

# IMPACTS OF COVID-19 ON TOURISM ENTREPRENEURSHIP IN NATIVE COMMUNITIES FROM BOLIVIA

**Edwin Orlando Poma Loza<sup>1, 3</sup>**

[orlandopde@gmail.com](mailto:orlandopde@gmail.com)

**Lizeth Alison Quisbert Magueño<sup>2</sup>**

[alizquisbert@gmail.com](mailto:alizquisbert@gmail.com)

**Ana Gabriela Mamani Ayala<sup>2</sup>**

[gabrielamamaniayala11@gmail.com](mailto:gabrielamamaniayala11@gmail.com)

<sup>1</sup>Teacher. Faculty of Economics and Business. Hospitality and Tourism Administration Career. Franz Tamayo University (UNIFRANZ). El Alto - Bolivia

<sup>two</sup>Student graduated from the Hospitality and Tourism Administration Career. Franz Tamayo University (UNIFRANZ). El Alto - Bolivia.

<sup>3</sup> Investigator. Center for Research, Innovation and Digital Transformation in Tourism (CIINTUR)

Faculty of Economics and Business. Hospitality and Tourism Administration Career. Franz Tamayo University.

Av. Of the International Airport of El Alto N ° 1015

+ (591) 70195829 / + (591) 2 - 2823421

Institutional contact: Viviana Gloria Valda Baldivieso [viviana.valda@unifranz.edu.bo](mailto:viviana.valda@unifranz.edu.bo)

Corresponding Author: Edwin Orlando Poma Loza [orlandopde@gmail.com](mailto:orlandopde@gmail.com)

## TUSOCO NETWORK

Junín Street 5-364 between Jordán and Santivañez

Tel: + (591) 4 - 4588827 tel / fax: + (591) 4 - 4588826 / + (591) 72207681

coordinacion@tusoco.com www.tusoco.com

Cochabamba-Bolivia

Institutional contact: Sandro Saravia, National Coordinator of RED TUSOCO

## TUSOCO TRAVEL

October 20 Avenue between Rosendo Gutiérrez and Belisario Salinas streets. María Haydee Building No. 2396 2nd Floor. Cell + (591) 72207682

Unifranz Language Center (CIU): Translation of the manuscript text to English language.



## **IMPACTS OF COVID-19 ON TOURISM ENTERPRISES IN THE NATIVE COMMUNITIES OF BOLIVIA**

Given the outlook for the tourism industry, a study carried out by the Franz Tamayo Private University (UNIFRANZ), through its Center for Research, Innovation and Digital Transformation in Tourism (CIINTUR), in alliance with the Bolivian Community Tourism Association (RED TUSOCO) and the World Indigenous Tourism Alliance (WINTA) where the impact was evaluated suffered by the Community Tourism Enterprises of Bolivia.

At the world level, tourism is a generator of economic income of great magnitude, which is why the growth estimates in the last decade encouraged the prioritization of development policies. The different confinement measures and restrictions established by the governments due to the pandemic and the waves of contagion have caused adverse effects of economic decline and slowness in the estimates of reactivation. Tourism registered a 74% drop in international arrivals according to the latest data from the World Tourism Organization (UNWTO, 2021). In 2019, the tourist flow reached 1,500 million travelers in the world and it is estimated that returning to this level could take between 2.5 to 4 years. The effects of the decline in tourism will be felt in particular in micro and small businesses, whose weight is in the hotel and restaurant sector.

Destinations around the world received 1 billion fewer international arrivals in 2020 than the previous year, due to an unprecedented slump in demand and widespread travel restrictions. By comparison, the decline recorded during the 2009 global economic crisis was 4%.

In Bolivia, as in countries around the world, the COVID-19 pandemic came to greatly affect different tourist activities. According to the study by the Franz Tamayo Private University (Poma Loza, et al submitted 2020), tourism was expected to have a loss of more than 7,664 million Bolivians nationwide by 2020 (1,000 million US dollars), a situation that would put more than 140 thousand direct jobs in the tourism sector at risk among travel agencies, tour operators and tour guides. With this information, it was alerted about how by the end of 2020 50% of the tourism micro-businesses in our country, would close their operations or change their category, while 70% of tourism companies will not be able to bear obligations for more than four months more, resulting in a possible bankruptcy of several tourist companies.

For the development of this research, the qualitative methodology was applied, by means of in-depth interviews with six Community Tourism Enterprises (ETC's), mostly members of the TUSOCO NETWORK, who were grouped into two groups according to the assessment given to them. They assign tourism as a main or complementary activity. Within the first group are ETC Chalalán and Mashaquipe, which have their own offices and permanent staff to operate the service. In the other group, there are the ETC's that have tourism as a complementary activity: Alcaya,



Santiago de Agencha, La Chonta and Pacha Trek, located in different regions of the country and varied in terms of local culture.

### **The TUSOCO NETWORK**

The Community Solidarity Tourism Network is a private, non-profit social organization of national scope, which has legal personality as an association within the framework of the Bolivian civil code, integrates, supports and represents community solidarity tourism enterprises affiliated to it. Network. Currently, it groups 24 ETC's (Community Solidarity Tourism Entrepreneurship) throughout the country, between affiliates and pre-affiliates. The TUSOCO NETWORK is the representative entity, promoter and facilitator of Community Solidarity Tourism, manages programs and projects, gives legal, administrative and business technical assistance to ETCs ;; With a focus on self-management and solidarity economy, it generates guidelines of incidence in national public policies and in the Autonomous Territorial Entities, for the valuation and preservation of the cultures and natural heritage of the indigenous, native and peasant communities of the Plurinational State of Bolivia (RED TUSOCO, 2020).

### **TUSOCO VIAJES SRL**

This company is 100% owned by the communities and enterprises affiliated to the TUSOCO NETWORK, offering tours and tourism products of a community, supportive, responsible and sustainable nature throughout the entire Bolivian territory; trips that allow you not only to enjoy the best destinations in the country, but also to delve into the wonderful natural and cultural heritage of Bolivia, from the high mountains of the Andes to the depths of the Amazon jungle; with authentic encounters with the people of the peasant and indigenous communities, which leave unique and unforgettable experiences in the travelers. Experiential, community and responsible tourism is a way to discover the Bolivian geography wrapped in its history.

### **Results**

The study concludes that Covid-19 strongly affected tourism in Bolivia, but it did so on a larger scale to the ETC's, since it not only affects a form of subsistence and development proposal of these communities, such as community tourism, Rather, it puts at risk the preservation of the natural and cultural heritage that the communities protect, therefore the identity of the peoples that make Bolivia authentic, also affecting that visitors and future generations can enjoy this wealth.

In general, it was evidenced that: i) community tourism is a sector highly dependent on inbound tourism, which led to the cancellation of reservations for the entire year 2020 and even for 2021, causing; lack of working capital; ii) several ventures allocated capital amounts to cover administrative expenses, and to allocate part of the investment funds to spare parts of the ETC's during the quarantine extension, that is, the savings were exhausted.



Those FTEs that had contracted personnel (community members) had to carry out dismissals, especially temporary employees, and the cessation of work of the partners without pay. This situation forced the active partners to look for other income alternatives during the quarantine while tourism is reactivated.

The impact on the communities was dispersed, while the communities that had tourism as their first economic activity had more difficulties to enter different economic activities, others found an opportunity to generate new business ideas, especially in uses and customs, such as for example, the case of the production and sale of medicinal herbs during the quarantine in the Kallawayaya region (ETC Pacha Trek), as well as reinforcing its agricultural production.

On the other hand, a positive effect that the pandemic generated was the deepening of the use of TIC's both in daily life and in tourist activity, the use of social networks, management of videoconferencing platforms and other digital tools, in addition to the processes to improve community codes of conduct in this new context, integrating biosafety protocols. The TUSOCO NETWORK was a fundamental part of providing the facilities and tools to the different ETCs.

The economic loss during the 2020 administration would have reached 3.7 million dollars, and more than 500 families were left without their source of livelihood. This extreme forced 80% of the FTEs to migrate to other sectors of the economy to generate their subsistence, many of which will not return to the tourism sector in the short term, and those who try to return in the medium term will probably not be prepared for the conditions required as part of the "new tourism".

The reactivation of the sector will be slow but necessary, not only because it will allow the generation of additional income to the member families of the FTEs, but because through them the tourist heritage that is used by tourist companies throughout Bolivia can be preserved.

## **ETC in the sights of the new tourism**

Despite the contraction in tourism demand, in the second half of 2021 this sector is expected to start its recovery. The UNWTO affirms that the destinations preferred by new tourists will be natural attractions, with outdoor activities and authentic cultural experiences, characteristics that undoubtedly meet the FTE in Bolivia. However, for this opportunity to be well taken advantage of, these ventures require insertion into the digital world, incorporation of new technologies in the provision of services and reinvention of community products.

*CHALALAN was the pioneer of the ETC in incorporating online tourism as a digital service in full quarantine. Experiences like these will be followed by other ventures nationwide showing that community tourism can also reinvent itself.*



## Bibliography

LÓPEZ, T. (2009). Community tourism and wealth generation in developing countries. a case study in El Salvador. Cooperative Studies Magazine, Madrid: Spain

PERLA, E. (2014). Introduction to tourism. First ebook edition, Editorial Patria SA México

PLURINATIONAL STATE OF BOLIVIA (2012). Law No. 292 General Tourism Law: Bolivia awaits you. La Paz, Bolivia

SANTANA, C. (2014). Community tourism - reflections. Faculty of Tourism and Hospitality at the ECOTEC Technological University, Guayaquil