



The Sustainability of Urban Heritage Preservation

The Case of Oaxaca de Juarez

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1. Introduction

A large number of historic centers in the Latin American and Caribbean (LAC) region are rich with architecture and public spaces, often dating back to the fifteenth and sixteenth centuries. Many of these historic centers maintain their original street layouts, which, in cities founded by Spaniards, is usually a strict gridiron pattern of streets. As cities modernized, this inherited urban structure began to show signs of stress. Narrow streets became congested by car traffic; informal street vendors began to invade public spaces, and traditional land use patterns failed to meet the needs of the rapid development experienced by the cities.¹ As a result, many downtown areas in the region lost importance and presence in city life. In contrast to the perception of modernity reflected by high-rise buildings and highways, historic centers came to be seen as traditional and backward (Rojas, 1999). Consequently, the most dynamic urban economic activities and high-income households abandoned many historic centers, which often led to further deterioration and obsolescence of buildings and public spaces.

¹ The region is characterized by a rapid and relevant urban development, as result of immigration flows and natural population growth. In 2007, LAC urban population reached about the 80 percent of the total population, while worldwide the average was about 50 percent (Lanzafame and Quartesan, 2009).

Today, there is a growing interest in the rehabilitation of urban heritage areas throughout the LAC region. However, there are several factors that hamper this process. First, the historic centers are not widely valued and consequently there is a lack of interest on the part of the private sector to invest in urban heritage areas. Second, there is an absence of effective policies and programs to promote rehabilitation. Third, there is a lack of institutional arrangements and coordination in designing and executing heritage preservation and development programs. As a result, rehabilitation programs often involve limited, sporadic, and overlapping projects that focus only on emblematic buildings. These issues must be addressed in order to develop programs for the preservation of historic centers that can be sustained by the communities themselves.

This paper presents the main findings of a case study of the preservation of the historic center of Oaxaca de Juárez, Mexico (hereafter Oaxaca). The historic center of Oaxaca can be considered a well-preserved area with expanding social, cultural and economic urban activities. It is a vibrant city center where local residents and tourists congregate, and houses many government functions, important markets, and religious centers. The case study analyzes the key factors that led to Oaxaca's success in the preservation of its historic center, which include i) retaining key functions of the city (such as government, education, religion, commerce, and health care); ii) having (and keeping) a mix of low-, middle-, and upper-class residents; iii) promoting cultural tourism around the heritage sites; iv) attracting private investors and consumers; and finally v) benefiting from the early involvement of both public and private (including civil society) actors in preservation efforts. The fact that Oaxaca's historic center was never abandoned and maintained the function of an important regional hub contributes to its preservation. This historic trajectory differentiates the case of Oaxaca from the broad pattern of historic center abandonment seen throughout the LAC region.

However, the historic center of Oaxaca has not escaped the challenges of rapid urbanization, which in many ways are more vexing because the center was never abandoned. Problems related to transit and access, such as traffic, lack of parking, and informal street vendors clogging roads, could reduce the attractiveness of the historic center if they are not tackled. In addition, the recent displacement of some government offices from the center and the development of new commercial centers in other areas of the city may drain some of the

economic vitality of the historic center. Together, if no new initiatives are put into place, these two trends could negatively impact the historic center's long-term sustainability.

The paper is organized as follows. Section 2 contains a brief note on the methodology adopted to carry out the research. Section 3 provides a summary of the history of the region where the city of Oaxaca is located. Section 4 presents an introduction to the historic center. Section 5 details some key aspects of the city center, including the variety of institutions and services, the mix of residents, the economic activities, and the dynamics of the real estate market. Section 6 describes the institutional arrangement and planning tools used for the preservation of the historic center. Section 7 highlights some factors that have the potential to be obstacles for the future sustainability of the preservation of the historic center. The paper concludes with a discussion of how the case contributes to the understanding of the economic sustainability of the rehabilitation of urban heritage areas, and outlines recommendations for future actions.

2. Methodological Note

This case study is part of the “Sustainability of the Rehabilitation of Urban Heritage” study, which is being conducted by the Inter-American Development Bank (IDB). The main goal of the study is to expand the understanding of the economics of self-sustainable preservation that are complementary to the social, environmental, and institutional dimensions of heritage preservation.² This case study addresses the following questions posed by the IDB methodology:

1. Are there well-preserved and developing urban heritage areas with a mix of residential, commercial, recreational, and government activities that are comparable to those of other dynamic central areas of the city? Are they attracting private and public investment in similar volumes? Are private investments showing competitive returns?
2. Are there common characteristics in the well-preserved cases? Are these characteristics missing in the cases that do not show these outcomes?
3. Are these characteristics the consequence of identifiable factors that can systematically be attributed to the attainment of these outcomes?
4. Are these factors replicable?

² To reach this objective, comparative studies have been planned in Europe, Africa, and the LAC region with the main purpose of understanding whether factors contributing to the attainment of self-sustained preservation in one place are replicable in others.

The historic center of Oaxaca and the Monte Albán archaeological site were included together in UNESCO's World Heritage List (WHL) in 1987, even though the two sites have distinct developmental paths and geographical, social, and economic conditions. However, Monte Albán is included in this analysis only to the extent that it affects the economy and society of the historic center of Oaxaca.³ This treatment was necessary in order to meet the guidelines of the methodology for the broader IDB study.

The research was conducted in two phases. First, various documentary materials were collected and analyzed, including books, journal articles, newspaper articles, government reports, Web sites of interest, and databases. Second, field investigation was conducted in Oaxaca, including interviews and focus groups with over 25 principal stakeholders.⁴ Four additional interviews were conducted in Mexico City.⁵

The methodology suggested by the IDB stresses the importance of comparing the situation of the historic center today with its situation before inclusion of the site in the WHL. The motivation for this comparison is to understand the impact of the site being included on the list. It is important to highlight that Mexico was a pioneer in efforts to preserve cultural heritage sites and undertook various urban heritage programs in the second quarter of twentieth century.⁶ As a result, Mexico achieved the inscription of its first sites on the WHL as early as 1987 (including the "Historic Centre of Oaxaca and Archaeological Site of Monte Albán"). Due to this early urban heritage preservation activity, few data are available for the period before the historic center was included on the WHL.⁷ However, where data allow, the case study adopts a comparative framework examining changes over time and trends that have affected the center's preservation. In addition to making comparisons of the site itself over time, the case study contrasts it with other parts of the city and country, to help identify the factors that contributed to economic and social changes in the historic center.

³ A discussion of the Monte Albán archeological site is offered in the Annex.

⁴ The fieldwork was conducted in Oaxaca from November 16 to November 21, 2009.

⁵ See the Annex for a complete list of interviews.

⁶ Most countries in the LAC region, with the exception of Brazil, started programs late in the twentieth century.

⁷ Data became scarcer when the archives of the State Secretariat of Tourism were destroyed in a fire during the unrest in 2006.

3. History and Sociodemographics of Oaxaca

Archaeological finds indicate that Oaxaca is the most ancient inhabited area of Mexico. For thousands of years, Zapotec and Mixtec communities lived in the area close to the present-day city. In the mid-fourteenth century, the Aztecs named the strategic military fortress built in that area Oaxaca, a name that comes from the Aztec word *Huaxyacac* (meaning “on the peak of the *guaje* tree”),⁸ The rich history of the region is reflected in the high levels of cultural diversity of the state, which today has 16 formally registered ethnolinguistic groups.⁹ However, in Oaxaca’s historic center only 4 percent of the resident population age five and older speaks an indigenous language (Casa de la Ciudad, 1998).

Figure 1. The Geographic Location of Oaxaca



Source: Authors’ elaboration.

When the Spanish first arrived in the area of present-day Oaxaca, they founded a new city next to the old fortress. Bordered on the east and the northeast by the San Felipe River, on the southwest by the Atoyac River, and to the north by the *Cerro del Fortin* (Fortin Hill), the area was an ideal place to settle. By 1529, the city rose to the status of *villa* and was formally named Nueva Antequera.

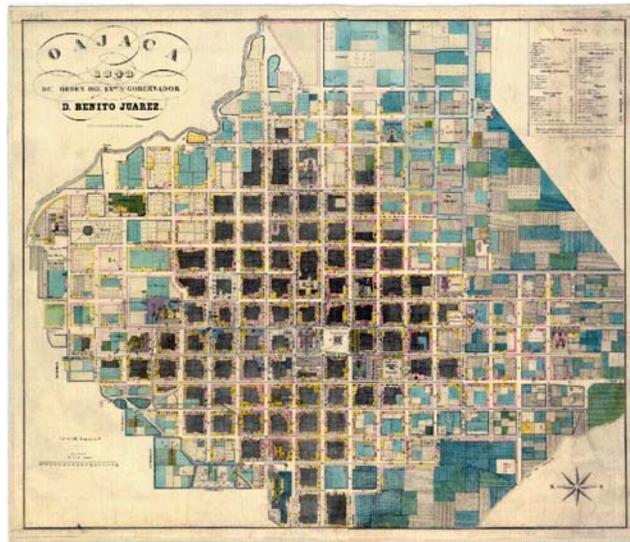
Nueva Antequera prospered during the viceroyalty and was mainly spared the effects of military conquests. Later, the city played an important role in Mexican history because it was the

⁸ The *Huaxyacac* word has its roots in the Nahuatl (the Aztecs language): *Huaxin* means guaje and *Yacalt* means peak-top. The guaje tree is a kind of acacia that grows throughout the state.

⁹ The Zapotec, with 347,000 people, and the Mixtec, with 241,000 people, are the largest groups. According to Schmal (2003), 37.11 percent of the state population still speaks indigenous languages, while the average for Mexico as a whole is 15 percent (Schmal, 2003).

home of Benito Juárez and Porfirio Díaz.¹⁰ In 1821, after Mexican independence, the name of the city became Oaxaca. In 1872, “de Juárez” was added to honor the former president Benito Juárez. Figure 2, a map of Oaxaca in 1848, shows block division and main buildings, and includes a list of convents, monasteries, churches, public buildings, plazas, and parks.

Figure 2. Oaxaca City in 1848



Source: <http://cronicascartograficas.wordpress.com/2008/10/08/exposicion-virtual-mapas-tempranos-de-la-coleccion-latinoamericana-benson/>

Today, the city of Oaxaca is part of the larger metropolitan area (*Zona Conurbana de la Ciudad de Oaxaca* [ZCCO]) that includes 18 additional municipalities. Over the past six decades, growth in the metropolitan area has been dramatic, increasing from about 50,000 inhabitants in 1940 to an estimated 504,000 inhabitants in 2005 (Table 1). This growth was first concentrated in the city of Oaxaca and, starting from 1990, became more intense in the 18 surrounding municipalities. As a result, the city went from representing 77.3 percent of the total population of ZCCO in 1970, to 52.6 percent in 2005.

¹⁰ **Benito Pablo Juárez García** (1806–1872) was one of the most beloved leaders of Mexico and the first indigenous (Zapotec) to serve as a president (five times). He is remembered for resisting the French occupation and restoring the Republic. **José de la Cruz Porfirio Díaz Mori** (1830–1915) was an expert general and served as the president of Mexico several times. During his leadership, the country experienced a period of stability and economic growth. However, he is commonly considered a dictator. His conservative regime became gradually unpopular and fell during the Mexican revolution.

Table 1. Population Growth at City Level between 1940 and 2005

Geographic Area	1940	1950	1960	1970	1980	1990	1995	2000	2005
ZCCO	52,989	72,970	105,750	150,508	209,245	331,247	404,371	460,350	504,159
Oaxaca City	31,389	49,953	78,639	116,388	157,284	213,985	244,827	256,130	265,033
Oaxaca %	59.2%	68.5%	74.4%	77.3%	75.2%	64.6%	60.5%	55.6%	52.6%

Source: Authors' elaboration based on Urban Development Municipal Plan of Oaxaca de Juárez, 2005–2007 and Zoning Plan for the ZCCO (1993).

3.1 The Political and Social Events of 2006

In 2006, the city of Oaxaca was the scene of a sociopolitical conflict that paralyzed economic activity and tourism in the whole region (Rivera Rosas, 2008). The immediate cause of the strife was a strike organized by the local teachers' union, the National Union of Education Workers (*Sindicato Nacional de Trabajadores de la Educación*) (SNTE), over wage increases. The dispute escalated with street protests, and the governor of the state sent 1,700 police to control the unrest and restore order. The situation further escalated when the Popular Assembly of the Peoples of Oaxaca (*Asamblea Popular de los Pueblos de Oaxaca*) (APPO) joined the protest against the governor and the political leadership in the state.¹¹ The governor was accused of corruption and was asked to resign. The conflict, which lasted approximately seven months, descended into violent clashes between police and protestors, and resulted in many arrests and even some deaths.

The events drew significant coverage from the media, which continued to feature stories on the conflict even after the city began to recover.¹² Because the historic center is the location of the state government and it is also the heart of city activity, much of the conflict was concentrated within its limits. The visible damage of the protest included walls and buildings covered with graffiti. The city government, the National Institute of Anthropology and History (*Instituto Nacional de Antropología e Historia*) (INAH), and civil society organizations started annual cleaning programs to remove graffiti from religious and historical monuments. By 2009, the city had recovered from these traumatic events and citizens and tourists were back in the historic center.

¹¹ APPO was assembled in June of 2006 as a response to the political events. It is composed of more than three hundred associations in support of the SNTE.

¹² Surprisingly, the events of 2006 have not hindered recent growth in property values and local infrastructure.

4. The Historic Center

The historic center of Oaxaca has an area of 544 hectares and occupies 23 percent of the city area and 7 percent of the ZCCO total area. In 2000, there were 39,000 residents in the historic center, accounting for 15.3 percent of total population of the city (Table 2).¹³

Table 2. Historic Center Share of Population and Area

ZCCO	
Population (2000)	460,350
Area	7,517 hectares
Oaxaca City	
Population (2000)	256,130
Area	2,362 hectares
Historic Center	
Population (2000)	39,173
Area	544 hectares
Percent of total city population	15.3%
Percent of total city area	23%
Percent of total ZCCO population	8.5%
Percent of total ZCCO area	7.2%

Source: Authors' elaboration based on Urban Development Municipal Plan of Oaxaca de Juárez, 2005–2007 and Zoning Plan for the ZCCO (1993).

Much of the city economy (61 percent) is concentrated in the historic center. Many economic activities, including manufacturing, commerce, and nearly all nonfinancial services, are located in this area of the city (see Table 3). Consequently, there is a floating population of 20,000 people who work and gravitate to the historic center on a daily basis. In addition, the concentration of schools and religious centers, as well as the majority of hotels and restaurants, creates congestion and saturation of parking on public streets.

¹³ The city government has included the areas of Marquesado, Xochimilco, Jalatlaco, and Trinidad de las Huertas in the area considered the historic center.

Table 3. Economic Activities in Historic Center

	Manufacturing	%	Commerce	%	Nonfinancial services	%	Total	%
Oaxaca City	600	100	6,601	100	3,266	100	10,467	100
Historic Center	346	57	3,144	47	2,932	90	6,422	61

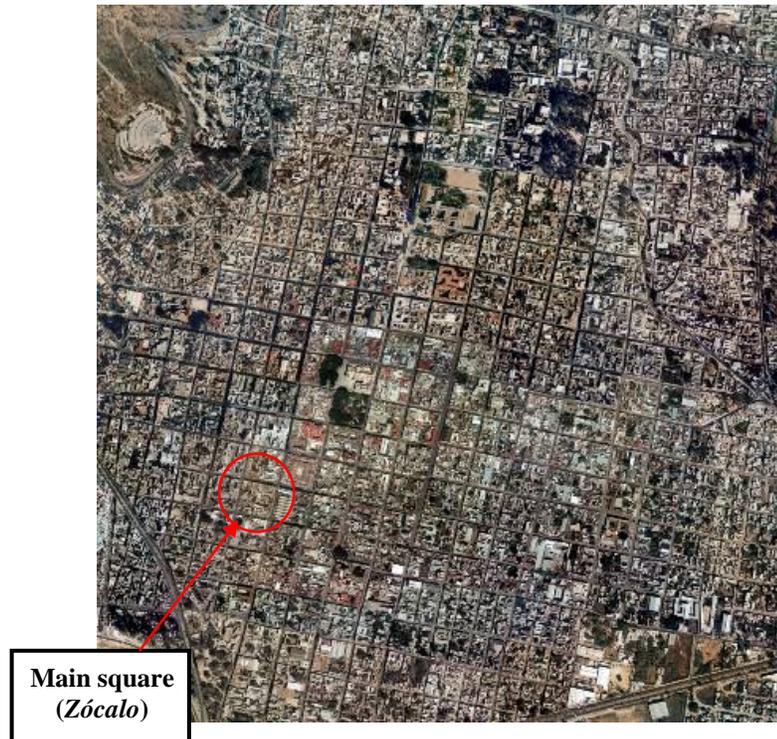
Source: INEGI, 1993.

The Economically Active Population (EAP) in the city of Oaxaca amounted to 68,000 people in 1993, 24 percent of which (16,500) lived in the city center. The unemployment level was 2 percent in the center and 3 percent for the whole city. Overall, the income level of the population is quite low, with 61 percent of the EAP earning between one and two minimum salaries, and only 30 percent earn between two and five minimum salaries (INEGI, 1993).

4.1 Urban Structure

The city of Oaxaca is characterized by a mixed urban structure, where architectural styles, urban layout, geographical obstacles (such as the presence of waterways and hills), public spaces, and different urban functions (like government, commerce, education, culture) combine in one place. The polygon of the historic center is the only area that has an orthogonal grid, with well-defined public open spaces (see Figure 3).

Figure 3. Aerial Photo of Historic Center of Oaxaca



Source: Casa de la Ciudad, 1996.

The rest of the city is characterized by an irregular urban layout adapted to the topography and historic agricultural land uses and ownership patterns. The area of the historic center is clearly delineated by boundaries, some natural (the Cerro del Fortín and the Jalatlaco River) and others manmade (railway and the ring road [Periferico]). Although this configuration complicates connections with the rest of the region, and increases traffic congestion in the city, it has enabled the historic center to retain a distinct physical identity.

The historic center of Oaxaca is the second largest in the country (after Mexico City). Its structure still retains the original grid dating back to the colonial era. The downtown area forms a polygon composed of 482 blocks, of which 240 are in the core of the historic center and 242 are in the transition zone.¹⁴ The urban structure of the historic center still clearly shows its colonial roots. The symmetric grid extends from the main square (*Zócalo*), where government and administrative offices, commercial activities, social spaces, and employment opportunities are concentrated.¹⁵ On a smaller scale, the city core mirrors the urban structure of large LAC cities,

¹⁴ Interview with the Direction for the Historic Center of the city government of Oaxaca.

¹⁵ In 2005 the majority of state offices moved out of the historic center, however it still hosts many public offices.

in which the modern downtown encompasses the old market district, the historic central district, and the central business district (Lanzafame and Quartesan, 2009). The most competitive and specialized uses of the land are located in the core of Oaxaca's historic center. This area also has the highest real estate prices.

The historic center of Oaxaca has predominantly low buildings and its skyline is punctuated by domes and church towers. On average, the buildings have one to two floors. The average height of the single-floor buildings is 5 meters, and of two-floor buildings, 9.5 meters.¹⁶

The historic center of Oaxaca stands out for its many heritage sites, which include colonial and religious buildings and public spaces. Taking into account the cultural heritage value of the city, in March 1976 the federal government designated Oaxaca as a Historic Patrimonial Area. After gaining this status, based on the hard work of the local government and civil society groups, in 1987 the historic center of Oaxaca and the archaeological site Monte Albán were included in the WHL.

In the 1990s, there were 1,483 heritage buildings in the historic center. A study conducted by the city government classified these buildings into four types (see Table 4).¹⁷ In 2007, the city government, in collaboration with INAH, developed a new catalogue of heritage buildings. The catalogue includes colonial buildings as well as those built at the beginning of the twentieth century. Today, there are 955 buildings that are listed in the catalogue and have a file record. Those who own a property included in the catalogue must respect specific rules for renovation, as well as gain access to fiscal incentives. Long-term owners especially appreciated the opportunity to include their properties in the catalogue.

¹⁶ There are also three-floor buildings located in the streets of I. Zaragoza-La Noria and Av. Morelos, and the majority of buildings with three floors or more is concentrated along the Corredor Francisco I. Madero, Periférico, Lic. E. Vasconcelos, and Calzada Héroes de Chapultepec.

¹⁷ The monuments are classified according to the following categories:

A = Monumental Architecture: structures with unique architectural characteristics and historic background; they stand out in the urban landscape as important landmarks due to their architectural and monumental quality.

B = Relevant Architecture: smaller structures than the previous ones, with architectural quality and/or historic background and valuable artistic features.

C = Traditional Architecture: these structures retain some of the decorative and artistic elements of "relevant architecture," but with more modest features. They complement the built environment by providing a transition between "relevant architecture" and "popular or vernacular architecture."

D = Vernacular Architecture: buildings with modest characteristics; these are examples of the popular architecture in Oaxaca.

Table 4. Classification of Heritage Buildings in the Historic Center

Classification	Number of buildings	Percent
A - Monumental Architecture	22	1.48
B - Relevant Architecture	182	12.27
C - Traditional Architecture	544	36.69
D - Popular Architecture	735	49.56
Total	1,483	100

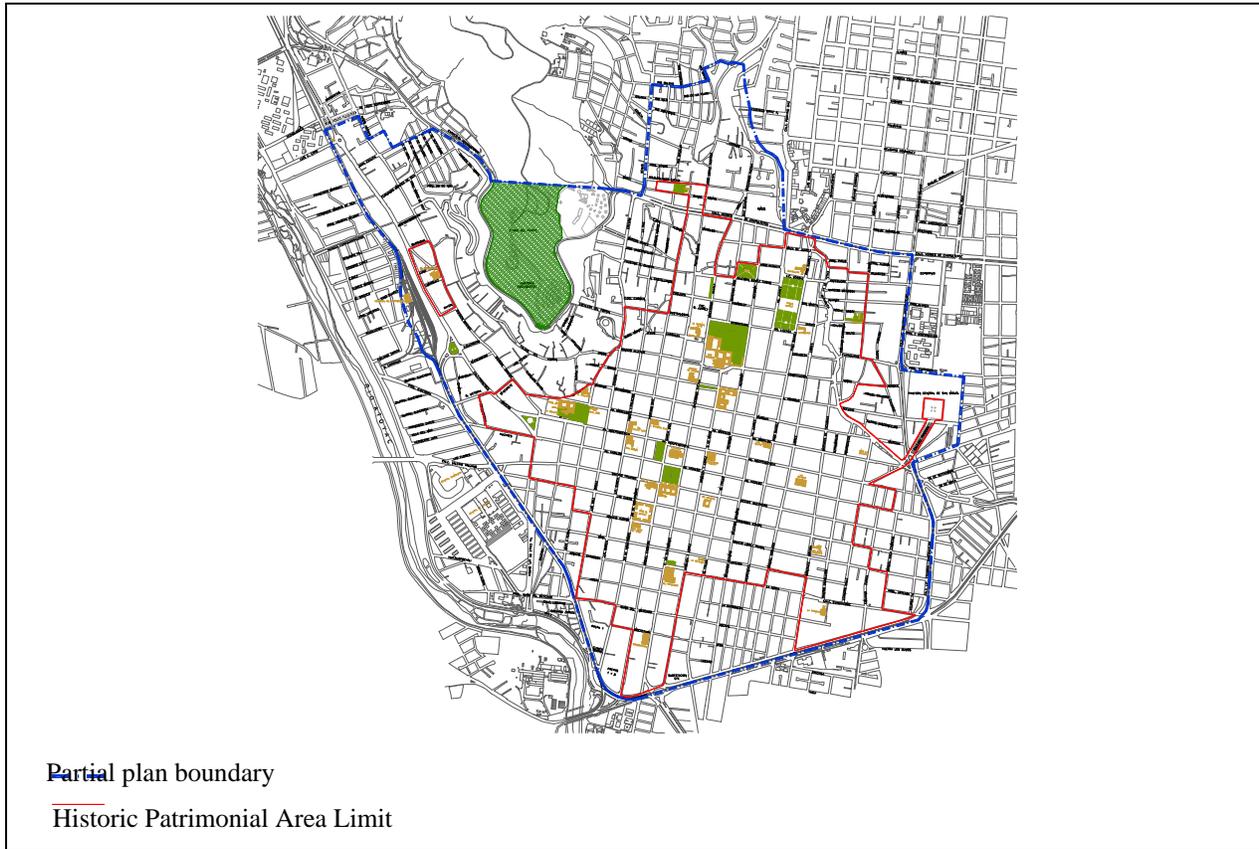
Source: Special Plan for Preservation of the Historic Center.

Oaxaca, like other urban areas in the LAC region, has not escaped the problems associated with rapid population growth, such as deficits in infrastructure and services, and low-income levels of most of its inhabitants. Notwithstanding these problems, the historic center stands out for having better infrastructure and services than the rest of the city, and for having attracted significant public and private investment in the preservation of historic buildings. The presence of government offices, businesses, schools, universities, commercial sites, and tourist services demonstrates that the historic center has retained its role as the city's hub. Moreover, there are also many religious buildings and open public spaces, including the Cerro del Fortín, la Alameda del León, Paseo Juárez, El Llano, and a high concentration of tourist attractions.

4.2 Land Use

The land in the historic center is used for a variety of different residential, commercial, religious, and government activities. There are a series of plans that regulate land use in the historic center, which are discussed later herein (Section 6.1). The two main plans—the special plan (*Plan Parcial de Conservación del Centro Histórico de la Ciudad de Oaxaca*) and the management plan (*Plan de Manejo para el Centro Histórico de la Ciudad de Oaxaca*)—not only regulate use, but also provide data on the distribution of activities. Figure 4 shows the boundaries of the historic center in blue, indicating the area where the special plan and the management plan apply, while the Historic Patrimonial Area boundaries are shown in red.

Figure 4. Oaxaca Historic Center Polygon



Source: City Government of Oaxaca.

The special plan classifies land use as residential, commercial, offices, public services, other use, and transit (see Table 5). The most prevalent uses in the historic center are residential (44 percent) and commercial (22 percent). Most of the residential use spreads out from the Periferico to the center, comprising of 229 hectares. The 30-block area around the *Zócalo* concentrates commerce, banks, offices and hotels. The total area for commercial use is 113.2 hectares, which includes 69.45 hectares of mixed-use areas. In these mixed-use areas, buildings with traditional architectural forms have a store in the front part of the building and housing on the back (a scheme of the typical structure of a building in the historic center is provided in the Annex).

The majority of the hotels are located in the core of the city center (in 1998 there were 49 hotels in the area, occupying 6.85 hectares). In the southern part of the historic center, stores, workshops and some industry occupy an area of 8.35 hectares. Local government offices (the majority of which are owned by the state government) occupy approximately 20 buildings in the

historic center, and there is also a concentration of regional and municipal infrastructure, schools of all different levels, churches (25), and monasteries (covering 6.3 percent of the total area of the historic center). Squares and parks (with the exclusion of the *Cerro del Fortín*) occupy a total of 14 hectares; that is, 2.7 percent of the area (there are 17 public parks). Vacant lots (about 80 empty land plots) account for 10.9 percent of the area of the historic center. These lots are concentrated in the peripheral areas, not in the core, and provide opportunities for development.

Table 5. Distribution of Land Use in the Historic Center

Land use	Area (hectares)	Percent
Residential	229	44
Commercial		
Commerce	28.55	
Mixed: housing-commerce/offices	69.45	
Hotels	6.85	
Shops, workshops, industry	8.35	
Subtotal commerce	113.20	22
Offices and banks	11.45	2
Infrastructures		
Educational, cultural, recreational	16.85	
Health	4.7	
Market	2.75	
Religious	5.6	
Infrastructures	0.9	
Bus terminal	1.95	
Squares and parks	14	
Subtotal infrastructures	46.75	9
Other uses		
Parking	4.7	
Vacant lots	10.9	
Subtotal other uses	15.6	3
Transit	104	20
Total urban area	520	100
<i>Cerro del Fortín</i>	24	
Total historic center	544	

Source: Special Plan for Preservation of the Historic Center.

Types of land use in the historic center vary significantly according to the neighborhood (Table 6). In Jalatlaco and Xochimilco, housing accounts for 80 percent of total land use, while in the core center and the *Zócalo*, housing and hotels represent only 10 percent. The high rate of mixed-use lots is a positive characteristic of the historic center, where the combination of residential and commercial use guarantees a vibrant dynamic in the area.

Table 6. Land Use by Areas of Historic Center

Geographic area	Residential	Mixed	Commerce	Other (including banks and offices)
Residential Xochimilco, Jalatlaco	80%	20%		
Mixed residential El Carmen Alto, La Trinidad, Los 7 Príncipes	60%	40%		
Mixed commercial El Pueblito, La Consolación	32%	42%	26%	
Center-Zócalo	10%	20%	50%	20%

Source: Special Plan for Preservation of the Historic Center.

Finally, the historic center concentrates more than 100 privately owned parking lots, which can hold approximately 2,000 cars. There are also over 17,000 parking spaces along city streets. However, parking is still an obstacle for tourists and residents in the historic center.

5. Indicators of Successful Urban Heritage Preservation

The previous section has described the urban structure and the distribution of land use in the historic center indicating that the historic center has residential, commercial, governmental, cultural, and religious functions, and also hosts a number of services. The following section provides a detailed account of these functions, using each to indicate levels of success of urban heritage preservation.

5.1 A Multitude of Institutions and Infrastructure

Government Offices. The majority of the public administration buildings are located in the historic center. These include all of the municipal offices, several INAH offices, and some federal and state secretariats. Until 2005, all state government offices were located in the historic

center. Their presence created traffic congestion, and limited parking for other users, which led to a decrease in visits to the historic center by city residents. To change this trend, in 2005 a “government center” was built in Tlalixtac, which led to the transfer of an estimated 6,000 public workers outside of the city center. Similarly, the government is currently building a “judiciary center” outside the city center that will concentrate all buildings related to the judiciary power. Despite the stated intentions of the policy, moving the government offices outside the historic center did not improve the traffic situation. Also, many protests take place in and around the main square (the *Zócalo*)—the place that offers the protestors the most visibility—, which affects the accessibility to the historic center. Although state government offices have moved out of the center, the protests continue there. Although it is still early to assess the results of this move, according to some more pessimistic estimates, it will have a tremendous impact on the city of Oaxaca because the departure of the administrative offices will mean job losses in the city. The loss of workers will negatively impact trade and services that depend on government workers as clients.

Educational and Health Centers. The education and health services provided in the historic center seem to be adequate based on the amount of residents and commuters who come to the city core every day. There are many schools, ranging from kindergarten to university (totaling 30 schools), which serve the children of residents and people working in the area. There are also many hospitals and clinics, which respond to existing demand. According to the interviewees, overall schools and health services in the historic center are of good quality.

Monuments and Arts. There are many monuments and patrimonial buildings in the city center, as well as many recreational services—such as museums, theaters, and art galleries—which are publically and privately owned.¹⁸ Many of the private commercial art galleries exhibit and sell young local artists’ work. Oaxacan cultural industries are nationally and internationally

¹⁸ The principal historic center’s sights are the cathedral, the state government palace, the Santo Domingo church complex, the Soledad temple, the Merced temple, the Xochimilco temple, the temple and ex-convent of Guadalupe, the Santa María del Marquesado temple, the San Matías Jalatlaco temple, the Nuestra Señora del Patrocinio temple, the Temple and ex-convent of Carmen Alto, the Temple and ex-convent of Siete Príncipes, the Defensa temple, the Temple and ex-convent of San Francisco, the Santísima Trinidad temple, and the Nuestra Señora de la Consolación Temple. Among the recreational services, there is the Guelaguetza Auditorium, the Macedonio Alcalá theatre, the Juárez Theatre, the Nundehui planetarium, the museum and cultural center Casa de la Cultura de la Ciudad de Oaxaca, the museum Rufino Tamayo, the museum of Oaxacan painters, the contemporary art museum, the graphic art institute of Oaxaca, and the photographic center Álvarez Bravo.

valued. Recently the State Secretariat for Culture has included this sector in its strategic objectives to boost local economic growth.¹⁹

Public Spaces. There are many public parks in the historic center as well where local people and tourists gather and enjoy the warm climate. These include the Llano Park, the *Zócalo*, the Alameda, the ethnobotanic garden, and the Cerro del Fortín (a hill on the west side of the historic center that offers great views of the surrounding area). The Annex provides a map of the historic center with parks and patrimonial buildings.

The most important public space in the historic center of Oaxaca is the *Zócalo*, which is very similar to other main squares in cities established by the Spanish conquistadores. Usually, in the main square, Spanish power was shown through buildings representing the two main colonizing institutions, the church and the crown. The *Zócalo* in Oaxaca follows this pattern, with the main cathedral and the government palace bordering it on two sides. Recently, the government palace was converted into a museum, but the square still serves as a space for social and religious gatherings and for political activities. The other sides of the square are lined with numerous open-air restaurants, hotels, and shops. The *Zócalo*'s historical significance as a social gathering place fortifies its critical role in the fabric of Oaxacan urban life.

There are activities for all ages in the square. Vendors circumambulating the *Zócalo* sell grilled corn, *chapulines* (fried locusts), and fruit to people in the square. The scene includes people from all walks of life in the city, such as men milling about the shoe shine stands scattered throughout, parents sitting on the benches to watch their children play, and every night, musicians serenading customers eating at the cafes. For all of these reasons, this pedestrian area is the center of civic life and draws both Oaxacan residents and tourists alike.²⁰

5.2 A Housing Mix

A mix of people lives in the historic center, including residents and people who own a second home there. There are 10,720 dwellings, 45 percent of which are rented.²¹ There is an average of 4.5 residents per dwelling (see Figure 5). Residents in the buffer zone of the historic center are mostly low to middle income families, and the majority are owners through

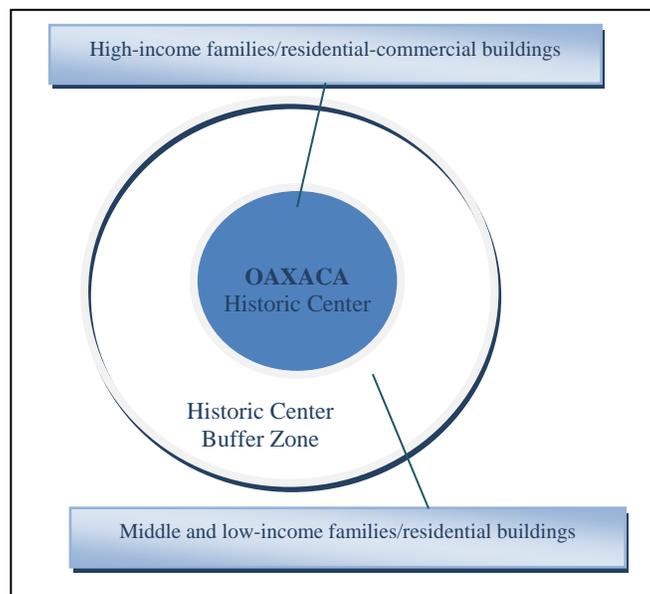
¹⁹ A brief discussion on Oaxacan cultural industries is offered in the Annex.

²⁰ The *Zócalo* was originally delineated by Juan Pelaez de Berrio in 1529. Alonso Garcia Bravo, who also designed Veracruz and Mexico City, then used the plaza as a reference point when he planned the rest of the city.

²¹ The historic center represents the area of the city with the highest percentage of rented houses (the average for the whole city is 29 percent).

inheritance. These families live in the area that extends from the avenue Independencia to the east side of the center. The majority of low-income households are concentrated in the area near the market (*Mercado de Abasto*). Outside the center, but still nearby, poor and marginalized people occupy (usually informally) some of the peripheral areas in the hills. Some high-income households live in the core of the historic center and are clustered along the main tourist corridors (around the *Zócalo* and on the streets of *García Vigil* and *Alcalá*). Other high-income people prefer to live in the periphery of the historic center in residential neighborhoods.

Figure 5. Income and Housing Distribution in the Historic Center



Source: Authors' elaboration.

Table 7. Housing Situation in the Historic Center of Oaxaca

Type of dwelling	Number of dwellings	Percent
Owned	5,896	55%
Rented	4,824	45%
With one room	1,367	13%
Without private kitchen	745	7%
With drainage to the street	9,830	92%
With drainage to the ground or to a septic tank	325	3%
With private access to water in the unit	7,068	66%
With access to water only from a shared building source	3,147	29%
With access to water only from a shared public source	133	1%
With access to electricity	10,511	98%
Total inhabited dwellings	10,720	100%

Source: Special Plan for Preservation of the Historic Center.

In 1998, Casa de la Ciudad conducted a survey of 42 blocks in the core of the historic center, which included a sample of 718 buildings. According to this survey, 4,300 buildings have a residential use; 58 percent of these buildings are exclusively residential, while 42 percent have a mixed use. The mixed-use buildings typically are structured with a store in the front of the building, facing the street, and the house on the back (a scheme of the typical structure of a building in the historic center is provided in the Annex). According to the survey, 65 percent of dwellings with exclusive residential use are single-family houses, 19 percent are multifamily houses, and the remaining 16 percent are apartments.

Traditionally, Oaxacan residential buildings are large with inner patios, which housed extended families and their domestic animals. Today, some of these buildings have been converted into hotels, *posadas*, and restaurants for the use of tourists. However, others are still residential, called *vecindades*, and have been divided into several units, each of which hosts different families that share facilities (such as lavatories and/or kitchens).²² Before preservation efforts began, the *vecindades* in the historic center were concentrated in two north-south axes

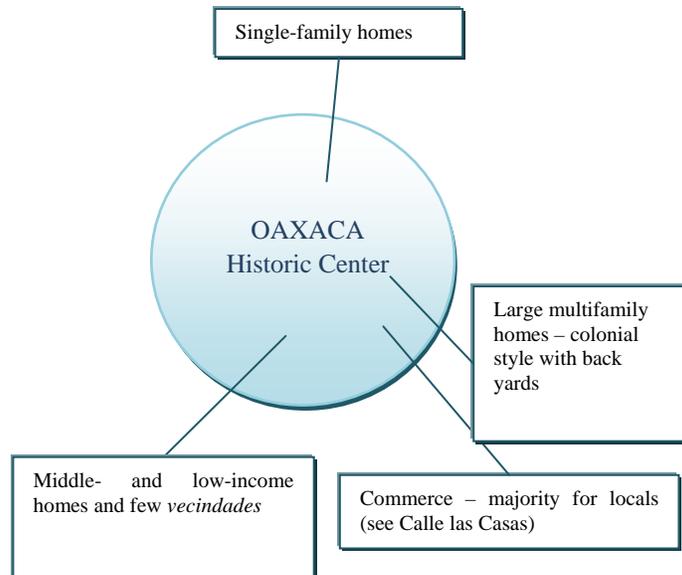
²² See the Annex for additional data on *vecindades*.

outside the core. The preservation interventions reduced the number of *vecindades*; in 1997 there were 75 and in 2008 there were only 35.²³

Some middle- and high-income families have decided to take a profit from high real estate values and sold their residences in the historic center (many of which have been converted into hotels or used as nonresident second homes) and have moved to residential areas located in the periphery. Although gentrification is a concern in these new residential areas, it is not clear whether a similar phenomenon is happening in the historic center, where a mix of people continues living. However, as real estate prices increase there, there is a concern that low-income families may be displaced.

In the buffer zone, which consists of the northern and the eastern areas of the historic center, it is common to find buildings that are exclusively residential, while the core and the southern zone of the center have more mixed-use buildings. Figure 6 illustrates the location of housing and commerce in the historic center.

Figure 6. Distribution of Housing and Commerce in the Historic Center



Source: Authors' elaboration.

²³ Dr. Alejandro Calvo Camacho - Textos de sala de la exposición: Vecindades del Centro Histórico de la ciudad de Oaxaca, Casa de la Ciudad.

Traditionally, since the colonial period, bricks and *adobe* (a mix of mud/clay and straw) have been used in constructing historic center buildings. However, due to frequent earthquakes, the original *adobe* and *cantera verde* (local green stone) have suffered deterioration and have been gradually replaced with bricks. The roofs, traditionally made of tiles, are now built predominantly using concrete. Generally speaking, the people with residences in this area do not understand the historic and cultural value of traditional materials and tend to rebuild their houses with new materials.

5.3 The Economy of the Historic Center

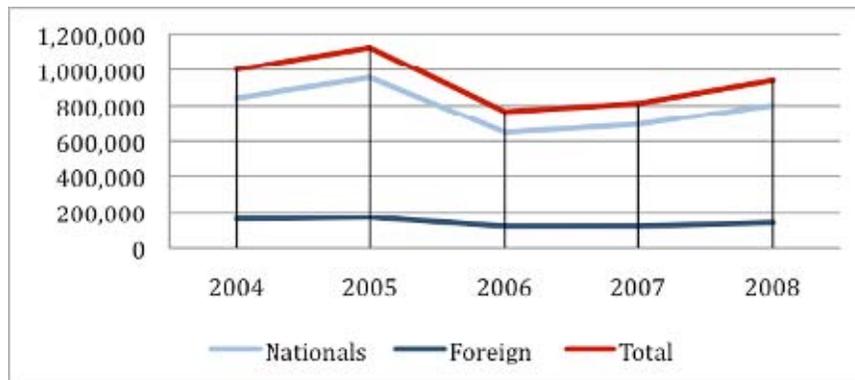
The historic center hosts an important and diversified portion of the entire city of Oaxaca's economic activities, and plays an important role in commerce, manufacturing, and nonfinancial services. Commerce dominates the economy of the historic center, representing nearly half of all economic activity. The *Mercado de Abasto* is the main engine for much of the economic activity around it, along with three other markets. Near the *Zócalo*, lies the *Mercado Benito Juárez*, a massive indoor market where dozens of vendors sell a variety of products, including fresh produce, groceries, household goods, flowers, ice-cream, fruit drinks, handicrafts, leather goods, hats, and knives. The *Mercado 20 de Noviembre*, (20th of November Market) located nearby, has many small restaurants specializing in typical Oaxacan dishes. For this reason, it is commonly known as the *Mercado de la Comida* (Food Market). Finally, two blocks south of the *Mercado 20 de Noviembre*, there is a craft market with 123 stalls that sell clothing typical of the diverse regions of the state.

Another important pillar of the economy of the historic center is tourism. The tourist economy, which will be the subject of the rest of this section, intermingles with the other sectors of the economy. Most of the infrastructure and tourist attractions are located in the historic center. Other prime tourist areas include the *Cerro del Fortín*, with its surroundings, and Monte Alban.

The tourist sector started expanding after 1987, the year of Oaxaca's inscription into the WHL. The initial expansion was followed by a period of decline in coincidence with the Mexican economic crisis of 1994. There was a period of rapid growth between 1999 and 2005, during which the number of visitors per year in the city rose from 671,171 to 1,125,581, an increase of 59 percent. The number of hotels also increased from 173 to 240, and by 2005 there

were 5,922 quarters/rooms for tourists in the villas, apartments, guesthouses, inns, bungalows, furnished apartments, camping, cabins, suites and condominiums (INEGI, 2005). The social unrest that occurred in 2006 severely affected the tourism sector, as shown in Figure 7. More recently, economic recovery has been slowed by the international economic crisis and the scare of the H1N1 virus (the first person who died from swine flu was an Oaxacan).

Figure 7. Tourism Trend in Oaxaca City 2004–2008

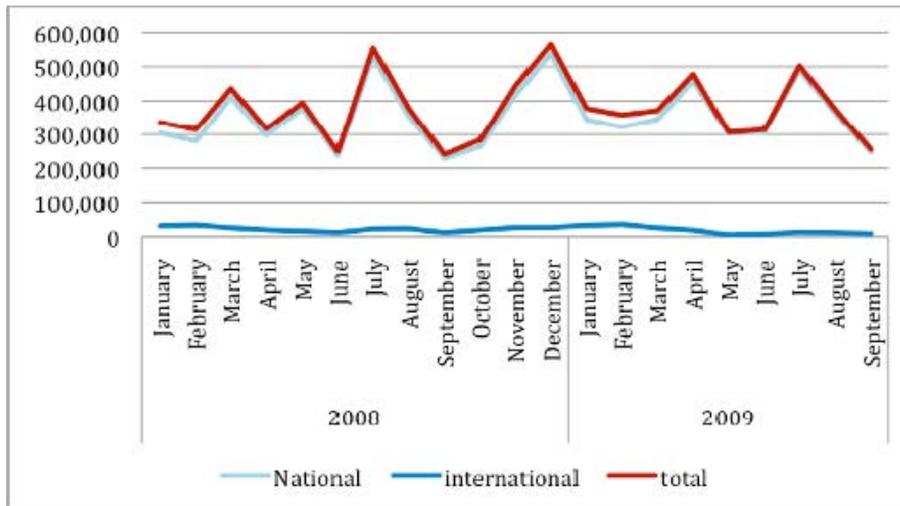


Source: State Secretariat of Tourism.

Fluctuation in tourism in the city of Oaxaca is characterized by three holidays—Easter, the two weeks of La Guelaguetza (the main local holiday during the summer), and the Christmas period.²⁴ During Holy Week and Christmastime, the tourists mainly consist of Mexicans, and specifically, Oaxacans that live elsewhere who return to visit. International visitors come mainly in the summer. Overall, the majority of the tourists in Oaxaca come from Mexico, accounting for 85 percent of the total.

²⁴ The *Guelaguetza* (Zapotec word signifying offering or offertory) is a month-long cultural celebration named also *Los lunes del cerro* (Mondays of the Hill) that features traditional Oaxacan dance, music, crafts, and cuisine from the seven regions of the state. Although the *Guelaguetza* draws many tourists, it is also an important cultural celebration for indigenous people. The festival, combining pre-Colombian and catholic traditions, involves numerous native communities of the state that gather in the city of Oaxaca and perform offering rituals.

Figure 8. Tourist Flow in the City of Oaxaca 2008–2009



Source: Authors' elaboration on Secretaria de Turismo data.

The tourism sector accounts for 12.8 percent of the employed population, 10.3 percent of the total gross domestic product (GDP), and 5.8 percent of fixed assets (mostly concentrated in hotels). Wages in this sector are lower than the rest of the service economy; the average monthly salary in tourism is only 70 percent of the value of the average salary in services generally. The tourism sector employs nearly 10,000 workers. There are 2,121 economic “units” in the tourism sector grouped into three general categories: temporary accommodation (194 establishments), food and beverage (1,859 establishments), and other tourist services (68 establishments).

Table 8. Main Indicators in the Tourism Sector, 2004

Sector and subsector	Units	Workers	Average monthly salary in MX\$
Tourist services	2,121	9,715	\$1,548
Temporary accommodations	194	2,795	\$2,601
Hotels	179	2,736	\$2,634
Cabins, villas, and similar	5	17	\$1,971
Other types	10	42	\$716
Food and beverage	1,859	6,469	\$1,081
Full service restaurants	390	2,599	\$1,653
Self-service restaurants and takeaway	1,374	3,473	\$636
Catering	5	34	\$127
Nightclubs, bars, and canteens	90	363	\$1,327
Other tourist services	68	451	\$1,713
Tourist transportation by land	29	189	\$1,653
Travel agencies and other reservation services	39	262	\$1,756

Source: INEGI, 2004.

Hotels generate 37 percent of the income of the sector, and are capital intensive, making up 72 percent of fixed assets. They account for 48.8 percent of total revenues in the tourism sector and employ 28.8 percent of the total workforce. For each hotel room, there is one direct worker and three indirect workers. Their employees are the best paid in this sector in the city (see “Average Monthly Salary” in the previous table).

In 2003, there were 5,111 hotel rooms in Oaxaca, with the majority located in four-star hotels. By 2005, the total reached 5,922 rooms. Over the period 2000-2003, the hotel occupancy rate was on average just over 40 percent, which is relatively low compared with beach sites in Mexico, but it is normal for a colonial city.²⁵ In 2003, foreigners occupied about 23 percent of the rooms, which is a very large proportion especially when compared with other non-beach destinations in Mexico. In the same year, the average stay of visitors in the 4-star hotels was 1.8 nights, but in the 5-star hotels it reached 2.58 nights. The average stay of foreigners (2.08 nights) is greater than that of domestic tourists (1.72 nights).

²⁵ It is worth noting that the occupancy rate exceeds 50 percent only in the 5-star hotels.

Informality in the hotel subsector is a significant problem. It is estimated that 25 percent of total tourists that get to Oaxaca stay in informal accommodations. To be formal and legal, hotels have to follow the norms imposed by the Tourism Secretariat and comply with a number of obligations (paying a civil insurance of about US\$110 every year, displaying hotel rules in the room, having a contract for the tourists, etc.).

Oaxaca is famous for its gastronomy. Local food is an important component of its cultural heritage and many tourists visit Oaxaca for this reason. During the holidays, usually 70 to 80 percent of the restaurants are full. There are 1,500 restaurants in the city of Oaxaca, nearly all of which are located in the center. In terms of the distribution of the type of restaurants, 20 percent are top end, 30 percent are midrange, and 20 percent are budget. About 150 of the restaurants are associated with the National Chamber of the Industries of Restaurants and Prepared Food (*Camara Nacional de la Industria de Restaurantes y Alimentos Condimentados*) (CANIRAC). The Chamber has made strong efforts to increase the level of the gastronomy in Oaxaca.²⁶ These efforts culminated in 2006 with the *Carta Oaxaca* a declaration about Oaxacan gastronomy that obtained official recognition in Mexico City. Oaxaca is the first Mexican state that was able to declare local gastronomy as a national heritage.

In Oaxaca, food and beverage establishments employ two-thirds of the workers in the tourism sector. These workers have the lowest average salary in the sector: US\$82 (MX\$1,081) per month versus US\$198 (MX\$2,601) in temporary accommodation establishments and US\$129 (MX\$1,700) in other tourist services.²⁷ Since the food and beverage establishments generate 57 percent of the wealth of the tourism sector with only 23 percent of capital investment, they generate more profits than other tourist activities in the city of Oaxaca.

Craftwork is also an important subsector of the historic center, and is closely associated with tourism.²⁸ There are between 22,000 and 25,000 craft producers in the state of Oaxaca (although some estimates are as high as 400,000).²⁹ Of these producers, about 2,500 are located in the city of Oaxaca. With 164 craft stores, the historic center is the biggest market for the craft

²⁶ For instance, the Chamber has started a program in 2002, called Distintivo H (H Certificate), which includes a set of rules regarding health and hygiene during food handling and preparation. The Chamber gets funding from federal and state governments, and from the entrepreneurs in order to bring training to restaurants and to certify them. In 2009, 30 restaurants have been awarded the certificate. Every year restaurants must renew their certificate.

²⁷ At the rate exchange 1 MXN = 0.0759772 USD and 1 USD = 13.1618 MXN as of February 7, 2010.

²⁸ Among the typical products manufactured in Oaxaca, there are embroidered tablecloths; goods made of leather, palm, reed and tinplate; laminates; pottery; ceramics; gold cutlery; and gold jewelry.

²⁹ This variation is justified by the high level of informality present in the sector.

producers in the state. When the historic center suffers from crises, such as the one in 2006, the craftwork sector is also negatively affected throughout the state. This has important social repercussions because these producers are usually people earning low wages and living in poor and marginalized areas.

5.4 Real Estate Dynamics

Oaxaca has one of the five strongest real estate markets in the country in terms of sales and investment.³⁰ After the inclusion on the UNESCO list, real estate values began to increase. Today, local experts have observed that these values are still appreciating and new homes are being built. According to the experts interviewed for this study, residential real estate values for prime land are rising at a rate of approximately 20 percent per year, even after the political unrest of 2006.

Today, the price of 600 square meters of property in the historic center (needing renovation) is nearly US\$1,200 (MX\$15,000) per square meter.³¹ In 2000, prices were significantly lower than 2010—about US\$600 (MX\$8,000) per square meter.³² This price inflation is partly due to the presence of outside investors. According to a real estate agent interviewed for this study, half of the owners in the historic center come from outside the city (the majority from Mexico City). The other half of the owners in the historic center typically had inherited the property and converted it into a business, often a hotel. It is difficult to compare real estate prices in the historic center with prices in other neighborhoods because the size and type of properties are significantly different. The relatively prosperous areas of Colonia Reforma and San Felipe del Agua are often used as comparisons to the historic center. Real estate prices in the Colonia Reforma neighborhood, just outside the historic center, are much lower than those prices in the historic center (on average US\$430 [MX\$5,700] per square meter), while in San Felipe del Agua they are slightly below (on average US\$1,100 [MX\$14,000] per square meter).

Demand for space in the historic center coming from a mix of economic and social activities is an important driving force in terms of increasing real estate values. The Mexican

³⁰ Source: “Residential Real Estate in Oaxaca,” published on www.mexicorealestateinvestment.org on September 11, 2008.

³¹ The average size of a building in the historic center is 600 square meters, and the majority of buildings for sale in the historic center need rehabilitation.

³² These estimates are unadjusted for inflation.

government's investment in local infrastructure creates increasingly favorable investing conditions. It is well known that the presence of public investments directed to improve the quality and functionality of public spaces and infrastructure in historic centers is a precondition to attract private investors. In other words, public investment often acts as a catalyst for private investment in the heritage area.³³ Moreover, in the case of Oaxaca, the existence of a specific management plan for the historic center gives a clear signal of the government's commitment to the long-term rehabilitation of the area, which helps attract more private investors.

When buying real estate in the historic center, buyers may face obstacles in obtaining land security and construction permits. For this reason, investors need to consider purchasing privately-owned property and avoid communal land holdings, or *edijales*, that increase problems related to land title.³⁴ In the historic center, the majority of real estate is privately owned; however, there are many communal lands in the areas just outside the historic center, making private property a scarce resource and further increasing the value of the private property in the historic center. In addition, acquiring construction permits in the historic center can be a lengthy process. Other costs include a selling tax of 15 percent of the real estate value, a commission if the sale happens through a real estate agency, and 2 percent tax (paid by the property owner) on the registered value of the real estate.³⁵

6. Urban Heritage Preservation: Institutional Arrangement and Planning Instruments

The rehabilitation process of the historic center of Oaxaca was contingent on three conditions. First, there was early involvement by both public and private actors (including civil society) in the preservation and restoration of heritage sites. This contrasts with other cases of rehabilitation of urban heritage areas in the LAC region, which tended to rely only on one set of actors.

³³ For example, the opening of the toll road from Mexico City to Oaxaca in 1995 has had a gradual impact on land values, with more visitors and investors coming to the state capital than before. Today, this road is part of a major repaving project. Some believe the trend will not only continue, but that there may be exponential growth, with a new highway currently under construction that will dramatically reduce travel time from resort areas on the Pacific Ocean, such as Huatulco and Puerto Escondido, to Oaxaca.

³⁴ In this part of the city, 10 to 15 percent of buildings are vacant because there are court cases over ownership or the original owners have died and no one is in charge of the property.

³⁵ The selling tax does not apply for transactions below US\$380,000 (MX\$5 million) and if the previous owner had lived in the property for at least five years. The agency usually charges a 3 to 6 percent fee on the sale price.

Second, the city government showed a long-term commitment to the rehabilitation of the area by developing several plans for its preservation and management, which set rules and incentives for residents and potential investors. Third, the rehabilitation process developed in the context of a city center that was never abandoned by its residents and users. Therefore, while other historic centers in the region still faced challenges in attracting new users and investors, in Oaxaca, public and private actors had different issues to take on; they had to retain the vitality and multifunctionality of the historic center that they inherited, with new challenges of traffic and congestion as development continued.

Local institutions and planning instruments played a major role in the rehabilitation of the historic center. One reason for the positive outcomes of this case is the early involvement of both public and private actors, which included city, state and federal governments—from the public sector—and the Foundation Harp Helú, the NGO Casa de la Ciudad, and the painter Francisco Toledo, with his organization PROAX—from civil society.³⁶ Moreover, as discussed later, the National Association of Mexican Cities of World Heritage Cities facilitates the flow of federal funds to the city government to improve the urban image of the city.

The historic center has always been a regional hub for government and commerce, and was never abandoned nor neglected by its residents. Unlike many historic centers in the LAC region, policies put into place to rehabilitate Oaxaca were able to build upon the legacies of continual habitation. The wave of investments for the rehabilitation started in 1994 with the renovation of the Santo Domingo church. The church, which originally was a monastery, had been the base for the Mexican army for some time. In 1994, when the army was leaving the complex, two options were on the table: to convert the ex-monastery into a hotel or to create a cultural center. Local painter and civil society leader Francisco Toledo supported the construction of a cultural center. Alfredo Harp, a banker originally from Oaxaca and president of a bank, also backed this idea and offered financial support through his bank. The partnership between Toledo and Harp had a significant influence in the development of the historic center.

After this first initiative of Toledo and Harp, Oaxacan civil society started building a reputation and developing cultural tourism in the city. However, civil society action remained basically limited to the action of a small group of people that clustered around these two

³⁶ The Foundation Harp Helú owns museums jointly with the city and state government, and also some museums individually. The painter Toledo is responsible for two museums in the city: the Museo de Arte Contemporanea de Oaxaca, MACO and the Instituto de Arte Grafica de Oaxaca, IAGO.

characters and was never encompassing to the entire population. At this time, the state and city governments decided to play a more prominent role in the historic center through two types of instruments: i) direct investment to preserve heritage sites and improve infrastructure and public spaces; and ii) regulation to protect heritage sites and manage private investments in rehabilitation (discussed in the following subsection).

The government rehabilitation programs in the historic center include new street paving, underground piping (water, sewage, cable, electric), street lighting, and sidewalks. For the new paving, they use hydraulic concrete cobblestones, which appear quite similar to the traditional stone paving. The resources from the state government are usually matched with resources from the federal government.³⁷ In addition, the State Secretariat of Public Works coordinates with INAH and the city government to carry out rehabilitation programs. Sometimes INAH also gives assistance in the design and materials. The rehabilitation programs started in 2005 and the repaving has been completed in the core of the historic center, according to the State Secretariat of Public Works. In 2008, the amount of funding for the historic center totaled US\$3.2 million (MX\$42 million) (50 percent from the state and 50 percent from the federation).³⁸ Between 2007 and 2008, 510 public lights were changed, which cost about US\$340,000 (MX\$4.5).

According to several interviewees, the State Secretariat of Public Works tends not to inform local residents and businesses about upcoming work and does not coordinate work schedules with them. More recently, after receiving criticism and many protests, the Secretariat has been making some efforts to coordinate their work, especially in areas with a high density of commerce. Usually, residents are more positive about repaving than commerce, because residents tend to be owners and have more interest in long-term investments. Conversely, shopkeepers, especially the ones who rent their space, worry about a reduction in their sales in the short term due to construction outside their stores.³⁹ In total, the federal, state, and municipal governments have pooled together, under the Habitat Program, about US\$13,400,000 (MX\$176,439,581.27), which was invested in the historic center between 2003 and 2009.

³⁷ The State Secretariat of Tourism presents a proposal to the federal government and channels the resources to the State Secretariat of Public Works, which executes the work. The Secretariat of Public Works then signs an agreement with the city government, which sometimes also contributes resources and executes part of the work.

³⁸ Source: State Secretariat of Tourism.

³⁹ Usually repaving a street in one block takes up to 40 days, but the Secretariat tends to do more blocks at the same time, which increase the overall time.

Table 9. Habitat Program (2003–2009) (US\$)

Total	Federal Government	State Government	City Government	Beneficiaries
13,405,385	7,819,858	553,744	5,027,082	4,701

Source: Habitat Program.

Because its historic center is listed in the WHL, the city government of Oaxaca is part of the Organization of World Heritage Cities (OWHC) and the Mexican National Association of World Heritage Cities (*Asociación Nacional de Ciudades Mexicanas del Patrimonio Mundial*) (MNAWHC). The OWHC was created in 1993 to assist WHL members to adopt policies and development methods to manage the specific requirements of having a site inscribed in the WHL. The MNAWHC is a nonprofit organization that was established in 1996 by the mayors of the 10 cities in Mexico listed on the WHL.⁴⁰ The association's main objective is to create a network "for resource management, alliance creation, and for guaranteeing continuity in the implementation of public policies concerning the restoration of the historic centers."⁴¹ MNAWHC activities are supported with federal funds, and they expect to receive nearly US\$7.6 million (MX\$100 million) for 2010. The association developed several projects to promote adequate signage in historic centers, and to identify and value the cities' monuments with most relevant historical facts. In addition, MNAWHC is undertaking efforts for national and international promotion.⁴²

6.1 Planning Instruments

The metropolitan area of Oaxaca encompasses the municipality of Oaxaca plus 18 municipalities, which are closely interrelated. The 19 municipalities share problems with transportation and traffic, waste management, and water provision. Moreover, many residents of the metropolitan area commute to Oaxaca every day (especially to the historic center), sharing

⁴⁰ One-fourth of the WHL sites located in the Americas are in Mexico. The ten cities that are members of the association are Campeche, Mexico City, Guanajuato, Morelia, Oaxaca, Puebla, Queretaro, San Miguel Allende, Tlacotalpan, and Zacatecas.

⁴¹ See <http://www.ciudadespatrimonio.org.mx/ing/>

⁴² In 2010, the MNAWHC is developing two programs: a tool-kit for the promotion of cultural heritage (*Kit de Divulgación del Patrimonio*) and the *Patrimonio* Project. The main objective of this second program is to prepare and educate young people in valuing their cultural heritage roots. This project began first in Oaxaca when the public sector recognized the importance of increasing public awareness about the great wealth of heritage of the city. Due to its positive impact, the project will be implemented in the other nine member cities.

⁴² In September 2006 a group of about 20 specialists was created that includes economists, sociologists, architects, restorers, anthropologists, and a UNESCO specialist.

services and spaces. Due to this complex reality, a management plan for the metropolitan area (*Plan de ordenamiento de la zona conurbada de Oaxaca*) was developed in 1994 and was sanctioned in the law for urban development of the state of Oaxaca. This plan is an instrument to regulate and orient the municipalities around Oaxaca, to optimize resources, and to develop and coordinate different activities.

At the city level, in 1998 a special plan for the historic center was developed (*Plan Parcial de Conservación del Centro Histórico de la Ciudad de Oaxaca*). This plan analyzed specific problems and suggested concrete solutions for this complex area. Later on, due to growing tourism and an additional focus on the patrimonial value of the historic center, the city government decided to create a specific management plan for this area (*Plan de Manejo para el Centro Histórico de la Ciudad de Oaxaca*). Several local and international specialists were involved in the development of the management plan for the historic center.⁴³ The idea of creating this plan came from the need to meet UNESCO guidelines. The participation of private sector, civil society, and academia was considered extremely important, and therefore several workshops with these actors were organized.

The main objectives of the management plan for the historic center are the preservation of the heritage, the revitalization of the area, and the promotion of the participation of the residents of the historic center in the program design and implementation. Following the recommendations of the plan, the city government is making efforts to mitigate the negative side effects of the concentration of activity in the historic center. For this reason, five urban subsystems were proposed, each provided with alternative services. Moreover, the plan addressed problems related to road networks, traffic, water provision, land use, housing, urban image, social, and environmental issues. The plan also includes a list of laws and norms regulating activities in the historic center and a patrimonial catalog developed with the contribution of INAH. The plan, like all other urban tools, was developed as an evolving instrument and needs to be permanently updated. For this reason, the need for a management group to carry out this task was established.

Due to the innovative profile of the management plan, in 2007, the INAH granted the city government an award, the “Manuel Gamio” prize. Through this award, the INAH acknowledged the efforts taken to preserve the local cultural heritage and credit was given for being the first

Mexican city on the WHL to develop a specific management plan for the historic center.⁴⁴ However, due to the lack of economic resources and political will, the plan has not been implemented yet. The management group has not been created and thus the information included in the plan has not been updated to date. Moreover, the plan is not easily accessible to the public. These problems in implementation will have to be resolved for the plan to reach its potential.

7. Challenges for the Historic Center

The historic center is the most consolidated area of the city, and has concentrated important commercial, public, and private services for many years. This gives this area a special relevance, making it the reference point for the city, the metropolitan area, and the whole state. The historic center gathers patrimonial buildings and open spaces (squares and green areas), which are a major touristic attraction. Moreover, the area still keeps regional and state functions, due to the presence of buildings for the public administration.

In contrast to these positive attributes of the historic center, a number of factors may jeopardize the equilibrium among local needs, preservation, and the tourism economy. Present problems risk becoming major obstacles that may reduce the quality of life and attractiveness of the historic center. These issues are related to problems with transportation, access to the historic center, parking, and the presence of informal street vendors. In the medium to long term, there are some signs of coming change, such as the displacement of many state government offices outside the city center, the development of new residential and commercial centers, and the replacement of regular businesses with tourist services. These changes can reduce the vitality of the historic center. This section analyzes these challenges and discusses their potential impact on the long-term sustainability of the historic center.

7.1 Transportation in the Historic Center

Many people commute to Oaxaca on a daily basis, increasing its population from about 260,000 inhabitants to up to 1 million. About half of commuters gravitate to the historic center. The

⁴⁴ The cities of Xocimilco (site of natural importance) and Queretaro have been developing management plans for their patrimonial areas, but they are still far from the complexity of the management plan for the historic center of Oaxaca.

historic center concentrates most traffic because the bus station, wholesale food market, taxi stations, and other essential services are located in the area.⁴⁵

The transportation needs of the city have been typically met by low-capacity vehicles such as cars, taxis, vans, and minibuses, as well as by buses with greater capacities. In addition, the lack of bicycle paths throughout the city reinforces the use of motorized transport. In 2004, the total number of vehicles of all types registered in the city was 109,847, while in 1980 there were 68,997 registered vehicles, with an increase by nearly 60 percent (Oaxaca State Government, 2005). This explosive growth of the vehicle fleet has placed high pressure on strategic zones of the city's roads, particularly in the central area. Moreover, the parking of vehicles of all types causes portions of the roads to be practically unusable and increases congestion in the city.⁴⁶

Table 10. Vehicle Fleet Registered in Oaxaca City (2004)

Type of vehicle	Type of service	Quantity	Subtotal
Cars	<i>Private</i>	75,836	82,495
	<i>Official</i>	1,431	
	<i>Rental</i>	5,678	
Trucks	<i>Private</i>	18,811	22,311
	<i>Official</i>	1,900	
	<i>Mixed-Rental</i>	1,600	
3-ton trucks	<i>Private</i>	465	641
	<i>Official</i>	51	
	<i>Rental</i>	125	
Torton		1,185	1800
Trailer		615	
Bus	<i>Private</i>	80	1,474
	<i>Official</i>	69	
	<i>Public Transportation</i>	1,325	
Total			109,847

Source: Urban Development Municipal Plan of Oaxaca de Juárez, 2005–2007.

⁴⁵ There are about 11 terminals among bus, microbus, and taxis coming from the peripheral areas; 29 taxi terminals for a total of 512 cars gravitating around the center; and 6 heavy and light transport terminals, mostly concentrated in the Southern-East quadrant of the polygon (Special Plan for Preservation of the Historic Center, 1998).

⁴⁶ In addition to public buses, there are transportation services for tourist (VAN type), whose main characteristic is to have their offices located in the historic center, which creates serious traffic problems for the rest of the city.

People who use public transport in the city of Oaxaca rely on 1,325 public buses that operate over 87 routes. Several problems related to public transport cause traffic and pollution and stimulate the use of private vehicles: in many cases buses are old and in poor condition (Cal and Mayor, 2007); sometimes bus itineraries are modified unexpectedly; bus schedules have low frequency; and in some cases buses are unable to navigate the small streets of the city center.

Another reason for traffic and congestion is commuter transit that has increased due to city growth in the surrounding municipalities. It is estimated that there are 35,000 vehicles that cross through the city each day. There is a high concentration of commuter traffic in the central areas of the city—particularly in the historic center—, which are the main hub for commuter transit. In addition, although many people recognize the need for converting more streets into pedestrian corridors, a significant portion of the citizens are opposed to this idea, probably due to lack of information and because the city government does not make efforts to explain the advantages of pedestrian streets.

The city government has conducted a study of transportation in the entire metropolitan area that shows an increase in the traffic of heavy vehicles. Regional cargo traffic with destinations outside the city cuts through due to the lack of a way to go around the city.⁴⁷ There is a project to change the type of collective transportation and create two corridors to facilitate the access to the historic center, and not congest the center with heavy weight transport.

As described in this section, urban mobility in Oaxaca promotes the use of private motorized vehicles over public transport, which, due to its many shortcomings, is not currently a viable alternative. The management plan for the historic center includes many recommendations about transportation.⁴⁸ However, there is still a high volume of traffic passing through the city and the measures included in the plan have not been applied yet.

7.2 Accessibility to the Historic Center

Reaching the historic center presents serious problems for people with physical disabilities. There are only two parking spots reserved for people with physical disabilities in the entire

⁴⁷ The main road connecting the north to the south and connecting with the coast passes through the city center, and any efforts to create an alternative route was hampered by corruption events.

⁴⁸ These recommendations include the following: i) a traffic diversification of the road network to alleviate the city beltway from the regional traffic; ii) the relocation of the general market and bus terminal; iii) an increase of pedestrian routes; iv) and peripheral parking connected to the historic center by public transportation.

historic center and only two bus lines that are equipped for letting disabled people go in and out. Furthermore, this group of people faces significant architectural barriers.⁴⁹ Even though some of the streets in the center have been repaved, not all sidewalks are accessible for disabled people. This is a problem for residents and tourists in wheelchairs, mothers with strollers, and elderly people.

Given this situation, the city government, through its Department for Vulnerable Groups (*Regiduría de Grupos Vulnerables*), is carrying out a project titled “Rehabilitation of Ramps for the Disabled in the Historic Center of Oaxaca City,” in order to improve accessibility for people that use wheelchairs. At the present time, work is being carried out through the *Andador Turístico* (“Sightseeing Walking”), which runs from the Temple of Santo Domingo past the *Zócalo*. The city government also conducted an awareness campaign from July to November of 2009, under the theme “We are all part of the same society; give a place to the disabled,” in which several civil society associations, in coordination with the Department for Vulnerable Groups, undertook actions in the historic center and in shopping malls with the purpose of enforcing the availability of parking spots for the disabled.

7.3 Parking

The parking of vehicles of all kinds is one of the most serious problems in the city. Because of the high use of street parking (allowed by the law), in many cases two-thirds of the surface of the roads are lost and congestion is increased. There are 117 parking lots that are privately owned. Buildings used for parking are usually old houses that keep the typical architectural characteristics in the façade, but are completely demolished in the inside and in most cases do not have roofs. Between private parking and street parking there is a total supply of approximately 19,000 parking spaces in the historic center. This supply does not come close to meeting the demand of the influx of cars coming into the city center every day. The city

⁴⁹ In many streets, sidewalks do not have ramps for wheelchairs, and in some cases there is a ramp on one end but not at the other end. Even where there are ramps, sometimes their slopes make it unsafe for people to go on and off, and in other cases there is a little wedge that does not allow for a smooth transition from the ramp to the street, which results in accidents. Moreover, often phone posts, street lighting, and other obstacles—including street vendors, which are often illegal—block the sidewalks.

government has planned several actions to mitigate the parking problems.⁵⁰ However, no visible actions were taken at the moment of the investigation.

7.4 Informal Street Vendors

Shopkeepers in the historic center have to deal with competition from informal vendors that overcrowd the main commercial arteries of the historic center. According to city government data, there are approximately 980 street vendors in the historic center. They are informal, and sometimes illegal (e.g., vendors selling pirated DVDs and CDs). At the same time, they are important portion of votes for political parties, which has rendered it particularly difficult to relocate them outside the area. Informal vendors gain an unfair advantage by avoiding fix costs while exploiting the more convenient locations in the city, sometimes even blocking the front of formal shops. Moreover, the presence of informal vendors creates difficulties in using sidewalks and accessing residential and commercial buildings.

Several efforts have been undertaken by the city government to relocate informal vendors. There was a city plan to relocate the informal vendors near the main market, but it was never implemented. Recently, the city government has undertaken a census of street vendors in order to find an appropriate space to relocate them. However, there is lots of skepticism about the government's ability to move the informal vendors to a new space. Despite these difficulties, the city government reported at least one case of successful relocation. They were able to move 180 informal vendors that occupied one of the historic center parks (*Parque del Llano*) every Friday. Interviews with the city government officials indicated that these vendors are now located outside the city center in a more adequate space. A successful example that can bring insights to Oaxaca is offered by the IDB project aimed at rehabilitating Quito's historic center (EC-0169).⁵¹

⁵⁰ The special plan for the historic center suggests the following: i) the use of the peripheral parking space (with 280 parking spots) used for the *Guelaguetza* festival together with a service of free public shuttles to the center; ii) incentives for parking lots owner in creating special tariffs for elder people; iii) construction of new parking lots; and iv) improvement of the existing parking lots with a second floor.

⁵¹ The project boosted the relocation of over 5,000 of the 10,000 informal vendors in the historic center to a newly built commercial center. The whole process, which took more than four years and included negotiations with many traders' organizations, has generated several positive externalities, such as the improvements in the sanitary and health conditions of vendors, the rehabilitation of previously occupied areas of the historic center, the improvement in the mobility for pedestrian and vehicles, and the increase in the housing value and provision in the area.

7.5 Signs of Coming Change

In addition to these pressing problems, the historic center faces major challenges that could affect its socioeconomic sustainability in the medium to long term. These challenges are related to the displacement of resident-orient commerce and services that currently sustain the role of the historic center as a regional hub. Without the combination of tourism and other activities, the sustained preservation of the historic center could be jeopardized.

Centers for commercial, social, and public activities have recently flourished in peripheral areas, such as the *Colonia Reforma*.⁵² These include schools, offices, health services, and commerce that compete with the historic center for customers and service seekers. This has the beneficial effect on the historic center because it partially mitigates congestion, but also poses a risk that the historic center will be deprived of its central role in city life.

In parallel with this tendency, many state government offices have been moved outside of the city center, and there are plans to move more of them. Although city and federal government offices will remain, moving state offices can potentially have a substantial impact. It is still early to give estimates about the precise consequence that this could have on the historic center, but there is a risk that this change will reduce the importance of the administrative activities in the historic center and drain its economic vitality.

The development of new commercial malls and corridors outside the historic center (such as Soriana and Sam's Club) could be detrimental to the economic and social fabric of the center. These commercial plazas offer customers easy parking and many products and services in a single location. These new peripheral commercial places play an important role for commerce and services in the city, but they lack of the identity associated with traditional Oaxacan architecture. Instead, they bring standardized architectural forms that have little to do with the city and are becoming "non-places."⁵³ In contrast, the historic center offers residents and tourists additional value through the quality of the urban image, which is full of historical significance and cultural heritage. Keeping resident-oriented shops in the historic center profitable will be necessary in order to maintain the contribution that vibrant commerce makes to sustained preservation.

⁵² Urban Development Municipal Plan of Oaxaca, 2005–2007.

⁵³ According to Marc Augé (*Non-lieux, introduction à une anthropologie de la surmodernité*, Paris, Seuil, 1992) a non-place is usually a place of transience, characterized by the lack of significance, not deserving to be regarded as a place. In these non-places there are no landmarks. The landscape is dominated by infrastructural installations, such as raised tanks, electric polls, and radio antennas.

Lastly, because of the high economic returns of tourist-related services and activities, business that offer such services are replacing many resident-oriented businesses, further reducing the importance of the historic center as a commercial hub for local residents. This is a serious risk, because it is well known that the tourism sector alone cannot guarantee the preservation and development of the historic center.

8. Conclusions and Recommendations

In order to identify which specific factors were responsible for this success and in order to draw lessons for other cities, the conclusion reflects on the working hypotheses included in the IDB methodology. These hypotheses are divided between factors related to outcomes and factors related to processes. In terms of outcomes, it is possible to affirm that the historic center of Oaxaca still keeps its vitality and is an attractive location for a variety of activities. The well-preserved historic center of Oaxaca has a strong cultural and artistic feeling, with its typical colonial architecture, cobblestone streets, churches, museums, and many art galleries. It is also a very lively place with restaurants, cafés, bars, and a teaming central square (the *Zócalo*) that is a hub for all kinds of social events. The historic center remains an important administrative center for public affairs. All of these elements combined make the historic center of Oaxaca a place where Oaxacans and tourists congregate. The churning of different groups and activities is, in many ways, greater in the historic center than in other dynamic parts of the city. Moreover the historic center adds value that is difficult to find and replicate in other city areas, which includes important patrimonial assets and the traditional congregation places. In this context, self-sustained preservation is attained mostly through private investments, while public investments are directed to improve the quality and functionality of public spaces and urban infrastructure, a precondition to attract private investment.

With respect to the processes that led to these outcomes, it is important to highlight that the historic center of Oaxaca did not follow the same trajectory of historic centers in many other cities in the LAC region. Crucially, residents did not abandon the center; it was never considered synonymous with backwardness, and, as a consequence, real estate prices never dropped. Even with the rapid urbanization that characterized the entire region, the historic center of Oaxaca never lost its importance and presence in city life. As a result, the public spaces and buildings of the historic center did not deteriorate or descend into obsolescence. The continuous use of the

area preserved both tangible and symbolic patrimonial assets, making the task of rehabilitation policies much more tractable.

Two events set in motion the preservation and rehabilitation process in the historic center: the listing of Oaxaca in the WHL (1987), and the restoration of an emblematic building (the Santo Domingo church, in 1994). These events acted as catalysts for the mobilization of resources from multiple sectors because they revealed the potential for economic growth built upon the foundation of the city's rich history. Starting from this moment, public, private, and civil society sectors have invested considerably in maintaining and revitalizing the site, each actor with a specific role. The public sector has clearly made investments in the recuperation of buildings, monuments, and streets. In addition, the city government has established a regulatory environment through the preservation and management plans for the historic center that provides security for private sector investments.

The biggest role of the private sector has been in investment in the tourist sector. There has been an influx of investment to convert old housing into hotels, open restaurants, and stores that sell local products to tourists. Even with the shocks to the economy, these investments appear to be profitable and are continuing. Finally, civil society actors, such as the NGO Casa de la Ciudad, have led efforts in restoration. They have also mobilized residents and business owners in joint actions to promote economic development while keeping the Oaxacan identity. Civil society actors have also been a counterweight to public sector initiatives; while not always successful, they have been effective intermediaries between the local residents and the government.

Another major identifiable factor that has contributed to the success of the historic center is the balance between everyday life and tourism. There is no doubt that the historic center of Oaxaca is a sizable tourist attraction and is one of the drivers of the city's economy. For this reason, the city caters to tourists with its many hotels and *posadas*, restaurants, craft stores, and cooking and language schools. However, despite the strong orientation to tourism, the historic center still maintains residential and commercial activities, in which residents from diverse social backgrounds regularly interact with one another and with tourists from Mexico and abroad. This makes the historic center not just a lifeless museum for people to visit, but a teeming city with a rhythm of its own.

Nevertheless, it is not clear whether the historic center of Oaxaca has reached a sustainable equilibrium among local needs, preservation, and the tourist economy. As highlighted in Section 7.5, the city core is starting to show some signs of coming change. First, centers for commercial, social, and public activities have recently flourished in peripheral areas, generating a double effect on the historic center. On the one hand, congestion has been mitigated by transferring some of the traditional services elsewhere. On the other hand, a massive displacement of these basic services could deprive the historic center of its dominant role, significance, and symbolic value.

Second, many resident-oriented businesses are disappearing. This has two main consequences: i) it may further the process of displacement discussed above, and ii) it may jeopardize the positive outcomes obtained so far in terms of the preservation of the historic center, because the tourism sector alone cannot guarantee the preservation and development of the historic center.

Lastly, it is not clear whether a process of gentrification is taking place. Real estate investments in the historic center slowed down after the social unrest in 2006 and subsequent economic shocks, which negatively affected the tourism sector. This downturn in the tourism sector has halted gentrification, but it is not clear whether the process will resume once the economy recovers. It is prudent to undertake measures to prevent displacement of historic center residents, and the further deterioration of informal and inadequate dwellings. The special plan for the historic center includes some actions that need to be implemented to keep the situation under control. Examples of successful IDB interventions in Brazil may offer guidelines to prevent further problems.⁵⁴

Today, there is a growing interest in the rehabilitation and preservation of historic city centers throughout the LAC region. Several cities are designating public resources to improve infrastructure and rehabilitate public spaces in historic centers; and in some cases, city governments even seek to attract private investors to open new businesses in the area. The case of Oaxaca shows that such programs can be successful. A combination of mixed use, public and private investment, engagement with civil society, and attention to social issues has contributed

⁵⁴ Examples include the IDB program (BR-0298) in the state of Sao Paulo that helped to improve the quality of life of families living in poor housing condition in downtown areas through the renovation of existing tenements and urban renewal, and two other IDB programs, “Paraná Urbano” and “Procidades,” that seek to reverse physical and economic deterioration of informal settlements.

to Oaxaca's success. Finally, by strengthening their appreciation, the local population will care for and continue to use the historic center, and will understand the link between cultural heritage renovation investments and quality of life improvement, ensuring the future economic growth and social development of the city.

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