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Is there trouble in paradise? The perspectives of Galapagos community leaders on managing economic development and environmental conservation through ecotourism policies and the Special Law of 1998

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In 1998, the government of Ecuador enacted a special law with the goal of both promoting environmental preservation and economic development in the Galapagos Islands. The reforms in the Special Law of 1998 were sweeping. Among other things it created the Galapagos Marine Preserve, limited the ability of immigrants arriving from mainland Ecuador to secure employment, restricted fishing to local residents only, and increased the institutional power of regulatory organisations like the Galapagos National Park. This article presents the results of a series of qualitative interviews conducted in July 2011 with local Island leaders on their support for the Special Law of 1998 in general and in regards to its implementation. The interviews also asked the respondents’ opinions on a wider set of ecotourism policies and issues. The findings indicate that generally there is a great amount of support for the law amongst leaders, but there is a strong consensus that the Special Law has not been implemented effectively. The reasons behind these failures of implementation are multifaceted, but include: the weak and fragmented status of Galapagos institutions, a lack of professionalised leadership, leadership which engages in politicised decision-making, and, finally, failures to enforce unpopular provisions of the Special Law.

Keywords: economic development; sustainable development; Galapagos Islands; balancing; conservation; growth; ecotourism; tourism

1. Introduction

There is perhaps no better place on the globe to explore the realities and challenges of finding balance between conservation and economic growth than in the Galapagos Islands. The Galapagos economy is primarily driven by tourism because of its status as home to a unique array of exotic species and fauna and because of its unique historical legacy due to Charles Darwin (Kerr, 2005; Tindle, 1983). In recent decades, the Islands have found themselves in the global spotlight as the issue of sustainable development has become an important part of the international dialogue on managing environmental preservation and economic development. For many years the area has experienced a significant increase in tourist revenues and general economic growth (Taylor, Dyer, Stewart, Yunez-Naude, & Ardila, 2003).
A quantitative analysis of the Galapagos economy has conclusively demonstrated that the local economy is largely dependent on tourism-related activities (Taylor, Hardner, & Stewart, 2009). In the early 1980s, the Islands hosted approximately 18,000 annual visitors. By 2008, the number of annual visitors had grown nearly tenfold, reaching roughly 180,000 (Nash, 2008). The notable economic growth of the Galapagos economy has occurred simultaneously with a sharp rise in immigration to the Island from mainland Ecuador. Immigrants flock to the Islands because the Islands offer higher-paying jobs with better benefits compared to job opportunities on the mainland. Island residents also receive many government subsidies (Taylor et al., 2009). There are several notable negative externalities that have been attributed to this immigration pattern by scholars (Gonzalez, Montes, Rodriguez, & Tapia, 2008). For example, immigration has caused further strain on Island infrastructure and might even be partially responsible for a decline of household income among residents (Kerr, Cardenas, & Hendy, 2004; Taylor et al., 2003).

Everyday life for Galapagos Island residents is filled with examples of the challenges the government faces to maintain balance between sustainable development and economic growth. For example, in 2001, an oil tanker named Jessica was operating in the area to refuel a cruise ship. It ran ashore and dumped nearly 80,000 gallons of diesel into the environment – the spill amount was about half of the ship’s 160,000 gallon capacity. A spill of this magnitude is an environmental disaster in any context, but its impact was especially severe in the Galapagos where it affected numerous endangered birds and marine animals (Edgar, Kerrison, Shepherd, & Toral-Granda, 2003; Lougheed, Edgar, & Snell, 2002; Salazar, 2003). Concurrently, the policy solution to such problems – even in such an egregious case of placing the pristine environment in jeopardy – is not immediately clear. Offshore refuelling is required due to environmental concerns about constructing and maintaining large harbours in the fragile ecosystems that exist in the Islands’ shallow waters (Davenport & Davenport, 2006), and simply banning the refuelling of tourism ships given their contribution to the economy (Taylor et al., 2003) is not a reasonable or practical option.

It is in the context of such challenges like the Jessica spill that the authors conducted an analysis of Galapagos ecotourism policies like the Special Law of 1998. The law itself, which is formally titled the Law on the Special Regime for the Conservation and Sustainable Development of the Galapagos Province (Registro Oficial No. 278, Law 67, Ecuador), was primarily passed in order to protect the Island’s marine resources from commercialised and illegal fishing (Durham, 2008). One of the most important features of the Special Law of 1998 is its establishment of the Galapagos Marine Reserve. However, the law also has provisions directed at social problems such as the unfettered growth of the tourism industry and growth of the immigrant population. The Special Law of 1998 is recognised as being a particularly ambitious piece of public policy because of this combination of conservation and social policy goals (Gardener & Grenier, 2011). The Special Law of 1998 was also unusual in its encouragement of partnerships between the public and non-profit sector. This cemented the long-lasting collaboration between conservation agencies and the government in the oversight of the law (Heslinga, 2003). The ambitious nature of the Special Law was echoed by one of the respondent community leaders: ‘The Law is visionary with two key goals – one is conservation and the other is the improvement of the quality of life of the people.’

This study provides a contribution to the literature on ecotourism and the Galapagos Islands in several ways. The authors utilise the perspective of local leaders’ opinions through which to gauge elite support for ecotourism policies and measure perceptions regarding the effectiveness of the Special Law of 1998. The data come from on-site
qualitative interviews conducted with private, public, and non-profit sector leaders in July 2011. Although small in total number, the range of institutions represented by interviewees is diverse, including current or past occupants of positions in: the Galapagos National Park (GNP), research organisations, local governments, the provincial government, the local Chamber of Commerce, and the tourism industry. The lessons learned here may be potentially applicable to any community that uses ecotourism to grow its economic base.

2. Literature review
The literature review is divided into three parts. In the first section, the authors briefly provide an overview of how ecotourism is defined in the literature and demonstrate why the perspectives of leaders have value when it comes to their assessment of the Special Law of 1998 and ecotourism policy in general. The second section discusses the largest issues between economic growth and environmental conservation. The third section includes a discussion of the roles that key public, private, and non-profit institutions have in shaping environmental policy.

2.1 The definition of ecotourism and role of local leaders
Over the past few decades, the literature on economic development has begun to incorporate the concept of sustainability into economic growth policies (Barbier, 1987; MacNeill, 1989; Pearce & Atkinson, 1993; Portney, 2003; Stern, 1996; Turner, 1993; Wallace & Pierce, 1996). One of the most prominent strategies for sustainable development in tourism-based economies is ecotourism. But what is ecotourism? The Ecotourism Society offers a simple definition that will be utilised for this study: ‘responsible travel to natural areas which conserves the environment and improves the welfare of local people’ (Western, 1993, p. 8).

It is important to note that there is much scholarly discourse on the definition of ecotourism, in particular around whether the term should be defined in a normative or positive sense. From a positive theory basis, Fennell (2001, p. 407) found that ecotourism definitions most often include components like conservation, culture, benefits to locals, the importance of education, and sustainability. This is in contrast with the normative theories of the definition that suggest four key dimensions to any comprehensive definition of ecotourism: (1) nature-based policies, (2) conservation-supporting institutions, (3) public policies emphasising sustainable management, and (4) environmental education components (Donohoe & Needham, 2006; Fennell, 2008). Wallace and Pierce (1996, p. 848) build on what should be included in the ideal ecotourism definition by articulating the particular importance of participation by the local community. Community stakeholders – those who are most likely to be influenced by ecotourism policies – should have direct input into the process. They note that community involvement in shaping ecotourism is not merely a ‘moral obligation’ but is a practical necessity to ensure long-term sustainability.

Community leadership sets the tone for how communities develop ecotourism policy. The urban politics literature is replete with examples of the close nexus between business and governmental leaders. This suggests that these leaders form a sort of elite class that have a level of familiarity with economic development policy which is strong enough to provide assessments of how such policies have influenced economic growth (Logan & Molotch, 1987; Molotch, 1976; Pagano & Bowman, 1995). Although leadership studies have been featured prominently in the economic development literature as a whole, there have been few studies on the role of leaders and ecotourism policy in particular. Among
the major scholarly works that have been conducted in this area, Scharmer (2007, 2011) argues that in order to effectively address the significant issues of our time, a new style of emergent leadership is required to address the dichotomy of conservation versus growth.

2.2 Finding balance in economic growth and conservation

As an economic development strategy, ecotourism is the fastest growing form of tourist-oriented development (Fennell, 2008; Fennell & Dowling, 2003). The literature on ecotourism over the past few decades demonstrates a range of views: some scholars held ecotourism policies should include blanket and strict protections of the most environmentally sensitive areas regardless of the economic value of those areas (Blamey, 1997; Theophile, 1995). Other scholars adhere to the fact that there is a fundamental conflict within ecotourism, because tourism inherently alters people’s interaction with nature in damaging ways (Gossling, 2001; Green & Hunter, 1993). Still other scholars acknowledged that ecotourism as a strategy can balance conservation and economic growth (Duffy, 2008; Powell & Ham, 2008).

Whether the quality of tourism jobs is enough to warrant the environmental risk is a major aspect of the debate over whether tourism is ultimately a development asset or liability (Harrison, 2001; Parks & Roberts, 2006; Sharpley & Telfer, 2002; Smith & Eadington, 1992; Williams, 2009). For many scholars the perception of most tourism jobs is that they are low-wage and often seasonal in nature (Airey & Frontisitis, 1997; Baump, 2007; Choy, 1995). However, some tourism jobs may be much more lucrative than other available alternatives (Johnson, Snepenger, & Akis, 1994; Mkono, 2010).

One of the largest problems with tourist-based economies is the exodus of local revenues to companies outside the community – usually international corporations. The wealth generated by tourists is siphoned from local economies and sent to foreign-owned corporations that invest in high-revenue ventures like hotels or cruise lines (Blakely, 2009; Gossling, 2001). Over time, the siphoning of profits can end up dramatically raising the cost of living for local residents, and the impact of this change most harshly affects the poorer and younger residents who are least able to handle it (Carbone, 2005; Craik, 1995). In geo-spatial terms, this phenomenon creates a ‘tourist bubble’ (Jaakson, 2004; Judd & Fainstein, 1999), an enclave of high-quality living and destination travel that exists adjacent to urban ghettos and squalor where the tourism workers of the ‘bubble’ actually live.

2.3 Managing growth and development in the Galapagos Islands

The Galapagos Islands have undergone several stages of tourism development. Tourists experience the Islands primarily through large foreign-owned cruise ships, or ‘floating hotels’, in which individuals spend little money on the Islands (Taylor et al., 2003). This type of cruise was particularly popular between 2003 and 2008 – causing an inflow of migration to the area to meet the needs of ship-borne tourists. For example, there is a substantial link between tourism and migration as shown by the model put forth by Taylor et al. (2003). In their model, a 10% increase in total tourism in the Galapagos Islands triggers a migration of approximately 5.3% to Santa Cruz, one of the Islands’ largest population centres. If this migration is limited by the government, Island wages increase at about an 8% rate. The global economic recession, which began in 2008, meant a decrease in large cruise ships, but an increase in other types of tourists like backpackers and jet-set island hoppers. Backpackers are tourists who generally travel lightly and do not spend large
sums in the local economy. ‘Jet-set’ tourists, in contrast, tend to fly to a triangle of destinations spending several days in each spot. Unlike cruise ship tourists, this new type of tourist tends to spend more time in the local community, which means more revenue for local economy5 (Taylor et al., 2009).

Understanding the roles and interactions between institutions is key to understanding how Ecuador’s government manages Galapagos environmental policy (Agrawal & Gibson, 1999; Brown, 2002; Hempel, 1996; Zimmerer, 2006). The network of organisations in the Islands is complex and multifaceted. Major public sector institutions operate under a participatory management approach (Fraser, Dougill, Mabee, Reed, & McAlpine, 2006; Heylings & Cruz, 1998). The major governmental institutions are the GNP, the Council of Galapagos Governments (CGG), the Inter-Institutional Management Authority (IMA), and the Participatory Management Board (PMB) (Heylings & Bravo, 2007; Viteri & Chavez, 2007).

Of all of the Galapagos institutions, the GNP carries the most responsibility – the Park boundaries cover approximately 97% of the island. The Park, in conjunction with the IMA and the PMB, has a mandate to conserve the ecosystem of the area. Until recently, it was hampered with little enforcement power and a ‘weak institutional presence’ (Wallace, 1993; Watkins, 2008). As late as the 1980s, Park rules allowed only 12,000 annual visitors but lacked any real authority to enforce this limit. Research shows that increased park visitation was responsible for introducing invasive plants and animals (De Groot, 1983; Trueman, Atkinson, Guezou, & Wurm, 2010; Wallace, 1993). The Park’s shortcomings in this area may have been due to a lack of resources – an issue that it is now trying to remedy. Other organisations that influence environmental policy include the Charles Darwin Foundation and the World Wildlife Fund. In the Galapagos Islands, both the formation of the Special Law and the everyday business of public policy take place on an international stage. Many international non-governmental organisations, including divisions of the United Nations, monitor conservation in the Islands (Epler, 2007; Halpenny, 2003). In addition, the Islands’ major source of economic growth, tourism, is monitored by international organisations like the cruise ship industry due to their business interests in the Islands (Higgins, 1996; Rice, 2007). The Island’s other major source of economic growth – fishing – is largely monitored by national-level organisations located on mainland Ecuador. As a result of the Special Law of 1998, the Islands’ fishing structure is now exclusively characterised by local artisanal fishing businesses.

3. Methodology
The targeted population of leaders for this study is a set of local leaders on Santa Cruz and San Cristobal. These two islands have the largest populations in the archipelago and are independently considered to be tourist hubs by scholars (Epler, 2007). The two largest population centres in the Galapagos live in communities on the two islands where interviews were conducted – Puerto Ayora in Santa Cruz and the provincial capital of Puerto Baquerizo Moreno in San Cristobal (Gonzalez et al., 2008). Only three other islands are considered inhabited (Isabela, Floreana, and Baltra).

To develop our target population framework, the authors looked first at positional leaders. In the context of this research, those were the leaders in important institutions like the GNP, conservation organisations, and officials in the local and provincial government. Next, the researchers included reputation leaders – those who were identified by the positional leaders as being important and knowledgeable about Galapagos economic development policy. This approach is consistent with widely accepted and established research.
methods on interviewing community leadership (Bonjean & Olson, 1964; Freeman, Fararo, Bloomberg, & Sunshine, 1963; Perrucci & Pilisuk, 1970; Purdue, 2005; Weimann, Tustin, Vuuren, & Joubert, 2007). The selection method identified 12 key leaders across the public, private, and non-profit sectors. All respondents were interviewed in the local area between 25 July 2011 and 6 August 2011, with the assistance of a graduate student acting as a translator. The leaders chose whether the interview would be conducted in Spanish or English. A total of eight interviews (out of 12 identified leaders) were completed in this manner. Each interview lasted between 1 and 2 hours each.

There are several reasons why a select few qualitative interviews with leaders can give us a general insight into ecotourism policy and issues related specifically to the Special Law of 1998. First, the formulation of the Special Law was an elite-driven phenomenon; it was not a movement from the ground up (Heslinga, 2003). Second, the economic development literature demonstrates that local leaders have long assumed a role of crafters and champions of economic development policy through a variety of strategies like ecotourism (Fleischmann, Green, & Kwong, 1992; Hoyman & McCall, 2010; Judd & Parkinson, 1990; Morgan, 2010; Reese, 1993; Rubin, 1988; Wolman & Spitzley, 1996). The researchers interviewed leaders in all three sectors (private, public, and non-profit), because the literature shows that economic development policy is not solely crafted by government leaders. For instance, see the ‘growth machine’ or more recently, regime politics literature in the USA (Harrell, 2004; Judd & Fainstein, 1999; Judd & Parkinson, 1990; Stone, 1989, 2004). Like other studies of local governments and institutions, this study is time bound and represents the leaders on the Galapagos archipelago of today. The authors do not claim that these leaders are broadly representative of the Galapagos archipelago as a whole. In line with other research on community leaders, the purpose of the research was not to obtain a statistical random sample of leaders large enough to generalise all leadership in the community (Klenke, 2008). The literature on the study of community leaders has shown that the methodology used is an appropriate research framework because it facilitates ‘a wider range of contextual variables’ (Bryman, Bresnen, Beardsworth, & Keil, 1998) than would otherwise be obtainable through quantitative methodologies (Bryman, 2004; Conger, 1998). Other scholars have also noted that small case studies have value because they possess greater internal validity (Nicholson-Crotty & Meier, 2002), which is appropriate given the unique position of the Galapagos Islands.

The interview process had both structured and open-ended components. There were three sets of questions: (1) structured questions on whether the leaders favoured new policies set by the Special Law of 1998; (2) structured questions on whether these specific new policies were implemented in an effective way (or not); and (3) open-ended questions on the quality of tourism jobs, the relative influence of interest groups in policy-making, and questions on the ideal distribution of GNP fees. The policies that leaders were asked about come from two sources: Ecuadorian federal law generally and the Special Law of 1998 specifically. In order to delineate the source of each policy, we have included Table 1.

4. Findings and analysis

4.1 Structured responses: popularity and effectiveness of ecotourism policies

Respondent leaders were asked about a variety of ecotourism policies designed to either promote economic development or conservation. The results are displayed in Table 2. The approval columns indicate what percentage of leaders stated they approved or disapproved of the policy. The effectiveness rating columns indicate the percentage of
leaders which found the implementation of the policy to be fully effective, partially effective, or ineffective. In terms of generalised approval of policies, a majority of leaders supported all the policies. However, the range of approval varied – a low of 63% supported the policy limiting job availability to temporary Island residents while a high of 100% supported Ecuador’s federally required super wage for the Islands (among other policies).

However, in terms of the effectiveness of ecotourism policies, there is much more variation. The Special Law of 1998’s limit on fishing licences to Island residents is among the policies perceived as most effective. Four policies were viewed as ineffective by the majority of respondents: funding of collaborative research, funding research on sustainable development, and the use of quarantines. There were two policies that leaders deemed as being effectively implemented, which the authors define as more than 50% of leaders expressing an opinion that the policy is effective. These policies are (1) employment limitations on temporary residents and (2) the funding of research on the use of natural resources. What Table 2 demonstrates is that while leaders were in agreement with the intention and goals of ecotourism policies overall (both those for economic development and for conservation), they were much more varied in their perceptions of the effectiveness of how those policies had been implemented.

### Table 1. Legal origins of surveyed ecotourism policies.

<table>
<thead>
<tr>
<th>Policies specific to Special Law</th>
<th>Other federal policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fishing licence availability: restricted to Island residents only</td>
<td>Teachers wages: teachers on the Islands are required to be paid a minimum wage higher than super wage policy</td>
</tr>
<tr>
<td>Job restrictions: temporary residents may not hold a job until they have resided on the Island for more than 1 year</td>
<td>Super wage: requires all wage be 140% over Ecuador mainland minimum wage</td>
</tr>
<tr>
<td>Promotion of entrepreneurship: encourages selling of indigenous crafts</td>
<td>Subsidies for Island residents: 12 annual subsidised flights to mainland Ecuador</td>
</tr>
<tr>
<td>Encourages research: supports academic research on (1) how to better utilise natural Island resources, (2) promote sustainable development, and (3) environmental conservation</td>
<td></td>
</tr>
<tr>
<td>Quarantine: requires enforcement and use of quarantines</td>
<td></td>
</tr>
<tr>
<td>Conservation efforts: promotes collaboration among resident communities to promote sustainable development</td>
<td></td>
</tr>
<tr>
<td>Affirmative action: provides tax credit to support hiring native residents</td>
<td></td>
</tr>
</tbody>
</table>

4.2 **Open-ended responses: a more nuanced view of Galapagos ecotourism policies and institutions**

Leader answers to open-ended questions suggest a more nuanced picture, especially in terms of general approval for ecotourism policies. For instance, even though all the leaders support funding for collaborative research, and 86% of them support funding research on the use of local natural resources, one respondent pointed out that research should go towards more applied and practical projects. His example was that, instead of studying whether some of the famous Galapagos blue-footed boobies (a type of bird) on
the Islands are genetically linked to the red-footed boobies, scientists should be studying the cleanliness of the water supply and its effect on the Island population. This respondent further noted that there were high rates of breast cancer, skin cancer, and urinary tract infections among the population as compared to the Ecuadorian mainland – all of which he suggested may be linked to the quality of the water. Another area of concern was the use of quarantines, which also seemed to elicit a varied response from leaders. In the open-ended answer portion of interviews, one leader noted ‘There are no checkpoints in Guayaquil . . .’, which is notable because it is the main gateway city from which many supplies are brought into the Galapagos.

Leaders provided several common explanations for poor ecotourism policy implementation. First, leaders generally indicated that leadership tends to make decisions based on political, rather than professional, considerations. Respondent leaders consistently talked about a general failure of local leadership. Among the issues most frequently cited included a distinct lack of professionalism at all levels, particularly among appointees to

<table>
<thead>
<tr>
<th>Ecotourism policy</th>
<th>% approval</th>
<th>% effective</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approve</td>
<td>Disapprove</td>
</tr>
<tr>
<td>Policies to promote local economic and community development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job restrictions: temporary residents may not hold a job until they have resided on the Island for more than 1 year</td>
<td>63</td>
<td>47</td>
</tr>
<tr>
<td>Affirmative action: provides tax credit to support affirmative action for hiring native residents</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Promotion of entrepreneurship: encourages selling of indigenous crafts</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Teachers’ wages: teachers on the Islands are required to be paid a minimum wage higher than super wage policy</td>
<td>86</td>
<td>14</td>
</tr>
<tr>
<td>Subsidies for Island residents: 12 annual subsidised flights to mainland Ecuador</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Super wage: wages should be 140% over Ecuador mainland minimum wage</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Policies to promote environmental conservation and sustainable development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding: research on utilisation of natural resources</td>
<td>86</td>
<td>14</td>
</tr>
<tr>
<td>Conservation efforts: promotes collaboration among resident communities to promote sustainable development</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Fishing licence availability: restricted to Island residents only</td>
<td>88</td>
<td>12</td>
</tr>
<tr>
<td>Funding: sustainable development research</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Quarantine: requires enforcement and use of quarantines</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Funding: environmental conservative research</td>
<td>86</td>
<td>14</td>
</tr>
</tbody>
</table>
governmental enforcement bodies. Again, the influence of politics on decision-making appears to be causing a perception of creating barriers to good policy enforcement. One leader’s formula for good leadership was: ‘... hire professionally competent staff and directors, with executive skills, not political leanings’. This appears to have some backing in the literature, as some scholars have noted the Islands do not maintain a culture of conservation (Powell & Ham, 2008). Interviewed leaders consistently noted that native residents did not value conservation, but they did say that was changing through educational efforts. Powell and Ham (2008) recognise a similar change through education – but at a slow pace. According to Bassett (2004), local residents also seem to distrust the institutions and their leaders. Many Galapagos institutions15 have a history of corruption (D’Orso, 2003), which makes enforcement difficult.

4.3 Issues with managing and funding the GNP

Amongst the Galapagos institutions, most criticism was levelled against the National Park. One leader summarised the institutional weakness of the Park by stating, ‘... it has no stability, limited capacity...and its [decisions are] politicized’. Respondents noted the general lack of stability in GNP leadership, which impeded achieving Special Law objectives. The director position in the GNP appears to be highly volatile – with over 22 directors serving in the last 20 years (Bassett, 2004). According to our respondents, the turnover problem of park directors is related to the politics of enforcement of the ecotourism law at the federal level. Some respondents indicated that previous park directors had actually been fired for strict enforcement of policy, which was viewed as acting against business interests. One problem is that there is no consensus among actors as to what qualities a park director should have. Park directors are appointed by federal government and change very frequently. Some leaders believe a conservation-oriented person should head up the Park and others think someone with business acumen should be the director. For example, the 13th park director was abruptly removed by the federal government when she attempted to enforce more strictly some types of conservation policies. Another park director on the island of Isabella resigned after fishermen protestors torched his house (Bassett, 2004, p. 170).

Another theme that emerged from interview responses was disagreement over how the GNP should distribute the funds from the fees it collects. One respondent noted that ‘... the vision for the Park should entail sustainable sources of support – not just [funding from the] national government’. Currently 70% of the Park’s budget comes from the national government and 30% comes from park fees. A notable portion of the revenue collected by the Park is distributed across government organisations. One leader explained that empowering the GNP as an institution was so important that it should receive 100% of the Park fees collected. Most other leaders said that the fees earmarked to go back to the Park should increase, but not to a 100% level.

To analyse this point further, the authors gathered data on the historic distribution of revenue from the GNP to all government institutions between 1998 (the passing of the Special Law) and 2011. It is important to emphasise that the fees generated by the GNP represent approximately 30% of overall funding for the Park. Although this proportion of funding is relatively small compared to national funding, the authors believe changes in the distribution of park fees are critical for several reasons. As history has shown, national levels of funding for the Islands can vary depending on the economic climate (Lustig, 1995). The unstable nature of funding from sources other than the Park came to the forefront of public policy discussions in Ecuador as late as 2010, when the Galapagos
Islands were removed from the United Nation’s World Heritage Committee list of places endangered by environmental threats. Removal from the list may result in decreased federal funding; so considering funding trends from other sources remains important.

Of particular note is that local governments have increased their share of revenue during this time from 20% to 25%. The state agency that managed the Park area until 2000 was INEFAN (Institute of Forests and Natural Areas), which had its share of funding cut from 5% to 0% by 2011 since it no longer performed its management function. The most important agency in managing ecotourism policy (at least according to our interviews) – the GNP itself – maintained the same level of funding from the fees it collected, 40%. Overall, distribution across institutions remains relatively static over time, although there is an increase in funding to local governments. The historic distribution of Park fees shows relatively little change. However, when asked what amount of fees the Park should retain to fund itself, the average figure given by leaders was 52%. When it comes to other institutions, respondents supported decreases in allocations to the Navy (from 5% to 2%), to the Provincial governments (from 10% to 2%), and to Ecuador’s National Institute for the Galapagos (INGALA, 16 from 10% to 6%).

4.4 Challenges to balancing conservation and ecotourism policy in the Islands

There are some notable challenges that lie ahead for Galapagos leaders. The first is the need to diversify the economy away from the tourism sector. In the words of one leader ‘Tourism is not the only option.’ Another leader lamented, ‘It is easier to talk to tourists than to cultivate crops.’ Possible alternatives to diversify the economy are the expansion of the artisan fishing industry and the expansion of the Island as a centre for research.

A second challenge facing leaders is finding ways to localise the production of goods that are currently brought in from the mainland. For instance, many restaurants are importing their supplies from mainland Ecuador, rather than buying their produce locally. To compound the issue, leaders noted there was no appreciation for local products, even among native Island residents.

A third major challenge is the attitude of the public to conservation. Most Galapagos residents, according to the leaders interviewed, have a ‘use now, replace it later’ mentality. Symbolic adherence to conservation efforts comes somewhat easier. To provide an example, one leader said that the mayors and other local leaders preferred to do ‘recycling’ programmes, because they were visible, yet noncontroversial programmes. These options were preferred to leaders trying to enforce more controversial elements of ecotourism law.

A fourth challenge is the systematic lack of ‘political will’ on the part of local leaders. Because the sociology of the Islands is in some ways like an intimate network of friends and family, there is little appetite for a neighbour or family member (or even a local politician) to (as a fictional example) ‘turn in’ an acquaintance who is violating residency restrictions. A local leader may be inclined to ‘look the other way’ in the words of one leader.

Finally, there is a need for infrastructure improvement. The water system for residents is not clean. Residents could collect water in rain barrels, but they do not, according to the leaders. A recent example of growth straining infrastructure shared by one leader is that of a resident’s home septic system that failed. The house had a system designed for five users, but when 15–20 residents were living under one roof, the septic system failed. The infrastructure issue also impacts healthcare. Because there is no advanced medical care available on the island, federally subsidised flights to the mainland often have to be used for medical reasons. In short, governments are generally asked to grow infrastructure capacity at a rate that is disproportionately faster than the resources they have available.
5. Conclusions

This research demonstrates that ecotourism is in many ways a type of balancing act between conservation and development interests. In no place is the struggle to maintain this balance more apparent than the Galapagos Islands. This delicate balance between growing the economy and protecting the environment is played out in a setting where the stakes could not be higher because of the unique and endangered species of flora and fauna which inhabit the area. There are many stakeholders who seek to have some control over the changing policy landscape of the Islands. Notable stakeholders include not only the local governments, but also the provincial government, as well as Ecuador’s federal government. Additionally, conservation and business interests of both local and international scope are important actors. These factors have all combined to make decision-making about ecotourism policy an even more complex endeavour that it would be in other communities.

The Galapagos Islands, in many respects, serve as a world leader when it comes to creating ecotourism policy. The 1998 Special Law was a very far-reaching policy that sought to balance environmental preservation and economic development through the innovative policies the authors discussed in the findings section. However, a law that is on the books but not enforced is destined to fall short of its intended goals. Most leaders support the policies contained within the Special Law and ecotourism policies in general – but there is a consensus that aspects of the law have not been effectively implemented.

The Island’s presence on the world stage may continue to help conservation efforts due to the work done by many influential non-profit organisations at local and international levels. However, the results of this study show that barriers to success for ecotourism policies do remain. There are new efforts from governments and communities in the Islands to amend and improve the Special Law. These efforts are in such early stages that they had no impact on our research – but they will, however, be key to future research on policy impact studies in this area. These new efforts have begun in the context of a rapidly changing international environmental policy landscape. For example, in 2010 the Galapagos Islands were removed from the United Nations Educational, Scientific, and Cultural Organization’s list of endangered world heritage sites after being added 3 years earlier in 2007 (Gross, 2010). A surface-level analysis of such events might lead one to the erroneous conclusion that the ecotourism policies are working and the job is done. The reality is much more complex. The addition of the Islands to the endangered list originally generated substantial attention from international organisations which added to institutional capacity to enforce ecotourism laws (Honey, 2008). By removing the Islands from the list both this institutional capacity and arguably the flow of external funding could decrease. Additionally, as documented by the research findings, there is some evidence to suggest that the action could be related more to domestic political pressure than actual achievement of ecological goals (International Union for Conservation of Nature, 2010).

The passage of time since the Special Law of 1998 has only brought new challenges for the communities of the Galapagos Islands and their leadership. For example, if the population continues to grow at its current rate the Islands will be home to nearly 118,000 people by 2030 – an almost 500% increase from its current population of about 25,000 (Epler, 2007). Given that current laws set aside only 3% of the area for human habitation, future policy concerns will centre not only on environmental concerns but also on social issues like scarcity of available land for development and exponential strains on an already weak public infrastructure (Gardener & Grenier, 2011; Walsh et al., 2010). Such changes will likely require updates to the government’s approach to ecotourism polices.
because existing laws tend to be more narrowly focused in scope. The future of managing economic development and conservation in the Galapagos Islands will need to take on a more holistic approach that addresses this wide variety of emerging challenges.

Notes

1. The Galapagos Islands are a province of Ecuador and form an archipelago west of continental Ecuador. The islands consist of 7880 km² of land situated in approximately 45,000 km² of ocean that rests atop a moving plate known as the Nazca plate, as well as an area of intense heat referred to as a hotspot. The archipelago consists of 18 islands and 107 islets that all vary in size, population (if inhabited), and economic components.

2. By sustainable development the authors refer mainly to the generalised concept of promoting economic growth in a manner that does not exhaust non-renewable resources or endanger the environment (Parris & Kates, 2003). Ecotourism, the primary topic of this paper, is a specific strategy, which carries out the goals of sustainable development.

3. However, tourism revenues alone cannot explain all the growth of the local economies in the Galapagos. Quantitative economic analysis by Taylor et al. (2009, p. 2) shows that other sectors of the economy such as government spending, local commercial fishing, and spending by conservation agencies are beginning to emerge as key drivers of development.

4. The national government of Ecuador introduced a ‘super wage’ and a subsidy for plane travel for flights between the Islands and mainland Ecuador for native residents. Island residents also receive a significant gasoline subsidy. This ‘special’ treatment makes living in the Galapagos more attractive than living in the Mainland from the economic perspective of most Ecuadorian citizens – which then causes economic repercussions due to high levels of migration to the Islands.

5. In the interviews conducted by the authors many leaders expressed a desire to further evolve tourism patterns to encourage longer stays of 10–12 days directly on the islands, which would result in more revenue being spent locally than either cruise ship tourism or those engaging in the aforementioned island-hopping behaviours.

6. Interviews were not conducted on Isabela because the goal of this research was to analyse current and past conflicts around the struggle to balance conservation and economic development. Although Isabela, like all the inhabited islands, is a part of the overall Galapagos economy, its economic contribution is not nearly as large as Santa Cruz and San Cristobal. However, future research will need to include Isabela because it is the site of a new airport, which will increase its role as a location that must meet the challenge of sustainable development in the future.

7. Floreana and Baltra are considered very sparsely populated. Although these two islands do have some tourist activity, as they are home to several notable exotic species and fauna, most of the economic transactions based on those tourist activities occur on the Islands where interviews were conducted.

8. Two expert scholars – one in South America and one in North America – had input on our list of leaders to serve as a check to ensure leaders with institutional knowledge were included.

9. Some potential respondents could not be located or were unwilling to be interviewed. Some leaders were willing to be interviewed, but were not available during the time the research team was present in the area.

10. By the ‘growth machine’ the authors refer to the foundational work done by Molotch (1976) in describing the shape and environment of cities as being primarily the result of social actions between cohesive sets of elites. In terms of urban regime politics, the authors are referring to the idea that networks between elected officials and those who can influence their decisions occur through pre-existing political structures that can either encourage or discourage economic development (Levine & Ross, 2006).

11. Of note, the researchers were unable to interview a leader that would represent current Island fishing interests. Because of the decentralised, local, and artisanal structure of that sector it is difficult to identify fishing leaders and even more difficult to contact them. However, there was among the interviewees a former fisherman so that the perspective was represented in the results.

12. This is a qualitative study and its value does not depend on its representation and generalisation to all ecotourism leaders in Galapagos. The value of our interview data is more akin to the value of a focus group than to a random sample.
13. Structured components related to the special law or ecotourism policy in general. See Table 1 for a list outlining the legal origin of each policy included in the interview template.

14. The authors conducted an inter-coder reliability test, which yielded a 100% correlation between coders.

15. A vast majority of respondents believe some institutions may need to be completely redesigned, particularly the Institute for Galapagos (INGALA). INGALA was a national level agency that had regulated and monitored all federal immigration policy concerning the Islands. The primary criticisms of INGALA were its lack of enforcement and the politicisation of management decisions. For example one leader said ‘... we would do well to eliminate INGALA ...’. In fact, INGALA was in the process of being replaced by a successor agency called the CGG while the interviews were being conducted. It remains to be seen whether the CGG will come under as much criticism as INGALA did.

16. As previously noted, INGALA has been replaced by the Galapagos Council of Governments. However, the authors included INGALA in the fund allocation portion of the survey to see if espoused respondent distrust of the institution matched their willingness to ‘take action’ by decreasing funding.

References


