom: clothes and personal articles are kept on a table or stacked on rudimentary shelves, and there is a double bed that consisted in an elevated wood frame with a homemade mattress of stacked wool blankets. In the entire house minimal use of electricity is also evident. There were no additional lamps aside from the ceiling lights, no other radio than the one in the kitchen, no water heater and no electronics or electric kitchen appliances. This family does not have a phone though the parents commonly use the one owned by the father's brother, who lives two houses up the hill.

This house has been owned by the family and passed down for close to three generations, which points to how on the long term, home improvements have been implemented; thus setting in motion slow albeit steady ameliorations to living conditions. Compared to Family A-1, this family, though still quite poor, had access to 'nicer' or 'newer' clothes; higher quality foods and access to some, albeit few, nonessentials. This can be attributed to lower household maintenance

and/or lower overheads. The household infrastructure, refined through the years, and compared to the household of Family A-1, affords more comfort and improved sanitary conditions. Though accumulation and luxury goods consumption are still at a minimum, use of space and means allocated to basic needs fulfilment are clearly less constrained. In comparison to Family A-1, and considering that the goods produced by household A-2 are of higher value, that raw materials cost less (stone compared to silver), that they required less workers for all stages of production and distribution (sale), that the household infrastructure is superior and that the family has a lighter burden of basic needs to meet (less mouths to feed or bodies to outfit); it is obvious that Family A-2 has a slightly higher standard of living compared to family A-1.

In this household (A-2), children are quite compliant, though they have access to more free time. They do not have to work, aside from going to school and doing their homework. Parents are less overtly affectionate (compared to family A-1) though still quite tender and understanding. The mother had grown children from previous conjugal relations and many (those that had not moved to other regions) visit regularly although they do not contribute to this household's expenses. As noted previously, other family members live nearby and extended family relations, at times tense, are usually cooperative. In the interview, the mother explained that her upbringing had been abusive, as she has suffered abusive treatment and deprivation. For this reason she does not maintain close kinships. She does however cultivate closer ties with her husband's siblings. While the boys play with other neighbourhood children, the parents do not actually have close contact with their neighbors. They know and respect them albeit the fact that they are but mere acquaintances. Non-kin neighborhood relations are usually centered on privacy and courtesy. They do however maintain strong bonds with the members of their catholic congregation. Together, they often prepare and share food in the context of Mass and religious meetings, talk affectionately about their life difficulties, aspirations and faith and also help each other through reciprocal favors. Such extra-familial relations are a-typical, considering that neither of the other families studied maintain such close contacts with a specific secondary group. I had the opportunity to integrate the congregation and believe that the nature of this parish may have promoted such ties between its members, thus principally because it consists in a small group of around forty people. On top of going to the 'normal' in-church mass, they also have a separate service whereby a priest conducts a different kind of mass. Members of the congregation who feel the need, can talk publicly about their sins and blessings, they sing and dance together and they always conclude with a communion whereby they

will share a thick flour based bread (rather than the regular Ostia) and wine. For this and other rites and practices, they meet at least twice a week. Such rituals, because they involve communal consumption activities compel bonding. So much so, that members call themselves brothers and sisters. Hence this family's sense of 'community' is most probably fulfilled not so much through its relations with its extended family, but rather through its relations with the members of their congregation.

The boys do demonstrate brand consciousness, though they do not manifest any specific material desires. They know too well that their parents don't have the means to fulfil vain material predilections, and so they rarely mention their brand preferences, aside from reiterating their bias towards Coca Cola and Inca Cola. Though the boys don't participate in household production, the mother places an emphasis on the fact that according to her, "[her] children have to live [her] economic reality." (translation from Spanish, Interview conducted Marsh 15th 2003) This means, in the context of the interview, that the children, above being aware of familial economic limitations, have to resign themselves to not asking for what they know they cannot have. Also, according to the parents' religious values, humility, modesty and privation is valued over materialism, pride and vanity. The children in turn are complacent, though generally quiet and shy. They are not bitter or angry, for they seem to understand that many children in their neighborhood have even less. Through the time spent interacting with them, it became clear that they had integrated a certain class consciousness, whereby they seemed to know they did not have much though understood things could be worse.

The subject of the third case study is a middle class family (B-1) living in a center town neighbourhood. Their three story home is located in downtown Cusco in an area that is not usually recommended to tourists, especially after dark. In the commercial area surrounding the San Pedro central market, the household's entrance is located in a dark alley about a hundred feet away from a busy street. The family owns the entire building which it has divided and rents out to generate revenues. The first floor is divided into rooms which are rented to foreign students and tourists. The second floor is rented to a small business and the thirds floor serves as living space for the parents and three grown children. The father, who works for a firm as an accountant has a fixed income and is charged with most of the living expenses aside from food and mortgage. These last overheads are usually covered by the revenues generated through the rental of the lower floors. The mother, a

house-wife, manages the household, the rental of the rooms and second floor, and provides for the included services. Her daily activities consist in shopping for food, cooking three meals a day for the family and boarders, cleaning the rented rooms, second floor and house, doing the laundry, etc. The youngest son (21 years old) is studying tourism in a local university while his two older sisters, (24 and 26 years old) work in local travel agencies. By the end of the case study, in the fifth month of data gathering, the children, with money they had saved and with the financial help of their parents, opened their own travel agency in downtown Cusco. All three children still live with their parents and do not collaborate (and never have) to household expenses. This explains in part how it was possible for them to save their earnings in order to open a business. The girls, because they work, are responsible for buying their own clothing which they share without worry. Their brother receives financial support from his parents simply because he is still in school full time.[21]

The household is beautifully furnished with many ornaments (plants, framed pictures, glass sculptures, decorative dolls, etc.) and high quality goods, the walls are freshly painted and the infrastructure is cement. At one end of the living-dining room there are three matching coach and chairs facing the Sony television (21 inches). They have access to limited cable which is to say about fifteen channels. There is a high quality Sony stereo system, with radio, double tape deck and CD player as well as a Sony VCR and a collection of taped movies and music CDs. At the other end of the room, towards the entrance to the kitchen, there is a table for six and six matching chairs. In the kitchen, there is a four element gaz stove with oven, a microwave and a blender. Between the stove and the sink (they have running cold water), stands a large counter where food preparation takes place. For a good part of the case study, there were no other appliance in the kitchen, though near the end after six months of study, the family acquired a rice cooker and a small refrigerator (with a tiny freezer). These, especially the refrigerator, as I will discuss a little further, made a huge difference in terms of household consumption: facilitating the mother's work, reducing or stopping deprivation of certain goods and allowing for a more varied and less pragmatic diet.

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[21] The fact that all three children are working in tourism is not unusual. Tourism being one of the main industries in the city, people readily assume that there are loads of employment in this field. Tourism faculties are filled to capacity and students, in the hope of finding employment locally spend years studying the local history and writing theses on potential exploitable sites.

For family A-1 and A-2, organizing for the day's meals was a daily ordeal, through which most produces had to be bought fresh, given that very little can be kept fresh without a refrigerator. Fruits and vegetables, as with eggs can be kept a few days, though meat and dairy has to be consumed rapidly. Meaning that these are more rarely consumed. Family B-1, because they have the means and because of its proximity to a number of markets which sell fresh meat, can without a refrigerator consume meat daily. This however means that it has to be bought fresh and consumed rapidly. Before acquiring the refrigerator, the mother went to the market everyday before lunch, and planned meals quite pragmatically. Condiments such as mayonnaise, ketchup or mustard were not consumed on a regular basis, or bought in large quantities, thus because they could not either be kept fresh. Also, leftovers have to be eaten quickly for they will be lost in a day or two. This is similar to Families A-1 and A-2. With the arrival of the new refrigerator (in family B-1), a new pattern in food consumption emerges. The mother begins planning meals days in advance and trips to the market are less frequent. Instead of going everyday, she now goes but once or twice a week. Meat can be kept fresh and larger quantities of condiments are bought and stored. Also, to the delight of the family, beverages can now be kept cool and ice can be made for drinks.[22]

A note about rice: rice in the Andes is more difficult to cook because the altitude changes the boiling point of water. This said, in Cusco, as in most of Peru, rice is consumed in large quantities and on a daily basis; it is a staple food due to its low cost, accessibility, nutritional values and because it's a filler. Meals are commonly served with much carbohydrates, whereby soups include potatoes, rice or noodles, while main dishes will include both potatoes and rice, or noodles and potatoes, or rice and noodles. It can be presumed that this consumption norm is more cultural than local because it is standard practice in almost all of Peru. Perhaps it is a reflection of specific limitations, especially in that meat is expensive and for many impractical to keep fresh if it is bought in large quantities. Also, due to the nature of labor, workers need a lot of energy. Thus, carbohydrates are used to give weight to an otherwise unsubstantial meal. Carbohydrates such as rice and potatoes are included and often mixed in the majority of typical Peruvian dished. With the

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Because so few families have refrigerators, beverages are normally served at room temperature. This regional practice is also applicable to the consumption habits of families that own refrigerators. Fresh fruit juices are made in small quantities and refreshments are usually powdered products that need to be dissolve in warm water. They do not have canned frozen juices and these cannot either be found in the most popular or specialized stores.

rice cooker, the mother seems to have less to worry about. She can tend to her other dishes without worrying about how the rice is doing. She seems happy with the new device and starts using it for different recipes. She cooks rice chaufa (a Peruvian form of Chinese fried rice), adding to it new spices and vegetables (such as peas, corn, carrots). Obviously a luxury commodity, the rice cooker becomes to the observing eye, like a useful toy for the mother, as she takes much pleasure in new cooking experimentations.

Then, in the hallway to the sons' bedroom, there is a phone and a fax machine. There is also a large sink where the mother and sometimes the children do their laundry. The laundry (done by hand) is then carried to the roof or fourth floor, which is more like a patio, to be hung dry. There are three bedrooms in the household: one for the boy, another for the daughters and the master bedroom. These spaces are usually cluttered and disorganized. In the son's room, there is a single bed (manufactured wood frame and synthetic mattress), a stereo with a single tape deck and a CD player. Clothes are abundant and stored in a large double door closet. Books and school supplies are kept on a desk and shelves. The room is painted blue and decorated with posters. The girls room is much the same. There are two single beds of similar quality and a ton of clothes which the girls share without asking one another for permission. They also share a small desk and a small stereo (with only a tape deck), and they keep less books and more nick knacks such as teddy bears, decorative dolls, pottery articles and jewelry boxes compared to their brother. They share a similar double door closet and a dresser. The room is painted pearl white and also decorated with posters and frames. Finally, in the master bedroom, there is a large queen size bed with a classic head board. The bed is outfitted with matching blankets and pillow cases. Again there is a double door closet and a dresser, though no desk. Clothes once again abound, though it appeared that the father has more than the mother. Thus perhaps due to the public nature of his work. I take the time to describe these features because they illustrate this household's living standards in comparison to the A families. In the case of family A-1, bedroom walls are unfinished (lacked both plaster and paint), made-out of mud bricks and there are no ornaments hung on them. In the case of Family A-2, bedroom walls are only partially plastered and painted, and without ornaments aside from crucifixes. In both A families, blankets were mix-matched and the heavier ones were wool knits (compared to matching sets of sheets and commercial comforters in household B-1). Also, a major difference between the A households and family B-1, is the extensive use of electric devises in the latter. Each room has a little lamp; this, notwithstanding the regular use of the other electric

appliances, of two electric water heaters (one for the household and one for the hostel) and of electronic devices. The washroom in household B-1 is large, tiled and painted, with both a shower and bathtub; thus compared to a toilet shack in A-1 and outdoor cold water shower in A-2. Notably, A-1 household members bathe in large basins using only cold water. Finally, I noted that in household B-1, goods that no longer serve their original purpose are stored in a little room between the sons' and daughters' bedrooms. In other words, the family did not seek to get rid of or reuse old accumulation goods. Once they were replaced, they were stored away in this little room or large walk in closet. This particular space was filled with old home appliances, clothes, an old stereo, an old black and white television and stacks of boxes. Representing basic need and luxury surpluses, these goods no longer fulfill their functions, an idea which supports principles of relative utility. In short, surpluses for both basic and luxury goods, compromise utility; which in this case is manifested through the storing or stockpiling of these same goods.

Here, it may be useful to analyze some of these previous observations. Clearly household B-1 can be classified as being part of the urban middle class. Though their overheads for basic utilities are higher due to the location of the household (again utility prices are fixed based on district delimitations), the family still succeeds in accumulating luxury goods, large quantities of necessities (for example clothing) and saving enough to open a formal business venture. It must be pointed out however that poorer families living in the same district will consume very differently. Being centered on basic need fulfillment (some even keep chickens on their balconies in order to save on food expenditures) but having to pay the same tariffs for utilities, such families will be forced to reduce consumption substantially. The B-1 case study confirms that marked class differences are visible within neighbourhoods, a reality which is not common in Lima. Obviously, the service of renting the second floor to a business and up to three rooms to students on a monthly basis, because it insures less work along with substantial and more stable revenues compared to other craft production activities, can be said to clearly contribute to the family's financial ease and well being. Also, because food and other household supplies such as hygiene and cleaning articles can be bought in bulk, renting rooms also procured certain savings. It does however require constant maintenance, especially considering the cleaning and cooking involved for the mother.

Now examining this family's relations; as in case in the first two studies, a clear gender division pervades. In A families, the men did however contribute to meal preparation, though stayed

away from laundry and house cleaning. In family B-1 by contrast, the men do not help with the cooking, the house cleaning or the laundry. Although the son occasionally washes some of his clothes. The daughters on the other hand help with all the chores on an almost daily basis: they cook, serve, tidy up, clean, dust and wash.

By and large, the grown children come and go as they please, and both mother and father are supportive in helping them achieve their goals. Yet, much of their interactions occur around the table either at lunch, snack or diner time. Essentially, they do not however engage in many family activities, with the exception of movie nights. Two or three times a week, the family rents movies and spends the evening watching television, obviously a middle class activity. In terms of extended family relations, the mothers' family (her sisters) regularly come to visit: though they live in other urban districts, they come approximately once a week for lunch (unfixed day). The mother stays in close contact with her two sisters which also go to the same church, but they are not part of a tight congregation like household A-2. On the contrary, they (the father, mother and her sisters) go to church only on sundays in the morning and then return to their private affairs. Sometimes the daughters and son accompany the parents to mass, though this is not a regular habit. The family in general does not know or have contacts with their closest neighbors and also distrust their neighborhood. They do not either seem to be involved in any sort of 'community'; in contrast with household A-1 towards their neighboring extended family and household A-2 towards their religious congregation. In general, family B-1, which is focused on privacy, shows an asocial (rather than anti-social) attitude towards society at large. This being said, for the mother, maintaining the hostel, is in fact a way to maintain her maternal role of caretaker. The relations she develops with the students, since they sometimes stay up to four months, affords diversion and company, especially given that she doesn't go out much and that her grown children are often busy with their own lives and projects. And so, she asserted that "the presence of boarding student kept the household lively" As a retired teacher, she "chose to occupy her time so as to feel useful in the household" (translation from Spanish, interview April 10th, 2002). Given these observation, one can assume that the urban lifestyle, as with the lack of cooperation in consumption and production activities between neighbors, impede the setting of strong ties between members of a local community, thus unless families engage in regular and meaningful activities with other families or within a larger group. Such activities would translate into much face to face contact, the sharing of resources, experiences

and feelings, and an engagement towards spending quality time with other folks. Perhaps, for the mother, tending to boarding students' needs is a way to maintain a sort of alternate primary group, since the activities of the other members of the original primary group, are no longer centered around the household. This strategy, on the part of the mother can be said to maintain a sort of balance between her functions as a caretaker and need of belonging. Moreover, the consistent presence of strangers (boarding students), may perhaps act as an inhibitor of potential conflicts, especially given that family discord is less likely to happen in front of visitors. Finally, consumption habits in this family exude the influence of modern trends. Preferences in music, movies and clothing (though less in relation to food), confirm the pervasive impact of occidental culture. Notably, this can be linked to a number of factors, namely the continued presence of foreigners, involvement in tourism, exposure to mass media and American entertainment (cinema and music)[23], etc.

The final case study is a suburban middle class family. This one is the only one studied with a single mother at its head. This household is extremely well organized and ingeniously maintained. First, in order to better understand the circumstances behind this family's dynamic, certain details need clarifying. The mother has been separated for more than fifteen years; her and her ex-husband had five daughters and one son together. Today, all are grown; some have young children of their own; two (one daughter and the son) have left the city of Cusco; two live next door and two remain in the household. The son has left the city and has not returned for a visit in five years, though he calls once in a while. The daughter who has left the city comes to visit at least once or twice a year and continues to maintain close relations with her mother and sisters. The father maintains a good contact with his daughters and visits weekly. Although for many years he contributed to the household's expenses, this support stopped two years ago because the daughters began helping out with utility payments. The father has set out to help the girls individually with university tuition. The mother, a retired high school teacher, receives a small pension while supplementing the household's

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In Cusco, there is no 'movie' culture per say. There used to be a number of movie theatre though most closed in recent years. Movie rental shows relative success, though movie theatres have not been able to stay affloat. The challenge may reside in that poverty levels inhibit costly 'family leisure'. Today, only one movie theatre remains (the Victoria) and for which tickets are sold at 7 soles (2 $ U.S.) per person.

revenues with home-based cosmetic sales. Ten years ago, she started selling Clinique products, for the company was promoting business through pyramid or chain sales. Notably, many companies in the north engage in such a model of business expansion, whereby vendors are hired, and asked to hire new recruits that will do the same. With time, effort and talent, she organized her sales ventures so that on one hand she would sell her products to other businesses and on the other, recruit other vendors which themselves would sell to individuals and families.[24] This activity, on top of generating non-negligible revenues does also afford considerable savings, in terms of luxury cosmetics and hygiene products which the family obtains at little more than production cost. This is quite relevant in the context of this research because such a production activity enhances the household's living standard in two distinct ways: through additional revenues *and* savings. In the case of household B-1, minimal savings towards necessities (mainly) were incurred through the services they provided (the renting of rooms to boarding students), and its revenue generating activity required constant maintenance. By contrast, this mother found a way to simultaneously generate considerable revenues, save on both basic and luxury goods (soaps, shampoo, make up, body creams, perfumes, etc.), and on the long run increase her benefits while investing less efforts.

Household B-2 also engages in other production activities. One- quite low in terms of maintenance and geared toward the fulfilment of the families basic needs- consists in maintaining a garden. Fruit trees were planted ten years ago and within a few years produced apples, pears, cherries and two different kinds of plums. This garden also yields rocotos (hot peppers, which are commonly used in Peru), a wide range of fine herbs, tomatoes, raspberries and strawberries. Unlike family B-1, family B-2's suburban location affords the possibility of having such a garden, which in turn enables savings on food products. Yet, similarly to family B-1, family B-2 also rents rooms to tourists and foreign students. The service provided also includes the serving of meals which represents an increased workload while also providing for a measure of savings on bulk products. The mother explains that she chose to rent the empty rooms because she felt lonely and did not like living in a seemingly 'empty' house; thus considering that most of her daughters had left to live on

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[24] Through such a program, vendors are paid according to their productivity, which means that one cannot expect returns without a minimum of success in personal sales. Eventually, those who recruit receive a percentage of their own recruited vendors' sales. In other words, the more they sell, the more one earns, which also means less effort on the long run.

their own. She added that the money did not actually make a big difference though it helped pay for a helper (a 17 year old girl of humble background) that would come in the afternoons to help with the cleaning and other household chores.

The family dynamic is very much centered on kin relations. While two grown daughters remain in the household and two adults children have moved away, the other two daughters (also mothers with young children) are conveniently backdoor neighbours. Also, the mother's mother (the grand mother) lived next door until she passed away a few years ago, at which point that house was sold to strangers. The family usually meets every Sunday for lunch and the table, which normally seats six, will at times be the meeting point for up to 12 people (family, boarders and guests). This is a lively and rich environment for familial and social bonding maybe because they are all women and seem to share a special 'female' bond, one which is based on mutual support, sharing, understanding and affection. Of the two girls who still live at home, one is single and one is pregnant with a boyfriend. Of the two sisters who live across the backyard, one is single with a nine year old boy, while the other shares her life and space with her husband and their four year old boy. She too was pregnant at the time of the study; hence expecting a second child. The women of the family shared almost everything in a very communal way; property or privacy was never the objects of conflicts. On the contrary, they preferred maintaining the household peace and silently manage with some of the frustrations associated to the lack of personal space and/or the constant sharing of things. Notably, o ne of the daughters expressed that at times she felt cramped, as she shared a room with her sister, adding that when her sister borrowed some of her clothes, these come back stretched out; though she would never 'make a big deal out of it'. This dynamic clearly represents family values that revolve around respect and cooperation, values which favor solidarity and accordance over individualism and personal preferences. It is interesting that Family A-1 and Family B-2 have this in common. Members, though manifested by the girls of both households, respected the family's norms over their own caprices. Although such behaviour have not been witnessed coming from male subjects in my case studies, it would be premature to conclude that boys would not do the same. Obviously, in both cases, cooperation was at the basis of family cohesion (one through work and the other through female bonding), which points to how individualist inclinations are discouraged or viewed as inappropriate in the context of group solidarity. This indeed confirms that individuals integrate the groups norm as their own and that

deviance from such norms is repressed by the social actor in order to avoid destabilizing the social unit or compromising the relational dynamic within the social unit . The case of family B-2, is all the more interesting given that the mother was an only child, adopted at a young age by urban parents. Her biological parents had a rural background, though she grew up in the city of Cusco and thus was socialized along urban rather than rural norms.

The household organization, implicate a number of consumption particularities. These, while allowing for the maintenance or improvement of family living standards also orient group values. The household is constructed of mud bricks and cement. On the street-facing side, the house is covered by cement, while the side facing the garden is still unfinished. On the inside, all the walls are plastered and painted. Upstairs there are four bedrooms, two of which are rented out to boarding student. These had previously been occupied by the other daughters before they moved out. They remain simple and without clutter, each containing a dresser, a night table with a small bedside lamp a small desk and a few old discolored posters on the walls. One has a double bed and the other a single bed; though both consist in elevated bedframes with synthetic mattresses. In the Upstairs washroom, there is a tub with a shower head. It is only through this shower head that one can have access to hot water. The interesting thing is that on the wall, there are levers (one for the toilet and sink, and another for the shower) and a switch (for hot water) corresponding to water flow controls and electric water heating respectively. This was common in both households (B-1 and B-2). On the landing on the second floor there was a shelving unit with books (dictionaries, encyclopedias, recipe books and a bible). Again both 'B' families, those of middle class background, owned more books than the 'A' families, which owned very few. Books can be said to be luxury commodities because they are neither essential nor indispensable; though books can be correlated to levels of education, which in turn can be correlated to standards of living.

The girls' room, is very similar to that of household B-1. There are two single beds, both with elevated wood frames, though with pure wool mattresses. There is a large desk with books and school supplies, two dressers: both of which seemed old though of durable quality; shelves with nick knack and stuffed animals, a small tape deck and a collection of cassettes. Then, in the mothers room, there are also two beds, one double (used by the mother) and one single (used by the nine year old grand son whose mother lives next door). Both consisted in elevated wood frames and pure wool

mattresses. The room is cluttered with clothes, folded sheets and bedding, empty boxes, old electronics, make-up, Clinique products, etc. This is interesting because by choosing to rent rooms, the mother also compromises her space, thus by using her room as a storage area for a range of goods. There are two large closet units which are overflowing with accumulation goods, as stacked articles almost reach the ceiling. None of the other rooms in the house show this characteristic, which demonstrates that clearly the mother chose to acquiesce her own space so as to free the rest of the house of clutter.

On the main floor, there is an office with a desk, cosmetic samples and papers. In terms of office supply there is only a simple calculator, a phone, a felt pen board and accessories such as paper clips, pens, staples and a stapler, rubber bands, etc. By the end of the investigation in April, the family had received gifts and premiums by the Clinique company, and therefore had a new fax machine and a new stereo system with single tape deck and CD player.

In the living room section of the living-dining room, there is a small color television (14 inch) with cable (100 channels), a three piece matching coach set that appeared old and which had been recovered, an ancient radio and record player accumulating dust and little decorations (sculptures, glass ornaments, family photos, etc). In the dining room section, there is an old TV that no longer works and instead serves as a plant stand, a classic eight person table and matching chairs which are rarely used, and a large picture frame of the Virgin Mary. In the kitchen, there is a six person table with matching chairs, a wall unit for the abundant matching and non matching dishes, an ancient box freezer, an electric stove (that is only used for its oven), a two element gaz stove on top of the electric stove, two microwaves (a small one that works and a large one that doesn't), an old though quite useful refrigerator (with a small ice freezer), an old radio alarm clock for which the clock does not work, a fairly new blender, a rice cooker and well, not a whole lot of counter space between the stove and the sink.

Upstairs, in the master's bedroom, the same sort of patterns is evident. There are three televisions though only one works well enough to be used. There are also old box speakers that are used as bedside tables and an old sewing desk (topped with a mirror) that serves as a vanity. In short, this family keeps everything. The broken microwave serves as a stand for condiment containers, the

broken televisions are covered with neat little sheathes and serve as platforms for decorations and plants. Old skirts are used as entrance matts to wipe our feet, old cooking pots are recycled as plant pots, etc. This is interesting because these accumulation goods, or 'once upon a time' basic or luxury articles, no longer have value in terms of their 'normal' or 'original' use. Without hesitation they are transformed rather then thrown away; they are reused. Surely some are stored though in time, they will certainly be reused like the others. This is relevant for various reasons; first, because consumption analysis often neglects to account for the various uses of commodities, especially once they have lost their standards use or value. At times, buying new commodities is cheaper than repairing old ones; though reusing old commodities may incur relative savings. In this case study, the head of household B-2 does not actually seek to accumulate, on the contrary she seeks the longest commodity life possible through re-use.

An excellent example of this can be extrapolated from one of the family's consumption practice. In all the other households, mattresses were either manufactured or consisted in stacked wool blankets. Though there were manufactured mattresses in Household B-2, all of the beds that were used by family members were actually made of unrefined or unprocessed sheep wool. The mother explained that manufactured mattresses though cheaper (due to their mass production which can be contrasted to the rising cost of wool) do not last as long and are not as warm as pure wool mattresses and that when a pure wool mattress is old and flat, one removes the cover, washes the wool, fluffs it and recovers it. It follows that this product allows for constant reuse. Moreover, the making of wool mattresses is both a family and a traditional Andean custom. Wool is bought, washed, dried, brushed and washed again. Typically, it is the mother of an awaited baby and the grand mother who will work together, preparing the wool: like a "mother-daughter- for the new baby" kind of bonding experience. After it has dried in the sun, the wool is brought to a *colchonero*, (a seamstress who specializes in mattress-making and covering). The mother was aware that this practice was dying out, that fewer people choose to go through this process because it is obviously easier and cheaper to just buy manufactured mattresses. This practice consists not only in making a product of outstanding quality, but also in establishing and maintaining family relations through the common effort of mother and daughter. This was not simply "making a mattress", it was also preparing for the baby's arrival, investing energy, time and also money to insure not only the newborn's well being and comfort, but also to express maternal love. It follows that family values

like cultural norms, influence consumption habit, that the benefits of certain practices are not only quantitative but also clearly qualitative. In turn, this shows that consumption habits affect our social relations, for they serve as bonding rituals, or on the contrary as practices which can fail to maintain or promote group cohesion.

Another activity which serves to simultaneously manage consumption and tighten family relations in household B-2, relates to food shopping and preparation. Every Sunday morning, the women left the house to go to the San Jeronimo market. Together, they would roam the different sections in search of the produces they will need for the week's meals. Sometimes, the father will accompany them with his Jeep, though most of the time they will take a taxi to and from the market. Once they have returned home, they proceed in preparing lunch, which will be shared with as many family members, boarding students and guests as possible. After the meal, the women stay and start cleaning, cutting and rapping all the produces for the week's consumption. Chopped vegetables will be stored and/or frozen for later use. Sometimes, when there is surplus, the daughters living next door take a share to bring to their house (this does not happen the other way around). They will spend all afternoon talking while working. Sitting at the table they share their joys, pains, and concerns, they listen to each other and support one another. They are organizing their weekly consumption, working collectively to minimize the weeks workload, while also maintaining family bonds. Again, the fact that they are all women helps in that there is no gender role gap to bridge.

In this household, overheads are shared between the remaining daughters and the mother. The former normally pay one bill each if they can, but if they can't, the mother oversees the payment. They women meet monthly to discuss finances, so as to find out who will pay what or how much; thus each member is actively involved in the household's fiscal management. Through such an approach to family finance, adult members become aware of utility expenses, food costs, as with other maintenance expenditures. In turn, this allows transparency, whereby the household's financial affairs are clear for all contributing members. The girls have also become involved in the family's sale venture, that of distributing Clinique products. They also helped with the boarding students, picking them up from the airport, showing them which bus to take to get to the college, etc. As active participants in the family's financial affairs, they were also aware of revenues incurred and expenses. More importantly, they were themselves learning to manage both the business (Clinique

product sales) and the household. This can be contrasted to family B-1, whereby the grown children do not participate in household economic affairs. Also, in Family A-1, the young girls, who were learning math in school, were sometimes left alone to sell their products. They often asked for help concerning the change they had to give back to their customers. Fortunately, the other vendors at that location, which were all women with children, helped without hesitation. The girls were not usually left with large sums of money because they were easy targets for robbers. They were however learning 'the business side of life', through their participation in the family's economic activities.

One of the remaining daughters in household B-2 also works in the tourist industry. This, in conjunction with her exposure to cable television and popular culture, seemed to have influenced some of her consumption preferences. She watched between 2 and 4 hours of television daily and had a marked predilection for American programming. As noted previously, she, like the others, contributed to family overheads, though she spent her surplus revenues in a manner which manifested her exuberance toward certain brand names. She appreciated finer and more expensive clothing than the others, and showed an inclination towards more 'sophisticated' trends. The mother and other daughters did not adopt such preferences, as they most often opted for less costly products. In the interview, the mother mentioned that she would pay more for goods which she knew were quality products, though she did not feel that quality is related to brand-name. She explained that her consumption choice depended on her perception of quality (durability) compared to the price offered; rather than on the products' reputation (brand-name). In contrast with her sisters 'sophisticated' preferences, the other daughter, the one who was pregnant and still living at home, did not manifest specific biases towards fashion trends. Although she watched quite a bit of TV, (around 4 hours a day); her preference revolved around Latin American soap operas and Spanish Tele-series. This in conjunction with a slightly closer relationship with her mother and less important revenues (compared to her sister), probably minimized the effects of propaganda and pop culture on her consumption preferences.

The above descriptions clearly illustrate how living standards can be assessed and compared between households. More importantly however, this can be done without any mention of household revenues; thus confirming that consumption analysis can indeed serve to determine actual living

standards. The chart provided in appendix E, shows how a simple point-based assessment of household consumption can procure significant results. Such assessments in combination with a formal credit evaluation (if pertinent) could for example, be performed upon customer request, to establish eligibility for assistance programs.

Food:

Some cultural and familial consumption habits concerning food have been discussed above, notably that starches are consumed abundantly in Peru (rice, potatoes, tubercles, noodles, etc.) and that family A-1 and to lesser extent family A-2, can scarcely afford to regularly eat meat. Family A-1 and A-2 kept chickens and ducks, which were bought as chicks and home-raised on rice and vegetable leftovers. Family B-2, on the other hand, kept a dog, which they also fed exclusively on food leftovers while family B-1 by contrast, simply threw away their leftovers if they could not be eaten on time. Neither family A-2 and B-2, which had gardens, used their organic wastes as compost to enrich the soil.

Breakfast usually consisted in: bread (pan waro is a typical Andean bread) with marmalade; coffee, tea or mate (pronounced "matay", it is a herbal infusion which can be made with coca leaves, manzanilla, anis or other herbs); sometimes eggs, yogurt and/or cereals were also served (the latter were never of 'known' commercial brands such as Kellogg's Corn Flakes or Post's Corn Pops but were usually generic puffed rice with roasted grains such as wheat, barley and oat). Very little milk is consumed in either households; though when it was bought, families consumed canned evaporated milk rather than pasteurized homogeneous types. Also, because milk must be kept cool, families that do not own a refrigerator consume even less and only buy small 5 once-cans when they have visitors. In terms of market selection in Cusco, there are no supplies of 1%, 2% or 3.25% milk (fat ratio of the dairy product). Thick 'regular' yogurt can be bought, though the most common brand is *Gloria*'s drinkable yogurt, which comes in different flavors such as banana, strawberry, coco and peach. Also, almost every breakfast includes a fresh fruit drink, usually papaya or a mix of papaya and orange or pineapple juice. Moreover, because the altitude slows digestion, papaya, which is a 'digestive' and which helps in maintaining intestinal florae, and perhaps also because it

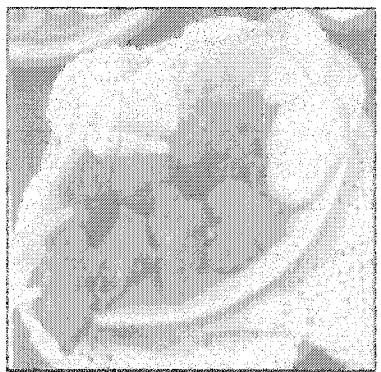
is abundantly available and affordable; is consumed as a local staple fruit.[25]

The altitude (geographic location) and weather can be said to affect eating patterns in that 1) digestion is slower and demands more energy; 2) the energy of carbohydrates is needed to affront the cold during the evening and night or the rapidly changing weather during the day; 3) the lower concentration of oxygen in the air makes physical efforts more demanding, which in turn can promote appetite (for sweets) and/or weight loss (aside from shortness of breath for foreigners who lack exposure to high altitudes); and 4) distribution of certain foods (especially imported products) does not always reach Cusco, while other types of foods (high altitude crops) are widely dispensed and consumed. These particular phenomenons by extension create a number of typical consumption patterns. People from Cusco will eat a substantial breakfast, an enormous lunch, and almost nothing at diner. It is said that heavy eating after 5:00 or 6:00 in the evening causes nightmares and uneasy sleeping; thus mainly due to slow and weighty digestion. Also, coca leaf mate is said to alleviate altitude sickness (commonly known as soroche) and aids digestion; consequently, most household will either have a box of pouched coca mates or a stack of coca leaf. As noted, rice, noodles potatoes and tubercles are commonly eaten together, which points to the high consumption of carbohydrates in order to procure energy. Tubercles, potatoes and corn are also local staple foods, for they are principle human consumption crops in the region.

[25] Papayas in Cusco, and in all of Peru for that matter, are as big as footballs. They grow abundantly in the more tropical regions of the Selva and in some parts of the coast. Distribution networks for this fruit are well developed which makes it readily available. It is affordable and its value is enhanced by its nutritive characteristics. First it is a fruit that has a lot of flesh. In other words, a lot of people can be fed. It is also quite rich in fibers which facilitates digestion. Some of its juices provide enzymatic action which are commonly used to help restore the intestinal florae. It is moderately sweet which facilitate its ingestion in the morning. It follows that every morning breakfast is served with a great big glass of papaya juice. Locals drink it almost daily from a very young age. It is said that both granadilla and papaya are two of the fruits most helpful in promoting a baby's bowel movements as it is slowly introduced to solid foods. Analysis of compounded data from vernacular consumption charts and participant observation, gathered in all four households from September 2002 to April 2003.

Cebiche de pescado*

A regular lunch, in households A-2, B-1 and B-2, consisted in a soup, a main dish, and sometimes desert. Soups are usually made of meat broth, to which is added different kinds of potatoes (or noodles or rice) pieces of meat, vegetables and/or herbs. The pieces of meat can consist in beef, lamb or chicken, though very rarely porc. When red meat is used, flesh and bones are simmered with the rest of the ingredients. When chicken is used, it is the heart, neck and feet that are simmered because the white and brown meat are saved for the main dish. Sometimes, these households also cooked traditional corn creams (a thick soup of mashed skinless corn grains), to which are added herbs, potatoes and sometimes cheese. Soups are usually quite rich and consistent and almost always served as first course. Peruvian dishes are varied and flavorful.[26] Most main course consist in meat (cooked in various ways), rice, bowled potatoes or french fries (sometimes two of these last ones), and salad or vegetables. Meat can also be replaced with eggs; as was often the case in A households. As an accompaniment, rocoto (a common local hot pepper) is mixed with oil and lime juice, and served as a condiment. Beverages are usually consumed after the meal, and consist in chicha morada (a typical sweet drink made of purple corn, which can also be fermented and served as an alcoholic drink), refresco (a powdered drink), tea, mate or coffee. Desert is consumed in the same time as beverages, and can consist in fruit, flavored and colored gelatine, cookies, cake or mazamorra (a sort of thick concoction of bowled fruit mixed with sugar and starch). B Households usually cooked in excess, whereby food and later, left overs abounded. By contrast A families, especially household A-1, prepared more soup and when they could, smaller main-dish portions and desert.



Anticuchos*

*http://www.huarazperu.com/cocina/receta.asp

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[26]The most popular Peruvian dishes consist in *anticuchos de corazón* (cow heart brochette), *cebiche de perscado* (raw fish dish), *empanadas* (meat pasrty), *causa rellena* (cold potato and chicken pie), *papa a la huancaina* (potatoes with a creamy peanut sauce), *tamales* (sweet or salted corn puree), *aji de gallina* (potatoes topped with a creamy chicken sauce), *arroz con pollo* (cilantro rice and chicken), *cuy* (guinea pig) *and chicharon* (fried pork or chicken served with mint leaves potatoes and salad). Most of these dishes represent specific regional specialties from the coast or the Andes.

Diner, usually consists in small portions of lunch leftovers, or simply fruit, bread, cookies and a hot beverage. It was only in family B-2, that the mother cooked elaborate though light meals after 6:00 PM. In such cases, the meal consisted in a small salad, lean portions of white meat, and rice or potato leftovers. This was not a usual occurrence, for it depended on whether or not there were visitors or on the number of people manifesting hunger. None of the four families regularly went to restaurants (sometimes a family member ate 'out' and missed lunch or diner at home, though this was quite unusual). For the most part, meal time (especially lunch) is an occasion to bond or touch base. As such, family members were generally expected home at 1:00 or 1:30 PM everyday. [27]

Dress:

Clothing obviously represents cultural and class norms. In Peru, this is evident given that style of dress differs between regions and according to socio-economic status. Accordingly, there exist fundamental differences between modern urban dress, typical urban dress and typical rural dress, as well as between traditional rural dress and traditional folkloric dress. First, modern urban dress consist in jeans, khakis, cargo pants, suits, and other popular wear such as brand name or brand name imitation clothing. Modern urban clothing follows fashion trends, whereby teenage girls wear flared pants while teenage boy wear baggy pants. Professional men and women, typically wear three piece suits and dress shirts or matching pants and blazer. These sorts of garment can be referred to as mainstream in that mass media and popular clothing stores market almost exclusively such clothing. Typical urban dress for women, consists in knee length printed skirts, knee high socks, and

Women in typical rural dress
http://news.bbc.co.uk/1/hi/world/americas/2148793.stm

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In the city, a good majority of stores, businesses and institutions close from 1:00 to 3:00 PM (sometimes even until 4:00 PM), and reopened in the afternoon until 8:00 or 9:00 PM. In the different markets, people who cannot make it home for lunch, ate in "comedors" (sort of hybrid forms of food-courts, cafeterias, and food counters). Analysis of compounded data from public life diaries. Data gathered between October 2002 and Marsh 2003.

knit sweaters. As footwear they most of the time use loafer type shoes or closed toe dress shoes. These women often use mantas (colorful weave the size of a table cloth) to wrap and carry (on their backs) their baby or product load. Men wear sweat pants or short weave trousers (a little higher than the ankle) and knit sweaters; and as footwear, they will either use rubber sandals (made of leather or rubber from recycled tires) or plain black closed toe shoes. Typical rural clothing for women, consists in superposed weave or printed skirts (sometimes up to eight), which gives volume to the waste and hips. In cooler weather, knee or thigh high wool stocking are worn, as well as wool sweaters (one over the other for warmth). Hair is usually divided in two, braided and tied at the back. At times, women wear 'men's' hats or typical round hats that fit as if on the tip of the head. These women will also use mantas to carry packages and/or young ones. As for footwear, women commonly use sandals (leather or recycled rubber) or closed toes shoes. Men who wear typical rural clothing will usually wear short weave pants, chumpis (a waste-worn scarf), wool knit sweaters, vests, ponchos, and rubber or leather sandals. They too will wear hats though with uncurled rims, or ch'ullos (colorful knitted pointy winter hats that cover the ears with flaps). Traditional rural dress is quite similar to this last one, though weave skirts, vests, ponchos, ch'ullo and mantas will bear specific designs and colors representing the region or the family's history. Finally traditional folkloric clothing, looks more like a costume, whereby hats, skirts, vests, and chumpis have colorful decorations such as beads and braided yarns. Accordingly, 'ambulants' that seek to have their picture taken usually wear either traditional rural or traditional folkloric dress. All year round in Cusco, one can witness a number of parades, processions, festival and carnival where such garments

Woman in traditional folkloric dress**

Woman in typical rural dress carrying her child in a manta*

Men wearing traditional rural clothing***

*http://www.zapcom.net/~jimndar/peru_01/19.htm

**http://theprokops.com/Images/cusco12.jpg

***http://www.spanishschoolsbca.com/peru.htm

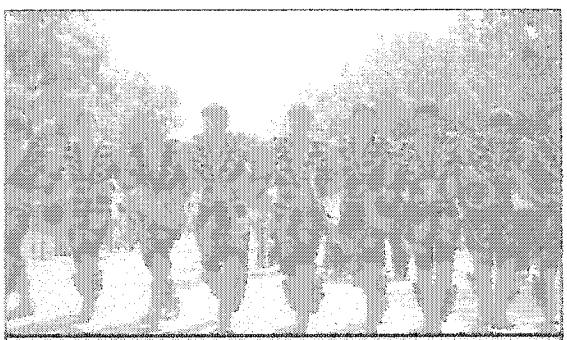
are worn. During such events, one will also see traditional dancing that represents specific regions while stylizing regular rural activities such as herding and milking.

In the four families studied and according to research observations in public settings, a clear correlation can be established between social status/ occupation and dress; thus especially manifested by women. People working in the formal sector usually wear modern urban wear while people working in the informal sector, especially those conducting activities related to produce sales and crafts, are usually attired in typical urban or typical rural clothing. Finally, people who are first generation migrants from rural areas will most likely wear typical rural or traditional rural frocks. Folkloric dress by contrast is usually sported in order to show craftsmanship, to attract tourist attention, in the context of local festivities or in performance art such as dancing. More importantly however, such correlations are not applicable to younger generations; since most young adults and teenagers, regardless of their background, wear modern urban clothing. The mother in household A-1 at times wore typical rural clothing (superposed skirts) and at times typical urban clothing (knee length printed or weave skirt). Never did she put on pants. Thus while the father wore both typical urban and/or typical rural clothing (ankle length trousers with sandals). The children on the other hand wore modern urban clothing; though in their most basic and affordable form. In family A-2, which is slightly more affluent, the mother uses typical urban frocks (knee length printed or weave skirt) while the father and sons wear modern urban dress. In both A families, the women used mantas, skirts and knee high socks, while in B families, the women, grown children and men, wore exclusively modern urban clothing. In short, women's dress reflects a certain congruence with their social status and occupational background; thus in contrast to men and young adults. By extension, consumption choice related to clothing is very much relative to both gender and socio-cultural norms (related to occupation, social status, background, etc).

Market Preferences:

Most of the families studied did not demonstrate a marked inclination for Peruvian products. Families A-1, A-2 and B2 usually opted to buy the cheaper product (of sensible quality) rather than a slightly more expensive national products of equal quality. Family B-1 by contrast, showed a marked preference for specific brand names, including mainly American (for clothing), Japanese (for electronics) and Peruvian (for food products and clothing) trademarks. In line with research observations some people in stores and markets make a big fuss over such a question, favoring

products of certain origins over others. It is thus possible to conclude that such behaviours confirm that there are definitely different criteria for choice. As noted in previous sections, Peru does not have a strong national consumption culture; thus in comparison to Americans who are dedicated to buying U.S. products or Japanese consumers who manifest a clear bias towards their national commodities (especially in electronics). Consumers in Cusco do manifest their consumption preferences, notably clear biases towards certain goods. In a number of instances for example, consumers clearly showed a marked preference for two dairy product brand names, namely *Gloria* a Peruvian industry and *Nestley* a Swiss corporation. For affordable pharmaceuticals, fruit and wine, consumers clearly favored Chilean products; though in a number of occasions, consumers requested Peruvian *Tacama* wines and *Ocucaje* pisco (a typical Peruvian liquor). The reputation of these Peruvian industries is obviously solidifying itself, as the region of Ica is increasingly known for its wine and pisco production.



Caporales costumes and dancing
http://www.hdiplomat.com/cbba/fotos/fotos2.html

Moreover, market preferences or consumption choice, sometimes had nothing to do with past consumption experiences and could be based purely on reputation, price and/or lack of selection. Accordingly, leather products from Argentina (which is known for its leather industry), are actively sought; though consumers often opt to buy quality imitations which cost less. Adjacently, Bolivia is known for its contraband goods; and Bolivian 'imitations,' especially in leather products and clothing, are well known for their quality and low prices. From Bolivia, Peru also receives loads of contraband gasoline, which sells cheaper than other international petroleum imports. Moreover, since Bolivia also shares Andean roots, much of its folklore in terms of costumes (tinkus, caporales, diabladas) and music (technocumbia and saya)[28]

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These Bolivian cultural forms represent variations of Andean and Latino American styles and traditions. Tinku, caporale and diablada costumes express common histories, traditions, lifestyles and beliefs with those of Peru. The Andean culture and the sense of identity that is imbued in it, transcends political boarders. To this day, Altiplano communities from Cusco Peru to Oruro Bolivia are still connected through their interests for similar kinds of mucic and their sense of cultural solidarity. Technocumbia and Saya, are typical Andean rhythms. Though they are influenced by Bolivian roots, they are re-appropriated by Peruvian fans, who identify

is also in high demand in Cusco. Coincidentally, local enterprise produce Bolivian costumes and traditional folkloric dress; though some merchants prefer to import them directly from Bolivia. Then, from Brazil, large selections of stones and materials destined to jewelry making, as well as expensive shoes (compared to local standards) are imported, thus supplying contraband, informal and formal markets. Brazil is also known for its electric (hot water) showers, because these sell for less than those that are made in Peru. Moreover, because Brazilian music is quite popular in Peru, Samba and Taquirari (a mix of technocumbia and other Brazilian influences) are also in high demand in Cusco. Finally, the influence of international (mainly American) brands is evident in terms of fashion trends, especially in that a number of brands are systematically reproduced. In Cusco, clothing and shoe-wear imitations are everywhere, affordable and readily accessible, thus covering brands such as *Nike*, *Adidas*, *Tommy Hillfiger*, *Levis*, *Wrangler*, *Northface*, *Puma*, *Fila*, *Lee*, *Ecco*, *Reebock*, *Caterpillar*, *Montana* and *Nautica*. There are even products that imitate liquor brands such as Johnny Walker, Smirnoff and others. Also, one can easily find cheap bogus brand name cameras (Canon) and electronics (Phillips, Aiwa, etc.) though they often do not match the quality of the original product. In sum, it is obvious that the influence of internationally recognized brand names affects both production and consumption patterns, whereby brand name goods are both imitated and actively sought, though sometimes, depending on economic means, without any concern for trademark authenticity.

Here, it may be useful to extrapolate these last points in order to replace them in the context of broader consumption dynamics. Since all levels are inextricably connected, it makes sense to connect micro socio-economic behaviours to more macro implications of the consumption problematic. Analogously, it may also be pertinent to add that every time the United-States of America face a recession or an economic crisis, presidents address emphasize the crucial need for, and importance of American consumption. As it has been discussed, consumption trend biases or marked preferences for foreign or foreign looking products are obvious in Peru. However, these may engender negative effects on national industries. Perhaps national economic recovery can be promoted through changes in consumer mentality, whereby consumption of Peruvian and to a broader extent Latin American goods should be encouraged as an allegiant act meant to champion national and continental solidarity and markets cooperation. Market cooperation on the part of

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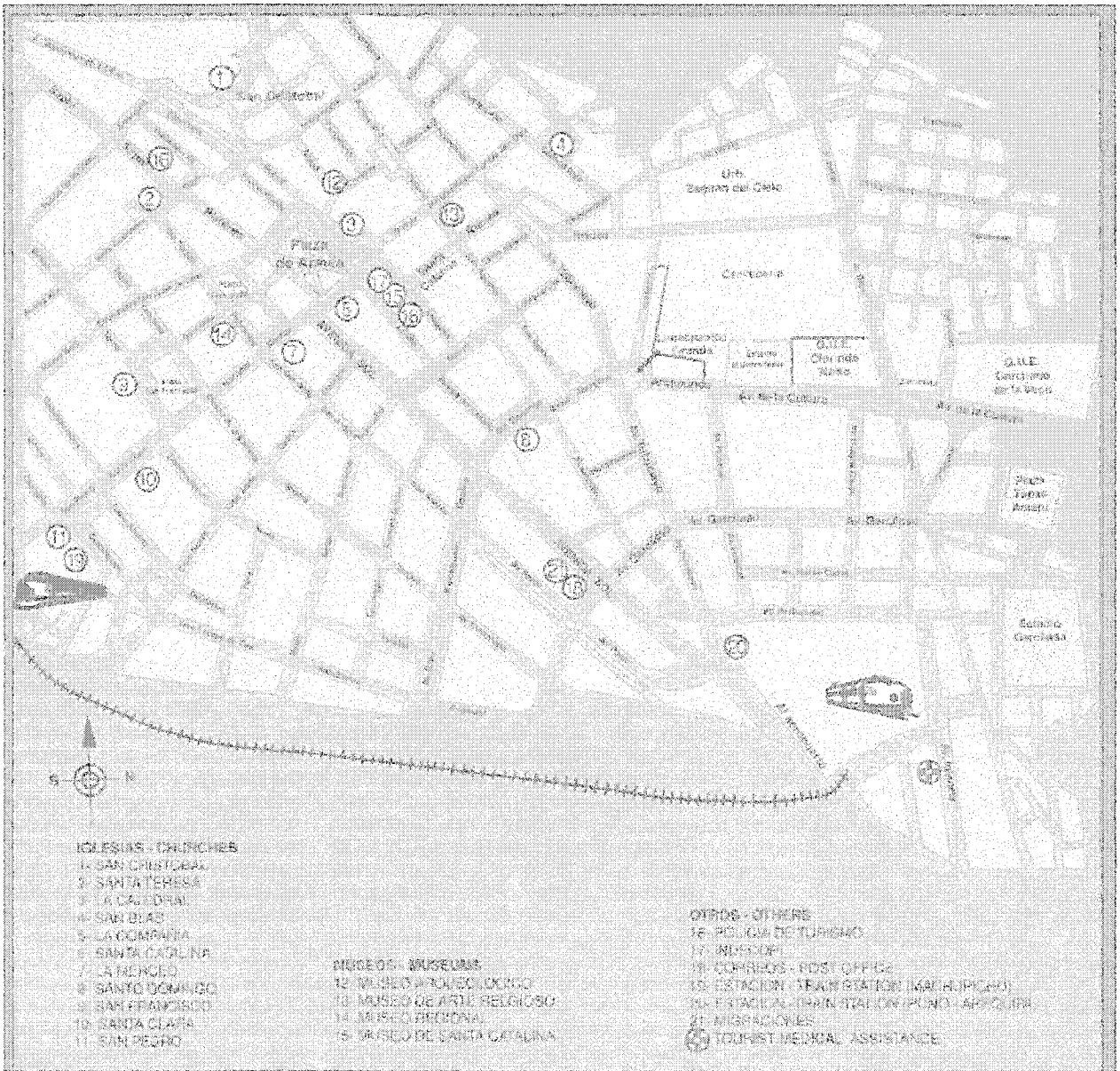
themselves to their related cultural forms.

producers, distributors, vendors and consumers, is much more than just promoting the consumption of national products; it is coordinating and supporting national production, distribution and consumption at all levels of operations. According to the theory outlined in Chapter one, this means that operations within the production, supporting and market spaces must be coordinated so as to allow not only economic efficiency, but also sustainable symbiotic relations between social actors (consuming and producing families and communities) and organizations (whether they be the government, institutions, corporations, small and medium businesses, etc.). Market cooperation also means elaborating holistic market mechanisms capable of reaching, and in turn enhancing the natural dynamism of cultural and national industries. The objectives of such mechanisms, must not only focus on the formal market system, thus especially considering the prominence of the Peruvian informal economy. We are still lacking much information (data) on local and regional commerce, (Escobal and Iguiniz; 2002: 100) and as such, I suggest that more regional and also inter-regional market research be conducted in an effort to devise strategies meant to enhance market cooperation.

Functions and dysfunctions of Cusco's market

From a dynamic functionalist perspective, market cooperation refers to the system through which production, distribution and consumption relations are integrated as fundamental components behind socio-economic sustainability. As shown the basic and foremost space for production and consumption based activities is the home. Another indispensable space consists in the market sphere. This space is where exchanges take place, where producing family units sell their goods, and where consumers acquire theirs. By extension, this operating space plays a crucial role in consumption. Also, considering the limited inferences reached in regards to the relation between consumption and the community in Cusco, it may be interesting to examine the nature of socio-economic relations in various market spaces. In short, this next section offers a detailed look at the organization of market relations in three market in Cusco. In turn, the data presented contributes to furthering common understanding of regional market dynamics.

Accordingly, three specific market spaces have been chosen. These will be the subject of analysis and comparisons so as to uncover some of their basic functions and dysfunction. The data gathered was accumulated through participant observation sessions, consisting in a few hours each time, walking, observing and talking to vendors and shortly after, noting observations and findings.



Partial Cusco city map
http://perucuzco.com/maps/cuzco_map.htm

The San Pedro market was chosen because it is a well-established, busy central market in downtown Cusco. The Molino market was also selected because it is a fairly new 'upscale' contraband market; while the San Jeronimo market, has been picked for its peripheral location, its newly constructed infrastructure, its product range and its size. As noted earlier, there are no other 'superstores' in Cusco, but the D-Mart already mentioned. This means that most people purchase the majority of their consumption goods in neighborhood markets. These are usually outdoors ventures where merchants rent small cubicles, booths or spaces to sell their product+s. Each market can be said to

offer particular sets of goods or selection, while each is also organized in a distinct way.

Markets are environments where meaningful family and community relations are played out. In the San Pedro market for example, a majority of vendors are parents. As such, they will tend to their young ones all day long, as customers come and go. Young children are everywhere, behind and under counters, playing in front of the merchandise, napping in crates, crawling in aisles, etc. On one hand, they stay close to their parents, rather than roam around unattended. On the other, observation notes divulge that a number of children are exposed to unthinkably unsanitary conditions. Some would roam the meat section on their hands and knees (in aisles tainted with cow, pig and sheep blood along with chicken feathers) and return to their parent's kiosk with their fingers in their mouth. Others urinate in whatever corner because their parents are too busy to take them to the nearby public washrooms. In the San Pedro market, a good number of school-aged children work, selling books and shoe-shines. Though they often seem to be on their own; many times, a family member is nearby working behind one or another counter, tending one or another booth. Most working children stay within a certain vicinity, regularly returning to their kin's place of work. Also, vendors often collaborate in a very communal way. If one does not have enough change, vendors from neighboring cubicles lend the needed amount. If a vendor does not have a specific product, she or he refers the customer to a friend or family member who manages another stand nearby. When there are no customers, vendors, especially women, exchange news, gossip, and jokes about their families (children and husbands), life and their perceptions of politics.

Street vendors in Cusco
http://www.mtigrp.com/amazon/

The San Pedro market extends over approximately twelve city blocks. It's center is a large warehouse, where goods, produces and manufactured foodstuff are sold. Inside one will find numerous sections, notably: a juice counter section (where there are about thirty different juice counters selling the same product: freshly squeezed or extracted fruit and vegetable drinks), a seamstress section (where typical urban, typical rural and traditional folkloric dress can be bought or made on order), a meat section (divided by aisles for chicken, beef, lamb and pork), a cheese section, a fruit section, a vegetable section, a potato and tubercle section, a bread section, a bean,

grain, nut and egg section, a shoe repair section, a flower section, and a comedor (cafeteria or food court). Also, in the warehouse, one will find dispersed little cubicles that sell manufactured or processed food stuff such as canned tuna, cooking oil, mayonnaise, ketchup, mustard, coffee, tea, and pasta. Merchants will generally ask passing customers what they are looking for, in order to generate interests. Sanitary conditions are generally deplorable, lighting is sparse, competition is fierce though produce quality is usually acceptable. Prices are fair, whereby a kilo of tomatoes sells for 2 soles (60 cents U.S.), a kilo of carrots sells for one sol (30 cents U.S.), a green or red pepper sells for 0.5 soles (15 cents U.S.), a kilo of beef or chicken sell for five or six soles (1.5 to 1.75 $U.S.), and half a dozen eggs sells for 1 sol (30 cents U.S.). In the comedor, one can eat a 'menu' (complete meal with soup, main dish, beverage and desert) for 3 soles (90 cents U.S.).

Inside the warehouse, a clear gendered division of labor can be observed, whereby clothing (seamstress) and meat stands are serviced by both men and women; flower, juice, bread, fruit and vegetable cubicles are serviced only by women, and shoe repair booths are serviced only by men. Men also sell their services as carriers; which is to say that customers who buy large quantities of produces can hire this man to transport bought goods to a set destination point (on his back in a large potato bag tied with a thick rope around his shoulders). In the comedor, both men and women cook and serve; though women are more prominent as comedor workers.

Outside, merchant booths fill alleys and street. One can find everything from personal and household hygiene products to shoes, rubber sandals, generic rain boots, new or used clothing, belts, fabric, hardware, tools, books and school supplies, wood baskets, kitchenware such as pots and pans, thermos, utensils, watches, portable cassettes and CD players, music, sunglasses, hair accessories, backpacks, underwear, natural herbal medicine, live chicks, children's toys, etc. Still outside, the market is divided by areas, whereby each sector is 'specialized'. One can find a tourist oriented sector, where typical sculptures, ponchos, llama and alpaca wool sweaters, bags, mantas and typical rugs are sold. In specific sectors, merchants all concentrate on one or another type of product: some streets are dedicated to hardware and tool sales as well as key making, others to shoes and clothing sales, others to kitchenware and small appliances. Outside, there are also other meat (plus fish), fruit and vegetable sections, though one should be careful to check quality and freshness, since produces are out in the sun most of the day.

Outdoor vendors arrive early in the morning with their goods to prepare their stand, space or cubicle for the day's sales. Indoor vendors, those who have their cubicles in the warehouse, don't have to carry their merchandise back and forth from home to the market. They simply leave their supplies covered with a tarp. At lunch, both indoor and outdoor vendors might cover their goods with a plastic tarp and go eat in a nearby comedor, or simply purchase food from ambulants and eat where they work. Sometimes, vendors bring food from home, in their own plastic dishes (type Topperware). After lunch, around two or three in the afternoon, many of them sleep, exhausted, leaning on their merchandise. This is understandable given that some work a minimum of 12 hours a day, arriving at seven or eight in the morning and packing their merchandise to go home around seven or eight in the evening; thus, not withstanding travel time from home to the market (and vice versa) and other household or family responsibilities.

These details are important because they set the parameters of consumption relation between vendors and between vendors and customers within the said market place. Noting for example that vendors collaborate points perhaps to the existence of market or merchant communities. Also, the fact that vendors buy either food or other products from the same market in which they work, shows that vendors, who are in turn consumers, also contribute to market dynamism. In this sense, a form of market success resides in that small entrepreneurs are involved in relations of inter-dependance with other small entrepreneurs; thus creating a web of contacts fundamental to the functions of the market.

In San Pedro, market relations are mostly informal. Average prices can be bargained down, and deals can be made between producers, merchants and customers. An interesting phenomenon, resides however in the axes that binds the informal sector to the formal economy. Since each cubicle is officially rented, vendors contribute to the 'formal economy' of the San Pedro market; some buy their produce from cultivators, or from other merchants at 'bulk prices'; others buy them from 'legitimate' large scale distributors from Lima, Arequipa, Trujillo, or neighbouring countries; while others still bring their household production directly to the market for sale. These consumption relations can be either formal or informal depending on the nature of economic relations. Informality is usually compelled by family and community relations, the choice to disregard bureaucratic processes related to sales and taxes, the possibility to obtain goods below normal market prices through already established informal networks, and/or subsistence strategies aiming

at maximizing returns (i.e. changing prices pragmatically depending on customers, seeking to sell goods that are below general quality standards, making deals, etc.) Formality on the other hand, is impelled by a concern for legitimacy and transparency. Prices are set and un-negotiable, transactions are recorded, business permits are up to date, related taxes are paid, receipts are kept, accounts and balances are canceled, etc. In short, the informal economy and the formal sector are always intertwined, because at one or another level of production, distribution or consumption relations, one is bound to come in contact with both, formality and informality.

The Molino market, though a contraband market, is the most 'formal' looking of Cusco's neighborhood markets. It was constructed a few years ago because contraband merchants were slowly invading city streets. On one hand, the municipality could not expel or ban contraband product vendors from the city, because that would have left them without work, which would then further reiterate problems of subsistence and poverty. On the other, contraband sale is a fundamental subsistence activity which also supplements overall product supply in Cusco. Contraband refers to the sale of consumption goods that have crossed political borders or have left the production site or primary sale site without the appropriate tax or duty payment and without being accounted for in import/export quotas. Considering that the political boarders of Peru are difficult to monitor, and also that Cusco is reasonably close to Chile, Bolivia and Brazil, it follows that given the Peruvian state's lack of engagement at the level of regional market development; thus notwithstanding the widespread corruption in customs offices, contraband may appear as an economic activity which is viable as a subsistence strategies.

The Molino market is clean and tidy. Though it is an outdoor market, many of its aisles are covered to protect vendors and their little shops from the rain. It is delimitated by high fences and wall with security spikes at the top. There is one main entrance and a secondary entrance at the back. There are no ambulants inside the market limits, though there are many just outside the main entrance. It is divided in booths and cubicles that are rented-out to vendors. Product selection is centered on more middle class type or accumulation consumption goods. One will find goods such as stereos, videos (VHS), DVD's, televisions, contraband music (copied CD's and cassettes), contraband copied movies (VHS and DVD's), as well as kitchen appliances, home appliances (vacuums, irons, hair dryers, heaters, etc.). These make up the bulk of this market's selection or stock. One will also find wines, snacks, children and adult clothing, shoes, toys and stuffed animals,

school supplies, birthday paraphernalia, tools, etc. Though prices can be bargained down, it is rare that vendors will agree to drop prices substantially. When they do reduce prices, usually this consists in up to 5 soles (1.5 $U.S.). Thus in comparison to reductions of up to 10 soles (3.85$U.S.) in the San Pedro market (for similar goods). In the Molino, one will also find counter restaurants which are for the most part concentrated at one end of the market, corner which serves as a comedor (food court).

One should be careful to compare prices because while contraband goods are thought to be cheaper, they are not always sold at a lower prices (compared with other markets). Prices for electronics, wines and kitchenware are usually below average at the Molino, though shoes, music and tools are cheaper or similarly priced at the San Pedro Market. It is however a more sanitary, secure and upper class shopping environment, which affords tranquility. In contrast to the San Pedro market, vendors in the Molino do not generally keep their children with them. Babies and/or young children in vendor's booths are not a common sight. On rare occasions, one may see a baby sleeping in the same crate at his mother side; though this is more the exception than the norm.

Relations between vendors are also quite communal though in a different way compared to the San Pedro market. Although some vendors refer customers to other cubicles, the general rule is that they do not engage in conversation about their families or about their lives, nor readily cooperate when one needs change. In contrast, vendors that cannot fulfill their customers demands in terms of product size, color or characteristic, often ask others vendors selling the same type of goods to procure the needed article, a type of cooperation unseen in the San Pedro market. I was unable to establish whether the first vendor would receive a commission for the sale, whether such collaboration procured a sharing of profits, or whether vendors were culling from the same stock.

In the Molino market, one will not find produces such as fruit, vegetable or meat, nor 'lower class' goods such as rubber sandals, generic rubber work-boots, used clothes, typical rural clothing, etc., all of which can be found in the San Pedro market. This said, outside the market's entrance, ambulant vendors abound, selling everything from produce to hardware. A most interesting phenomenon, is that the consistent presence and insistence of ambulants have promoted the conditions for the development of a lower class market around the Molino. By extension, the environment seems to further impel the confounding of formality and informality. On one hand, the

formalizing of contraband sales and on the other, the proliferation of an adjacent informal market which grew out of the local success of the Molino. To expand on this idea, we can note that consumption goods (those that are sold in the Molino) come from both formal and informal production spaces. CD's, DVD's and some clothing ventures, sell only copies or imitations, which are produced clandestinely in small or medium sized illegitimate businesses or within households. Thus, while the production space for electronics, appliances, wines and snacks (sold at the Molino) has more of a formal character, whereby goods are produced in the manufactures and processing plants of registered 'legitimate' businesses. By contrast, these last goods, as most of those which are produced within informal production spaces, pass through informal networks at the distribution level, whereby they are transported or shipped without being declared or adequately accounted for. Within the Molino market space, both formality and informality have their functions. Formality serves to organize vending ventures, so as to promote middle class consumption; while informality serves to congruently express local socio-economic and cultural norms. As an example, formal receipts will be emitted for goods which have been illegitimately shipped into the country and then bargained down by merchants and customers.

Finally, it is interesting to add the case of the San Jeronimo market; which is a recently constructed, peripheral, outdoor market that concentrates on produce, cheap no-name or imitation clothing, rubber sandals, mechanical supplies and hardware, basic processed foods and household/ personal hygiene products. By contrast, one will not find here, any sort of electronics or accumulation goods such as appliances or music, nor authentic brand name products, with the exception of processed foods such as pasta, oil, sauces, canned milk, condiments, toilet paper, etc. Quite on the contrary, customers find mainly primary 'basic need' goods and high quality meat and produces, especially since most vendors come directly from the surrounding rural areas to sell their products. Some cubicles are formally rented to vendors (mainly for meat, processed foods, and comedor counters); though for the most part, space is allocated on a first come first served basis. Vendors arrive early in the morning to choose a site to set up their tarp (one below their products, usually at ground level if they do not have a table, and sometimes one above their heads in case of rain and/or to protect them from the hot midday sun). During the week, the San Jeronimo market attracts a very slim flow of customers, which can be contrasted to Saturdays and especially Sundays, when the animals are killed for their meat, which is also when customers flock to the market to buy their household supplies.

This particular market is reputable for its fresh and quality meats. Everything will be sold: tongues, heads, hoofs, meat, skins, stomachs and intestines, leg bones, etc. Similarly to the San Pedro market, each meat cubicle will sell one single type of meat, while others will specialize in guts (intestines, stomach, liver, pancreas, heart) and other eatable and non eatable parts (eyes, brains, skins, bones, hoofs, genitals, etc.) At times, families can control a number of booths, selling beef in one, chicken in another, and perhaps pork in yet another. This applies only to those families privileged enough to raise a variety of animals. In the meat section, everything is very well organized; cubicles with roofs are clean and neatly lined up in tidy and uncluttered open air aisles, vendors show off their meat, either on large built-in hooks or on their front ceramic or porcelain counter. Meat vendors who do not have booths or cubicles can have access to specialized tables with built-in hooks, on which they place a plastic table cloth to expose their meat for sale. Also, live chicks can be bought. Conversely, fruit, vegetable, grain, bread, egg, potatoes and tubercle vendors do not have booths. They set up their space pragmatically, on the ground exposing their produce in plastic or large potato bags, or loose on a tarp. Comparably to the San Pedro market, produce selection is wide ranging including everything from parsley to cilantro, oregano, mint, basil, and other fine herbs, from tomatoes to lettuce, carrot, cucumbers, broccoli, cabbage, red, yellow, orange and green, hot and mild, fresh, powdered and/or dried peppers; from potatoes of all kinds (red, white, yellow, brown, purple, small, medium, big, dehydrated, sweet, etc.) to tubercles and corn of all kinds (white, yellow, red, purple, grey, starchy, sweet, etc.) . The San Jeronimo market has the more eclectic selection of products compared to the first two, including lizard skins, turtle shells, crustacean oils, snail shells, jungle tree roots, seeds, dried fish and magic remedies.

These last few points are simply fascinating considering their socio-cultural implications. First, knowing that it is a market where both merchants and customers are for the most part either peasants or first generation migrants (living in the city's periphery), we can begin to explain why there might be a demand for products such as turtle shells, jungle tree roots and even magic remedies. In addition, the fact that most everything is sold in terms of animal parts represents a most interesting standpoint. In a culture of poverty, waste is certainly unacceptable; hence uses are found for everything and everything is sought to be sold.[29] Also, the essential link between peasant

[29] Hoofs can be used to make traditional music instruments, skin or leather can be made into clothing articles (hats for example), bowel tissue can be used to make waterproof containers, etc.

producers and urban consumers can be conceptualize as a symbiotic relation. The former depends on the latter while the latter also depends on the former; thus, without intervening intermediate relations with a third party. In other words, there is no middle-man.

The different sections of the Molino are much less organized compared to the San Pedro market, because space is distributed on a first come first serve basis. In general, fruits, vegetables, potatoes, tubercles, roots, grains, herbs and spices are all jumbled and consist in one single section (operated by women mainly). The clothing section consists in a disorderly mix between new and used clothing, used children's toys, diapers and baby products, hair accessories, plastic ponchos and knitted blankets (again managed by women mainly). The hardware section includes the recycled rubber sandal stands, the mechanical supply stands and various tool stands (which are operated only by men). There is also a large comedor in an open type warehouse (column and roof with no sidings). Similarly to family Lunch time is a social time; family members and vendors from all the different sections gathered and chatted, exchanging news on the days sales. By contrast, frantic comedor workers (mainly women) were shouting the days menu to attract customers.

Here, vendors not only cooperate like those working in the San Pedro market; their contacts go further than conversing and helping out with change. They arrive and leave together, help each other with the unpacking and re-packing of their merchandise, take care of each others' children, and exchange products for other products. This seems almost natural since a number of them come from small peripheral communities. Many already know each other; as neighbours, extended family members, old acquaintances, parents of children who go to the same school, etc. Seeing them engage in product exchanges, also confirms that market relations, when they are part of important and meaningful activities, or when the setting for these relations implies common objectives and symbiotic efforts, also promote communal cohesion, cooperation and harmony. This is the only 'shopping' environment that does not exude this sense of fierce competition between vendors. Although competition is normal in such an environment, the attitude of vendors was different towards one another, for they readily lent each other money, watched the products of another vendor while she or he is gone, give each other products to try, and even combine their products for sale.

Family relations within the San Jeronimo market follow a similar pattern to those of the San Pedro one. Children, and especially young children, and babies were very present, though not in the

meat and very few in the hardware sections. It is common to see mothers breast feed (sometimes children of up to three years old), change diapers, cradle or carry their babies on their back (in mantas) all the while working. During the week, only the younger children come with their parents, thus compared to week ends, where babies and children of various ages accompany their parents. Daughters were more likely to help with sales while most boys are more focused on playing. This market is also cleaner than the San Pedro market: children do not urinate in whatever corner, and conditions (and/or behaviours) are not generally unsanitary. Similarly to the Molino market, customers, vendors as well as parents and their children, generally use the nearby public washrooms. Conversely, neither of the three markets has trash cans, which obviously promotes littering. The difference, is that the Molino had hired maintenance personnel which cleaned the aisles during the day.

In sum, these markets cater to specific customer groups. The San Pedro one caters to centrally located lower and middle classes; the Molino, to the general middle and upper classes and the San Jeronimo market to peripheral lower and emerging middle classes. Their respective features show that informality in production and consumption relations is a cultural form which finds its roots, not only in the socio-economic organization of society, but also in the way people interact so as to secure their personal interests. From a symbolic interactionist perspective, it may be argued that bargaining, setting prices subjectively, or relying on personal contacts for colloquial business opportunities, extends in part from ones' perceptions of the other. Indeed, while bargaining, merchants and customers set their limits and assert their position towards the other. The way in which one will bargain speaks volumes about the actors personalities: it may show flexibility, understanding, the need for pity, intolerance, forms of manipulation, sociability, friendliness, fiendishness, sense of humor, politeness, pride, etc. Tourists are for example thought to have money, and so merchants will charge more than usual. Though if the customer assert its position such as being a student or struggling parent, or if one appeals to the merchant's sensibility towards their common human condition (working hard, being under paid, wanting to get a fair price, etc), merchant will more willingly bargain down their prices. Also, family and friends are thought to be more trustworthy, supportive and reliable; thus because of the implicit responsibility that comes with maintaining respect within the said primary group. As such, merchants will more readily do 'good' business with their kin.

Then, from a functionalist perspective, bargaining, setting prices subjectively and doing business through primary group contacts, is a way of dealing with a pragmatic sort of market competition. As noted previously, the Peruvian political-economy has been plagued by hyperinflation, inadequate price controls, ineffective import substitution strategies, inefficient bureaucracies, precarious living standards, uncertain employment or working conditions and contraband. It follows that market competition is sporadic, and perhaps unpredictable from the point of view of small and medium enterprises. Merchants must, in order to secure revenues, adjust their prices according to the fluctuation of distribution and production prices, changes in living standards and variations in product demand and/or accessibility. By extension, if formality was abruptly imposed, I suspect that many socio-economic dysfunctions would emerge, notably: higher unemployment rates, rampant poverty, a weakening of merchants ability to pragmatically adapt to the waves of market changes, and perhaps acute social discontent. By contrast, formality could also ensure better working conditions (such as employee benefits, decent wages, regulated working hours, a diminution of infantile labour, fair accident compensation, workers compensation and syndicalization, business transparence, etc.). The downside may be that formality requires a said level of literacy and organization skills; requirements that informality does not impose on social actors. Formality and informality impose specific conditions on the nature of social exchanges; thus economic relations will be bound to different norms in each of these contexts.

Here, the relevance of studying market spaces resides in that consumption patterns are in part influenced by market dynamics. As such, questions such as "Why do people chose to shop here and not there?"; "How, when and why do people bargain?"; "In what ways are selection and choice constrained?"; "What kind of environment promotes consumption?"; "What are some of the unmet needs of both merchants and consumers?"; "What are the factors behind market success or failure?" and "What kind of market organization contributes to the improvement of the 'shopping experience' (sanitation, order, professionalism, infrastructure, formality, informality, etc.)?", can begin to be elucidated. Moreover, we should not dismissed merchants as consumers. They consume not only to meet their own and family's needs and wants, but also to produce or distribute product that they shall sell to other consumers. In this sense, vendors are two-time buyers. Then, their capacity to collectively organize so as to either maintain production or access to goods (thus impacting on distribution), will in turn affect consumption. Which means that in this sense, merchants, are also production and/or distribution agents.

Community and consumption:

Here, I want to express my surprise, at the discovery that in Cusco, very little community spirit is manifested within neighbourhoods. People do not usually borrow cups of sugar from their neighbours; they do not welcome them with a cake, a pie or a plant when they just move in; they do not worry about the noise they make at night and rarely if ever, call the police when they witness physical abuse; they do not ask "how are the kids?" and even less babysit them; and they do not either meet for coffee. These kinds of relations, may seem cold and un-welcoming; though they are a direct consequence of a number of factors. First, Cusquenians who maintain warm community relations, usually do so with specific groups, such as their congregation, their colleagues or their hobby or occupation group (sports' team, arts and crafts associations, etc.); thus very rarely with neighbours. This means that the community is dislocated, because it does not specifically appertain to groups of people living in the same area, as is the case in more exclusive or rural communities. Such dislocation is manifest when one considers the implicit lack of trust between neighbours, one which seems mixed with a general concern for privacy and discretion. In June of 2001, household B-2 was robbed: the robbers broke-in the front door with a crowbar, they searched the house, and took most valuables such as jewelry, modern electronics and even clothing. They had a car waiting in front so they could load their loot; thus, in plain daylight at midday. When the family came back, no one from the vicinity had called the police or had done anything to intervene; though some neighbors witnessed the entire incident. This shows that this one middle class neighborhood's dynamics do not afford collective support in ensuring local safety. One could argue that in some other neighbourhoods, the standard of living is so low that families are more concerned with their own subsistence rather than collective safety and support. In this neighbourhood however, the standard of living is neither low nor precarious. Perhaps, people simply do not feel a sense of personal responsibility toward contributing to local safety and collective welfare. A feeling which could have been developed through cooperative production and/ or consumption relations, and the common objectives they imply. In contrast, the literature on peripheral Peruvian communities, confirms that regions or areas that depend on reciprocal or coordinated production and consumption relations do not afford such dysfunctional dynamics. In such communities, almost everyone just about knows everyone else, while collective work and support, or plain-old cooperation, is at the base of local prosperity, safety and well-being. (Huber, 2002: 70-80; Gonzales de Olarte, 1994: 175-230)

The idea that I want to put forth is that through reciprocal production *and/or* consumption relations, group cohesion is maintained. Meaning that production *and/or* consumption activities- when they require the active participation of all the group's members in a symbiotic and also symbolic manner (whether they be family members, peers, colleagues, friends, neighbors, community members)- promote solidarity, cooperation and congruent sets of values. These are more than '*I scratch your back, you scratch my back*' kinds of relationships. They are maintained through a level of face to face interaction, common interests generating trust, long term efforts towards common goals, reciprocal favors, a focus on group subsistence and/or sustenance, transparency and the sharing of resources. Now if we can understand that such group relations do not either compromise natural social hierarchies, then we can also stipulate that such relations would be ideal in promoting not only good community or neighborhood relations, but also regional and/or district socio-economic viability. As such, community-based projects, in order to be sustainable, must then take in consideration not only the costs versus benefits ratio, or the broad principles of 'efficient' prodction and functional conumption, but also the fundamental axes of cohesive social relations.

The lack of community cohesion in Cusco creates a range of social dysfunctions, notably a strong sense of envy between locals, the inability to rely on neighbours for help, a lack of trust and cooperation, doubt, ambivalence and misgiving between Cusquenians in general. This is observable in the way neighbours interact and how they talk about each other. In Cusco, it is common sense to believe that "it's better to tell people that things are going 'bad' so that they will not gossip or try to hinder one's success;" and "that people will seek to inflict maledictions for envy and jealousy." Given that such a mentality is pervasive in the local popular consciousness, neighbourhood projects may be useful in restoring social cooperation.

A few recommendation

Following the three tiered analysis proposed in chapter one, these abutting recommendations focus on the problematic of dysfunctional or unviable market and social dynamics caused by mismanagement and/or biased interests and strategies. They are centered on direct intervention at the level of both social programs and politico-economic policy; thus, on the role of the state and public institutions responsibilities in promoting positive social change.

First, considering market relations between the national and international spheres, Peru should adopt a more defensive approach towards the external market. This means diversifying its export interests so that any major conflict with either of its trade 'partners' can be cushioned by its other international interests. In other words, Peru needs to expand and diversify its market base. Although Peru is dependent on foreign capital (loans and investments), it should not accept the conditions of international money loaners and investors if these compromise the quality and/or efficiency of state institutions related to education, health and public welfare. This means that the state should not accept funds if doing so implies adhering to anti-democratic conditions imposed by foreign institutions. This means adopting a protectionist attitude toward foreign intervention in political restructuring, fiscal management and public related state functions.

At the national level, the State must adopt market policies that will promote local and inter-regional market cooperation and symbiosis. It should consider investing in, or finding Peruvian and perhaps international investors who are willing to support, the development of a processing industry. This means going one step further in promoting the advancement of local enterprises. This also implies elaborating education programs that are geared towards meeting the demand for new positions in manufacturing and its related technologies, product transformations and processing. Also at the national level, the State should attempt to invest in developing efficient and reliable distribution and communication networks; thus, to enable a better distribution of national and international goods, as well as facilitating internal business (meaning inter-regional market relations). Moreover, it should not allow or even support market monopolies; and rather, promote competition and the maintenance of comparatives advantages for smaller businesses. In addition, the government should adopt a defensive attitudes towards imports, especially those that come as a direct threat to national industries. Here, reference is made to imported products that duplicate those produced locally while being sold for considerably less due to low international mass production costs. Following this logic, the State should also put in place measure in order to help Peruvian producers keep-up with international standards; as well as reasonable price controls or taxes to avoid uncontrolled inflation. This, again means promoting first, national competitiveness, preserving the comparative advantage of national producers and implementing market policies that can cushion the effects of the ruthless capitalist competition implied in open international trades. Also, the government as well as national economic institutions must develop long term strategies to avoid or at least minimize capital flight and/ or economic volatility. By extension, new productive

investments strategies must be devised so as to allow returns and sustainability. This point must however be made clear. Short term strategies are never adequate. It is only with sensible long term strategies and the political engagement of subsequent leaders to see these through, that such strategies will yield sustainable development. Obviously, Peru is not yet ready to competitively participate on the international market, or otherwise put: "to play with the big guys". A nurturing approach towards the national economy is necessary in order to strengthen and develop more viable industries and more dependable institutions; which in turn, should promote not only better living standards and economic security, but also business competitiveness. In other words, this means investing in programs, operations and services that are geared towards promoting business expansion, technological innovations, permanent education and poverty alleviation.

Still on the national level, the State should simplify and reduce the cost of its bureaucracy so that more small and medium sized enterprises can have access to business support. This means allocating a portion of annual budgets to national (including regional) business growth. Here, one could propose a multitude of strategies, such as partially funding growth initiatives at the production or distribution levels; offering grants for initiatives related to technology up-dating, developing competitions for marketable technological innovations, helping small businesses in their organization, facilitating access to credit for micro-entrepreneurs, etc. One thing is certain, a developing country cannot attain economic sustainability without the active financial and political support of its State institutions.

Then on the regional level, I propose that more community projects geared towards coordinating production and distribution (transport and sales) are urgently needed. This means mobilizing workers and small entrepreneurs so they can concretize and coordinate their common market objectives. Through regional governance, political actors should promote both education and literacy which generally helps in the development of a better 'business sense', as well as put in place small business and workers support mechanisms to improve economic security. This means putting in place programs geared towards educating people about business opportunities, market trends, basic financing, debt management, workers rights and protection resources, employer responsibilities, the functions of unions and syndicates, etc. Regional governments should perhaps also offer grants for small, though potentially lucrative, business initiatives. Finally, an informative campaign on the benefits of buying national products could enhance consumer patriotism, whereby

the consumption of Peruvian-made goods by Peruvians is the first step to economic recovery.

At the community and family level, market relations could be improved first through gender sensitive programs. As often illustrated; among others in this work, women participate in the informal economy because it allows them to manage family responsibilities and remunerated work. As such, intervention strategies must foster gender sensitive programming such as the creation of family oriented services for working mothers. Taking this idea a step further, I believe that small entrepreneurs who are also parents (with at least three dependents) should receive support from regional governments in order to alleviate some of the economic difficulties they may face. By extension, service corporations should also reconsider tariff setting, so that utility and basic service costs be adjusted according to household living standards. Student employment should also be promoted in order to help the nation's young professionals acquire valuable experience.

Finally, I want to put forward the idea that consumers deserve more information about the how their consumption habits and choices affects the national economy, the environment, their communities as well as their families. A new consumer consciousness must be propagated, one that combines responsibility and solidarity in consumption choices.

Clearly, these are but a few, simplified recommendations. I would like them to serve as sparks in the politico-economic debate concerning Peru's and Latin American development. The innovative discourse that this research offers, confirms the inextricable link between consumption and living standards, as well as the fundamental relationship between all levels of production, distribution and consumption activities. The present project corroborates the link between development research and consumption politics as well as the need to further investigate themes related to regional consumption and market relations.

Conclusions:

The context of production and consumption relations, whether they take place within the household, within a community (dislocated or within a said neighborhood/ region), a market, or in a specific cultural setting, does fundamentally affect social cohesion as well as societal behaviour, norms and functioning. Considering the effects of globalization and consumer culture on communities all over the world, I posit that Cusco, like many cities in developing regions, is still

clearly on the margin. It is a city that thrives on its ancient local culture; a place where rural lifestyles are still associated with poverty; a region that struggles in keeping-up with the push and pull between modernity and tradition, an expanding urbanization where poverty and precarious standards of living are still the rule rather than the exception. This means that talking about consumption in Cusco, is talking about how people subsist and struggle in the light of sometimes uncertain market conditions.

This research sought to show that economic theories do not adequately expound the relationships between consumption, development and living standards. As such, consumption cannot and should not, be reduced to a quantitative reasoning process and probability modeling. Consumption is fused to our social life, it is the essence of cultural forms and a crucial element of lifestyle. Consumption choices imply more than just utility, preference and income averages, for they represent complex socio-cultural relations. Then, in a third world context, one can scarcely afford to ignore the link between household production and consumption or the important social implications of rapidly changing material realities.

While seeking to uncover how developing communities consume- that is how they gain access to, adopt, adapt or reject commodities- it became obvious to me that consumption dynamics in Peru, and more specifically in Cusco, are concomitant to a series of macro and micro phenomena. At a macro level, tourism, national and continental product industries, international imports and market policies, contraband as well as established distribution networks orient market dynamics in significant ways. At a micro level, standards of living, local employment conditions, accessibility to commodity forms (or lack of it), prices, local perceptions of 'modernity' and 'fashion' versus the local sense of cultural identity, also help shape distinct consumption patterns. In Cusco, the younger generations is more susceptible to the influence of global popular culture (playing computer games online; chatting on the Internet; buying popular music by Madonna, Britney Spears, Shakira, Enrique Iglesias; following fashion trends; etc.), thus compared to more mature adults; though they also maintain a strong sense of local cultural identity. Notably, the local education system encourages participation in folkloric dance festivals, and many children and adolescents learn to play traditional Andean music at a young age. Most Cusquenians, including teenagers and young adults, also appreciate wayno, technocumbia, salsa and criollo music (Peruvian and South American types of music); they actively take part in traditional ceremonies and carnivals, and by and large are

interested in local cultural forms. All of these preferences are manifested in the streets, at public events, and in a number of social circles. In sum, I advance that consumption choices, preferences and habits transcend the general criteria of standard economic theory and that qualitative factors related to culture and local social organization cannot be disassociated from an analysis of consumption patterns.

As an extension of the above observations and in an effort to decipher how traditional and modern ways are pragmatically and contextually intertwined through consumer choices; I found that people in Cusco are torn between notions of 'progress' and 'modernization' and the objective of preserving the local cultural heritage. A constant oscillation between traditional and contemporary cultural forms is noticeable and new hybrid identities, practices and consumption habits are becoming the norm. This applies to food preparation, where modern processed foods are added to typical dishes[30]; forms of music, where Andean musical forms are blended to rock; clothing, where traditional fabrics, such as alpaca and llama wool are used in the making of modern looking articles, or rather where synthetic fabrics are used to make mantas and ponchos; and also jewelry, where traditional shapes are ornamented by plastic beads. It follows that this phenomena is expressed in countless ways, and that these are but a few examples of how consumption habits are hybridizing cultural forms. The question thereby resides in whether or not cultural capital is lost in the light of global consumption trends. The problematic of acculturation, in the case of Cusco, is distinct although not so unique in that it represents a classic examples of cultural commodification. While tourism promotes important market changes, it also contributes to the preservation, reproduction and enhancement of local cultural forms. This means that the real socio-economic challenge, is that of allowing a sensible co-existence between modernity and tradition.

The second objective of this research was to develop a better understanding of how newly introduced commodities change the way people live, the way family members interact, and to assess whether such changes are culturally viable and/or compromising. Obviously, lifestyles are relative to class consumption. The way people live depends on their socio-economic status, on the nature of their daily activities, on their family values and on their cultural preferences. Perhaps, one of the

[30] For example using *Maggie* flavoring in traditional soups or using powdered mixes to make chicha.

best way to assess lifestyle changes is through longitudinal studies; and I acknowledge that the inferences reached in this work are but a limited assessment of the situation. Nonetheless, they show that emerging consumption habits do affect family relations and lifestyle; that group interactions are sensitive to the production and consumption activities we engage in; and that such activities promote cohesion and cooperation when they afford a symbolic social value, i.e. of belonging to a group or bonding with its members through active participation. In other words, production *and/or* consumption practices are fundamental in promoting social integration, they have the power to dissolve and/or strengthen ties between social actors, and they help in the development of trust, inter-personal reliance and more efficient modes of household management. Also, some commodities greatly influence consumption habits and therefor lifestyle, notably, a refrigerator considerably alters food consumption trends, a television may have a tremendous impact on preferences, while other commodities such as manufactured mattresses can induce significant alterations to family and social relations as well as lifestyles.[31]. The question that remains, is whether or not newly introduced commodities compromise the consumption of goods that are comparatively 'better'[32]. Clearly, in some cases, newly introduced commodities are less advantageous than older ones, as they betray the value of traditional practices. In many other cases however, newly introduced commodities improve standards of living and also a family's capacity to ensure it's members' well being. It follows that each commodity can be related to a specific use; that usage is a key dimension of lifestyle, and that lifestyle is at the base of both, culture and living standards. For this reason, the impact of commodities must be studied in the context of their specific uses in relation to a particular lifestyle.

The third objective of the present research, was to show that contextual third world consumption patterns can be useful indicators of localized development and living standards; while also demonstrating that the production and transfer of goods and services must be attuned to the

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[31] Taking the examples of water heaters, indoor plumbing, microwaves, telephones, fax machines or even counter space, one can only imagine how a family's lifestyle is affected by newly acquired commodities.

[32] The comparison between low price, short life, manufactured mattresses, and high cost, long life, reusable, recyclable, unprocessed wool mattresses, is one that reveals important discrepancies between the different benefits and drawbacks of 'modern mass produced' and 'traditional home-made' products.

needs, circumstances, rhythms and cultural preferences of local communities. As such, the conclusions reached through this research project, corroborate the fact that the acute poverty of the Peruvian population, because it imposes serious consumption constraints, also hinders growth and welfare. They confirm that the State apparatus does not meet the needs of the national population, and that most national industries, because they focus on exports, fail to imply sustainable growth; thus, notwithstanding the fact that some Peruvian industries do contribute to regional welfare, since they provide employment and local economic security.

This said, consumption in Cusco hides a certain paradox. While 'more' of everything is being consumed, which points to certain developments in terms of local socio-economic realities; the city does not seem prepared to cope with some of the negative effects of consumption. In itself, Cusco is a city which is increasingly polluted. The increase use of cars and cheap gas for example, create problems related to excessive carbon dioxide in the air. Consequently, downtown Cusco is contaminated with black clouds of automotive fumes, a situation which can on the long run create serious health and environmental hazards. Also, while household goods are increasingly consumed, the problem of waste management is also being reiterated. The lack of adequate garbage and waste disposal services also contributes to pollution: there are no recycling programs; street trash cans are rare; garbage pick-up is sporadic and unreliable; bottles, papers, and even entire stack of household trash are commonly thrown in the streets, in parks, rivers, or in the nearby country side; and people are obviously misinformed about ill-effects of wastes on the environment. This problematic must be addressed by the municipality as it should invest time and money in an informative campaign about waste and the environment, while also making waste disposal services more reliable.

Moreover, the specific needs of the Cusco population concerning consumption, revolve first and foremost, on the necessity of having access to affordable basic services related to electricity, water, telephone, health and education. Conversely, the inaccessibility of such services may prompt dysfunctional consumption behaviours, especially in that people may be tempted to trade-off their need for basic necessities against their luxury wants. In this sense, the growing popularity of luxury goods such as television, cable, electronics and such, comes as a threat to functional and rational consumption choice in a third world context. In other words, I fear that ignorance and perhaps

misinformation may engender seriously dysfunctional consumption priorities.[33]

Consumption is a topic that relates to all social institutions and their operations; and its functions and dysfunctions affect human relations in countless ways. Although this particular project focused on family, community and market spheres, consumption research could also yield a wealth of information on institutional dynamics. In this sense, institutional settings such as governments, health services, educational institutions, the justice system, etc., would make for befitting contexts from which could be extrapolated most interesting consumption patterns. In these environments, dysfunctions related to consumption may have negative effects on organization, savings and budget transparence, service delivery, administration and the integration of workers; thus corroborating the need for more research in this domain, and perhaps also the necessity to concretely incorporate regional and qualitative dimensions to consumption analysis in international development research.

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[33] The case of parents buying a television or a stereo when they can't even pay for their children 's education or health care is actually quite worrisome. Arguably, the theme of household money management should be added to education curriculums so as to avoid some of the long term repercussions of dysfunctional consumption choice.

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Sample of Public Life Diary: Appendix A

By looking at how people (adults- elders, workers, parents- and children alike) are influenced by commodities, we can begin to understand how material realities shape the way people interact. Here gender, age and general characteristics of social actors is also important. This data gathering tool consists in a Public life diary. This device is designed for the purpose of recording activities and behaviors which are centered around particular commodity usages or rather, to note how commodities seem to affect social interactions.

Date and Time:_____

Setting:_____

_____

Commodities involved:_____

_____

_____

_____

_____

_____

Description of social actors:_____

_____

_____

_____

_____

Social dynamics:_____

_____

_____

_____

_____

_____

Appendix B

Research: Consumption patterns in developing regions: their impact on family, community and cultural dynamics: case studies from Cusco, Peru

Interview guide

Participant or household code:_____
Setting:_____
_____

General information on respondent (age,, gender, occupation, family position):_____
_____

Tape or disc number:_____

1-. Confirmation of informed consent
2-. Words of introduction
3-. Section A. the family and the household

a) In comparison to local standards, what socio-economic class would you say you represent?

b) How many persons live in this household?
-ages
-genders
-occupation
-position in family

c) What are their contributions to household expenses?

d) Do some members of the household have special consumption needs related to diet, medicine, etc?

e) What costs the most in term of household expense?

f) Who is responsible of paying household overheads

g) How are family members' contributions distributed based on household expenses?

h) Who is usually in charge of collective or household purchases and where are these purchases done (see chart).

Type of product	Who purchases	Where
foodstuff: -fruits and vegetables -eggs and meat -bread, cereals and grains -dairy products -condiments & other kitchen product		
Cleaning products: -for laundry -for dishes -for floors -for washrooms -others		
Personal hygiene products -for hair -for skin -for teeth -others		
Electrical devices: -kitchen appliances -electronics -other electric goods		
Clothes (add details if necessary)		
Furniture (add details if necessary)		
Medicine (add details if necessary)		
Books (add details if necessary)		
Other:		

i) Are their specific goods that you feel would improve the household's living standards?

j) How often do you go to the market?

k) What mean of transport do you use to move goods?

l) Are there ever any conflicts between family members over expenses and/or goods?

m) Are there goods that you feel you would need but that are too expensive or unavailable on local markets?

n) Are there goods or services that you can get for free or at very low prices?

4-. Section B Community relations and regional conditions
a) Are there people who do not live in this household that contribute to family expenses?

b) Do you or anyone in the household contribute to the expenses of other families or households?

c) Do you lend some of your things to neighbors

d) Do you ever borrow things from your neighbors?

e) How are your relations with your neighbors?

e) Are you part of any specific community?

f) Living in a high altitude zone and given the local weather, are there specific goods and services that are essential?

5-. Section C: Preferences and consumption habits
a) In what way do you follow cultural tradition
explain:

b) How do you view modern or imported commodities
explain:

c) Are there any brand-name that you prefer
-for foodstuff
-for drinks
-for clothing
-for furniture
-for household and kitchen appliances
-for electronics

d) How would you say that the household consumption habits have changed in the last few years?

e) Do you have an opinion on the idea of "culture of consumption"

Investigación: El Consumo en regiones en desarrollo: entendiendo su impacto sobre dinámicas familiares, comunales y culturales en Cusco, Peru.

Guia de entrevista

Participante o codigo de vivienda:_____
Ambiente para la entrevista:_____
_____

Información general sobre el participante (edad, sexo, ocupación, y posición en la familia):____
_____

Numero de cinta:_____

1-. Confirmación del consentimiento informado
2-. Palabras de introducción
3.- Seccion AÑ La familia y la vivienda

a) Comparado a los estándares regionales, que clase socio-economica representa ustedes?

b) Cuantas personas viven en esta vivienda?
-sus edades
-su sexo
-sus ocupaciónes
-posición en la familia

c) Ellos contribuyen a los gastos familiares?

d) Hay algun mienbro de la familia que tiene necesidades especiales (dieta, medicamentos, gafas, etc.)?

e) Cuales son los gastos los mas altos o mas importantes para mantener la vivienda?

f) Quien esta encargado de pagar los gastos de la vivienda?

g) Como se distribuye el aporte de cada persona contribuyendo?

h) Quien esta normalmente encargado de hacer las compras y dónde se hacen? (Ver al cuadro)

Tipo de producto	Quien	Lugar de compra
Comida:		
-fruta y verduras		
-huevos y carne		
-pan, cereales y trigo		
-poductos lácteos		
-abarrotes		
Productos de limpieza		
-para la ropa		
-para la vajilla		
-para los pisos		
-para el baño		
-otros		
Productos higiénicos personales		
-para el cabello		
-para la piel		
-para los dientes		
-otros		
Bienes o aparatos electricos		
-electro-domesticos		
-electronicos		
Ropa		
Muebles		
Medicamentos		
Libros y utiles de papelería		
Otros		

i) Hay productos especificos que en su opinión podrian mejorar su qualidad o estándares de vida?

j) Con qué frequencia usted va al mercado?

k) Como transportan bienes de consumo de un lugar hasta un otro?

l) Hay conflictos entre miembros de la familia acerca de los gastos o del consumo familiares?

m) Hay bienes de consumo que se sienten necesarios pero son demasiado caros o dificiles de conseguir en mercados locales?

n) Hay bienes de consumo o servicios que usted puede conseguir gratis o por un costo muy bajo?

Seccion B: Comunidad y condiciónes regionales:
a) Hay personas que no viven en esta vivienda pero que contribuyen a los gastos de la vivienda?

b) Usted u otra persona viviendo aqua contribuye a los gastos de otra vivienda?

c) Pasa de prestar cosas a los vecinos o otro grupo de gente?

d) Pasa que ustedes deben pedir cosas de los vecinos o de otro grupo de gente?

e) Usted u otro miembro de la familia hace parte de una comunidad particular?

f) Viviendo en una zona de altura, y considerando la temperatura, hay bienes de consumo que se pueden considerar como indispensables?

5-. Seccion C: preferencias y habitos de consumo.
a) Como siguen tradiciones culturales? Explicar.

b) De que manera ve los productos importandos y modernos?

c) Hay marcas de consumo que usted o miembros de la familia prefieren?
-para comida
-para bebidas o refrescos
-para ropa
-para muebles
-para electro-domesticos
-para electronicos

d) Puede explicar si algunos habitos de consumo cambiaron desde algunos años?

e) Tiene una opinión acerca de la idea de la CULTURA DE CONSUMO?

Household inventory

This grid should be divided by the number of rooms in the house and should account for accumulation goods such as furniture, appliances, electronics, books, tools, decorations and ornaments, etc.

Room	Appliance and furniture	Condition and/or Use

Household utilities and services

This grid is meant to log household services and utility use, accessibility, and restrictions as well as means of transportation. Services include such utilities as access to water, electricity, gaz, communications (telephone, cable, Internet), etc. The information on household means of transportation will adjacently indicate the modes and conditions of family travel.

Household number:_____

	Accessibility and source, condition of infrastructure and/or use, constraints and costs if available.
Water	
Electricity	
Heating	
Plumbing	
Telephone	
Internet Cable Radio	
Modes of travel	

Household vernacular consumption:
This grid compounds foods products, weekly and monthly supplies and the activities or types of uses they are associated with. Since certain usages may be specific to gender, age, status, or social function, corresponding sections should explain the context in which household commodities are manipulated, transformed, distributed, as well as by whom and for whom. Also, when possible, notes on usages should contain information on wether traditional or modern values transpire from specific uses.
(Note: horizontal divisions should be added as needed)

Food- record of meals and snacks

Date	Time	Components and/or ingredients	Usages (by whom, for whom and how)

Household vernacular consumption (continued...):

Household leisure and pass-time
Further details may appear in the Family Daybook

Activities	Commodities involved	People (characteristics) and roles

Household vernacular consumption (continued...):

Commodities, accessories, tools, instruments and paraphernalia used in household chores & tasks. (cleaning, organizing, cooking, etc.)

Activity	Method (how and with what)	Usages (by & for whom and why- function/purpose

Household vernacular consumption (continued...):

Supplies and frequency of shopping

Date	List of things bought (indicate price paid & place of purchase if possible)	Usages (intended use)

Local market selection

This grid documents the selection of goods readily available for local consumption. To this effect, market selection, price and target consumer group (typical buyers or intended market) will be documented when possible.

Market location & merchant genre	Type of merchandise & price range	Target consumer

By looking at how people (adults- elders, workers, parents- and children alike) are influenced by commodities, we can begin to understand how material realities shape the way people interact. Here gender, age and general characteristics of social actors is also important. This data gathering tool consists in a Family Daybook. This device is designed for the purpose of recording activities and behaviors which are centered around particular commodity usages or rather, to note how commodities seem to affect family and social interactions.

Sample of Family Daybook

Date and time:_____

Setting:_____

_____

Description of Activities:_____

_____

_____

_____

_____

Goods and services involved:_____

_____

_____

_____

_____

Description of people involved and relational dynamics:_____

_____

_____

_____

_____

Living standard assessment using household consumption analysis: Appendix E

Goods and services	Families: A1	A2	B1	B2
Utilities:				
Electricitiy (use scale /5)	2	3	4	4
Indoor plumbing	No	Yes Limited *washroom only*	Yes *washroom and kitchen*	Yes *washroom and kitchen*
Hot Water in washroom	No	No	Yes	Yes
Communications:				
-Telephone	No	No	Yes	Yes
-Computer & Internet	No	No	No	No
-Family members using public Internet	No	No	Yes	Yes
-Fax	No	No	Yes	Yes
Electronics:				
-Number of Televisions	0	0.5 B&W	1	2
-Cable	------	No	Yes Limited	Yes 100Channels
-VCR	------	No	Yes	No
-CDs & CD player	No	No	Yes	Yes
Kitchen appliances:				
-Refrigerator	No	No	Yes	Yes
-Microwave oven	No	No	Yes	Yes
-Blender	No	No	Yes	Yes
-Rice cooker	No	No	Yes	Yes
Household infrastructure:				
-Cement	No	Yes	Yes	Yes
-Plaster	No	Yes	Yes	Yes
-Paint or Wall paper	No	Yes Limited	Yes	Yes
Transport:				
-Car	No	No	No	No
Points	2 Points	6.5 Points	19.5 points	20 points

According to the grid shown above, it is possible to evaluate a household's living standards strictly through household consumption analysis. Electricity use is scaled zero to five representing average electricity consumption (0 being none and five being the most). These are points that should be added to the final score. For each Yes response, one point is added and for each Yes Limited response 0.5 point is added. The final score shows the living standard of each family based on specific consumption characteristics. Items can be added or removed given their pertinence (ex: electric or gaz heat, electronic video games, stereo systems, counter space, oven, number of TV's, number of working adults, sources of revenues, access to credit, etc.). The results of this trial show that A and B families represent distinct socio-economic strata: A-1 being the least privileged and in need of assistance, and family B-2 being the most privileged.