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The Promise and Challenge of Ecotourism



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The following article is adapted from an ecotourism case study conducted by **Wu Biqi**. It was supported by the Lien Centre and supervised by Associate Professor John Donaldson of the School of Social Sciences at the Singapore Management University.

A niche within the tourism industry, ecotourism encompasses “responsible travel to natural areas [in a way] that conserves the environment and improves the well-being of the local people.”¹ In other words, the ideal is environmentally conscious travel that enhances a traveller’s appreciation of nature’s beauty and biodiversity, while reducing the carbon footprint.

But more than that, ecotourism strongly emphasises local involvement in the creation of travel experiences. According to the United Nations Environment Programme (UNEP), ecotourism should “sustain the well-being of local people, as well as create local participation, ownership and business opportunities, particularly for rural people.”² Such local engagement, often seen in rural tourism,

enables the sharing of local culture and lifestyles with tourists. The expanded term of “community-based ecotourism” sums up these local features.

The Promise of Ecotourism

In recent decades, ecotourism has become increasingly popular amongst travellers. In 2004, The United Nations World Travel Organisation (UNWTO) estimated that ecotourism was expanding three times faster than the general tourism industry.³ Further, it was forecasted to grow to approximately US\$473 billion a year by 2012, taking up 25% of the international tourism business.⁴

This growth could be attributed to the rising levels of affluence around the world as mushrooming cities and increasingly congested traditional vacation spots have led to the search for alternative travel options. Further, against a backdrop of environmental degradation, there is a heightened awareness among travellers to conserve the environment and to travel responsibly. Tour operators have responded to these new consumer demands by providing trips to pristine rural areas or nature getaways.

The United Nations also gave ecotourism a boost by designating 2002 as the International Year of Ecotourism - governments and international agencies were called upon to actively support activities in ecotourism.

These are not just feel-good measures designed to allay our collective guilt when travelling. Community - based ecotourism offers under-developed regions a way to reduce poverty and increase development. With locals engaged in providing services to tourists, the benefits of tourism flow to the locals directly and increase their standard of living.

For example, villagers in Weining, Guizhou participated in community-based ecotourism (the locals served as boatmen to guide tourists around the famous nature reserve and bird sanctuary⁵) and experienced a rise in income levels of 150–180RMB (S\$30–S\$36) a month.

In another study, ecotourism was found to have contributed significant, additional incomes to villagers in the Ecuadorian Amazon regions. In two of the villages, Zancudo and Zabalo, tourism contributed as much as 95-100% of total village income.⁶

With such success stories, governments have also begun to target the development of ecotourism. As the Revenue Reforms Commission of India pointed out, the “concept of community-based ecotourism would go a long way in providing better income generation options to the rural poor and act as an incentive in (the) conservation of local traditions, culture, heritage and environment.”⁷

Ecotourism’s large potential to aid development thus greatly alters the lens through which one views the trade, because as much as ecotourism is a lucrative business that operates

within market forces, it functions quite differently from other segments of the travel industry. The success of ecotourism is defined in terms of the benefits it brings to the locals as well as its efforts to ensure sustainability of tourism in the natural environment. In other words, ecotourism operators have to fulfil the triple bottom line of profit, social and environmental objectives.

Support for ecotourism can be found worldwide. Many international organisations facilitate the development of ecotourism models, and encourage the sharing of tools and success models for operators to learn from. The International Ecotourism Society was created to do exactly that, and it has since provided a platform for knowledge sharing, while WWF International has issued guidelines for community-based ecotourism development to help build this sector⁸.

Challenge of Ecotourism

While many ecotourism operators are for-profit businesses funded by private capital, just as many work closely with non-governmental organisations (NGOs) and rural communities to promote ecotourism, sustainable development and environmental conservation.⁹

There are also many competitors—both established and new players—in the market, all fighting for the same tourist dollar. In Singapore, large and established players like Chan Brothers and SA tours have diversified from mainstream tours to offer alternative nature-based travel packages while more niche players, such as Altrium Eco Travel¹⁰ and Candela Travelers¹¹ provide a wide variety of community-based eco-tours and even volunteering trips for travellers.

Table 1: Different Eco-Tourism Certifications

	<p>Nature Tourism: Tourism in a natural area that leaves minimal impact on the environment.</p>
	<p>Ecotourism: Tourism in a natural area that offers interesting ways to learn about the environment with an operator that uses resources wisely, contributes to the conservation of the environment, and helps local communities.</p>
	<p>Advanced Ecotourism: Australia’s leading and most innovative ecotourism products. They provide an opportunity to learn about the environment with an operator who is committed to achieving best practice when using resources wisely, contributing to the conservation of the environment, and helping local communities.¹⁴</p>

To add to the already stiff competition, some tours are not authentic cases of ecotourism which ride on the “green brand” to raise profits. Sea Canoe¹² is an acclaimed Phuket-based ecotourism operator that pioneered kayak tours into the inner caves of the surrounding islands. It does not allow tourists to drink, eat or take nature souvenirs from the caves, and strictly limits the daily number of kayaks it brings into the caves. It also employs and trains local fishermen as boatmen. However, Sea Canoe’s success has attracted competitors—profit-driven operators who provide the same eco-tours without the same vision on environment or community. These operators congest the caves with kayaks, and allow

tourists to litter, climb mangrove trees and remove coral reefs from the caves. By profiting on volume without fulfilling the triple bottom line of ecotourism, these competitors are able to charge lower prices than Sea Canoe whose business has been adversely affected as a result.¹³

These non-authentic cases of ecotourism highlight the need for accreditation to help consumers identify and boycott bogus operators. Ecotourism Australia has introduced accreditation to help consumers clearly distinguish between types of nature and ecotourism, as shown in Table 1.

Eco Travel Services

With an initial start-up grant of \$50,000 from the government, Cindy Chng, then an undergraduate at Nanyang Technological University, set up a travel agency as a social business. The focus of Eco Travel Services was to conduct and facilitate paid tours while adhering to five core values:

- Loving Mother Nature
- Opening up to new cultures
- Teaching the sustainable way to travel
- Having the spirit of adventure
- Growing with the community.

Unlike other tour operators that prioritise scenery and tourism activities as their main criteria to developing a travel location, Eco Travel sees them as just some of the elements that are good to have. In places lacking these elements, Eco Travel works with its inbound partner tour operator and the community to develop an itinerary that taps into the local culture and environment.

As an outbound tour operator in Singapore, Eco Travel partners inbound tour operators in suitable villages, based on similarity in mission. To date, it has worked with 12 non-profit organisations and social enterprises and reached out to around 15 project sites in villages within Vietnam, Thailand, Sri Lanka, Indonesia, Laos, and Bangladesh. These partners are close to the local community, and are committed to developing the rural villages.

Activities in Eco Travel’s tours are tailored to each destination’s environment. A common feature is home-stay with the villagers, where tourists are completely immersed in the lifestyles of the locals. For instance, in a trip to the Lahu village in Chiangmai, Thailand, tourists join the hill tribe in their traditional dances, and listen to music played from locally made bamboo instruments.

Tourists are also given the opportunity to work in local farms to experience the villagers’ livelihood. This could mean a fun, if backbreaking, afternoon of plucking coffee beans and harvesting tea leaves. Typically, these engagements involve a low carbon footprint, and are great ways for tourists to appreciate nature.

Eco Travel is also actively involved in helping its partner villages carry out projects ranging from infrastructure development and reforestation to training and education. In the Lahu Village, for instance, Eco Travel helped build the water tank that secured a regular water supply for the village during dry seasons. Eco Travel also invests in training the villagers’ capabilities to conduct home stays. This involves a collaboration between students from Chiang Mai University and Singapore Management University where host villagers were taught conversational English to allow for more effective communication with tourists.

All these social and environmental projects are largely funded by the profitable aspects of Eco Travel’s business. Aside from the administrative charges that it imposes on the students/ tourists, all other fees paid to Eco Travel are channelled to the village. For the Lahu village, for instance, three-quarters of the fees are given to the family that hosts the tourist (to cover costs of food and living expenses), while 25% goes into a community fund that finances public works projects in the village to better the whole community.

In the past two years, profitability has taken a backseat as Eco Travel pursued its social and environmental objectives. In the face of financial stagnation, Eco Travel has needed to re-examine its way of conducting its operations to meet its third objective of being profitable. If the triple bottom line cannot be met, it may even have to reconsider its existence as a social enterprise, and pursue NGO status instead.

To add to the already stiff competition, some tours are not authentic cases of ecotourism which ride on the “green brand” to raise profits... By profiting on volume without fulfilling the triple bottom line of ecotourism, these competitors are able to charge lower prices than Sea Canoe whose business has been adversely affected as a result.

Balancing Social & Commerce

Challenges notwithstanding, there are young entrepreneurs who are seizing the high ground to set up intriguing and inventive ecotourism ventures. One such example is Cindy Chng who set up the Singapore-based social enterprise, Eco Travel Services (see box).

Chng's story illustrates the tightrope that social enterprises must tread, balancing between the need for profitability and

the admirable goal of social impact. In its early years, Eco Travel chose to tilt more on the side of its social cause, but at the expense of its sustainability. In the coming years, it will be reviewing its model, for, if nothing else, it is a timely demonstration of how much promise the ecotourism industry still holds and how much more room there is for ecotourism to evolve.

¹ The International Ecotourism Society, “What is Ecotourism?” TIES, 1990, www.ecotourism.org/site/c.orLQKXPCLmF/b.4835303/k.BEB9/What_is_Ecotourism__The_International_Ecotourism_Society.htm.

² Megan Epler Wood, *Ecotourism: Principles, Practices & Policies for Sustainability* (United Nations Environment Programme, 2002).

³ World Tourism Organization, “Press Release,” June 2004.

⁴ Travel Weekly, July 2006.

⁵ John A. Donaldson, “Tourism, Development and Poverty Reduction in Guizhou and Yunnan.” *China Quarterly* 190 (2007): 333 – 51.

⁶ Sven Wunder, “Ecotourism and Economic Incentives — An Empirical Approach.” *Ecological Economics*, no. 32 (2000): 465–479.

⁷ BusinessLine. “Involve local communities in ecotourism promotion: Panel.” *The Hindu Business Line* 2004, www.thehindubusinessline.in/2004/03/22/stories/2004032200840200.html.

⁸ WWF International, July 2011, www.icrtourism.org/Publications/WWF1eng.pdf.

⁹ Megan Epler Wood, *Ecotourism: Principles, Practices & Policies for Sustainability* (United Nations Environment Programme (UNEP) 2002).

¹⁰ Atrium Eco Travel, www.atriumecotravel.com/.

¹¹ Candela Travellers, www.candelatravellers.org/.

¹² John Gray's Seacano, www.johngray-seacano.com/index.htm

¹³ Torsten Kirstges and Michael Lück. *Global Ecotourism Policies and Case Studies: Perspectives and Constraints* (Channel View Publications, 2003).

¹⁴ Eco-tourism Australia, www.ecotourism.org.au/eco_certification.asp.