Economy and unequal exchange in a cross-border region: Arica, Chile–Tacna, Perú

Economía e intercambio desigual en una región transfronteriza: Arica, Chile-Tacna, Peru

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Abstract

The aim of this paper is to analyze the economic circuits that make up the cross-border urban complex Arica-Tacna (Chile-Peru). It relies on a qualitative research carried out in the area involving interviews, observations and documentary reviews. Its findings indicate that it is a very intense cross-border region, but limited to local arrangements. Its most significant exchanges of goods occur in the informal economy and is channeled through million crossings of people in both directions. It’s an unequal exchange favorable to the Chilean city.

Keywords: borders, cross-border region, cities, regions, Chile, Peru.

Resumen

El objetivo de este artículo es analizar los circuitos económicos que conforman el complejo urbano transfronterizo Arica-Tacna (Chile-Perú). Se apoya en una investigación cualitativa realizada en la zona que implicó entrevistas, observaciones y revisiones documentales. Sus conclusiones indican que se trata de una región transfronteriza muy intensa, pero acotada al ámbito local. Sus intercambios más significativos de mercancías ocurren en la informalidad y se canalizan a través de millones de cruces de personas en ambas direcciones. Se trata de un intercambio desigual favorable a la ciudad chilena.

Palabras clave: fronteras, región transfronteriza, ciudades, regiones, Chile, Perú.


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Introduction

Cross-border regions (CBRs) —defined here as spatio-temporal systemic expressions that consist of contiguous territories under different national jurisdictions—are common elements of the planetary landscape. They have always existed as liminal spaces, either because of shared identities or convenience for local communities, tolerated at a time when borders were delimitations of nations organized by geopolitics. What distinguishes them today is their increased numbers (sometimes under public auspices), their exchange intensity that sometimes significantly links them to the global economy, and, lastly, their maturation as territorial entities organized around cities.

This last characteristic has led to new approaches focused on the nature and perspectives of urban agglomerations. Although we do not have the ability to continue this discussion here—especially the Latin American one that can be previewed in Newman (2011), Herzog and Sohn (2014), Dilla (2015) and Tapia (2017)—it is worth mentioning that these works initiated the development of an extensive taxonomy for conceptualizing cross-border urban phenomena, either from a functional perspective or based on their spatial impacts. Many terms have been coined such as “binational metropolitan systems” (Urdaneta, 2002), “cross-border cities” (Valero, 2006), “border conurbations”, “transnational region” and “transnational corridor” (Peña, 2008), “urban systems”, “conurbations” and “binational agglomerations” (Benedetti, 2014); and “cross-border urban complexes” (Dilla, 2015).

This article intends to join this conversation by analyzing the cross-border system of two South American cities, Arica in Chile and Tacna in Peru, which are approximately 60 kilometers apart and constitute one of the most intense urban binomials in the hemisphere. They are both medium-sized cities—in 2015, Arica reported 236 000 inhabitants (Biblioteca del Congreso Nacional de Chile, 2015), while Tacna had 317 000 inhabitants according to 2013 data (INEI, n.d.)—and both constituted more than 90% of the population of their administrative regions.

The starting point is the concept of the cross-border urban complex (CUC) proposed by Dilla (2015) and perceived as a functional-spatial situation in which two or more cities share an environment on an international border, are economically interdependent, and have formal and informal contact, and their inhabitants are perceived as mutually necessary. These variables do not define a condition but rather describe a point on the spectrum of border situations that are determined by a multidimensional systemic relationship. This relationship extends but is not limited to a unanimity of different interests and groups that inevitably include geopolitics. In all cases, they constitute—quoting Grimson (2000, p. 18)—“... relational systems based on conflict”.

Lastly, a methodological clarification: this article is based on interdisciplinary research conducted within the Conicyt-Fondecyt 1150812 project on cross-border regionalization in northern Chile. Starting with a review of the existing bibliography—academic studies and technical reports—a collection of pertinent statistics, fieldwork on observations, semi-structured interviews, workshops and focus groups were conducted. To make the research process viable, four relationship areas (the public, economic transactions, everyday life and the environment) were created. Each area was segmented into the main relationship circuits operating in the region. Lastly, collective and individual actors were identified in each relationship circuit. Although
the research was primarily conducted in Arica, some instruments were applied to actors in Tacna in a type of cross-border reconstruction of the processes. The information provided on inter-urban relations comes from the research for this study, its interviews and review of operating documents. However, the ideas presented here have—as the reader will note—a contentious tone that seeks a vital academic goal: encouraging debate as an epistemological tool, a warm up exercise inseparable from what Morin (2000, p. 59) called “the right to reflection (as opposed to) the blind confrontation of facts or the stubborn verification of futile hypotheses”.

Three Problems of a Cross-Border Urban Complex

This article aims to analyze three underlying and interrelated issues in the structure and functioning of the Arica-Tacna cross-border urban complex and its economic scope.

An initial question concerns the superimposition of scales. There is a simultaneous presence of different scales (local, national, international, global) in every CUC. However, it is not a hierarchical superimposition but rather a complex and irregular overlapping that causes different perceptions and actions by the actors involved. Bob Jessop (2001), in a fifteen-year-old article that has not yet been surpassed, sought to explain this complexity by a taxonomic exercise that grouped CUCs according to their maturation levels and origins. Following his logic, we could say that the studied CUC corresponds to a larva or self-contained region where the local scale organizes the rest.

This does not refer to degrees of dynamism—this border is very dynamic—but to the way in which this dynamism occurs in relation to overlapping scales. The interaction of geopolitical, historical, geographical and cultural elements determines that this region is not like other CUCs, a system of extensive corridors that penetrate national territories, involve other cities and produce value networks related to the global economy. This case is not like cases such as the Laredo-Nuevo Laredo duo, which cannot be explained without understanding the functions of Austin, San Antonio and Monterrey. Similarly, Foz do Iguaçu-Ciudad del Este is inseparable in its role from cities such as Asunción and Curitiba. On a smaller scale, the Dajabón-Ouanaminthe relationship only makes sense through the dominant functions of Santiago de los Caballeros and Cap-Haïtien.

We do not suggest that it is a self-sufficient conglomerate. There are relationships with other cities (Iquique is an example) and inputs and outputs related to the global economy such as the port of Arica and the free zones established in the area. However, those links are scarcely relevant for the national economies, and they are even less so for the globalized economic regions of the South Pacific. The numerous economic flows between Tacna and Arica occur locally, and the cross-border economic circle is essentially self-contained. Consequently, the Arica-Tacna cross-border region always seems to be a territory in a formative stage that never matures into a “geo-economic model”—chrematistic and instrumental—that mobilizes the border “as a differential benefit for generating value from cross-border interactions” (Sohn, 2014, p. 598).

The second problem—closely linked to the above—is the way in which the multidimensional nature of this CUC is organized. A CUC, as defined above, is the result...
of the contradictory interaction of diverse domains in shared environments, economics, customary relationships, human mobility, formal politics or discursive representations. Each domain will have a specific weight and manner of manifestation. Today, it is indisputable that when formal nationalist politics give way—even recognizing the teichopolitical pretenses described by Rosiere (2011)—the economy is increasingly the determining factor of these relations with transactions that shape the other dimensions.

However, neither the economic sphere, nor any other, operates in a structural vacuum; rather, it operates during a series of interactions that condition it. This study shows that the dominant economic circuits depend on a series of geopolitical considerations (regularly inherited from the Pacific War),¹ which generates a specific cost. Factors such as the use of the port of Arica by Bolivia and Peru because of the peace agreements of 1904 and 1929, the Peruvian prohibition of investment by foreigners within 50 kilometers from the border, or the Plan for the Northern Border of Chile, are all examples. Above all, we aim to highlight that economic activity is made viable through a series of informal customary relationships, with a very limited ingredient of what is known as a formal economic environment. This is common in the cross-border regions of Latin America; however, the most notable sign—shared by some other South American experiences—is that economic circuits are shaped by human mobility flows, becoming one of the busiest border crossings in the hemisphere. This is even more notable when the mobility data are contrasted with the region’s population volumes. Then, according to Certeau (2008), these social practices become the “organizing practices” of urban spaces and their cross-border relationships.

This poses a heuristic challenge for studies on the subject. It is not only about the magnitude of informal exchanges but rather that such exchanges occur in symbiotic relationships with other non-economic activities or that informality comes and goes when formal spaces are convenient. Consequently, despite the magnitude of these economic relations and its interdependence, it is unlikely to find a structured coherence—using Harvey’s (Harvey, 2007) term—of the cross-border political economy.

Finally, the study discusses how to express in systemic terms the above-mentioned conflict by analyzing the unequal exchange, which Emmanuel (1972) foresaw as a net transfer of value from one segment of the capitalist economy to another.

The way in which the Tacna-Arica relationship takes place—rivers of people crossing in both directions without major problems, interacting, building life projects or just having fun—offers an initial image of cordiality and solidarity. This fact stands in stark contrast with a region marked by geopolitical unrest that frequently results in public statements by local leaders clarifying that their inter-urban relationship issues are unrelated to binational conflicts. These auspicious avenues of the cross-border relationship have strong implications for community coexistence and for the possible forging of some form of mestizo identity, a feeling of belonging “here and there, at the same time” (Tarrius, 2000, p. 41).

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¹ Armed conflict between Chile and the Peru-Bolivia alliance between 1879 and 1883, resulting in the appropriation by Chile of the Bolivian territory of Antofagasta and of the Peruvian territories of Tarapacá and Arica. The final agreement with Peru was not achieved until 1929, the terms of which are explained below.
Powerful historical reasons shape this behavior. Until the mid-nineteenth century, the cities of Arica and Tacna constituted a peculiar urban system with two populations on different ecological floors of the same nation: Peru. While Arica revolved around a seaport dedicated to the mercantile traffic of the Peruvian and Bolivian highlands, Tacna was a typical center for the coordination of primary sector, agricultural and mining activities (Campus & Rosenblit, 2011). The War of the Pacific disrupted this relationship and finally led to the political separation of both cities in 1929, with the signing of the Treaty of Lima. Therefore, these cities have only lived in jurisdictional separation since 1929. Such separation (known as la partija) never jeopardized personal and economic contacts, even in very rough geopolitical times. Since the creation of the Pacific Alliance in 2011, Peruvians and Chileans do not require passports or special permits to cross the border, and they can stay on the other side for up to three months, although only with tourist status.

The two cities are not only close in culture but also in terms of well-being. Tacna is one of the least poor departments in Peru, with social indicators that are often only surpassed by Lima, while Arica is lower than average in Chile. In other words: Tacna is above the Peruvian mean for prosperity, while Arica is below the Chilean mean. This is a typical border city relationship. This situation and a Peruvian national policy that is more interested in borders than Chile present a picture of balance in the social well-being of both cities. Some of Tacna’s social indicators are equal to Arica’s indicators and may eventually surpass them. None of this is irrelevant; however, the sector with the most significant differences, which determines the nature of the relationship between the two, is economics, specifically with regard to prices. The Chilean per capita GDP is double that of Peru, the minimum wage is 33% higher, and although poverty in each country is difficult to compare because of the methodological differences in the available data, everything indicates that there is greater poverty in Tacna (Frigolet, 2013; Paredes, 2010). This is exacerbated by contingents of Peruvian and South American migrants arriving in the city from the surrounding areas, mainly from the highlands around Puno (Berganza, 2015).

The culture that we know today is built on and functions in this asymmetrical situation, always astonishing observers with the incessant flow of people in both directions. It is an active process of “... unequal economic exchanges between different types of people and regions” (Kearney, 2008, p. 80) that, again, despite appearances, is of greater net benefit to Arica, the dominant piece of the binomial. Reitering Grimson’s expression, it is a relational system based on conflict that can express itself explicitly as a dispute (which does occur with some frequency) but also implicitly as domination.

The Small Scope of Formality

The scope of the cross-border economy involves several circuits that can claim to be formal, that is, circuits with recorded activities and that comply with fiscal obligations.

The main driver of these formal circuits is the use of the modern port of Arica and other commercial devices in Chilean territory such as the Free Trade Zone of Iquique (Zofri), 300 kilometers south of Arica. Five percent of the port of Arica’s
operations handle Peruvian goods (basically all from Tacna), which amounts to 90,000 tons of cargo. Zofri, however, is paramount for the region’s commerce. Approximately half of its operations supply the markets of Bolivia, Paraguay, Peru and Argentina. Five-to eight percent of its cargo is shipped to the Peruvian market, which is 90% of imports, by the Free Trade Zone of Tacna (Zotratacna), the supplier for all retail trade in this city. This amounted to approximately 195 million dollars in 2016 (Zofri, 2016). The merchandise entering Iquique and Arica thus supplies Peruvian trade with primarily Chilean consumers who invade the Tacna markets to enjoy their low prices.

Official Chilean statistics regarding merchandise traffic through the Chacalluta2 border port (Aduanas de Chile, 2016) reveal a discrete flow. Goods bound for Peru amounted to 200,186 tons in 2015, while goods received from Peru amounted to 230,038 tons. Possibly even more important is that most of this traffic consisted of goods in transit due to the port usage levels guaranteed to Peru by the 1929 agreement. Thus, this was a flow of goods concentrated in Tacna (without any other significant involvement by other areas of Peru) and that limited the value chains to only the use of Arican transportation to move the cargo.

A second area of the formal cross-border economy lies in the means of transport that enables the cross-border contacts. The transportation of goods from the port is provided by approximately 120 trucks, all Chilean, and grouped into four associations and companies. Given the magnitude of this flow, the transportation of people involves several hundred workers. These workers are either employed drivers or vehicle owners. In this case, the Chilean and Peruvian transportation workers have agreed on an equitable system in which, according to a driver, “... they quarrel every day and then agree after each quarrel” (Ramiro, 2017).

In addition to those mentioned above, other formal cross-border circuits grew out of areas of cooperative production, mainly the production of olives. Arica is known for the Azapa olive (named for the circumurban valley in which it is produced), which draws high praise and high prices in the capital city marketplace. However, the Azapa valley is in decline due to overexploitation, investments in transgenic crops and competition from emerging producers in Tacna. Consequently, Chilean producers have begun to venture into Tacna where they obtain a lower-priced agricultural product of equal quality that is then processed in Arica. Due to the impossibility of investing directly in Peru, they are obliged to operate in informality, which they conveniently use to increase profits and evade taxes. A frequently repeated argument among legally established Tacna entrepreneurs was the need to establish clear rules on customs inspection systems, currency exchange and tax obligations. These measures would enable the forecasting that is vital to “market health”, in the words of one leader of an olive producers’ association.

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2 The Chilean port of entry is called Chacalluta, while the Peruvian port 500 meters away is known as Santa Rosa. Currently, an integrated port of entry is being tested to support a 1-2 hour wait time, depending on the level of congestion.
Searching for Survival

If the Tacna-Arica relationship were limited to these formal economic contacts, we would have to apologize extensively when talking about a cross-border urban complex. As noted above, the distinguishing empirical data of an interurban relationship—data that enables the highlighting of the relevance of this cusc—comes from the mobility of people in either direction. For the purposes of this article, this mobility is primarily by buyers and sellers of labor, goods and services. These people come from a score of nationalities; however, more than 95% of them are almost equally Chilean and Peruvian. According to official Chilean statistics (Aduanas de Chile, 2016), 3,120,686 crossings were made to Peru in 2016, and 3,175,477 were made to Chile, totaling more than 6.3 million crossings. Unconfirmed statistics indicate seven million border crossings in 2017. This puts this urban binomial in a top spot in Latin America, along with urban sprawl areas such as Ciudad del Este-Foz do Iguaçu-Puerto Iguazú or the Cúcuta-Ureña-San Cristobal binomial.

A first component of this intense population mobility comes from the travel of thousands of Peruvian workers to various productive activities and services, particularly agriculture, throughout the circumurban valleys of Lluta and Azapa. For the reasons explained above, these agricultural valleys constitute segmented markets in the sense explained by Piore (1971). Their product can only be competitive with the availability of low price factors such as the Peruvian labor force, considering that these laborers do not usually have the proper immigration status to work—which puts them in a situation of legal vulnerability—and they are not technically immigrants but a seasonal workforce, which entails a lucrative separation of the workplace and the workforce sources in the benefit of the rates of accumulation (Kearney, 2003). However, these laborers fill the void left by the Arican workers who work in the mining regions of Tarapacá and Antofagasta, earning significantly higher wages and enjoying the resultant positive impacts on family economies.

The interviewed Chilean employers demonstrated a high level of acceptance of the Peruvian workers, whom they considered a suitable workforce. “There is never a lack of people”, said a medium-sized agricultural entrepreneur:

There is no lack of effort… working from sunrise to sunset, not spending and then buying something of your own... the Peruvian is distrustful and reserved with other Peruvians, but a good worker. He does what he needs to, demands little, and never asks for time off unless there is an emergency. Sometimes they show up drunk, but will still work, so it is not my problem. But we pay well, about 20,000 pesos a day. If they fill more sacks, then there is extra pay. It is plenty if you save on housing during the week and they are not treated badly. What will they do if they barely make it over there and there is a future here (Manuel, 2016).

Peruvian workers in Arica are at the bottom of the social pyramid: they are unskilled workers without legal status to work; they usually work without contracts and earn low wages. The frequent references in the interviews about them as “introverts”, “never complaining” and “ready for whatever is needed” surround the story of a community
forced to do what Chilean workers are not willing to do. The figure mentioned by the entrepreneur —20 000 pesos, equivalent at that time to approximately 30 dollars— is 3.5 times greater than the Peruvian minimum wages. That is relatively high; however, it is earned by working up to 12 hours per day, with very insecure accommodations on the same farms where they work (sometimes between the crop rows) or in particularly depressed irregular settlements, separated from family and exposed to discrimination and abuse. They bear the burden of double subordination as noted by Fraser (2006), regarding cultural and class status from the bowels of the economy.

Another relevant flow of workers consists of people —mainly women— of both nationalities who are involved in different forms of the so-called “ant trade”. These are understood as “social networks that operate in a decentralized, horizontal manner (...) formed by domestic groups that seek economic niches to conduct commercial activities that are considered illicit” (Lins, 2015, p. 415). Gauthier (2015, p. 256) writes that this is commercial traffic characterized “...as much by the high frequency of the transboundary displacement as by the low volume of products transported per trip”.

One group consists of people who transport small quantities of goods from Tacna to Arica, in volumes that are subject to customs regulations. They may do this on their own or by order (commission agents) to supply families or small businesses. Thus, the treasury loses but consumers benefit. Such is the case of a woman interviewed who traveled weekly to supply her small store with liquor, candy and cigarettes. This was accomplished with a group of friends with similar purposes, which was the social part of the trip and enabled them to obtain a “cargo arrangement” to avoid customs seizures. Although she bought some products in Chile with formal invoices to justify her inventory, most of it came from the products she brought on her trips, which she sold more cheaply but at a considerable profit. It is important to note that when this goods transfer is made by commission agents, these women can cross the border up to three times a day³.

However, the main reason for this flow is the trade of second-hand clothes and fabrics that moves in the opposite direction from Arica to Tacna. This traffic shows two types of specialization. On one hand, these are female-dominated activities, although it is sometimes possible to find men in the process. For example, the traffic of merchandise through unlicensed border crossings are circuits made by women even when those activities are concentrated in terms of property. On the other hand, some circuits are strongly dominated by certain ethnic groups. In this case, they are staffed and controlled by Peruvians and Bolivians, frequently of Aymara ethnicity. Both situations bear positive effects in socially vulnerable sectors. For example, it erodes the most burdensome aspects of patriarchal domination, contributing to the economic independence and self-esteem of many women. It is also an important mechanism for the incorporation of migrant women in Arica. Although it is impossible to ignore that

³ On this point, Chilean Customs establishes —according to our interviews— a maximum value of 500 dollars free of customs tariffs, but for a limited quantity of products. Since it is impossible to calculate prices, the tariff assessment is made on the number of products. For example, three liters of oil, two bottles of alcohol (distilled or beers), one kilo of sugar, two kilos of rice, twelve bottles of soft drinks and two cartons of cigarettes. Therefore, one can imagine the magnitude of trafficked goods when averaging about 10 000 daily crossings in each direction.
for these same reasons, those are symbolically relegated activities in patriarchal and
nationalist societies, such as those mentioned here.

This type of commerce lends no reputation nor allows savings. In the words of a
38-year-old Peruvian woman who makes her life transporting packages between our
cities, “... they look at you disdainfully and this only allows you to survive, nothing
more” (María, 2016). Another woman, a 44-year-old Chilean, who affirms her good
fortune, remembers something that was said to her when she began: “... you will not
lack anything for your home, but you will not become rich selling used clothes here”
(Rosa, 2016).

This trade exists in a paradoxical situation: it is prohibited in Peru but allowed by the
regional government of Tacna. Therefore, Arica is the supply location, where second-
hand clothes enter the port and take advantage of the exemptions of the Iquique Free
Trade Zone. In Arica, this trade is staged from a dozen large department stores out
to multiple small distribution points, almost always around the bus and taxi terminals
that connect Arica with Tacna. The work of hauling these clothes is performed by a
number of different characters —fences, commission agents, country folk, and a few
businessmen who control traffic in Tacna— all of which was described by Peña (2009)
and Guizardi Valdebenito, López and Nazal (2015). When illustrated graphically, the
flows resemble a type of spindle that is thick on the ends and has capillaries running to
the center, from which hundreds of Peruvians fan out at the most risky and dangerous
times for trafficking.

It should be noted that there is also a clothing market in Arica mostly controlled
by Aymara and Quechua women. Here they shared counters with Chilean women who
frequently alleged discrimination by Peruvian and Bolivian women. Additionally, a
group of Chilean vendors with little merchandise, higher prices and select customers
was detected, which —in another unique twist of the cross-border relationship—
bought used clothes in Tacna and then resold them in Arica. This depended on
whether they were treated well in Tacna and whether the goods were of superior
quality according to their own quality tests. For this, they made personal trips or used
third parties, usually Peruvian women. A 34-year-old Chilean merchant who prides
herself on having many university-educated clients who no longer consider it beneath
them to wear second-hand clothes, described her “business plan”:

I have also bought brand-name clothes in Tacna. At first, I would go to Tacna
and buy two, three, four items of clothing. Over time, I realized that there
were people from Tacna who brought things here, so I paid them a certain
amount per item, for brand-name t-shirts and jackets, super-good things [...] Their way of working is that you give them money for say, 10 items. You can
pay half or pay them here in Arica when they arrive. These assistants work all
day, so they only bring the items after 8 pm. They collect from many people
and mark the items with the clients’ names... and then when they arrive here
in the international terminal, they deliver the clothing to you and you finish
by paying their asking price (Teresa, 2016).

In other words, used clothing enters through the port of Arica and is transported
by Peruvian women to Tacna, where Chilean women order items to be sent and sold in
Arica, possibly by the same women who took them in the opposite direction.
Lastly, although this type of ant trade towards Arica is done by people of both nationalities, they do not have the same amount of good fortune. Here the border plays its collator role, “with selective filters that allow certain things to pass through and not others” (Kearney, 2008, p. 97). A Chilean merchant said, almost in a whisper because “it sounds bad”, “but at Chilean Customs, when they see that you’re Chilean, they don’t stop you—you can pass. I once brought 5 bottles by myself and they let me pass; and behind me was a paisanita with 7 t-shirts; they stopped her and took away her t-shirts” (Rosa, 2016). A young merchant who is studying psychology says:

I remember once I saw a lady with a smuggling bag full of things like quinoa, and yes, they made quite a lot of drama out of it, but it is still very discriminatory because it is like... she looked like a chola [woman of Amerindian racial ancestry], so they caused her problems; but we have also crossed the border carrying smuggling bags with no problems (Teresa, 2016).

Buying Cheap at the Leisure Beach

Another identifiable flow —unquestionably the most photogenic— corresponds to Chileans who visit Tacna to consume goods or services. According to data from the General Directorate of Migration and Naturalization in Tacna, a total of 1 684 421 foreigners entered the city through the Chacalluta-Santa Rosa port of entry in 2015; over 90% of them were Chilean. This is twice as many as in 2009. Of these, 11% were tourists who spent the night in the city. The rest were day travelers who were registered as visitors. The former spent $64 per day, while the latter spent $56 per day, a modest difference. In total, they provided the city with approximately $100 million per year, a little less than what was spent by a similar number of domestic Peruvian tourists. In 2018, a local newspaper reported —possibly with a hint of exaggeration— that in just one holiday weekend, 46 000 Chileans visited Tacna and spent $4 million, a record amount according to the newspaper (Narváez, 2018).

A survey by Zofratacna (2016) among 407 Chilean day-trippers (that is, they did not spend the night in the city) provided some illustrative data. The main objective of 35% of the visitors was recreation, mainly gastronomic; 34% visited for health care, and 22% visited just for shopping. Finally, almost everyone made purchases, thus 79% of the interviewees spent most of their time in markets and shopping centers. They bought an endless variety of products, but mostly clothing (67%), alcoholic beverages and cigarettes (19%), and shoes (11%). The survey revealed that the motivations for visiting Tacna depended on one’s economic resources: the poorest families visited strictly for the low-priced shopping, while higher-income groups visited more for recreation and the variety of things to do there. It is interesting that 95% of the interviewees were satisfied with their visits and intended to return.

The consumption of health services in Tacna is an effective instrument used by Aricans to avoid the high costs and delays of these services in their city. This is observed most prominently in the large number of visits to Tacna’s Hospital de la Solidaridad, one modality of providing efficient medical services paid individually. According to
the institution’s internal statistics for 2016, the hospital was visited by 59,766 Chileans, and 71% were from Arica. This represented 45% of all visits to the hospital that year. Rounding out the medical services used by Chileans are a network of pharmacies, opticians, dentists, and other ancillary establishments located in places commonly visited by Chileans. These establishments provide expedited services at very moderate prices for Chilean income levels. For example, some eyeglasses may be obtained in approximately three hours at a third of the Arican price, where delivery can take up to two weeks.

At the same time, Tacna is used by Aricans as a commercial marketplace due to its low prices. As noted above, part of this consumption meets the needs of the ant trade, while another part focuses on meeting domestic needs. The interviews conducted on this subject, mainly with women, indicate frequent purchases of daily-use products, preferred because of brand loyalty or because of low prices. These include sugar, toilet paper, detergent, canned tuna, coffee, powdered milk, alcoholic beverages and cigarettes. This consumption occurred in different ways. For example, one woman interviewed made approximately seven trips per year to purchase products for her own domestic consumption and took the opportunity to spend part of the time in Tacna for recreation. Making the trip with her family had the additional advantage of increasing the volumes of goods that could be brought back to Chile per customs regulations. A student at the local university admitted that the only way to stretch her living allowance was to buy in Tacna at least twice per month. Eventually, she began taking advantage of these trips to buy things to resell to her colleagues.

According to the calculations from interviews with six people who made purchases in Tacna for family consumption, these shopping trips amounted to savings of between 50,000 and 60,000 Chilean pesos (USD 75-90) per month for each family. In one case in which the woman interviewed bought medicines in Tacna for a chronically ill family member, the monthly savings rose to 120,000-150,000 pesos (approximately USD 185-230). This is very significant for a place where average monthly salaries do not exceed 400,000 pesos (USD 587) and family monthly income averages 820,000 pesos (USD 1,204) (INE, 2016).

A professional woman —no older than 30— focused on select consumer products such as coffee, condiments, cigarettes and alcoholic beverages. She travels to Tacna every two months with her partner but with more than one purpose:

> Foremost is recreation, going out to eat and drink, to clear the mind and disconnect from cell phones… So that is one or two days to relax and then take advantage of the shopping, because it is stupid to go to Tacna and not shop (Huris, 2016).

This young professional goes to Tacna for its glamorous side: it has become a kind of leisure beach for Chileans. The city has managed to build a network of high-quality, affordable restaurants, various classes of hotels and casinos that fascinate Arican visitors. One young, 33-year-old driver who visits Tacna almost every weekend commented “In the casinos, they give you free drinks while you play, but in Chile you have to pay for it”

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4 The dollar conversion was calculated with information provided by the Internal Revenue Service of Chile, using the average of the month of June 2016.
(Miguel, 2017). These establishments are generally located where Chileans circulate (Bolognesi, San Martín and Coronel Mendoza avenues). As one moves away from downtown, the type of consumption becomes increasingly more illicit.

In Alto Chorrillo, on the outskirts of the city, there are brothels that cater to Chileans (Las Cucardas, El Venus, Las Pasiones), where the price for sex is 25% of the cost in an Arican brothel. The local press has reported this phenomenon; however, there is nothing more illustrative than the web page with the pompous name of “Complete manual for going to and returning from Las Cucardas Tacna-Peru”. We quote from a portion of this web page: “When you arrive at Las Cucardas you will have to pay an entry fee of 2 soles (about $360 Chilean pesos); after that, as they say – Enjoy!”

Conclusions: Unequal Exchange and Mestizo Identities

Popular opinion in both cities is that Tacna has been successful in its relationship with Arica and has become the main beneficiary of the relationship. It is an opinion more deeply rooted in Arica where the local elite suffer a type of “collective pessimism”, yearning for a past that does not return and distrustful of its two bolder neighbors: Tacna and Iquique (Universidad de Tarapacá, Red de Desarrollo Económico Territorial y Empleo para América Latina y el Caribe, 2008). However, no one expressed it better than a retired Arican who has reached his eighth decade of life and claims to “have seen everything”:

Here Tacna benefits more from us, because everyone goes there, instead of leaving here... I mean... instead of leaving anything beneficial here, they go to the other side, to make deposits, and they go in large numbers, and that is all good; because in previous years, it was our turn, when everyone came here around the 1960s... At that time, Tacna was behind Arica, we can say, in terms of development, culture... But now they are beating us, they are ahead of us in construction... and growth. So now all that has turned around (Entrevistado, 2017).

The “all that has turned around” described by the old man is part of life in a border region, and it affects how things are perceived. Tacna, without a doubt, has developed for itself a more photogenic image than Arica; however, this does not imply greater development, nor the acquisition of larger shares of the regional product surplus: it is the difference between the runway and accumulation.

No one can deny Tacna’s progress from this relationship. In a little more than half a century, it has multiplied its population thirty times over and is now 33% larger than Arica’s population. Its economic and social welfare indicators — as we noted above — have also improved, and today it is one of the most well-off cities in Peru. All this has been linked to national policies. Peru has a more proactive and development-oriented policy towards its borders than Chile, as is seen in its adherence to the Andean Community regional pact as well as the warm welcome from the Peruvians to the city when it was returned after decades of Chilean kidnapping. Thus, if these national policies have been so successful, it is because of a regional business and political network that is able to take advantage of the opportunities provided by the border.
The center of this dynamic has been the Tacna free trade zone (Zona Franca de Tacna-Zofratacna). Gradually shaped since 1989 and finally enacted in 2002, Zofratacna has been particularly successful in the control and organization of regional trade from a cross-border perspective. Due to its economic relevance, this economic complex has been a direct participant in several professional associations and in the formulation of local public policies. This has created a business sector in Tacna with a more sophisticated rhetoric and vision of the future than Arica.

The positive impact on the city of Tacna cannot be denied. Nevertheless, any rational approach to this relationship immediately encounters a dead end: Tacna’s appeal to Arica is fundamentally not the quality of its services but its prices. Such prices can be achieved with various commercial strategies such as the economies of scale that the Zofratacna businessmen understand and know how to use. However, the decisive factor is undoubtedly an unequal development. Consequently, within a very contradictory systemic relationship, the city has its relative poverty as its main card to play, and although Arica effectively wastes opportunities due to the shortcomings of its businessmen and politicians, it takes the best part of that poverty. Thousands of laborers make the agricultural bands of Azapa and Lluta produce at highly profitable levels, filling the void left by thousands of Arican laborers who are employed in the better-paid mining areas of Tarapacá, Antofagasta and Copiapó. Their family budgets benefit from the low prices of services and goods in Tacna, whether they seek health care, fun or to fill the shelves of their pantries. The use of the port by Tacna companies not only contributes to its operation, but it also requires transport and haulage work that is conducted by Chilean companies.

Tacna must absorb a series of invisible costs derived from its relationship with Arica. This article has already mentioned some of these costs such as the influxes of poor people—Peruvians and South Americans—attracted by the opportunities of the city, which are always insufficient. No less significant is the increase in prostitution, with its health ramifications. It is not by chance that Tacna has one of the highest HIV rates in southern Peru and that Arica has the highest rate in Chile. Similarly, Tanca becomes a city of mobile, “part-time residents” (Muñoz, 2008, p. 27) who only consume small fragments of the city. Its central zones are not defined by permanence but by mobility, and although those are places with intense material manifestations of the city—and consequently, places to work for thousands of Peruvians—they become classic “no places” for the hundreds of thousands of visitors-buyers. Quoting Augé (1992, p. 45), they are like “blank slates upon which the intricate game of identity and relationship is re-written endlessly”. The city, therefore, must direct a large part of its public spending towards these urban fragments to guarantee safety, hygiene and fun, to the detriment of the other Tacna outside of the “urbanized” circuits.

One feature of this relationship is the disproportion between daily contacts and those arising from formal public activity. There are bilateral spaces for contacts between social and political organizations on both sides—including those within a coordinating space called the Border Integration and Development Committee (Álvarez, 2017)—however, the whole range of formal contacts are extremely minor compared to the magnitude of daily exchanges, where solidarity and cooperation are displayed but tempered by marketplace relationships.

From here, a type of relationship is established that allows two questions to be approached critically: the first question is the function of the border; the second
question is the proposal by Tarrius (2000) of “mestizo identities” that was mentioned at the beginning.

Regarding the first question, the traditional idea of a border as a contradictory axis of contact-separation is still valid. Although this argument takes a back seat in a context where borders become specific resources for accumulation. Border relationships—whether they involve people, capital, goods or information—are not simply a walk between the two poles of a binomial and a repositioning of “them and us”, as explained in seminal works from authors like Donnan and Wilson (1990) and Martínez (1994). Leaving the analysis at this level, is to reduce the process to its tangible features. This is because in the cross-border regions—and in the CUCS that support them—the scales of their own existence get mixed up and confused, even when border control officials try to remind us that there is a line that defends the nation from outsider attacks. Yesterday, these attacks were by foreign soldiers, and today they are a blurred panoply of “global” ills that include contraband, drugs, terrorism, cultural improprieties and undocumented laborers. For modern-day borders, the purpose of border control is to establish a series of conditions to exercise power over others and to optimize them to be used as factors of production, consumption or symbolic manipulation. It is, as suggested by Mezzadra and Neilson (2013, p. 7), a situation in which “the multiplication of territorial, economic, social and cultural connections and disconnections” defines the “... capacity for hierarchization and stratification of the fringes”. Recalling Foucault (2003), we are talking about a process of discipline normalization, a way of controlling individuals and processes in time and space. This turns Peruvian workers into illegal aliens, ant traders into smugglers, Chileans into tourists and the culture of others into digestible folklore from the beach of leisure.

It is safe to state that, except for a small layer of extreme chauvinists, people from Tacna and Arica accept the indispensability of the other. A senior manager of Zofratacna—a 56-year-old businessman with particularly acute judgment—was explicit in his vision of the relationship with Arica: “Chileans are Tacna’s engine... the only way for Peruvians to sell Tacna is to sell it along with Arica... when Arica grows, it is easier to sell Tacna” (Aldo, 2016). Another, 42-year-old Peruvian olive merchant who complains about the onslaught of Chilean buyers and aspires to a “legal-rational” system that he may never see, said it more bluntly: “My people do not accept Aricans with so much love just because they have cousins and uncles over there, but more because if Arica closes the border for one week, here they will crap from the hunger” (Raúl, 2017).

This context places both in a strange situation in which they are recognized by their material contributions, whether the Chileans are “spenders” and “givers” or the Peruvians are “willing to do whatever is necessary”. At the same time, the intensity of the cross-border contact and the weight of history have prompted them to view each other as a kind of intimate strangers. This is observed in the way that the interviewees have been absorbing the presence of Chileans or Peruvians, whatever the case may be, and how they have been building another ‘otherness’ based on the rejection of immigrants from other places.

A 72-year-old Chilean man describes it as such:

To be invaded by outsiders, it is too much (…) as people say, now it is not just Peruvians and Bolivians, well enough, but Colombians, Dominicans, people
from everywhere come here … there is starting to be more crime. I do not know if it is them committing the crimes, but this is going on (Anciano 1, 2017)

And another elderly lady, born in Arica, straightforwardly said:

I think that, compared to the rest of the country, we are used to living with Peruvians and Bolivians as if they were one of us. But we are a city that has lived together and survived together by helping each other. But now a lot of Colombians have arrived, and they are not the best people that have come here. (Anciana III, 2017).

Aricans living in Tacna and people from Tacna living in Arica —both migrants— offered their opinions about the worlds in which they tried to rebuild their lives. Chileans were often technicians and professionals who inserted themselves in the middle strata of local society, while Peruvians were manual laborers who inserted themselves in the lower strata. What united them was the view that incorporation inevitably became assimilation, which in the end was not difficult due to the familiarity of the relationship and cultural sharing; nothing suggested a multicultural atmosphere in which differences were viewed as virtues.

The scenario described —a self-contained cross-border region, with a strange relationship of unequal interchange and embroiled in bitter border disputes— could change in the medium term if several factors unfolded concurrently. One of them is the geopolitical climate arising both from Chile’s dispute with Bolivia regarding the latter’s access to the sea —this directly involves Arica as Bolivia’s historic seaport— and with Peru regarding ownership of a 2-hectar rocky triangle of shoreline. The idea of a tri-national Arica as described by Brockmann (2014, p. 92), “a special regime of sovereignty... of differentiated sovereignty”, has been just one of the most innovative proposals that have been introduced in this scenario. This would imply changes of the highest order in the configuration and operation of this cuc in the medium term. This would mean moving towards a post-Westphalian vision of territorial governance, a concept as foreign to the political elites as it is necessary to heal these historical scars.

Finally, this region faces the probable manifestation of territorialization processes that arise during the regional integration projects that sponsor the development of bi-oceanic corridors (boc). These bocs, still largely in the project planning and initial implementation phases, are not fundamentally what their name indicates. Rather, they represent processes of colonization and accumulation by dispossession (Harvey, 2003) driven by global capital and by its nuclei in Sao Paulo (Bruckmann, 2015; López, 2012). The development of bocs would involve forceful processes of territorial restructuring in the region and would cease being the fascinating territory that we discussed, becoming mere links in transnational value chains.

If that happened, many things would change in the tumultuous border landscape, but not all. The people of Tacna and Arica would continue inventing their shared realities and their common history. They would continue buying at the border because as Donnan and Wilson (1990) wrote in a book deserving of its place among the classics,
buying at the border is buying the border itself. Something that people have been doing day in and day out for a century.

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