

3 Profile of Taxco de Alarcón

By now, Mexico’s political, economic and socio-cultural context that is of importance for the silversmith business in Taxco has been analyzed. In the following section, a profile of Taxco and its federal state Guerrero will be presented in order to place the silversmith industry in its concrete context of operation.

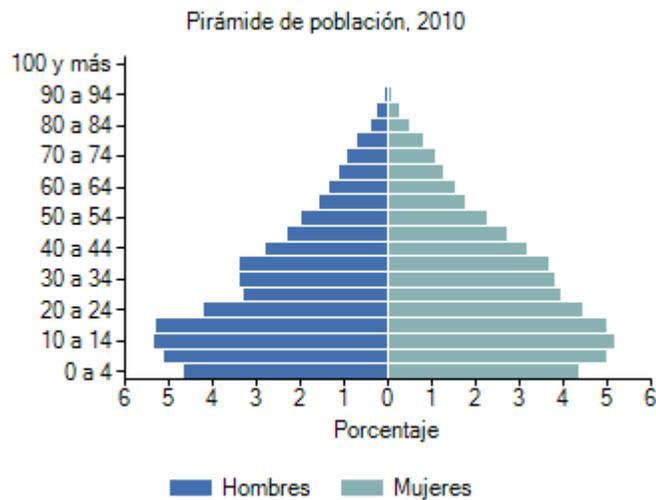
3.1 Population and Location

According to the latest census the state Guerrero has 3 338 768 inhabitants (INEGI, 2014b). Fifty-eight percent of the population in Guerrero live in urbanized regions, while 42% live on the countryside (INEGI, 2014c).

The state has a lot of cultural diversity. There live approximately 600 000 indigenous people in Guerrero, dividing themselves in four different tribes and languages: *Mixtecos*, *Amuzgos*, *Tlapanecos* and *Nahuas* (Guerrero Gobierno del Estado 2011-2015, 2014). In Taxco, the population also is diverse, since the town has experienced a lot of immigration ever since its foundation as a mining center by the Spaniards. Furthermore, prehispanic settlements and ceremonial centers of indigenous cultures existed nearby (Labra, 2014).

Taxco’s population is of 104 053 inhabitants, with respect to the latest census. The demographic pyramid shows that there are many young people aged from 4 to 24 years. Men and women are almost equally distributed (SEDESOL, 2014a).

Figure 3-1: Demographic Pyramid of Taxco in 2010



Source: SEDESOL, 2014a

3.2 Economy of Taxco

Guerrero is the second poorest state of the 31 states of Mexico, with 69.7% of the population living in poverty in 2012 (CONEVAL, 2013). The state of Guerrero contributed 1.4% to the national GDP in 2012 (Proméxico, 2014). It is one of the main recipients of solidarity transfers amongst the states of Mexico. In terms of GDP, which was 215 901 millions of Mexican pesos in 2012, its main economic trait is the tertiary sector, which accounts for 74% of the states' GDP. The secondary sector follows with 21% and the primary sector with the remaining 5%. Main activities in the tertiary sector are commerce with a value of 36 967 million of Mexican pesos. This is followed by real estate services (33 694 millions of Mexican pesos), logistics (23 538 million of Mexican pesos), educational services (15 524 million of Mexican pesos), government services (14 492 millions of Mexican pesos) and hotels and restaurants (10 016 millions of Mexican pesos). The secondary sector focuses on construction with a value of 24 774 millions of Mexican pesos in 2012, followed by manufacturing industries with 13 552 millions of Mexican pesos (Proméxico, 2014). Many of these activities are related to tourism, which contributed 30 689 750 Mexican pesos to the PIB of Guerrero in 2008 and employed 140 000 people (SRE, 2014). The primary sector consists mainly of agriculture activities and only contributed 11 307 millions of Mexican pesos to the GDP of Guerrero in 2012. However, the primary sector is very important in terms of occupation, since about 36% of all occupied people worked in agriculture. With an average wage of 220.2 Mexican pesos per day, Guerrero lies under the national average of 260.1 Mexican pesos (Proméxico, 2014). This might be due to a lack of productivity and investment. Historically there has not been a dynamic development of industries in the state, caused by a lack of strategic investment. This has led to the predominance of small business establishments at an artisanal level such as silversmith workshops and other smithies, sewing workshops, carpentries, and the fabrication of hats, shawls, typical clothing, palm products, etc. In addition, there is a small apparel industry for exportation (Guerrero Gobierno del Estado 2011-2015, 2014).

Unfortunately, in terms of GDP no numbers are available to describe the economy of Taxco in detail. However, in terms of occupation, most of all 39 248 occupied people in 2010 worked in the secondary sector, where manufacturing industries were most important with 11 223 workers, followed by 7 642 occupied people in retail commerce and 3 415 in other

services excluding government activities. Next are agricultural activities with 3 349 occupied people, construction occupying 3 335 people and gastronomy and hotel services providing 3 051 Jobs. (SEDESOL, 2014b). Many of these activities are related to tourism, which is the basis of Taxco's economy, together with the silversmith handiwork that is the main activity in Taxco's economy (Ayuntamiento Municipal Taxco de Alarcón, n.d.). Both have a reciprocal influence on each other. Mining activities, which were an important part of the economy in former times, are shut down since 2007, due to an unresolved strike of the mining workers (Labra, 2014).

3.3 Poverty and Marginalization

As mentioned above, Guerrero is the second poorest state in Mexico with 69.7% (2 442 900 people) of the population living in poverty in 2012, whereby 31.7% were affected by extreme poverty (CONEVAL, 2013). In Taxco, 59.17% of the population (72 012 people) lived in poverty with 17.61% who lived in extreme poverty in 2010. 33.92% of the population in Taxco suffer from social deprivation: 24.99% lag good or sufficient education, 31.28% do not have access to health services, 27.52% lack housing of sufficient quality and space, 57.41% lack access to basic services in their homes and 31.18% lack sufficient alimentation (SEDESOL, 2014c).

3.4 Education

Taxco has 295 schools whereby the majority is primary and secondary education. There are nine schools of the level of "semi-superior", which is like the high school level (INEGI, 2014d). About five universities are located in Taxco in its surroundings, with focus on art and design, architecture, geography and geology, nursing, commerce and some technical careers. However, for other careers people have to leave Taxco in order to get a superior education (Labra, 2014). The average of school years of the population older than 15, are 7.6 years, which means that many people do not finish secondary education. Fortunately, the alphabetization rate of young people from 15 to 24 years was with 97% at a high level in 2010 (INEGI, 2014d). However, there is no data available for older people who often suffer from lower educational levels. The schooling system has been constantly improving in Mexico in recent years, but participation levels of older people keep being low (OECD, 2012). The fact that in 1995 only 93.1% of 15 to 24 year olds were literate shows that there

has been an improvement in education in recent years (INEGI, 2014d). This means that older generations are less educated than the young generation from today.

3.5 Touristic profile

In Guerrero tourism is the most important source of income with a contribution of 30 689 750 Mexican pesos to the GDP of Guerrero in 2008 (SRE, 2014). While tourist rates remained low since a sharp downturn in 1996, tourism was increasing significantly since 2003, with a peak in 2007 of 6 441 650 tourists lodging (INEGI, 2014b). From January to May in 2006, tourism created 205 749 jobs, representing 21.9% of all jobs in the state. Acapulco, Ixtapa-Zihuatanejo, two beach resorts, and Taxco, a colonial city, are Guerrero's tourist centers. Today mainly national tourism comes to Guerrero, where Acapulco occupies the second place with 10.5% of all national tourist arrivals in Mexico. Ixtapa-Zihuatanejo receives 1.2% of all national tourists and Taxco 0.5%. International tourism is orientating towards other destinations in the country. Ixtapa-Zihuatanejo ranks 8th in attracting international tourists, with a proportion of 1.5% and Acapulco 9th with 1.4%, while Taxco only attracts 0.3% (Guerrero Gobierno del Estado 2011-2015, 2014).

Taxco has been famous for its silversmith handiwork since the 1930s and therefore became a touristic center of international fame (Stromberg, 1985). However, today Taxco is mainly a destination for national tourists. It is still famous for its artisanship, especially silver, but the government tries also to promote its colonial beauty and rich nature and traditions in order to revive tourism. Taxco is part of the government program *pueblos mágicos* or magic villages. The Secretary of Tourism gives that status to places in Mexico that have special charm and fulfill certain criteria as a tourist attraction. These places are interesting and different in terms of geographical beauty and conservation of historic and cultural wealth. By fulfilling certain standards, they are supposed to become even more attractive for tourists (SECTUR, 2014). Thereby, these places offer an alternative to massive tourism, rather focusing on tourists interested in culture and nature.

In 2010, 176 264 tourists stayed at lodgments in Taxco (INEGI, 2014d). However, the number of visitors might be above that, because there are tourist flows coming to Taxco without staying overnight, mainly to buy silver on the Saturday's market (Labra, 2014). Unfortunately, Taxco seems struggling to exploit its full potential in tourism. There are only numbers available back to 1994, when 250 283 tourists spend the night in Taxco. The

following years tourism experienced a boom with its peak in 1996 with 604 391 tourists lodging in Taxco. This same year to the year 1997 it came to a sharp fall in this number down to 182 871 tourists. Since then the number has remained low, with few changes (INEGI, 2014d).

3.6 Tradition and artisanship

Guerrero is one of Mexico's states with most cultural diversity. Many people still live in villages and towns where cultural traditions are highly valued. There is a large variety of artisanship, whereby different locations specialize in different materials, techniques and products. The artisan products range from forging gold, silver and other metals to different products of lack techniques, potter, textiles, woven products of palm leaves, leather products, stone carving, typical paintings on handmade paper and jewelry of all types of materials. Until today, artisan handiwork is the livelihood for many families of Guerrero (SEGOB, 2014). In Taxco, artisanship has a large tradition with its beginnings in brass products, silver forging and carpentry (Castrejón, 2013). Today the town is most famous for its large silversmith industry and it is well known as the *silver city*. The development of the silversmith handiwork in Taxco, which is of special interest in this thesis, will be explained in detail in the following section.