Subsidizing and governance in the tourist development of the historic center of Pachuca de Soto: a diagnostic and proposal.

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Introduction

On June 2012, the International Institute of Administrative Sciences (IIAS) and the National Public Administration Institute (INAP, Mexican chapter) held the International Congress: Socioeconomic Priorities and Public Administration in Mérida, Yucatán. Among the purposes of the congress, was to promote democratic governance and administer an economically competitive and equitable State. In this sense, three panels were organized; one of which developed the topic of “tourism as a public asset”.¹

In the presentation of the corresponding work, the most significant concepts were: 1) Subsidiarity, understood as the decentralization of authority towards local governments for a modern formulation of tourism strategy; 2) Governance, seen as the organization of local corporate debate for the strategic pluralizing, along with its subsequent administrative execution by local governments; and 3) Intangible assets, as competitive advantages to the tourism users’ expectations, to support the buildup of local governance. When making the comparison with Mexican reality, it was clearly obvious that the public value of tourism lies in its proper utilization to provide significant dividends to the economy of the regions, thus obtaining the well being of communities and businesses. However, on a regular basis, the strategies deriving from the tourist industry planning tend to be no that clear, and rather inconsistent. This article is concerned with detailing the above-mentioned, by a way of diagnostic and proposal.

The concerning case refers to the historical center of the city of Pachuca de Soto, located 96 kilometers northeast of Mexico City, with a population...
of 267,000,852 inhabitants, according to the 2010 population census. The historic center of Pachuca de Soto is a key alternative for weekends recreation to the inhabitants located in the center of the country, it is located in a narrow valley in the east-west direction and elongated from north to south. Its eleven plazas make up a historical heritage whose origins range from Spanish colonial era to post-revolutionary era, framed by housing that settled on the slopes due to mining activity.

Pursuant to the above, this article takes as its starting point “the appropriate concepts to vindicate the public value of tourism” to expose the new conceptual blend derived from the International Congress “Socioeconomic Priorities and Public Administration”. In this sense, the case study is developed through the following three areas that correspond to the same central concepts: “The subsidiary traits of the tourism administration in Hidalgo”, “the tourist service providers of the historic center in relation to governance” and “the intangible assets for the buildup of governance”. These three areas are structured internally pursuant to each concept’s distinct elements. Finally we present our conclusions.

The appropriate concepts needed to vindicate the public value of tourism.

In countries like Italy and Japan, the subsidiary principle has strongly influenced the redesign of administrative roles and its decentralization towards local levels of government. Undoubtedly, this change has had a strong influence in the adjustment of local organizations and in the modern formulation of plans and programs. The new local culture has been developing information systems, accounting systems, and instruments, primarily of managerial nature. Thus, by leaving behind traditional ways of planning, local organizations able to deal with the complexity arising from the new status have been created.2

To define a first concept, the subsidiary practice of the local governments in relation to the rest of the federal structure involves four elements: a) the intergovernmental ability to develop strategic partnerships, manifested in the establishment or strengthening of intermediary organizations between the municipalities and other levels of government for specific social purposes; b) the restriction or limitation on powers of the federal and state governments; c) the assessment of municipal entities for the subsidiary execution; and d) the competency development of local government, that is, procuring the enforcement of municipal self-responsibility along with minimum and justified assistance by other government levels.

2 Hidoko Kudo, Towards sustainable tourism: how to harmonize conservation of cultural heritage and natural resources with promotion of tourism, form Italian cases, México, IIAS 2012 International Congress, Mérida Yucatán, 18-22 June 2012.
Beyond the intergovernmental level, in order to reach a public administration oriented towards governance, Western specialists have exalted the term *us*. This term completely embodies an idealized vision of attention to plural demands, which, under the requirement of government aperture, involves the use of communication and deliberation mechanisms in decision processes. Facing the uncertainty of having shared views or suffering the effects of diversity, these mechanisms must fulfill the set-point of reaching a collaborative development. Some empirical studies tend to list plural needs depending on the various interest groups contained within the *us*: government agencies, public sectors, local urban and rural residents, specific purpose transient population, tourists, minority ethnic groups, social organizations, and companies.3

Besides the emphasis on political responsibility to meet plural needs, the debate among scholars in public management has also tried to define the role that public sector organizations must take before the responsibility for ensuring the delivery of the derived services.4 As discussed in this paragraph, governance is classified into social governance when referring to the integration mechanisms of plural demands, and in public governance, if in relation to the aforementioned definition, managerial roles are defined to ensure the corresponding services.

Now, under the belief that local governments seek innovation to achieve social, economic, and environmental sustainability in their territories; the third conceptual category considers that intangible assets can be effectively combined with the governance approach for an innovative perspective within public management studies.5 The role of intangible assets as drivers of corporate performance has become critical in management studies in recent years. The idea is that these intangible assets underline the ability of certain organizations to meet the expectations of its primary stakeholders. Intangible assets may vary, those of economic nature relate to trademarks, patents, and intellectual assets, while credibility before business peers and the reputation in the eyes of consumers do not relate to material property, as they lack price. All of the abovementioned items show sustainable competitive advantages, thus critically influencing corporate performance.6

In a simplistic manner, certain authors have confined tourist intangible assets to climate, culture, and landscape. A study of the Emilia-Romagna region in Italy, involving the combination of governance and intangible assets,

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3 Tao Sun, Lei Zhai, Fan Wu, Yang Zhou; Constructing “our Sanya”: continuous improvement of public services and collaborative engagement of social governance, México, IIAS 2012 International Congress, Mérida Yucatán, 18-22 June 2012.
4 Hidoko Kudo, *op. cit.*
5 *Ibidem.*
6 *Ibidem.*
highlights the cooperation of tourism service providers in a region that contrasts sea, mountains, and a set of small historic cities acknowledged by the United Nations Educational, Scientific and Cultural Organization (UNESCO). In this context, tourism service providers include hotels, sporting activities, cuisine, and wellness facilities. The key factor is that the respective owners effectively collaborate in terms of communication, offerings, and mutual facilitators.\footnote{Ibidem.}

**Subsidiary traits of Hidalgo’s tourism administration.**

The consolidated tourism industry (federal, state and municipal governments) do not receive a flattering assessment in terms of the elements derived from the principle of subsidiarity, however, municipal initiatives have some potential in this regard. In relation to intergovernmental strategic partnership capacity (the first subsidiary element), the Ministry of Tourism of the Mexican federal government (SECTUR) made clear its null capacity to interact with local governments: *This Ministry does NOT execute Plans or Investment Programs nor does it participate in intergovernmental committees with local councils in the country.*\footnote{Secretaría de Turismo, *Atención a la solicitud de información No. 0002100054512, 13 de noviembre de 2012*, México, SECTUR (Dirección General de Comunicación Social, Unidad de Enlace), 2012 [texto sin numeración de páginas].}

The Municipal head of Tourism in *Pachuca de Soto*, was less drastic in pointing out during an interview (October 24, 2012), that although at that time there was no collaborative work being done, there was in fact a possibility for a more significant interaction based on plans and projects. It was also assured that there were plans for coordinated projects with state government, while along with the federal government there was the intention to work specifically on signaling projects in a crafts fair and a video for television. In turn, the head of the Department of Cultural Tourism of the Hidalgo State Government confirmed in an interview the absence of intergovernmental committees that co-participate with the city council of *Pachuca de Soto* or the federal government (February 28, 2013).

As for the second subsidiary element, restriction or limitation of powers of the federal and state governments, local authorities characterized the situation as uncooperative as municipal programs were operating with 100% municipal resources (October 24, 2012), there was no financial or strategic decentralization by federal or state governments. To clarify, the head of the Department of Cultural Tourism of the State of Hidalgo stated that had been approaches with the local tourist authorities, but it had been during the previous three years (2009-2012).

In the federal-state jurisdictional boundary, the situation has been different, as the state Ministry of Tourism has regularly been executing programs...
decentralizing the federal government. Such as the case of signaling and
totems endowment with historic and museographic plates to distinguish
historic downtown buildings, on February 28, 2013 140 of these units
were being developed. Another booming federal program is the Pueblos
Mágicos\(^9\) (Wonder Towns), applied until early of 2013 in Huichapan,
Mineral El Chico, Mineral del Monte and Huasca de Ocampo, additionally
it was being promoted in three more towns.

The assessment for subsidiary practice, the third subsidiary element, is
completely absent in the state and municipal tourism administration. The
head of the Department of State Cultural Tourism of Hidalgo added, there
should be and there is none, it is up to two people in the entire Ministry
(February 28, 2013).

As for the fourth and last subsidiary element, the competency development
of local government, the state tourism authorities specifically stated: we do not
have any state design programs (February 28, 2013). There are however,
a number of non-performed plans for the city of Pachuca de Soto, which up
until early 2013, ranged from cultural tours to basically historic knowledge
management. In general, the state tourism authorities consider that the city
of Pachuca de Soto cannot be taken as a tourist destination by itself, but
as part of a regional route integrating different attractions surrounding the
city, such as resorts, mountains, architecture, and cuisine.

Another potential resource of state government is that it has a tourism
promoter (PROTUR), which, by replicating the National Fund for Tourism
Development (FONATUR federal agency) scheme, is designed to sell
tourism projects. On the other side, the local tourist authority, instead of
carrying out a strategic leadership, has rather established itself as a direct
provider of services. These services are detailed in the following section.

Separately to the performance of tourism entities, but prevailing to the
matter at hand, both state and municipal governments have executed
parallel public works to improve the historic center. The Strategic Program
for the Center of Pachuca de Soto was a tool issued during the 2003-2006
municipal administration, to schedule streets projects, plazas and urban
image; awareness, public participation models, as well as regulation.\(^10\) Due
to the above, the iconic monumental clock located at the Independencia

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\(^9\) The Wonder Towns Program, implemented in Mexico by the Ministry of Tourism
(federal) is a financial decentralization plan for tourism investment through
representative committees of certain towns which, according to the official terms
have symbolic attributes emanating from their socio-cultural wonder or magic.
The central idea is to exploit tourism in the culture, traditions, adventure, extreme
sports, or simply everyday rural life.

\(^10\) Instituto Municipal de Investigación y Planeación, + ideas 1 estrategia, programa
estratégico del centro de la Cd. de Pachuca de Soto, México, IMIP, 2003 [texto
sin numeración de páginas].
Square was restored during the 2006-2009 municipal administration. After that, the Independencia (main), Constitución (secondary) and Juan C. Doria (commercial) plazas have been the subject of remodeling.

A comprehensive program was executed for the Plaza Juan C. Doria, which intervened with the textures and colors of adjacent facades, and signs that are now uniform, additionally to rebuilding the small square whose principal distinction is the caryatid of the first governor of the state. The restored buildings are considered iconic to Pachuca’s recent history, its original uses include: the cinemas Iracheta and Alameda, soup factory, Gutierrez bathrooms, an apartment building, and the house of Governor Rafael Cravioto (CAH, 2012). Today, some are obsolete and others have been adapted for new uses. The makeover has been so notorious that on July 2013, the scheme had been reproduced to the facades surrounding the Plaza Independencia, the work was promoted as the sixth stage of the renovation of the historic center.

The variety of public work projects and urban image that remain pending, are evidence of a constant government concern about the appearance of the historic center of Pachuca de Soto. Among these are: 1) the rehabilitation of the Plaza Independencia as a square free of visual obstructions in order to highlight the architecture of the monumental clock; 11 2) the salvation of the Plaza Pedro María Anaya to frame the access to Pachuca de Soto’s Municipal Presidency; 12 3) The closure of certain streets (to enable pedestrians): Guadalupe Victoria, Vicente Guerrero, Juan C. Doria, Ignacio Zaragoza; 13 4) the decentralization of public transportation in the historic center; 14 5) the issuing of a binding regulation for the historic center, aimed at the urban-territorial arrangement for the conservation and the economic recovery of the area, 15 and 6) the improvement or replacement of potable water lines and pluvial and sanitary drainage. 16

The historic center tourism service providers in relation to governance.

The set point to define tourism service providers of the historic center was based on the empirical integration carried out the city of Pachuca de Soto

11 Instituto Municipal de Investigación y Planeación, Catálogo de proyectos para financiar por medio del Fideicomiso para Coadyuvar al Desarrollo de las Entidades Federativas y los Municipios, México, IMIP, 2009.
12 Ibídem.
13 Ibídem.
14 Instituto Estatal del Transporte, Consideraciones del anteproyecto para el programa municipal de conservación, preservación y desarrollo del Centro Histórico de Pachuca, México, IET, 2011.
16 Servicios de Asesoría y Estudios Técnicos Ingeniería y Arquitectura, Anteproyecto para el programa municipal de conservación, preservación y desarrollo del Centro Histórico de Pachuca, México, SAETIA, 2011.
pursuant to its tourist promotion policies. In the municipal government website (http://www.pachuca.gob.mx/), the services offered by the local tourism authority occupy an important place, although the omission of its state and federal government counterparts is notorious. The services offered by the private sector are described and illustrated in several sites of the website. In the municipality of Pachuca de Soto, there are listed 17 hotels, 58 restaurants, 12 cafes, 44 nightclubs, 8 malls, 9 auditoriums, 7 banks and 17 references to information of general interest (public and emergency services). Based on the above information, this article considers tourism service providers, as both governmental and private, who have their facilities or areas of direct influence in the historic center.

The strategic deliberation of the tourism service providers, as well as the management attention to their demands, is the most critical aspect of Hidalgo’s tourism sector. One reason is that the provision of tourist services in the historic center is carried out mostly by agencies of the three levels of government, coinciding with the aforementioned intergovernmental partnership capacity of the subsidiarity principle. The other reason is that among the governmental tourism strategies, coordinated corporate performance has not been privileged, potential service providers are still considered private and circumstantial, grouped only in traditional chambers of commerce.

The Mexican federal government provides tourism services confined in the former convent of San Francisco de Asís, listed in the following section. Among these services, the national system of photo libraries founded in 1976 stands out, when the Mexican federal government acquired the Casasola Archive, a emblematic collection for Mexico for its portraits of the Mexican Revolution. Currently the library has a million photographs from 1847 to 2010, the National Museum of Historic and Artistic Photography presents visual samples of the library.

The State Government of Hidalgo is responsible for two art galleries in the historic center, the Cultural Forum Efren Rebolledo and the Gallery Leo Acosta as well as three theaters, the Ciudad San Francisco Theater and, in the south, theaters Bartolome de Medina and Guillermo Romo. Another state organization with potential tourist services is the Hidalgo State University, who has two symphonic orchestras, a theater company, and a cultural program. Although the poor relationship between the university with the state government is notorious.

Tourist services in the historic center by the municipal government are diverse. Guided tours of the monumental clock from the Plaza Independencia are carried out by groups of eight participants who have access to the tower through the interior stairs. At specific points, visitors can listen to a historic-architectural narrative. A recent achievement was
the extension of the service schedule until 20:30 hours daily. The Municipal Department of Tourism of Pachuca registered that between January and October 2012, the monumental clock received 47 thousand 925 visitors, which generated 8 thousand 755 guided tours.

Another main service consists of tours, which are given in a small bus that simulates an electric tram that serviced between 1909 and 1939 as public transport of Pachuca de Soto. The narrated tours are carried out in two optional routes: R1 (traditional, 22 stations) to view Pachuca and R2 (the mining miracle, 17 stations) to know Cristo Rey. The latter, is a statue of 33 meters high on Mount Santa Apolonia (visible from the Plaza Independencia), inaugurated on April 7, 1996 to celebrate the 400th anniversary of the Franciscan Convent, among other local religious events. Recently the service has been extended with night tours on Fridays and Saturdays.

The promotion of crafts is an activity that occupies the park Ninos Heroes on the weekends, a small square in the historic center with a civic monument dedicated to the martyrs of the American invasion. The craftsmen who regularly expose their crafts in an organization called the Craftsmen Union of the State of Hidalgo. Their articles include clothing, jewelry, small plaster dolls, photographs and books. As a limiting, the craft show is not sufficiently representative of the goods produced in the state of Hidalgo, whose assorted range is referred to in the following section.

The promotion and advertising comprises two modules tourism orientation, located within the same number of spots in Plaza Independencia. Said modules provide information about the tourist attractions of the state of Hidalgo, although a thorough review showed that not all attractions have printed information. Every year during Holy Week, the modules are increased to seven modules, the Municipal Tourism Department of Pachuca registered that during Holy Week of 2012, 9055 visitors where given attention.

The municipal government website of Pachuca has a page intended for tourist promotion and advertising. It was found that both the website and the related information have an attractive graphic design, however, the majority of the information is strategically separated. As mentioned, the destination’s attractions and services offered by the private and public sectors have not been combined into a single tourism offering that can exceed the classification of the sector agents. According to official records, the website users are mostly from Mexico City, and Pachuca de Soto, with other minorities in the center of the country. Another official reference even shows a minority of international users, mainly from the United States.

Another municipal service that can be oriented towards popular tourism is the markets, which have food areas and traditional craft outlets. The
Barreteros market is the most attractive for its facade that includes stone ornaments and eagle statues, it was built during the 1920’s in the square where crowbars and mining articles were sold. Miguel Hidalgo Market also possesses a relative estate value, its interior structure was constructed with English-style steel armor. The historical center also has the market 1° de mayo whose facade stands outs in the Plaza Constitución. Overall, the reorganization and regulation of the different businesses is needed to turn the historic center markets more attractive.

As for private tourism services providers, primarily there are mining facilities as the Hacienda de Loreto and the San Juan Pachuca mine, both on the northern edge of the historic center. These attractive potentials are still owned by a mining company, although they are part of the itinerary of the city tours. However, the tram-type vehicle enters the facility for a very few minutes to give a general explanation, and visitors are not allowed to get off the vehicle. Thus is still pending, the cultural dissemination of the patio benefit system, attributed to miner Bartolomé de Medina from Seville (1497-1585), who put it into practice since 1555 to revolutionize the metallurgy of that time and achieve its implementation for three centuries. In general, the system consisted in expanding the material extracted from the mine in a courtyard to be treated with a mixture of mercury and water added directly by ox and men, which affected the health of the participants.

A more appropriate place to learn from the past economic activity of Pachuca de Soto is the Historic Archive and Museum of Mining, owned by a civil association of the same name. The property allows access to the specialized library collection of Juan Barrón, as well as the newspaper archive Ezequiel Ordoñez. The museum is organized by rooms that illustrate the five stages of Pachuca’s mining: pre-Hispanic, colonial, British, American and cooperative. In the backyard of the building is a space dedicated to industrial archeology, where one can observe a winch, a compressor, an old mixer, a steam crane, and Mack trucks.

According to city records, the historic center of Pachuca de Soto has eight restaurants. The most popular is Mina La Blanca, a theme-style restaurant (mining) of approximately one hundred tables, with no specific attention segments, modifications, or recent expansions to their facilities. However, it is considered the most worthy example of Hidalgo’s gastronomy in the historic center. Mina La Blanca’s menu includes barbacoa for $400.00 per kilogram, chinicuiles for $170.00, including guacamole and cactus salad, escamoles casserole for $170.00, and pastries for $10.00 a piece. Pulque is not sold in Mina La Blanca due to the fact that the bottled supplier ceased operations. The restaurant is affiliated to the National Chamber of

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17 Colegio de Arquitectos de Hidalgo A.C. 2010-2012, Rutas turísticas centro histórico, México, CAH, 2012 [texto sin numeración de páginas].

Restaurants Industry and Spiced Food (CANIRAC), whose purpose is the
guild organization in relation to government regulations.

The historical center also has six hotels ranging from two to four stars,
according to said municipal records. As an example, the Hotel Sofia express
type (hotel chain, 4 stars) offers 40 rooms for business people and families
on leisure travel. It does not belong to any guild organization. The standard
room costs $700.00 per night. In its front desk area, it features a box with
several cards that promote local business services as well as a cultural
billboard from the State Council for Culture and the Arts (CECULTA).

In an strategic relationship assessment, it was found that the communications
mechanisms between tourism services providers are classified, also, the
promotion of corporate performance exists only at the municipal level and
on a limited basis. According to the head of the Department of Cultural
Tourism of the State Government of Hidalgo (February 28, 2013), the state
government’s relationship with tourism service providers relies mostly
on guild associations. With sports service providers, the interactions are
carried out through the existing partnerships according to the different
disciplines. The relationship with culture facilities is held through CECULTA,
but not with the culture entity of the city of Pachuca. With restaurateurs,
the relationship is established through CANIRAC, and as for hotel owners
it is held through its counterpart called Mexican Association of Hotels and
Motels (AMHM). With bars there is no formal relationship, as the sector
is not organized. Despite the above, it is clearly stated that there is no
discussion and dissemination of joint ventures, and associations are almost
entirely devoted in demanding government support.

A second way in which the state government relates to tourism service
providers are events with very specific purposes. For museums there is a
state a workshop forum, for travel agencies there are advice and training
programs, and even recently a program for training of tour guides was
carried out. In general, mutual accusations tend to justify the lack of
strategic coordination between the state government and tourism service
providers. According to the head of the Department of Cultural Tourism
of the State Government of Hidalgo (February 28, 2013), tourism service
providers do not know what to do with tourism due to a lack of vision. On
the other hand, according to the management of Hotel Sofia (March 7,
2013) at the monthly meetings convened by the state government, besides
tardiness, the government does not address the development of strategic
set points nor collaborative mechanisms.

In contrast, for the chairman of the Municipal Tourism Department of
Pachuca de Soto (October 24, 2012), there is a local organization
dedicated to promoting corporate performance, although said organization
does not include all service providers. The Tourist Alliance converges the
Business Coordinating Council (CCE), the CANIRAC, the AMHM as well as the Women Entrepreneurs organization. Its deliberation mechanisms consist of brainstorming without the existence of any hierarchy to debug the proposals and coordinate what is deemed appropriate. However, the agreements have generally resulted in simple discount sales. Other than the above, the relationship with the museum is of a bureaucratic nature (correspondence), sporting activities are addressed through the limited support requested by them, whereas there is not interaction with bars.

In interviews carried out with both state tourism authorities (February 28, 2013) and municipal tourism authorities (October 24, 2012) both agree: *there are no plans yet to assume management functions to ensure the attention to plural demands, to facilitate corporate performance.* Such position remains before the existence of needs and ideas of the private agents. The manager of *Mina La Blanca* (March 7, 2013) stated that to facilitate pedestrian tourist traffic, the streets should be closed Saturday and Sunday while in the course of the week should be left open to accommodate access to local customers. The Sofia Hotel management (March 7, 2013) requires authority to provide access to tour buses to its facilities and for there to be greater promotion of the tourist attractions. Meanwhile, the Architects College of Hidalgo has been proposing, as a tourism strategy, five tours within the historic center, in order to visit fifty-one buildings of Architectural value in five parallel streets: *Vicente Guerrero, Ignacio Allende, Matamoros-Carranza, Miguel Hidalgo, and Jose Maria Morelos.*"  

Along with these demands and proposals by local agents, the opinions of visitors and tourists must also be taken into account as key inputs for the development of managerialism. The local tourist authority lacks any information whatsoever about it. The state tourism authority has built a record of complaints that undeniably represents some progress, but in its case, would generate a reactive and not proactive management. The state information refers to bad hotel service, lack of service attitude in public and private actors, lack of identity with relation to the historical heritage, the absence of tourist maps, inadequate signs, disorder in public transportation and lack of gardening maintenance of the Plaza *Independencia.*

To the effect of supplementing the diagnosis of this article, the authors applied a survey to a sample of 500 visitors of the historic center of *Pachuca de Soto*. The sample was composed as follows: 37.40% were visitors from Mexico City, 29.80% of the neighboring state of Mexico, 12.40% of the same state of Hidalgo, 9.20% from other states, 8.20 % of the State of

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19 Colegio de Arquitectos de Hidalgo A. C. 2010-2012, op. cit.

20 Módulos de Información Turística, Oficio No. 0027, México, Gobierno del Estado de Hidalgo, Subdirección de Campañas Publicitarias, 2013 [texto sin numeración de páginas].
Puebla, and 3.00% of other countries. The visitors agreed on five main reasons for visiting Pachuca de Soto, for its museums 17%, for its sporting events 16.6%, for family visits 14.8%, for its cultural events 14.4%, and for its handicrafts 13.3%. Other less preferred reasons include restaurants (7.8%), mining (4.6%), bars (4.2%), festivals and fairs (3.4%), architecture (3.4%).

Visitor recommendations were varied, although primarily the demand for more information was significant (15.6%). Followed in order of importance by: 15% more cultural events, linkage of the historic center with other regions 10%, 9.6% more crafts, more gastronomic demonstration 8.8%, 7.00% pedestrian enabled streets, guided tours 6.2%, 5.8% better urban image, 5.6% more football (soccer), squares and parks remodeling 4.2%, 3.8% more mining demonstrations, 3.4% more fairs, public transport organization 2.6%, and 2.4% more horsemanship.

Intangible assets for the buildup of governance.

Among the competitive advantages that could be promoted for the corporate development of tourism, only one is attributable to the historical center of Pachuca de Soto, cultural heritage, while four come from the regional context: private assets, gastronomy, sports, and handicrafts. The cultural heritage of the historic center refers to a small number of buildings that remain from the Spanish colonial era, as the former convent of San Francisco de Asis, the Parish of Nuestra Señora de la Asunción and the portals of the Plaza Constitución, as well as a large number of buildings that were constructed since the Porfiriato (1877-1911), when the economic, political, and demographic activity intensified in the city. The historic center comprises eleven historic downtown plazas or parks that gather the buildings with the greatest heritage potential. As a disadvantage, the weakness of urban regulation has allowed excessive mix of land use and architectural styles. In particular, many buildings with relative equity are not in use.

To the south of the historic center, standing out for its importance, is the surroundings of the former convent of San Francisco de Asis. The construction of the main building began in 1569, being one of the seventeen convents that the community of San Diego barefooted friars built in the Spanish colonial era. The baroque church concluded its construction in 1660, a ship in the form of a Latin cross that included shrines or mere extensions used as choirs or ambulatories. The facade was composed of three separate sections by cornices; a bell tower was also included with a square base and single structure. The baroque altar was built in the eighteenth century, as was the octagonal chapel with a tholobate dome. Sacred art includes the Apocalyptic Lady (1735) Our Lady of Guadalupe (1767), the crucifix of the sacristy (XVII century), and patristic themed
paintings (XVIII century): San Jerónimo, San Agustín, San Gregorio, and San Ambrosio.\textsuperscript{21}

In 1861, the monastic property was nationalized and sectioned to be occupied by various federal government agencies. The land that formed the extensive market garden was also fractioned, and was immediately occupied by a cemetery and mining facilities. In the twentieth century, the exterior became housing developments and parks that currently allow beautiful views of the ensemble: Colón, Bartolomé de Medina, and Hidalgo. The former convent now houses the delegation of the Hidalgo National Institute of Anthropology and History (INAH), the specialized library, the auditorium Salvador Toscano, temporary exhibitions, the national system of photo libraries, the national museum of historic and artistic photographs, the site museum, the school of arts, and the contemporary art museum.\textsuperscript{22} Furthermore, in 1993 it the Ciudad San Francisco theater was adjacently adapted to the ex convent.

The ex Franciscan convent includes, in the adjacent areas, nineteenth century buildings of relative heritage value. The Vicente Guerrero Elementary School, popularly known as the colored houses, is an old stone house of red stone. The General State Archive has a quarry stone facade, including pediments on the bays and balconies with ironwork of the time. The Colegio de Hidalgo is a neoclassical building with a facade in two bodies divided by cornices; pediments are also on their bays. The Mining Museum is an eclectic building with two bodies between the cornices of the facade and three balconies, two of which stand supported by corbels, while the central one, has balusters and a ornamental semicircular arc.\textsuperscript{23}

To the north of the historic center lies the Plaza de la Constitución, whose centerpiece is a statue of the founding father, Don Miguel Hidalgo y Costilla, built in 1888 with Italian marble. North of the square is the Church of Our Lady of the Assumption, built between 1647 and 1719, smooth-faced, phased and disproportionate not defined by any architectural style. To the west of the square are portals formed by arches of quarry, built in the sixteenth century, which now house public and basic commerce. East of the square is a nineteenth century unused building that was the government palace, state congress, and the municipal presidency of Pachuca de Soto. Its style is classic, with Ionian capitals on the upper level and a national liberal emblem on the central parapet. Outside the northern perimeter of the square, among other nineteenth century neoclassical buildings, lies an

\textsuperscript{21} Consejo Nacional para la Cultura y las Artes, Instituto Nacional de Antropología e Historia, \textit{Ex convento de San Francisco}, México, CONACULTA-INAH, 2013 [texto sin numeración de páginas].
\textsuperscript{22} Ibídem.
\textsuperscript{23} Colegio de Arquitectos de Hidalgo A.C. 2010-2012, \textit{op. cit.}
unoccupied building called the *royal coffers*. It looks like a Spanish castle with bare stone facade, parapets and towers with merlons.\(^{24}\)

The main park in *Pachuca de Soto* is *Plaza Independencia*, where the monumental clock was built between 1904 and 1910 to celebrate the centenary of the Mexican Independence. It is a neoclassical quarry tower with four well-defined bodies and copper *capaceta*. On each side of the tower, there are marble female figures representing four events of the first century of national history: freedom (1810), independence (1821), the Constitution (1857) and the reform (1859). To the west of the square is located the *Independencia* Hotel (formerly Grenfell Hotel), whose XVII century ground floor served as the stagecoach station, those covering services to Mexico City. Next to the hotel, a BBVA Bancomer Bank branch occupies a brown quarry building fully consistent with the neoclassical monumental clock. Its details are: striated columns with Corinthian capitel, detailed frieze with vegetables and a pediment decorated with branches and an oval medallion.\(^{25}\)

On the adjacent streets to the Plaza *Independencia* other buildings of relative heritage value, are located. The most important is the Chancery of the Autonomous University of the State of Hidalgo, whose facade was the result of the 1875 remodeling of the old Hospital and Convent of *San Juan de Dios* (1725). The *Justo Sierra* Elementary School, built in the early nineteenth century to be occupied as mining offices is a red brick building which towers give a medieval look. The Methodist Episcopal Temple, built between 1882 and 1900, preserves a neo-Gothic neo-Romantic style, based on its white and yellow quarries. Inside, the ground floor is used as a lounge and the upper level as a temple, the mezzanine is made up of wooden beams on iron striated columns. On one side and similar to the latter, the School *Julian Villagran* has bays with stone skirting.\(^{26}\)

The *Efren Rebolledo* Cultural Forum, from the early twentieth century, has monumental Ionic pilasters and balconies that stand out especially for their ironwork. Inside, modernity emerges in its mosaics, railings, brackets and corrugated sheets. The buildings of the *Rafael Herrera Cabañas* Foundation and of the ancient mining clinic (the latter is in disuse), both of the twentieth century are of eclectic style as they combine classic elements with Art Deco. The French disused house on *Zaragoza* Street, with architecture reminiscent of the nineteenth century, has in its third floor, one *tejaban* and semicircular windows with triangular pediments. The *Monte de Piedad* building, built in 1905, has a certain monumentality that integrates capitels with quarry detailing, striated cylindrical columns, semicircular arc in its entrance and rectangular windows with ornamentations. The former

\(^{24}\) *Ibidem.*

\(^{25}\) *Ibidem.*

\(^{26}\) *Ibidem.*
Spanish casino, built in the twentieth century but with detailing of the previous century, was equipped with framed windows which were subsequently reproduced by the adjoining buildings to characterize the architecture of the historic center. Added to the aforementioned, is the building La Palanca, built in Art Deco style.27

The plaza Pedro Maria Anaya, despite its small dimensions, retains its hierarchy as it serves as an access to the municipal presidency of Pachuca de Soto on its north side. The latter is traditionally called the Casa Rule, for having housed a foreign resident by such name, who, during the nineteenth century built the road from Pachuca de Soto to Mineral del Monte. The French-style building is on three levels, with tejaban and skylights on the third level, quarry framed windows and a central balcony with artistic ironwork. The office building located east of the square, has brick edges and arched access that complements the ensemble.28

The inclusion of the historical center of Pachuca de Soto in the world heritage list of UNESCO, in order to meet the aspirations of local cultural organizations, faces two selection stages.29 The first of which is on behalf of the INAH and the Ministry of Public Education (SEP), as it is competence of national governments that have ratified the World Heritage Convention (1972) to propose their properties for UNESCO recognition. The procedure involves four annual stages: internal assessment, technical dossier submissions, evaluation by experts from UNESCO, and the provision of additional information. According to an expert from the Hidalgo INAH Center (May 7, 2013), up until May 2013, not one single promotion existed for the inclusion of the historical center in the world heritage list. Achieving such inclusion is foreseen as complicated as its architecture does not meet with the exceptional characteristics and authenticity required, there has been a transition to a rationalist-functionalist culture. Therefore it is considered as a medium-term project, local legislation has been aimed at increasing the protection and conservation measures to achieve a cultural interest area.

The second selection stage is related to UNESCO policies. In which case, according to the head of the Department of Culture and World Heritage of the SEP (April 25, 2013), in the UNESCO list there is currently an overrepresentation of cultural assets over the natural and mixed assets, so current policies are oriented towards achieving equilibrium. That is, UNESCO is currently discouraging inclusion of cultural estates to level them numerically with the other two classifications, which temporarily

27 Ibidem.
28 Ibidem.
affects the promotion of the historic center for its inscription in the World Heritage List.

In the case of intangible assets of private property, the city of Pachuca de Soto has three locally recognized trademarks. The traditional dairy and ice cream Santa Clara constitute a chain of outlets, many of which are in the historic center, which evolved from a stable set in 1924 with 17 Creole cows. The Café Maderoes a chain of restaurants with bakery and Mexican food that originated from a small business in the Pachuca hospitals area, and which developed between 1975 and 1978. Clothing alluding to Club Pachuca a top tier division Mexican soccer team, is popular with the fans. The black and white striped shirt was adopted in the twenties, and its colors changed in the seventies to blue and white, the shield consists of the monumental clock of the Plaza Independencia as its central figure.

Hidalgo’s gastronomic demonstrations found in Pachuca de Soto refer to pulque, barbacoa, escamoles, chinicuiles and pastries. Pulque is an alcoholic beverage resulting from the fermentation of agave syrup, the nectar of maguey (agave salmiana). The production of the agave syrup, whose preparation method has remained largely intact when compared to the stories of Motolinia (1482-1569), requires the removal of the agave plant bud to form a concavity which concentrates the nectar and is exploited during two or three months. Alexander von Humboldt (1769-1859) added that the daily agave syrup production consisted of about eight quarts, three at dawn, two at noon and three in the afternoon. Agave syrup extraction is performed with an acocote, a type of hollow elongated gourd suctioned with the mouth for emptying its contents into collection vessels.

Pre-Hispanic Indians called the maguey meyahuelo metl, the agave syrup octlí, pulque neutli, and the harvester is to this date is called tlachiquero. The Spanish conquerors brought the name pulque (pulcre), believing it was a distinguished and neat drink. Motolinia described that the fermentation process of pulque included boiling in jars, additionally at the end of the process it was treated with roots, which the Indians called cepatli, which means medicine wine marinade. Humboldt subsequently noted, as a variant to accelerate fermentation, the addition of some aged and acid pulque, with which the liquor process ends in three or four days.

Pulque generated several legends among the pre-Hispanic indigenous population. The most popular states that it was invented by Mayahuel, the matron Goddess of the 400 breasts that nursed her children, including Tochtli Ome (god of pulque). It was said that Mayahuel was first one to

pierce the maguey for the agave syrup to run out, while other deities such as Tepoztecatlise and Tlantecatl where attributed with the treatment of roots and fruits. Another legend, of Toltec origin, states that noble Papantzín discovered rats in his garden that fed and drank from the maguey, experiencing big fuss. Papantzín sent his daughter Xochitl to share the agave syrup with King Tapancaltzin; the latter eventually dissolved his marriage and had a son with the former. Meconetzín, the son of the maguey, ruled incorrectly due to his vice of getting drunk.33

_Pulque_ has generated some derivatives, mixed with pineapple juice and peels, the _tepache_ is obtained, while combined with tuna and other fruits, the _colonche_ is achieved. There are also other derivatives from the maguey, the stem can be chewed as a sweet fruit called _quiote_, the roasted leaf produces a sweet caramel called _mezcal_. Both _pulque_ and _maguey_ have proved key in marginalized regions such as Valle del Mezquital in the State of Hidalgo, the agave syrup has replaced milk in the upbringing of rural families without cattle, besides _pulque_ has always been recommended to people with nutritional issues, as its nutritional value is comparable to meat. In contrast, excess consumption of _pulque_ was regarded as _the root and origin of all evil and all destruction_; such excesses were taken advantage of by the Spanish colonial government to increase its revenue by way of taxes.34

In the independent Mexico, after 1850, the pulque _farmers_ began to financially displace mining families, constituting the new aristocracy of the early twentieth century. In the rural landscape of the time, large communities of day laborers started to appear who gather the agave syrup in pig leather. To this day, the _pulquería_ is the popular setting for social consumption of _pulque_. It is a suitable place for card games and doubled entendre idioms.

The Mexican _barbacoa_ is based on a system of direct heat cooking in a lower oven, invented by the pre-Hispanic indigenous. In the original Mayan procedure, a hole would be dug in the ground and the base would be filled with firewood, placed over the latter, there would be a stone base heated at high temperatures. The meat would be placed above the stones for it's cooking, covering the entire thing with wood and fresh leaves, mainly of wild banana to contain the evaporation of the meat’s juices. Pre-Hispanic _barbacoa_ was cooked with meat from region available species such as turkey. Today, Hidalgo’s _barbacoa_ is mainly prepared with lamb meat, a species introduced by Jewish migrants in the State of Hidalgo, but it also prepared with chicken meat. Other adaptations to the Mayan preparation include covering the meat with maguey leaves and vaporization with _pulque_, with the addition of a hot sauce.35

33 _Ibidem_, pp. 69.
34 _Ibidem_, pp. 59-68.
35 _Ibidem_, pp. 75-76.
The *escamoles* are eggs or larvae of the ant (*Liometopum apiculatum*). They are abundant, as the queen ant can lay 340 eggs per day, which is about one egg per minute. For the pre-Hispanic Indian such abundance would cover their feeding necessities, which contrasts sharply with the current preparation of *escamoles*, gourmet styled, fried in butter with onion and *epazote*. Another Hidalgo delicacy is the red maguey worm, called *chinicuilo catechol* (*hypopta agavis*). It lives in the leaves of the maguey and can be bred quite easily, colonial evangelizer Fray Bernardino de Sahagun (1499-1590) described in his writings that the ancient *mexicas* ate *chinicuiles* with hot peppers. Today, they are consumed roasted in tacos.

Pastries are filled breads with various combinations of ingredients. They were introduced to the region of *Pachuca de Soto* during the British mining in the early nineteenth century. In 1830, the *Cornish pasty* was about 25 to 30 inches, and regularly stuffed with potatoes, leek, and fish. In its adaptation to Mexican cuisine, its length was reduced to about half and a quarter of its volume. The fillings changed to two choices, potatoes with meat (cooked with onion and parsley) and beans with sausage. To differentiate these two options, potatoes with meat to date have a braid on one side and the one with beans with *chorizo* have a braid at the center. That braid originally served the purpose for miners to grab the paste without contaminating it with their dirty hands; thus, the portion touched with their hand would be discarded. Today, pastries have been adapted as fast food. Their fillings are now more diverse: potato with chicken, potato with tuna, red *mole*, green *mole*, sauced chicken, sausage with ham and cheese, hot pepper slices with cream and chicken, *chorizo* with cheese and cream chicken. Another variety of pastries are filled with desserts: pineapple, rice pudding, pudding, and apple.

Hidalgo’s sporting activities refer to those who came to Mexico as a result of the British migration and other sports of the region of *Pachuca*. The first are soccer, golf, cricket, and tennis. It is even said that *Pachuca de Soto* was the first place in Mexico where said sports were practiced, but in reality there is not documented evidence. The current soccer following is due to two obvious facts, the first division home team of the Mexican football league was founded in 1901, with the name of *Pachuca Athletic Club*, known today as *Club Pachuca*, currently as *Club Pachuca* the team has a consolidated fan base. The other specific fact is due to the existence of the recently opened Soccer Hall of Fame in *Pachuca de Soto*, where the players are honored as members of the hall and some games are held as a secondary attraction.

The *charrería* is considered Mexico’s national sport, practiced regularly throughout the State of Hidalgo, from horse arenas located in the

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36 *Ibidem*, pp. 42-44.
municipal seat, to improvised arenas in smaller communities. However, the dissemination of their programs is very limited, as it is not considered to be a tourist attraction. A more popular regional attraction are the natural parks near Pachuca de Soto, among which Mineral El Chico and Mineral Peñas Cargadas, stand out. The latter is an open area for camping with no utilities; the landscape is characterized by its extraordinary rock formations formed by suspended rocks.37

Mineral El Chico is a national park consisting of 2,739 acres where camping, rock climbing, mountain biking, fishing, and “canyoning” are practiced. The park has as a forest resource the sacred firs (Abies religiosa) and six of the nine species of conifers that exist in Mexico (Juniperus monticolay and Taxus globosa). There are 16 valleys destined for camping, the main ones are the los enamorados, los conejos, tlaxcalita, escuela de roca, and los españoles. Rock climbing is practiced in clubs like el cuervo and el mirador (9+ class), las ventanas (8-10+ class), las monjas (9 and 10 class) and la muela (several classes). Cycling routes generally depart from Mineral El Chico town. Fishing is practiced in the dam El Cedral and in the river El Milagro. The canyon, Paraíso Escondido, has waterfalls in its interior and natural pool formations; furthermore it is allowed to practice rappelling of up to 27 meters in its walls.38 According to UNESCO’s policies, and in the opinion of an expert of the Hidalgo INAH Center (May 7, 2013), Mineral El Chico is highly feasible option to be included in the World Heritage list for being a resourceful area of natural value.

Crafts are included within a vast range of representative areas of the State of Hidalgo. Despite its great variety, it is thought that its commercial distribution through the House of Crafts of the Hidalgo State has been meager (Hidarte), an agency of the State Government of Hidalgo whose headquarters is close to the historic center. On a visit to the headquarters of Hidarte, Tenango de Doria stands out for its colorful embroidery in blanket garments like shirts, curtains, pillows, pants, dresses, tenangos and quexquémetl. The embroidered motifs are usually scenes of rural life. El Cardonal contributes with wool garments such as quexquémetl, ponchos cotorinas and jorongos. Jaltocán produces dresses that are cut, sewn and embroidered manually. Chililico is a rural factory of pottery goods and oak wood furniture. Huasca de Ocampo is famous for its six-

39 The Tenangos are embroidered blankets or table cloths
40 The quexquémetl is a garment intended to cover the torso of indigenous women by way of a closed cloak.
41 The cotorinas are traditional coats made of pure wool.
42 The jorongos are the garment equivalent of quexquémetl, for indigenous men.
point lead glazed pottery, an especially bright finish for pots, pans, and
dishes. *Carpinteros* has wooden masks, decorated rafts, and rattles.

*Santiago de Anaya* contributes with *ixtle* goods, body and facial sponges,
body and hairbrushes, cell phone holders, soap dishes, and shoulder
garments. Other goods are of gastronomic nature, such as *xoconostle* and *chiltepín* sauces, liqueurs from *xoconostle* and *maguey*, as well as
prickly pear with kiwi jam. *Villa de Tezontepec* participates with sheepskin
items like coats, bags, shoes, belts, and even trunks. *Tecozautla* utilizes
wicker living room furniture and smaller items such as paper holders, tortilla
bins, and trashcans. Another product of the *Tecozautla* region is blown
glass applied as vases, goblets, glasses and decorative spheres. *Tizayuca*
adds pots decorated with landscapes representing the *popotillo*, to this list.

*Ixmiquilpan*, in its El Nit h neighborhood, makes juniper wood items with
abalone shell inlays, pieces range from musical instruments to ancillary
desk items. The *Cerro de las Navajas* provide local artisans with obsidian
that is transformed into ornaments shaped like birds and turtles, or as pre-
Hispanic reminiscent knives. *Tasquillo* promotes its pomegranate spirits
and their fig and apricot jams. *Tulancingo* supplies ointments for muscle
ache, menstrual cramps, and baby rashes, as well as bath salts and creams
for different skin types. *Zacualtipán*, within its *Tlahuelompa* community,
has bells in all sizes. The historic center of *Pachuca de Soto*, specifically
the *Independencia* Hotel is where iron decorative items modeled as bases
for lamps, candles, keys, and water jugs, are commercialized.

Conclusions.

Tourist development of historic center of *Pachuca de Soto* through the
implementation of the subsidiarity principle and the dualism between
governance and perceived intangible assets is still perceived as a distant
reality. However, such great potential has motivated the authors to take it
as a challenge from the aspect of academia and public service.

Subsidiarity has not yet guided modern municipal planning. The incursion
of the City Council of *Pachuca de Soto* as a direct provider of tourist
services is a set-point in the progress of local government competency
within the subsidiary logic. It is not desirable, it is an imitation of other
intergovernmental integrations more consistent, with a material basis, as
is the case of the urban image remodeling in the historic center. There are
some indications that the municipal tourist authority is trying to achieve an
strategic intergovernmental association, but lacks finding any response
from the state and federal government levels. Among these levels, just as
it happens with the entire Mexican federal operation, decentralized federal

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43 The *xoconostle* (*Opuntia joconostle*) is a sour tuna.

44 The *chiltepín* (*capsicum annum*) is a small and extremely spicy pepper.
spending is an overwhelming activity that distracts from intergovernmental planning.

If at all three levels of government, operational assessment is meager, the subsidiary assessment simply does not exist nor is it near to. The state government’s performance is inconsistent for the subsidiary cause, its relating ability is null in both inter-organizational and intergovernmental aspects. The obligatory proposal determines the formation of local officials so that they may assume a purely strategic role. In which case, one option is to facilitate the concession of tourism services provided directly by them, or else, fill the dual role, if that’s even possible. State authorities have to intervene in giving regional consistency to local strategies; it must transition from its current fractioned performance to a collaborative and coordinated one.

Governance has not been implemented to benefit corporate development. Locally, the Tourism Alliance represents a concrete progress, a partial association of private tourism service providers that are organized to promote each other through discount sales. On the State level, classified relations are maintained through traditional organizations, who, as interest groups react to government regulations, or by apparent sector benefit programs. In both cases, state and municipal, their schemes exclude certain service providers such as bars. Carrying out an objective contrast, the means of corporate organization do not favor a strategic discussion nor do they develop consistent management actions. The local government is not managing the needs or ideas by private agents, while the state government merely gives attention to them in the form of complaints.

The explanation, yet not validation, can be given in terms that the majority of tourism service providers are mostly government agencies and with such inertia, there is yet to reach a tipping point from which corporate agents are given a greater role in the development of tourism. The proposal also includes shaping local officials under public management, with the intention to replace their idea of exclusive performance based on direct material action. Therefore, managerialism has to, consequentially be activated, in order for it to pluralize its members as well as to pluralize collaborative strategies to the Tourism Alliance. With that goal in mind, the stimuli and collective learning, that have been absent so fat in the process, must resolved.

The intangible assets are aligning as sufficient resources and await for their strategic exploitation. The alternatives must derive from the combination between competitive advantages, corporate utilization, and visitor preferences (primary stakeholders). Pursuant to the main reasons for visiting Pachuca de Soto, contributed by the authors in this article, the six main options in order of priority should be: 1) constant evolution
of museums, including mine-museums, and the old farm estates that recreate the aforementioned patio benefit system; 2) sporting events in the historic center through presentations or parades of players, charros, and the marketing of sporting garments; 3) the promotion of the national park Mineral El Chico as a new inclusion in UNESCO’s heritage list of, viewed as a regional sporting attraction; 4) The urban image renovation, seen now as a profitable setting for family gatherings; 5) cultural invigoration to resolve the continuity of theatrical activity, the distribution of crafts, and gastronomic availability, highlighting pulque and its derivatives; and 6) the emphasis on increasing tourist information, build a new attitude around tourism, and achieve a full tourist identity.