

# Meeting the Global Challenge of Community Participation in Ecotourism: Case Studies and Lessons from Ecuador

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# Meeting the Global Challenge of Community Participation in Ecotourism: Case Studies and Lessons from Ecuador

## Introduction

Ecuador represents one of the most exciting countries in the world for investigating appropriate community participation in ecotourism development. A wide range of community groups including indigenous people, Afro-Ecuadoreans, and mestizos are all involved in developing ecotourism projects in a diverse variety of ecosystems from the Amazonia to the high sierra to the coast of Ecuador. One inventory found 30 indigenous-controlled ecotourism projects in the Amazonian region of Ecuador alone (Wesche, 1997). The sophistication of community ecotourism projects ranges from village-based initiatives to small-scale joint ventures with the private sector to a multi-million dollar private sector development where transfer to local, indigenous ownership is being planned in 15 years.

This paper investigates the role of community participation in the development of ecotourism in Ecuador from social, political, and conservation perspectives. Ecuador is a living laboratory of ecotourism and community development issues that provides an excellent base to study and learn about how communities in tropical zones will adapt ecotourism to their needs. It is an important testing ground for incorporating community business and human development needs into national tourism laws and regulations. The future of community participation in ecotourism development in Ecuador will also provide important lessons about how directly ecotourism can be linked to the conservation of biodiversity. The issues identified in this paper and the recommendations provided, offer direct guidance on the development of ecotourism with the full participation of local communities. The lessons learned from the past will help create more sustainable projects in the future.

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## Report Methods and Objectives

This report reviews the results of a nine-month investigation and planning initiative. The author traveled to Ecuador three times between September, 1996 and June, 1997. The communities and projects visited in the nine month project period were: Kapawi (Achuar territory in the Suroriente), Quehueri'ono (Huaorani territory in the central

Oriente, adjacent to Yasuni National Park), Puerto Rico and Alandaluz (mestizo region on the coast, adjacent to Machalilla National Park), Playa de Oro (Afro-Ecuadorean region on the coast, adjacent to Cotacachi Cayapas National Park), Zabalo (Cofan territory in the Nororiente, within the Cuyabeno Wildlife Reserve), and Siecoya (Secoya territory in the Nororiente, adjacent to the Cuyabeno Wildlife Reserve). The director of the RICANCIE project (known by many as the Capirona project, a Quichua region in the Upper Napo) was interviewed in Tena. These projects represent excellent examples of the variety of ecotourism projects currently being carried out by indigenous and local peoples, international non-governmental organizations, and by private enterprise in Ecuador. All of them feature a strong orientation towards finding appropriate means to use ecotourism as a sustainable development tool in their region.

*Courtesy of David Atkinson*

The initial goal of these visits was to investigate how Ecuadorean public and non-governmental organization (NGO) policy could be improved in the field of ecotourism. The visits resulted in a recommendation by Megan Epler Wood that The Nature Conservancy, The Ecotourism Society, CARE-Subir, and the Ecuadorean Ecotourism Association (EEA) co-host a forum on community participation in ecotourism. The



*National Forum on Community Participation in Ecotourism* was held in June, 1997 in Quito, Ecuador.

The results of this report can be implemented by local and international non-governmental organizations as well as local and international development agencies to better address funding needs and ecotourism development assistance requests in the future. The case study information and background on ecotourism development and Ecuador should be instructive to students, the private sector and local communities. The results of the National Forum point the way for governments to integrate community ecotourism enterprises into national tourism policy.

### **Global Ecotourism Development Issues**

#### ***Rapid Growth of Unplanned Tourism***

Many regions of the world, including Nepal, Belize, Ecuador, and Costa Rica, are experiencing rapid, unplanned growth of ecotourism in remote, rural zones. The potential for negative impacts from unplanned tourism is great. Local communities are often inappropriately exploited and do not receive adequate benefits from tourism. The social and environmental impact of tourists moving through local communities without active community participation and management are well known. This type of tourism has led to serious degradation of the local environment in Nepal where firewood was collected in unsustainable quantities to keep cooking fires burning for trekkers; divisiveness and even drug trafficking within communities in Belize, where an unprecedented amount of tourism dollars came into the hands of local leaders without proper controls in place; and serious land speculation on the coast of Costa Rica where local landowners have been quickly bought out by foreign developers.

Researchers have been studying the impact and implications of the rapid rise of backpacker tourism in the Ecuadorean Amazon (known as the Oriente) for some time (Drumm, 1991; Smith, 1993). The tourism boom has attracted many unqualified guides to the region who sell their services in key, gateway communities. These guides enter indigenous territories without permission, at times hunting and fishing or even trafficking in endangered species. Indigenous guides often lack the appropriate hospitality training and language skills to lead foreign tourists and are, therefore, shunted aside by these canny outsiders who pay little, if anything for the right to use indigenous land for their “ecotours.” Confrontations have resulted and tourists have been caught in dangerous situations. The lack of proper regulations controlling guides has become a major issue in Ecuador. The current tourism law does not actively recognize “native guides” nor the important knowledge they possess of native ecosystems.

### ***Rapidly Emerging Role of Indigenous Communities in Ecotourism***

In the 1990s, numerous indigenous groups in the wilderness peripheries of less developed countries have adopted ecotourism as part of their development strategy (Wesche, 1997). Indigenous people have found tourism to be an attractive development alternative because it sells traditional knowledge and permits the commercial utilization of natural resources without outright exploitation and immediate destruction. Wesche points out that ecotourism reduces the problem of market distance that many indigenous communities have by attracting visitors to remote areas. It also gives indigenous communities much needed international support from environmental and community development organizations when they face tough decisions about the exploitation of their natural resources.

Indigenous communities have also become more organized and are able to develop ecotourism on their own terms. This is a form of self-defense because there is a need to protect their communities, traditional economies, and remaining wild places from the tourism mass culture which can bring “competition and polarization among families, a spread of the consumer monoculture, privatization of common resources, and infrastructure that facilitates industrialization of indigenous resources” (McClaren, 1996).

### ***The Battle over Unsustainable Uses of Biodiverse Resources***

The history of development in rain forest zones is replete with difficulties and examples of unsustainable development. School children around the world have been educated to understand that the rain forest cannot sustain ordinary agriculture. Cattle ranching leads to desertification of once lush rain forest zones. Clear cutting on a massive scale can leave permanent and non-renewable scars the size of Massachusetts or Denmark in the Amazonian or Indonesian landscape. These types of development continue worldwide on a grand scale throughout the tropical rain forest belt.

Oil development is a special case that has led to much national and international conflict in Ecuador. In this study it is not possible to document the long, bitter trail of arguments over the appropriateness of oil development in the Ecuadorean Oriente. However, it is important to state that oil development has been taking place for 30 years in the region. Well-documented cases of watershed contamination are on file in international courts. Nonetheless, the latest trend in Ecuador seems to be to accept oil extraction as a necessary consequence of international development that underwrites approximately 45% of the Ecuadorean national budget. The editors of one environmental magazine summarized the issue this way, “the extraction of oil and conservation are two necessary activities for the country that are no longer in direct contradiction. To speak of

petroleum resources is to talk of the foundation of the economy of the country. To be against this activity would be acting against all of Ecuador” (*Ambiente Aventura*, 1997).

Because oil is the primary source of development in the region, it is highly important to understand that local communities throughout the Ecuadorean Oriente are often faced with difficult decisions between supporting the expansion of the oil industry or fighting to protect the environmental sanctity of their territories. The immense social disruption this process has caused, has led to much internal conflict and the increasing loss of traditional beliefs in Amazonian communities. Indigenous people are being asked to choose between their traditional lifestyle and oil.

While ecotourism cannot generate the same amount of revenues that oil will provide in the next 20 years for the national budget of Ecuador, it can offer an alternative form of development for local people. At present, some of the primary issues for the Ecuadorean Oriente are the incompatibility of oil development with ecotourism development, the urgent need for zoning, and the potential role ecotourism can play as a long-term economic development model for local people.

### ***NGO Role in Ecotourism Development***

Non-governmental organizations have played an increasing role in supporting ecotourism projects in developing countries. These projects are usually formulated with the help of international development agencies and are often called “Integrated Conservation Development Projects (ICDPs).” Ecotourism is usually a small component of very large, multi-million dollar development grants. These grants come from Europe, North America, Australia, and New Zealand to assist in community development of sustainable alternatives, including small scale forestry; bioprospecting; the development of microindustries such as crafts or the harvest of sustainable native products such as chicle, tagua or brazil nuts; and the design of environmentally responsible tourism products.

There is presently a huge demand, especially in Latin America, for assistance in the development of local ecotourism products. The Nature Conservancy’s Latin America and Caribbean Division presently works with 60 local NGO affiliates, 36 of which have requested assistance with ecotourism feasibility studies and nine of which already have developed some tourism infrastructure (Epler Wood, 1997). This is just one small example of what is well known throughout Latin America —ecotourism has been chosen by thousands of local communities in the region as their preferred development alternative. There is much concern throughout Latin America that local communities are entering into the ecotourism market without understanding how to commercialize their product. In turn, this is leading to an oversaturation of ecotours and lodges, many of

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which are poorly run, and lack proper safeguards for the environment tourists and local cultures.

The NGO community has a role to play in assisting local communities in the design of viable sustainable development projects. The problem is that inadequate expertise and understanding of the ecotourism product has led to inappropriate assistance patterns.

In Ecuador, there are numerous examples of inappropriate NGO assistance in the field of ecotourism. One of the primary issues has been the lack of cooperation with the highly skilled private sector which already offers ecotourism in the country. Misunderstandings between ecotourism companies and NGOs offering ecotourism development products are omnipresent in Ecuador. Another concern is that NGOs are underwriting projects and creating unfair competition when they invest in ecotourism infrastructure, or especially if they use their tax-free status to deliver an ecotourism product. In addition, conservation NGOs frequently invest in zones that have been targeted for the conservation of biological diversity. In most cases, business and tourism planning occurs too late, leading to business failure. Other examples include ecotourism projects in which the intent to foster community management is handled in an extremely bureaucratic, top-down manner.

## Ecuador as an Ecotourism Destination

Ecuador has been a well-known nature tourism destination for over 20 years because of the early popularity of the Galapagos Islands. The Galapagos Islands, a national park, are without a doubt the foundation of the nature tourism industry in Ecuador. A variety of Ecuadorean tour operators, such as Metropolitan Touring and Canodros, have flourished because of this unique destination. Training programs are required for Galapagos guides who must be certified to work on the tourism ships serving the archipelago. This has built a strong cadre of experienced Ecuadorean guides who have gone on to work in all parts of the tourism and ecotourism business, as well as in the field of conservation. In the 1980s, the Ecuadorean nature tourism industry began to diversify, and with the growing interest in ecotourism worldwide, former Galapagos tourism professionals and tourism companies began to look to the mainland for new tourism destinations.

Because of the Galapagos Islands, Ecuador quickly became one of the leading ecotourism destinations in the world in the 1990s. But it is extremely difficult to track how fast the ecotourism market has grown there. Statistics on the growth of ecotourism worldwide are unreliable. Ecotourism, according to The Ecotourism Society, is responsible travel to natural areas that conserves the environment and sustains the well-being of local people. This definition suggests that ecotourism must result in important economic and environmental benefits. However, measuring benefits from ecotourism will never be part of the standard process of measuring tourism arrivals (World Tourism

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Organization, 1997). At present, the only data available on ecotourism arrivals relies entirely on how many travelers visit natural areas. Such measurements are best obtained from park services and protected area systems, not from tourism ministries or international organizations. For example, one recognized and fairly reliable measurement of ecotourism's rapid growth rate is the well-known statistic that tourism to national parks and reserves in Costa Rica grew from 63,500 to 273,400 foreign visitors, more than quadrupling between 1985 and 1991.

Reliable counts of ecotourism visitors in Ecuador are difficult to obtain. Official government statistics (CETUR) from 1990 suggested that under 25,000 foreign visitors traveled to the Galapagos Islands. According to the same government sources, the number of foreign visitors to the Amazon region was under 3,000. These statistics were investigated by Andy Drumm for FEPROTOUR-NATURALEZA, as part of an U.S. Agency for International Development (AID) study in 1991. It was found that nearly 50,000-60,000 foreign visitors were probably visiting the Galapagos Islands and that some 24,000 tourists traveled to the Oriente region for an average of 5 days in 1990 (Drumm, 1991). The report states, "while no figures exist for the Oriente as a whole, the Subsecretaría Forestal y de Recursos Naturales Renovables (of Ecuador) has monitored more than a 50 percent increase in visitors to protected areas in the region between 1987 and 1990. More revealing is that over half of all tour operators in the Oriente started within the last five years" (ibid.). The same author documented, in an addendum, that "a 40% increase in hotel and lodge capacity took place in the Oriente in 1991 with more planned," calling the rapid development, the "*Nature Tourism Gold Rush*" (ibid.). No extensive investigation of the market for ecotourism in Ecuador has taken place since 1991, yet observations by the author and other specialists (Wesche, 1997; Higgins, 1996) clearly indicate that nature tourism in the Oriente continued to grow rapidly until 1995 when the border war with Peru caused a decline in tourism to Ecuador and to the Oriente in particular. A slow recovery started to take place in 1997.

### **Linking Conservation to Ecotourism Development in Ecuador**

The tourism boom in the Oriente of Ecuador could not be sustained. But once a "gold rush" begins, declines in tourism growth rates cause great disruption. Instability of earnings for local people is a well-known peril caused by too much dependency on the tourism economy. In one well-documented example from the Cuyabeno region of the Oriente, local community earnings were reduced by nearly 50% due to the border war with Peru (Wunder, 1996). Boom and bust cycles are of great concern for the region and for the nation, particularly when the affected businesses are part of a sustainable development strategy that is linked to conservation goals.

More stable linkages between ecotourism development and conservation goals in the Oriente and throughout Ecuador could yield important results. Ecuador is one of the most biologically diverse countries on earth (Conservation International, 1997). A large percentage of the biological diversity is found in the Oriente where the majority of the land is the territory of indigenous people including the Quichua (over 60,000), the Achuar (3,000), Huaorani (1,700), Shuar (approximately 40,000), Cofan (500), Siona (300), and the Secoya (200) (adapted from Paymal and Sosa, 1993). As early as the 1970s, many of these indigenous people and their mestizo neighbors were antagonistic to the development of nature tourism in their regions because enterprises were developed without local involvement (Wesche, 1997). Since the *Nature Tourism Gold Rush* took off, indigenous federations have taken a more proactive stance and communities throughout Ecuador have expressed strong interest in involvement in ecotourism as a form of community development. In 1993, CONFENIAE (the Confederation of Indigenous Peoples' Organizations of the Amazon Basin) published guidelines for the management of ecotourism in the indigenous territories of Amazonia (Troya, 1996). However, too many communities began to have false hopes that ecotourism would be a quick fix for their development needs. The "bonanza of ecotourism created illusions of the ease by which money could be earned" (Wunder, 1996). This problem was aggravated by non-governmental organizations that made large investments in projects without proper feasibility analysis and by private sector entrepreneurs who made commitments, but quickly found difficulties in delivering consistent benefits in the face of a fluctuating economy.

Disappointment within communities failing to benefit from ecotourism led to cases of greater local acquiescence to oil development on indigenous lands (Huaorani and Secoya territories) and more unsustainable farming and logging practices (Quichua territories). However, community representatives at the *National Forum on Community Participation* clearly stated that hopes for greater benefits from ecotourism remain high.

Most of these communities directly link ecotourism benefits with sustaining a traditional life in undisturbed rain forest zones. Few communities see ecotourism as a way to achieve western-style development. Most tourism earnings in the Cuyabeno region were invested in education, health services, radios, outboard motors and clothing. The social impact of ecotourism appear to be marginal compared with other factors (Wunder, 1996). However, indigenous communities located close to westernized mestizo communities may be tempted to build stores, buy boom boxes and drink more alcohol. Interaction between foreign women and local men can also cause community conflicts (Tapuy, 1996). Although no strategy for sustainable development can be perfectly linked to conservation strategies, efforts designing ecotourism programs that work in harmony with traditional community needs and decision making processes is critical in order to achieve the conservation of biological diversity in Ecuador in the next century.

## Ecuadorean Community Participation Case Studies

Results from the author's field investigations were not initially envisioned to be case study reports. However, to further illustrate how ecotourism is developing at the community level in Ecuador, brief descriptions of the following projects will be provided: Kapawi, Zabalo, Siécuya and Quehueri'ono. Brief observations are also provided on two coastal community projects located at Playa de Oro and Puerto Rico.

### *Kapawi*

Kapawi<sup>1</sup> represents an important experiment in ecotourism, rain forest conservation, and community participation. Unlike many community-oriented ecotourism projects, Kapawi is targeting the high-end market, with an all-inclusive price of nearly \$300 per person, per day, cost that includes transportation from Quito. Twenty double bungalows, each with private bedroom, sun-heated showers, and electricity provided by a photovoltaic system, are located in a remote section of the Southern Ecuadorean Amazon on the Pastaza River, 100 miles east of all development, in a roadless area accessible only by river and light aircraft. This region is characterized by a high level of biological diversity with some 20,000 plant species and over 400 species of birds (Rodríguez, 1995).

Kapawi began operation in April, 1996 with a stunning initial investment of USD \$1.8 million. It is located within Achuar territory and was formulated from its inception as a partnership project with OINAE (Indigenous Organization of Ecuadorea **Kapawi lodge** Nationalities). The Achuar continue to live in a nearly self-sustaining manner, earning their livelihood from small farms, hunting, fishing, and gathering in the rain forest. Logging, oil exploitation and intensive agricultural projects had not been developed in the area when the Kapawi project was initiated in 1994 (Koupermann, 1997). However, the Achuar had started to change their way of life over the last 20 years, as a result of the influence of missionaries, the government, and interaction with other cultures, such as the Quichua. While one scientist estimated that the need for monetary income is probably less than \$300 per family, per annum (Rodríguez, 1996), the ability to earn any income is severely limited because of the lack of fertility of soils and the absence of any transportation system within their territory. This lack of access to a market economy started to cause social disruption, particularly among the young people who attempted an

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<sup>1</sup> Extensive information is available on Kapawi thanks to the reports provided by Project Manager, Daniel Koupermann.

unproductive entry into cattle, chicken and pig farming (Koupermann, 1997; Rodríguez, 1995).

Canodros, a well-known Galapagos tour operator, interested in expanding tourism destinations, showed great interest in an Amazonian rain forest location. The company chose the Kapawi site and, with the guidance of Daniel Koupermann, offered the Achuar the following arrangement designed with the specific goal of creating a sustainable development alternative for the region.

- Investment in the infrastructure of the ecolodge at the Kapawi lagoon.
- Build and operate the ecotourism lodge and create a marketing network for 15 years. After this period, Canodros will withdraw all investment and the Achuar will manage the entire operation.
- Train the Achuar in all activities required to manage and market the lodge.
- Employ a majority of Achuar people.
- Payment of a monthly rent of \$2,000 USD for the use of the territory with an annual increase of 7%.
- Establish a \$10 entrance fee per tourist, payable to OINAE.
- Establish joint initiatives to improve the health and education systems in the Achuar territory while at the same time researching for other economic options for the Achuar (Koupermann, 1997).

The Achuar accepted and agreed to contribute all building materials, free airstrip access, and to restrict hunting in the areas designated for ecotourism. Sixteen communities now participate in the project, deriving some 45% of their total income from employment in and selling products to the ecotourism project. In addition, the Kapawi project has leveraged USD \$190,000 in investment in community development contributions by NGOs, including the contribution of short wave radios and funds to prepare a full-fledged management plan for the Kapawi Ecological Reserve.

The management of the Kapawi ecotourism project stresses the avoidance of cultural and ecological impacts. The sustainable design of the resort itself features extensive use of Achuar architecture which evolved in harmony with the conditions imposed by the tropical rain forest. The building of the bungalows was carried out by Achuar employees who followed traditional concepts of architecture. Some modern construction elements were introduced (such as solar powered electrical systems, sanitary installations, and such non-traditional materials as wires and cement), without eliminating the benefits of the traditional design. An extensive system of hikes and river trips prevents the overuse of trails. Upon arrival, tourists receive a thorough briefing on Achuar customs and an

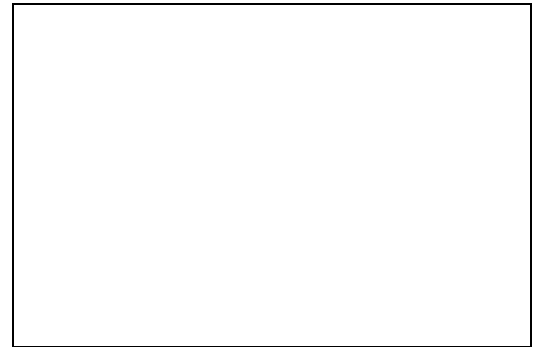


outstanding booklet on Achuar cultural beliefs. Strict advice on behavior when visiting Achuar villages is carefully conveyed in advance of community visits (ibid.).

Nearly two years after its founding, Kapawi's most severe problems are caused by unreliable and costly transportation to their remote Río Pastaza site. The cost of transportation by light aircraft raises the overall price of the resort by about \$100 per night, making it more expensive in comparison to its more accessible competitors. Community participation goals appear to be on track. One important point of advice is offered by Daniel Koupermann regarding the tourism company's work with the Achuar. He states, "it is fundamental to avoid charity, since it destroys the indigenous gift economy. Giving a gift without expecting a favor in return can damage the entire social network of indigenous groups in Amazonia. Respect for indigenous traditions requires continual interactions between the tourism enterprise and the communities" (ibid.).

### ***Zabalo***

Case studies on the Cofan of Zabalo are becoming fairly abundant in ecotourism literature (Borman, 1995; Wunder, 1996; Tidwell, 1996; Wesche, 1997; Drumm, in press). The Cofan project is one of the longest running community-based ecotourism projects in the world, and has been in existence for 20 years. It is led by Randall Borman, an American missionary's son who grew up with the Cofan, left to be educated in the United States and returned to Ecuador to marry a Cofan woman and raise a family., Borman initially resided in the Cofan community of Dureno, an oil impacted town close to Lago Agrio, on the Aguarico River. In 1984, Borman and his extended family of some 100 Cofan moved to Zabalo, a five hour speed boat ride up the Aguarico from Dureno, where, in the late 1980s, they gained tribal ownership rights from the Ecuadorean government.



In 1992, Zabalo became involved in resisting Petroecuador's efforts to p1Cofan guide with tourists in Zabalo ©Andy Drumm oil in Cofan territory and ultimately won the right to manage their own resources. After winning the freedom to determine their own destiny, the Cofan of Zabalo worked hard to protect their natural resources by creating a system of land-use that prevents overhunting. The community sets its own limits for hunting zones at community meetings. The limits are often quite strict and include restrictions such as only two peccaries per family, no woolly monkey hunting, and no macaw or hoatzin hunting. Areas that are used for ecotourism are located within the no hunting zones. Community-set fines are levied against transgressors and the fines increase with each subsequent infraction (Borman, 1997).

The system for managing ecotourism at the community level in Zabalo is unique among community enterprises studied in the Cuyabeno region (Wunder, 1996). Until

1992, the Zabalo experience was exclusively sold through Borman to Wilderness Travel, a North American outbound tour operator. After experimenting with several private business profit sharing approaches, Borman established a community company in 1992 with ten Cofan community associates. All associates must work on the enterprise and, in return, they earn a percentage of the profits. In addition, there are several other ways that community members can take advantage of benefits derived from ecotourism without becoming full-time associates. For example, the community completed four new tourist cabins in 1997 which were built as a part of a minga, or communal work party. The community must pay a caretaker to maintain the cabins, but receives all profits from the rental of the cabins which are paid to them by Borman and his company. Community members also make and sell crafts in a small cooperative craft store located on the Aguarico. The store is visited twice weekly by boats from Transturi, the Amazon division of Metropolitan Touring. Short guided walks and a visit to a small, traditional arts museum can also be purchased for a fee at this site, located across the river from Zabalo.

Total profits from these businesses are more substantial than any other community-based ecotourism project in the Cuyabeno region, earning an estimated benefit of \$500 per year, per community resident (Wunder, 1996). Borman and his Cofan business partners entered into a joint venture with Transturi in 1992, called Aguarico Trekking, to give the Cofan a more dependable number of visitors. After banner years in 1993 and 1994 (the years documented by Wunder), this venture has foundered and profits have declined. Although overnight visitation was low in 1996 and 1997, the craft cooperative has remained successful. Like all businesses, diversification of income streams within the community provides a stable economic base, even in years showing lower profits. At present, the Cofan are again seeking to increase overnight tourist stays with their new cabins and by installing running water.

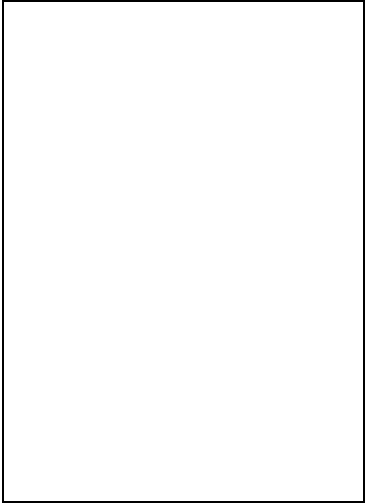
The lessons learned from the Borman case study are important to the future of community participation in ecotourism. The success of Zabalo can, of course, be attributed to Borman's leadership and his knowledge of the international business world. The formulas he has created for community ecotourism business are quite valuable. He points out that many communities do not necessarily have a community ethic. Establishing cooperative enterprises where all the work is shared can be a problem. He has found that this system undermines a natural incentive to work, largely because benefits are too diffused to motivate each individual community member. The creation of a small community business partnership serves to reward those who work the hardest, while not undermining the larger community's ability to benefit from cooperative enterprises, such as sale of crafts and cabin management. The formula of mixing cooperative approaches with community business partnerships is being successfully implemented in other parts of the world. For example, the Il Ngwesi lodge run by a Masai business partnership in Kenya (Epler Wood, in press) has used this model.

## *Siecoya*

The Siecoya site is populated by ten Secoya families who left a more densely populated Secoya center, San Pablo, in 1983 to gain territorial rights. Cesar Piaguaje, a Secoya who was educated in missionary boarding schools, led the relocation and was the “dirigente” (elected leader) of the new Siecoya village until 1988. Siecoya is also located on the Aguarico, about two hours west from Zabalo, and closer to the oil town, Lago Agrio. Piaguaje founded a community tourism enterprise in 1988, that concentrates on guided walks for tourists through the Cuyabeno rain forest. The community fund is paid a fee which has increased from \$1.50 per tourist in 1988 to \$2.00 in 1997. In the last annual report, the community fund was valued at \$200; 80% of this amount was earned through the tourism program (Piaguaje, 1997).

The most interesting aspect of this project is the lack of support for ecotourism as an option for community development in Siecoya. The earnings from ecotourism are small compared to Zabalo. Even more relevant, however, is that the Secoya territory is being tested for oil, because it is located very close to the existing pipeline in Lago Agrio. The nearby Secoya community in San Pablo has received payments from the oil industry, and dozens of Secoya were employed by the oil companies in 1997 as part of the testing process. Community members in Siecoya referred to the ecotourism project as a “failure”. The lack of commercial channels to sell ecotourism products has led the community to lose confidence in Cesar Piaguaje’s efforts to make ecotourism a viable economic alternative for the community. As a result, Piaguaje spends more and more time in Quito and Lago Agrio, away from his family, trying to find vendors for the Secoya tourism product.

The Secoya project is typical of what many community ecotourism projects are facing: a lack of understanding of the international travel market, inadequate linkages to the existing inbound travel sector in Quito, and an inability to make direct contact with that sector of the travel market that may be interested in visiting their projects. Community representatives from throughout Ecuador present at the *National Forum on Community Participation in Ecotourism* expressed strong concerns about reaching an adequate market for their projects, a problem that is rapidly becoming pandemic throughout the tropics.



Cesario Piaguaje -  
Secoya shaman from  
Siecoya in traditional dress  
(Father of Cesar Piaguaje) ©Andy Drumm

### *Quehueri'ono*

A small-scale, start-up enterprise in the central Oriente is being advanced by TROPIC Ecological Adventures (an inbound tour operator in Quito), in partnership with the Huaorani community located at Quehueri'ono. The Huaorani are the least acculturated of all indigenous people in Ecuador, and have only recently stopped attacking outsiders visiting their territory (Kane, 1995). A small population of Huaorani have never been contacted by acculturated members of the tribe, nor by white or mestizo outsiders (Enomenga, 1996). As a result of oil exploration in

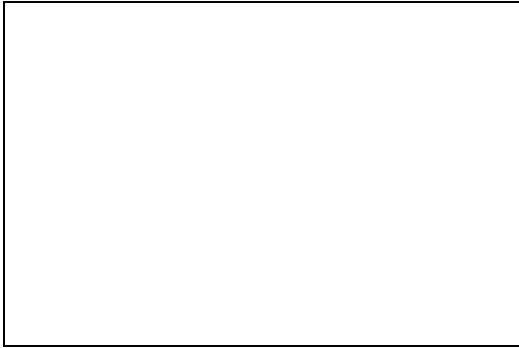
Huaorani territory and persistent work by missionaries, many Huaorani have opted for a non-traditional life, located near missionary centers. However, one leading Huaorani

ist, Moi Enomenga, has spoken out consistently against oil exploration on Huaorani land and has worked with international organizations to prevent road construction in the one million hectare wilderness that is the Huaorani home. He and a small population of about one hundred supporters and family members moved away from a missionary area to Quehueri'ono where they proudly maintain their traditional hunting and gathering existence.

TROPIC assists the community with all aspects of planning and training. A series of planning and orientation meetings were held over a period of nine months before launching the ecotourism project. The meetings provided training on the practices of ecotourism and conservation, potential environmental and cultural impacts, and management (Drumm, in press). The only guest cabin was built about 45 minutes from the village to avoid intrusion of village life. Huaorani guides always accompany visitors and local canoe drivers must be employed. Cooks are trained to prepare meals for tourists, but no hunted food is used in order to avoid increased hunting pressure on local wildlife. A fee is paid to the president of the community for each visitor per night and the money is distributed evenly among all the families (ibid.).

This project offers an interesting view of how ecotourism can help underwrite the minimal costs for education and communication required by an indigenous community that chooses to maintain a hunting and gathering existence. The traditional customs of the Huaorani place great value on the preservation of their vast rain forest territory. Discussions with community members indicated their eagerness for more tourists and for the resulting economic benefits. TROPIC is taking a "go slow" attitude with the community and recommending that low numbers for ecotourism should be expected. A limit of eight visitors per month has been mutually agreed upon.

The partnership between TROPIC and the community of Quehueri'ono offers a good model for how a remote Amazonian community can attract the international travel market by successfully forging a long-term partnership with a committed inbound tour operator.



Tourist cabin at Quehueri'ono

©Megan Epler Wood

This has allowed community members to avoid being involved with the marketing side of the business while at the same time receive advice, when needed, on a wide variety of development issues.

### ***Observations of Coastal Ecotourism Projects***

The author only had brief opportunities to visit the coast. Some important observations, however, did result from visits to Playa de Oro in northern Esmeraldas and Puerto Rico in Guayas province. The Playa de Oro project was the result of a significant investment in infrastructure and training by CARE-Subir, an integrated conservation development project funded by AID. In 1997, the project was in its fifth year. At that time, the Playa de Oro ecotourism project did not have commercial representation, and project managers were seeking to attract a local Quito inbound tour operator to represent the site. Simple dormitory-style cabins had been constructed for tourists. But there were no trails, seating or hammocks in the shade or defined swimming areas available for visitors. There was a comfortable dining area with kitchen adjacent to the village. During community meetings, community members were shy and non-verbal. In each case, community members immediately turned responsibility for the meeting over to representatives from CARE-Subir, some of whom were based on site to assist and others of whom were high-level project managers from Quito. In one meeting, budgets required for meeting the standards of an international development agency were reviewed with little comment from the community members who attended. Empowerment seemed to be very low, and efforts to encourage community management seemed to be ineffective. Young men, trained to be guides, gave a mechanical tour around the garden areas of the village. They shared nothing about their culture and offered only superficial knowledge of local flora and fauna. Avoiding this kind of disappointing tourism product after five years of investment on the part of an international development agency and its local NGO partner is a point for discussion in the Issues and Recommendations section.

The lively involvement of the community at Puerto Rico in the projects launched by the lodge, Alandaluz, offers a striking contrast to the project at Playa de Oro. The owner of this private ecolodge, Marcelo Vinueza, has created a sustainable development zone which embraces communities within the immediate vicinity of the lodge. New ideas, community committees, and public works projects appeared to be thriving in Alandaluz's zone of influence. Men and women from the village spoke excitedly to Vinueza about upcoming meetings. To the visible excitement of the residents, some of the profits from the lodge were invested in a community plaza with bamboo cathedral in the center of Puerto Rico. An organic farm, which provides produce to the lodge, employment to local residents, and a future small-scale commercial farming opportunity for the local community is in operation. A recycling "patio" is managed by the community on a profit

making basis. In contrast, the neighboring community of Puerto Lopez suffers from unsanitary disposal of both sewage and solid waste, creating a distasteful environment for residents and tourists. At Alandaluz, all sewage is composted to create a garden environment around the lodge and the village. This project demonstrates the influence that one committed entrepreneur can have on sustainability in a region even if environmental concerns were not previously part of the local ethic.

## National Forum Results

The *National Forum on Community Participation in Ecotourism* was launched by The Ecotourism Society, The Nature Conservancy, CARE-Subir, and the Ecuadorean Ecotourism Association (EEA) to study how to “improve coordination between the government, private non-governmental, and community sectors, and define government policy recommendations for community participation in ecotourism” (Epler Wood, 1996). The EEA administered the entire process which was carried out in two phases. The first phase took place in the form of two regional workshops in the Amazonian and Coastal regions of Ecuador. These workshops resulted in a series of recommended guidelines for ecotourism and for indigenous communities. The second phase was the *National Forum* which had the objective of reviewing, evaluating and discussing the guidelines prepared at the regional workshops. The consensus of this review process was outlined in a document, titled *Políticas y estrategia preliminar para la participación comunitaria en el ecoturismo* (Drumm, 1997).

The final results of the *National Forum* will be used in Ecuador in two ways. They will serve as part of a proposal for the regulations presently being written for national laws governing tourism. In addition, they will serve as a tool for government and non-governmental entities, private sector businesses, and communities in identifying specific needs of local communities as ecotourism is developed throughout the country.

The following summary of some of the conclusions from the document offer insights on appropriate government tourism policies that ensure ecotourism benefits for local communities and, in addition, serve as policy guidelines for Ecuador and other nations.

- ◆ Community ecotourism enterprises need separate designation within tourism laws and regulations allowing them to legally manage tourism without the same regulations and tax structure that apply to standard tourism businesses. All types of community businesses must be recognized under this designation, including cooperatives, community organizations, community businesses, and associations, among others.
- ◆ A special category needs to be created for native guides when licensing guides at the national level. As part of the licensing process, the special knowledge of local

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... The *National Forum on Community Participation in Ecotourism* was launched to “improve coordination between the government, private non-governmental, and community sectors, and define government policy recommendations for community participation in ecotourism” ...

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ecosystems and cultures that local peoples possess must be accounted for and recognized.

- ◆ Tourism zoning at the national level must clearly define areas that are of special value for ecotourism by using a participative process that includes governments, local communities, private businesses and NGOs. Extractive activities, such as oil development and logging, should not be permitted in areas designated as ecotourism zones.
- ◆ The role of NGOs in the development of ecotourism and communities requires careful study and should be given legal recognition as an important element in the development of sustainable community development as associated with ecotourism.
- ◆ The private sector, NGOs, and other institutions and communities seeking to develop an ecotourism enterprise in a community area must sign an agreement with the relevant communities. Such an agreement must include at a minimum: 1) the use of a native guide; 2) a mutually agreed upon tariff to the community that the operator reviews annually.
- ◆ The need for training and guidelines for community-based guides is a paramount objective. The training process should be developed as an exchange between the knowledge of community residents and outside authorities who are specialists in the sciences.
- ◆ Promote and facilitate practicums from university ecotourism programs to allow students to work with and learn from local communities in rural and indigenous areas.
- ◆ A national registry of tourism projects is an excellent national tool that provides access to readily available information on community ecotourism offerings.
- ◆ Economic incentives for communities to undertake a variety of activities in addition to ecotourism will become increasingly important in the long term in order to avoid dependence on the tourism market.
- ◆ Soft loans and other forms of long-term credit are needed by communities to help them establish their own tourism programs.

### Final Issues and Recommendations

Both the background issues addressed in this report and the conclusions of the *National Forum* strongly suggest new government policies are needed and that new funding guidelines for NGOs and international assistance agencies must be made available. Additional studies of how to involve the private sector in the development process without encountering conflict with business objectives should be undertaken.

The following bullet points, created by the author, set out the ecotourism issues observed in Ecuador, both in the field and during the *National Forum on Community Participation*. The recommended solutions should be considered by NGOs, the government, and international donor agencies.

### ***Issue: Understanding Community Capabilities and Providing Infrastructure***

**Funding for the establishment of community tourism infrastructure can be an inappropriate use of funding resources.** Funding towards lodging and the purchase of such items as canoes and motors for tourism in communities can lead to community dependence, lack of community investment in the tourism enterprise, and poorly maintained facilities that do not attract visitors. As observed by Daniel Koupermann (1997), avoiding charity is fundamental to the success of community participation.

#### *Recommendations*

- **A detailed analysis of what the community can supply to the tourism enterprise is needed before investments are made.** More often than not, local communities may have the capability to raise funds and source out the local resources and talent needed for the building of lodges, canoes, purchasing of motors, and creation of local trail systems. The lack of empowerment observed in the Playa de Oro project may, in part, be due to the amount of infrastructure that was provided free-of-charge to the community.
- **The only type of infrastructure specifically unavailable at the community level in Ecuador is good radio systems.** In order for community enterprises to improve management of tourism, radios and even satellite phones should be considered by funding agencies. Such communication systems can also assist with other community needs such as health care, medical emergencies, environmental emergencies, and with providing improved inter-community communication regarding issues of governance and cultural survival.
- **Soft loans and other forms of long term credit are needed by communities to help establish their own tourism programs.** Remote rural communities lack access to credit worldwide. Revolving loans and microlending are proven formulas for improving rural economies. These techniques should be applied in the field of ecotourism.

### ***Issue: Training***



**Communities consistently agree that more funding is needed for training of community members in order to better deliver hospitality and guide services.** While most funding agencies have offered short courses, there is universal agreement that training has not been compatible with community needs because of its short duration and lack of responsiveness to cultural and community concerns.

### *Recommendations*

- **Communities already experienced in the delivery of ecotourism products should be given a much greater role in training programs.** Supplying funding for training to experienced communities, such as the Cofan community at Zabalo, and creating apprenticeship programs that offer hands-on experience to trainees will help to inspire greater interest and commitment to the learning process than the use of foreign consultant trainers. Early experiments in this type of community interchange at Zabalo have been successful.
- **Language training must be considered and incorporated into the native guide training process.** Adequate funding and long-term training is necessary if communities are to have multilingual guides. While all guides need not be multilingual, there is little question that local communities will be much more successful in their ecotourism programs if top-quality community candidates are given access to combined guide/language training programs.
- **Utilize the existing, local ecotourism industry in the training process. Too often experienced local businesses are not asked to assist in the training of people from local communities.** Qualified, local trip leaders from the private sector can provide an important link to communities, and perform the work of outside consultants with much more depth and responsiveness than foreign consultants. Their knowledge of how to work with tourists in the local context, deal with emergencies, trouble shoot, and manage special visitor issues related to the local ecosystem can help the native guides to better understand the entire process of group management.
- **Hospitality training programs must be long-term.** Fifteen days of hands-on training was suggested as a minimum time frame for community members to begin to fully understand the skills needed to deliver tourism services.

### *Issue: Optimal Community Business Structures*

**Establishing cooperative enterprises where all work is shared in local communities can be a problem. It is important that the community creates a system that provides a natural incentive to work.** Clear accounting of funds received, investments made, and

distribution of profits within community tourism projects is also a priority. The creation of small community business partnerships serves to reward those who work the hardest, emphasizes standard business accounting practices, but does not undermine the larger community's ability to benefit from cooperative enterprises, such as the sale of crafts and cabin management.

### *Recommendations*

- **Funding entities must understand the organizational structure of the community, review various models for community tourism ownership before making any investments, insure that an appropriate model for ownership and accounting of funds is implemented by the community itself, and provide on-site training in accounting skills.** One of the most damaging impacts a funding entity can have on a community venture is the insertion of funds before an appropriate community decision making structure is in place. Top-down decision making patterns from the funding entity inevitably begin to overshadow community efforts to manage their own funds. This problem was clearly observed at the project in Playa de Oro. There must be careful consideration by large agencies of how to provide “venture capital” to communities in a form that does not force them to comply with international funding rules and regulations.

### *Issue: Linkages to the Global Marketplace*

**Introducing a commercial venture into any local community, particularly indigenous communities, can raise false expectations and cause stress on local families, particularly if the communities must be responsible for the marketing of that venture once it is established.** While nearly all local communities welcome tourism ventures and need the economic boost such ventures can provide, once introduced, even the smallest amount of business from tourism raises expectations for a steady source of income within communities. Rarely are these expectations met by the flow of tourists who actually reach the communities after the first flush of revenue is received. This problem was observed in Siecoya. Local communities are forced without training into the world of marketing their tourism ventures, e.g. marketing at airports, tourism gateways, on the streets in capital cities, and other highly inefficient, untargeted activities that often remove them from their families for long periods of time. As a result, the principle request for more assistance from community tourism ventures in Ecuador, and probably throughout the world, is for more assistance with marketing of community tourism ventures.

### *Recommendations*

- **Funding assistance given to community tourism ventures must not be undertaken without taking into account the full business planning cycle necessary for any business venture.** Feasibility analysis for the tourism venture, even at the community level, should be undertaken before any investment is made to insure business viability before assistance is provided. Feasibility analysis includes a review of opportunity and costs regionally and locally. An analysis must be undertaken of the investment needs of the venture, market potential, competition, transportation time, food and beverage availability, logistical concerns for making the venture viable (such as radio communications), the potential for partnerships, joint promotions, joint ventures and other vital links to the commercial sector of the tourism industry. Long-term training needs, must also be part of a feasibility analysis for any community tourism venture.
- **Linkages to the local and international ecotourism business community should be established during the feasibility analysis and implementation phase of the project. The business community's expertise should be used to guide the investment process.** Joint ventures between community ecotourism projects and pre-existing ecotourism business ventures have been repeatedly underlined as the most successful approach to insure the success of community ecotourism projects. However, joint ventures cannot be expected to be viable unless the proposed business partner is brought in and involved in the project during the investment and implementation process. The early involvement of TROPIC in the Quehueri'ono venture is one of the primary reasons for its success. To ask the private sector to market or create a joint venture after the fact, when projects have been fully implemented by NGOs with donor funds, is an unreliable approach that will potentially lead to business failure.
- **A national registry of tourism projects is an effective tool for a nation to provide ready access to information on community ecotourism projects.** Efforts to create more accessible information on community ecotourism projects worldwide are still at the earliest stages of research. Indications are that marketing through existing international ecotourism operators will be ineffective, largely because they are serving a rapidly aging market that is interested in more upscale service and accommodations than can be reasonably associated with this type of travel (Weber, 1997; Kutay, 1997). Younger, independent travelers, often from Europe, appear to be a better target. A key new approach could be a regional or national community tourism booking center that makes it easy and reliable for both agencies and individuals to book a community-run tour. For example, Japan has a successful

system for booking community or family-owned lodges at Narita International Airport in Tokyo (Weber, 1997).

### *Issue: Market Data*

**No study exists on the international market for community ecotourism. This leaves many NGOs and private sector joint ventures in Latin America without the data they need to develop a market plan and implement a marketing program.** Community-based enterprises have multiplied rapidly in Latin America. These projects are at risk if they lack proper information on the marketplace. Funding assistance should be reserved until such information exists.

### *Recommendation*

- **A market research analysis is needed to look at the market for community-based ecotourism in Latin America.** Research on a macro scale throughout the region will give local community ecotourism developers access to reliable data. This will enable more accurate market planning and feasibility studies to be developed, even for the smallest enterprises, by giving them access to world-class data.

### *Issue: Expertise in Community Development*

**Community ecotourism ventures are often launched without adequate study and understanding of community structure, community decision making processes, and the type of community development procedures that have been proven to be effective in other forms of community development work worldwide.** Many of the consultants and employees of NGOs hired with donor funds to implement community ecotourism projects may lack expertise in community development procedures. This leads to the lack of community support, and little empowerment in the community tourism venture, and ultimately the loss of faith of communities in the development process.

### *Recommendations*

- **Community ecotourism workshops and guidelines need to be prepared to assist NGOs, donors, aid programs, and local entrepreneurs gain a better understanding of the community development process.** Very little of the literature on this type of development has filtered into the hands of entrepreneurs, NGO representatives and local leaders that are implementing community ecotourism ventures. It would be

highly beneficial to facilitate better cross-fertilization of these communities with those organizations that have years of experience implementing community development programs. An international conference to set guidelines for community participation in ecotourism will be an important step in creating a guidelines document to be used for international reference.

- **More experts with community development experience, including those in the fields of development anthropology and sociology, should be hired to assess the sociocultural setting before community ecotourism project are implemented and to assist on an on-going basis during project implementation.** Proper social and cultural assessment, allow ecotourism development projects to be launched with adequate community support and empowerment. While no project can ever expect to have full community support, talented and inspired leadership at the local level from the outset of the project supported by a broad cross-section of local constituents is more likely to lead to a successful outcome.

### *Issue: Conflicting Land-use Strategies*

**Local communities are coping with conflicting land-use strategies when, in fact, they are the entity least capable of handling the social and environmental issues created by mega-development strategies, such as oil development and logging.** While the government of Ecuador supports oil development for reasons that include its importance to the national economy, it does not require that revenue from these enterprises be used to minimize social and cultural impacts.

### *Recommendations*

- **National levies should be created requiring large developers to pay into assistance programs that help local communities make their own decisions about their socio-economic and environmental future. This process should take place before development, during the development process, and should have processes in place to handle the impact.** Local governments in the developed world often receive impact fees in a carefully negotiated process that helps the community plan for the long term impacts of large-scale development. But in Ecuador and other parts of the developing world, fees are often paid to simply co-opt local leaders, without the proper oversight of government. A more rational process needs to be created in order to assist local communities with decision-making before megadevelopment takes place. A well-planned set of impact fee requirements for socio-economic benefits and environmental protection needs to be prepared through a participative process with local communities and with the assistance of unbiased, outside mediators.
- **Full environmental impact statements should be required. An unbiased team of experts, hired by the government, should review and explain the potential impacts to local communities.** This process should be linked to the above process in order to help communities make decisions about the full range of impacts they are likely to experience. It cannot be expected that local communities can properly read and interpret environmental impact statements.
- **Zoning that protects high-value ecotourism zones from incompatible development practices such as logging and oil exploitation should be established.** Zoning in the Oriente region of Ecuador could help resolve many future conflicts over land-use and help to protect the nation's most valuable natural assets.

### **Conclusions**

There is growing concern among ecotourism specialists that community ecotourism projects are doomed to fail. There is also a great deal of anxiety in the ecotourism business community that community ecotourism projects are not viable business ventures. These concerns are valid if one carefully investigates the overall success rate of community ecotourism programs, not just as business ventures, but as tools for sustainable development. In Ecuador alone, there are dozens of community ecotourism ventures that are presently not attracting enough business to offer a viable, sustainable development alternative to their communities. The terrible truth is that although the majority of these communities are choosing ecotourism over other forms of development,

the viability of their choice may not be supported by the existing interest in the marketplace.

Is more marketing the answer to this problem? Certainly, assistance at the governmental level to provide good, reliable, up-to-date information on community ecotourism programs on the Internet and in printed form, for visitors at major gateways, and through tourism boards, is crucial to advance ecotourism marketing.

Should NGOs invest in more community ecotourism ventures until a better feasibility and market analysis can be performed? In Latin America, it is highly questionable if more funding should go to community ecotourism without a macroanalysis of the market for community ecotourism. No such study has ever been performed, and nothing definitive is known about what types of tourists visit community ecotourism projects. Any feasibility study analysis done for a local ecotourism project cannot proceed without this data. A major study of the existing community ecotourism projects in Latin America and the demographic market they presently attract is needed in order to provide basic data on the future business viability of this type of ecotourism project.

How can NGOs and the ecotourism private sector best join forces to create better sustainable development for local communities? At present, only a small percentage of the private sector is even interested in working on community ecotourism projects because, for the most part, these ventures are not attracting enough business to provide a viable return for even small, regional companies. At times, NGOs are bypassing local businesses by working directly with international ecotourism vendors, particularly those working with educational institutions and student groups, in order to deliver an international market directly to local communities. This is a proven formula, and as long as non-profits are involved in all phases of the delivery of the product, there is perhaps little that can be faulted with this procedure. However, local ecotourism businesses are vital players in the development of successful ecotourism ventures and they must be given incentives to become involved in the sustainable development process. Local companies are the entities that can provide the on-going market linkage between communities and the national and international ecotourism markets. These inbound tour operators and local hoteliers need to be supported and used by the funding community as vital partners in the development of community ecotourism projects.

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... local ecotourism businesses are vital players in the development of successful ecotourism ventures and they must be given incentives to become involved in the sustainable development process ...

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