



**LUMES: Lund University Master's
Program in Environmental Science**

***FROM SUSTAINING TOURISM TO TOURISM SUSTAINABILITY:
An analysis of the voluntary policy instruments for tourism sustainability used by the marine tour
operator sector in the Galapagos Islands.***

By Gabriel Alfredo Jaramillo Zamudio
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Submitted by:
Gabriel Jaramillo Zamudio
P.O. box 17079443
Quito - Ecuador
South America
gaboecse@yahoo.com

Supervisor:
Dr. Stefan Gössling
Department of Service Management
Lund University
P.O Box 882
25108 Helsingborg - Sweden
stefan.gossling@msm.lu.se

Abstract

The purpose of this study is to determine whether the efforts, in the form of the implementation of voluntary policy instruments, of different marine based tourism firms in Galapagos are working in a coordinated fashion towards the development of sustainable tourism. The results suggest that the use of voluntary policy instruments for tourism sustainability may be effective when they are implemented in conjunction with a well developed and functional framework synchronized with the efforts of the local government and NGO's. The study provides a pragmatic analysis of several voluntary policy instruments currently used to develop sustainable tourism and demonstrates that these policy instruments are not all equally suitable for use in the Galapagos Islands.

Keywords: Galapagos Islands, sustainable tourism, voluntary policy instruments

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List of Acronyms

ASOGAL: *Asociación Nacional de Empresas Turísticas en Galápagos* (National Association of Tourism Enterprises of Galapagos)
BEST: Business Enterprises for Sustainable Travel
CERES: Coalition for Environmentally Responsible Economies
C&D: *Conservación y Desarrollo* (Conservation & Development)
CAPTUR: *Cámara Provincial de Turismo de Pichincha* (Provincial Chamber of Tourism of Pichincha)
CAPTURGAL: *Cámara de turismo de Galápagos* (Galapagos Chamber of Tourism)
CDRS: Charles Darwin Research Station
DIGMER: *Dirección General de Marina Mercante* (Merchant Marine General Direction)
EMS: Environmental Management System
GCF: Galapagos Conservation Fund
GDP: Gross Domestic Product
GERGSL: General Enforcement Regulation for the Galapagos Special Law
GMR: Galapagos Marine Reserve
GNP: Galapagos National Park
GRI: Global Reporting Initiative
GSL: Galapagos Special Law
GTC: Galapagos conservation Trust
IGTOA: International Galapagos Tourism Operators Association
IMO: International Maritime Organization
INEC: *Instituto Nacional de Estadísticas y Censos* (National Institute for Statistics & Census)
INEFAN: *Instituto Ecuatoriano Forestal y de Áreas Naturales* (Ecuadorian Institute for Forestry and Natural Areas)
ISM: International Safety Management
ISO: International Organization for Standardization
MARPOL 73/78: International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978
NGO: Non Governmental Organization
RA: Rainforest Alliance
SICGAL: *Sistema de Inspección y Cuarentena de Galápagos* (Galapagos inspection and quarantine system)
SOLAS: International Convention for the Safety of Life at Sea
UN: United Nations
UNEP: United Nations Environmental Program
UNESCO: United Nations Educational, Scientific and Cultural Organization
WB: World Bank
WTO: World Tourism Organization
WTTC: World Travel and Tourism Council
WWF: World Wildlife Organization

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Chapter 1 Introduction

Organized tourism started in the Galapagos Islands in 1967. Since then this industry has experienced rapid growth that has been encouraged by most of the stakeholders involved, including government, NGO's, the local community, industry and customers. The support for this rapid growth is based on the belief that tourism is the activity that is most compatible with the conservation of the archipelago's biological diversity, evolutionary and ecological processes and environmental efforts (Mac Farland, 1998). Although this activity has been undertaken within a well-developed legal and institutional framework, it has also imposed increasing pressure on the archipelago's ecological systems (Ibid). The growing awareness of the tourism industry and increasing demands from concerned stakeholders, coupled with the potential benefits of sustainable practices and their marketing, has driven tour operators to go beyond regulatory policies by implementing voluntary policy instruments.

This trend is not unique to the Galapagos. In fact, worldwide, the tourism industry has developed more than 250 voluntary initiatives, including certification, ecolabeling, codes of conduct, sustainability reporting, awards and bench marking programs (Honey & Stewart, 2002). By using these initiatives, the tourism industry is trying to assure consumers that their services are provided in a more sensitive and sustainable fashion. Nonetheless, these initiatives are a focus of debate. Skeptics regard them as "greenwashing" maneuvers (e.g. Russell & Wallace, 2004) while others regard them more positively as tools to help stakeholders coordinate their sustainability efforts (e.g. Font, 2005). As a result of these discussions as well as the overwhelming variety of instruments, confusion arises both for the consumer who wishes to choose a sustainable holiday and for the tourism firms that want to improve their operation through the use of a voluntary policy instrument.

In order to promote sustainable tourism practices in Galapagos, the current tourism policies need to be studied and reviewed. This would help towards the planning of an appropriate sustainability agenda for this fragile and unique area of the world. It would also help the local industry in making informed choices. The present work contributes to this by studying one sector of the marine based tourism industry of the Galapagos Islands. This study investigates the sector's understanding of tourism sustainability and the functionality of the current voluntary policy instruments used by the sector.

1.1 Scope

The main assumption of this research is that the implementation of voluntary policy instruments for tourism sustainability by marine tour operators is a positive step towards the development of a more sustainable local tourism industry. Simultaneously, the study aims to assess how each voluntary instrument contributes to the improvement of the industry's practices to reach sustainability.

The research will focus on the implementation of voluntary policy instruments on a company level. Other instruments such as networking efforts and internal processes created and implemented by the tour operators are not considered in the scope of this research.

The research will focus on the voluntary policy instruments currently used by marine tour operators, the target group for this research is the members of the national association for tourism enterprises of Galapagos (ASOGAL) due to their heterogeneity in the size of their operations and the way in which they develop tourism and, at the same time, the homogeneity in the type of business they run which is marine tourism onboard vessels authorized by the GNP.

The location of the study was chosen because Galapagos is known worldwide as a highly attractive tourism destination while at the same time it is one of the most environmentally fragile locations on earth. This highlights the need for the tourism industry to ensure that stringent environmental, socioeconomic and cultural standards are maintained in order for destinations to continue to exist as they are now and into the future. This view is shared by academics, the tourism industry and NGO's in general (e.g. Spenceley; 2003, TOI; 2004, WWF; 2001).

Some impacts of tourism are related to the transportation of goods and people to and from destinations (intensive energy use). Even though these impacts also contribute to the continuous global detriment of the environment (Gössling, 2002), they are outside the scope of this research. However, social, environmental and economic impacts at tourism destinations related to uncontrolled growth of tourism are addressed herein.

1.2 Objective

The primary objective of this research is to evaluate whether the independent efforts, in the form of voluntary policy instruments, of the different marine based tourism firms of Galapagos are working in a coordinated fashion towards the development of sustainable tourism.

The research is based on a pragmatic¹ analysis of the voluntary initiatives for tourism sustainability used by tourism operators who are members of the National Association of Tourism Enterprises of Galapagos (ASOGAL) as well as these operators' perceptions of tourism sustainability. The members of this association are not regarded in this study as "best practice" cases; rather they are viewed as examples of the "current practice" of the tourism industry in the area. Thus, the study does not claim to be a benchmarking exercise. Rather it aims to assess the contribution of different voluntary policy instruments to the local sustainable development agenda.

To achieve this objective the following research questions are explored:

- What is the perception of the tour operator sector in the Galapagos Islands about tourism sustainability?
- Which instruments for tourism sustainability are currently being used by tour operators in Galapagos?
- How useful are these instruments for the context of the Galapagos Islands?
- How coordinated are the efforts of the marine tour operators in implementing these instruments for tourism sustainability?

In the course of the research the following hypotheses will be evaluated:

- If there are large discrepancies between tourism firms in their perception of tourism sustainability, then their current individual efforts will be too disparate for the industry to effectively improve local sustainability.
- If the cost of implementing and operating the voluntary instrument(s) is too high for all the tour operators to afford it (equity), then the number of tour operators implementing the instrument(s) will be insufficient to create momentum for the instrument to have a positive impact on the local sustainability agenda.
- If the instrument(s) in question has not effectively helped the company to achieve their expected economic, environmental, and social objectives (effectiveness) within a reasonable timeframe, then the instrument(s) will not be used on an ongoing basis.
- If the instrument(s) is not perceived as good value for money -return in investment- (efficiency), then the instrument(s) will not be used in the long term.
- If the use of the instrument(s) is not accepted as valid and legitimate by the majority of the stakeholders (legitimacy), then the likelihood for it to contribute to the local sustainability agenda is very limited.

¹ Pragmatism or pragmatic way in presenting the epistemological approach of the research is to be understood as a mixture of quantitative and qualitative methods according to the guidelines of Creswell (2002).

- If the voluntary instrument(s) is not well integrated with other local initiatives for sustainability (integration), then the progress of the local sustainability agenda will be impeded.

1.3 Methodology and materials

In order to reach an understanding of the issues presented, three theoretical models were used. Firstly, the model by Hjalager (1996) in her work on innovation in tourism was utilized to break the common two side division of policy instruments -mandatory and voluntary - into three mechanisms that influence tourism activities; a) Market forces, b) Bureaucracies, and c) Clans. This allowed an analysis framed on a complementary approach rather than an antagonistic one. Secondly, the model used by Font (2005) in his work on sustainability standards was used to examine the performance of each voluntary policy instrument through five specific aspects; equity, effectiveness, efficiency, legitimacy and integration; these aspects are closely related to five of the six hypotheses presented. Finally, a model based on Budeanu (1999) is utilized to illustrate the steps taken to gain an understanding during the research process.

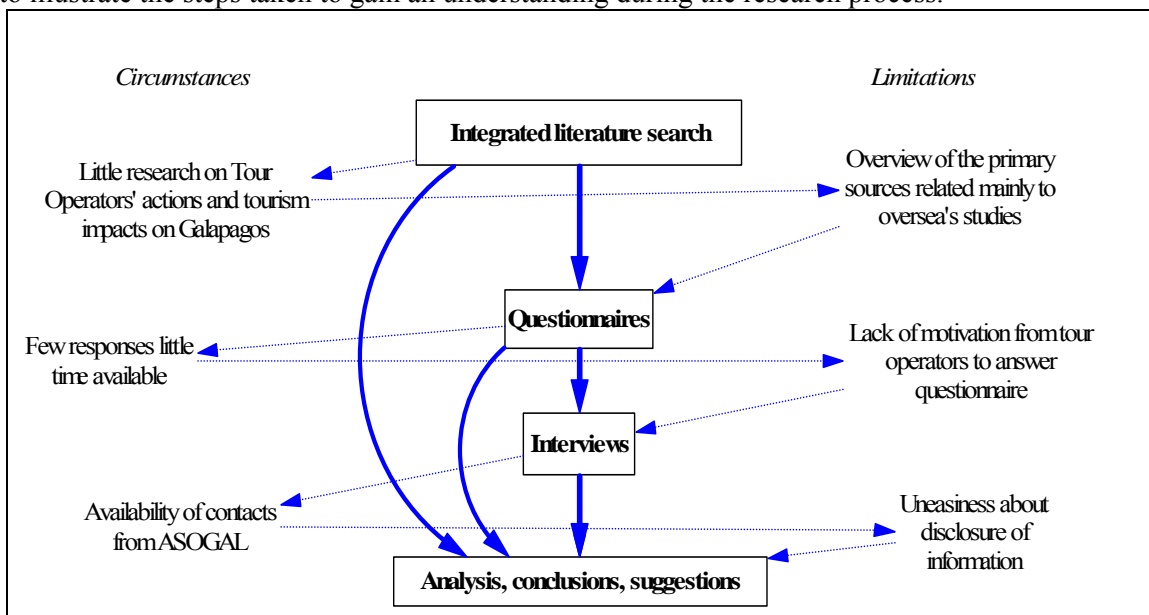


Figure1 Model of research methods (Adapted from Budeanu, 1999)

As seen in figure 1, the first step was to do an integrative literature review to frame the problem. This process included reviewing primary documentation as well as secondary bibliographical sources. An extensive review of internet based resources was also necessary since many relevant projects by non governmental organizations (NGO's), governmental organizations and news archives, especially in regards to Ecuador and Galapagos have their publications and statistics available only online. Although step 1 is placed at the top of the model it was actually a continuous effort throughout the process.

The second step consisted of designing a questionnaire in English (appendix 1) in order to obtain information about three issues. The first issue was an understanding and interpretation of sustainable tourism by the tour operators. The second was an understanding of the general state of the local sustainable tourism agenda. The third was an understanding of the performance of the policy instrument(s) for sustainable tourism used by each respondent. The third issue was also considered to be the principal tool to validate or discard the stated hypotheses. The questions were posed using both an open ended and close ended approach. There was the option for the respondent to add comments at the end of each question. The questionnaire was sent electronically to the members of the national association of tourism enterprises of Galapagos (ASOGAL). Due to several requests from respondents the questionnaire was subsequently translated into Spanish and sent again electronically.

Several reminders sent via internet and a number of phone calls were necessary to encourage the respondents to return the completed questionnaire. Finally a telephone interview with the director of ASOGAL as well as several communications with the respondents via internet took place.

The analysis and conclusion were done in a pragmatic framework using the results of the research process and the empirical understanding of the development of tourism in Galapagos obtained by the author during a year of work onboard one of the vessels that perform this activity in the archipelago.

1.4 Limitations

During the research the following limitations were encountered:

- To date, no studies have been done about the use and impact of voluntary tools for tourism sustainability in the Galapagos Islands.
- There is a lack of motivation to complete surveys by the tour operator sector in the Galapagos Islands and this delayed the compilation and analysis of empirical data.
- Many tourism companies in Galapagos have policies on non public disclosure of information which affected the quality of the responses obtained.

Chapter 2 Background

2.1 Tourism; Big Benefits, Big Burdens

Tourism is arguably the fastest growing industry in the world and is estimated that this trend will continue (WTTC, 2005). Organizations such as the World Bank and the World Tourism Organization promote this trend based on the neoclassical economic premise that the income generated by tourism should bring about prosperity by redistributing the wealth from developed to developing countries (Gössling, 2003).

When analyzed under the light of current economic indicators tourism accounts for the 10.6% of the world's GDP, employs 8.3% of the world population, with an expected growth rate of 4.6 % (WTTC, 2005); accordingly, in Ecuador tourism seems to have a strong influence in the economy accounting for 4.3% of the country's GDP and placed as the third source of foreign exchange revenue after oil and bananas with similar estimations to maintain a growing trend (CAPTUR, 2005).

These economic indicators support the idea that tourism is a valid alternative for development, especially for countries with attractive and unspoiled natural destinations. As a matter of fact, the WTTC and the WTO argue that tourism is a valid and indispensable tool for sustainable development;

“As one of the world's largest and fastest growing industries, Travel & Tourism is, and will continue to be, a significant source of growth and prosperity worldwide.

Travel & Tourism can help raise living standards and alleviate poverty in underdeveloped areas.

Travel & Tourism provides powerful market incentives to protect and preserve fragile eco-systems, endangered wildlife and unique cultural heritage.

As a primary medium of international exchange, Travel & Tourism brings people from diverse cultures together” (WTTC, 2004)

This leading paradigm clashes with the view of the scientific community which considers tourism to be the source of negative impacts that make this industry intrinsically unsustainable. These impacts can be categorized in twofold; global impacts, including global warming due to intense use of fossil fuels (Gössling, 2002), and local and regional impacts related to loss of biological and cultural diversity (EMPOST-NET, 2001).

Box 1 Negative impacts of Tourism at a local level (Adapted from Wurzinger, 2003)

- Impacts on geological exposures
- Impacts on soils
- Impacts on vegetation
- Impacts on animal life
- Impacts on water resources
- Impacts on sanitation
- Aesthetic impacts on the landscape
- Impacts on the culture

However, as will be analyzed in the next sections, tourism should be regarded as any other industry with the potential to bring about environmental, socioeconomic and cultural consequences, both negative and positive. Which one of these two types of consequences is more prevalent depends on the manner chosen to develop tourism. Thus, the need to bring the issue of sustainability to the fore, in the following section the concept of sustainable development as well as its implications for the tourism industry will be discussed.

2.2 Sustainable Tourism Development; analyzing the concept

The term “development” implies human and institutional changes to improve living conditions (Spenceley, 2003). However, these changes have been associated with global environmental and social degradation leading to the emergence of the concept of “sustainability” which, when related to the development debate, evolved to become “sustainable development” in the 1970’s (Ibid), clearly, the term “sustainable tourism” has its roots in this more general term implying the application of sustainable development principles to the tourism industry (Garrod & Fyall, 1998); therefore if we are to analyze tourism in the same level as other industries it is important to explore the background of the sustainable development phenomenon.

In 1972 the UN conference on Human Environment was held in Stockholm, at this conference important plans regarding the preservation and enhancement of the natural environment were produced setting the basis for the concept in discussion. In 1975 “Limits to Growth” was published by the club of Rome (Meadows, 1975), this report dealt with the characteristic of natural resources of being finite and the possibility of having an economic and environmental collapse around the 21st century once these resources were exhausted. Although the study proved to be wrong in the timing of its estimations and the magnitude of the catastrophe, the concept of living in a limited environment questioned the way development was taking place (Carter, 2001).

Twelve years later, in 1987, “Our Common Future”, better known as the Brundtland report, was published by the World Commission on Environment and Development, in this document sustainable development was conceptualized as “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*” (UNEP, 1987). Later on an agreement was reached to implement the concept of sustainable development on global and local levels as a target for the 21st century, hence the name “agenda 21”, this was achieved in the United Nations World Summits on Environment and Development held in Rio de Janeiro in 1992 and ten years later in 2002 in Johannesburg (UN; 1992, UN; 2002).

Even though the set of recommendations produced in Rio and Johannesburg were not addressed specifically to the tourism industry, they set the tone for the tourism industry to take proactive role in the sustainability agenda (Spenceley, 2003). In 1998 the World Conference on Sustainable Tourism was held in Lazarote in this conference a “Charter for Sustainable Tourism” was formulated, which, amongst other goals, established that tourism should be “*ecologically bearable, economically viable, and ethically and socially equitable for local communities*” (WTO-UNEP, 1998).

Many other efforts followed in the form of networks such as the Tour Operators Initiative for Sustainable Development launched on March 2000 (TOI, 2005), guidelines like the Global Codes of Ethics for Tourism (WTO, 1999) and reports like the agenda 21 for the Travel and Tourism Industry (WTO, 1996) in the later the term “tourism sustainability” was defined as:

“Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems”.(WTO, 1996)

This is the definition to be used in this study since it focuses on the need to manage the tourism activities in a responsible manner considering trans-generational issues while highlighting the three components of sustainable development, also called “the triple bottom line of sustainability” underlying the interdependency and balance that must exist between environment, culture-society, and economy in order to achieve a long term sustainable development (Toth, 2002).

The next section will provide an introduction to the area of study and the issues surrounding the development of tourism in Galapagos.

2.3 History of Tourism in Galapagos

This world famous archipelago started being visited centuries ago by pirates, whalers and a variety of travelers and adventurers who stopped there in search of freshwater, firewood and tortoise meat. One of these travelers was a young man with a passion for Biology who recognized the islands’ importance through the observations he made during a few weeks he spent on the islands onboard the HMS Beagle (Darwin, 1839). His name was Charles Darwin and his observations of the Archipelagos’ fauna inspired him to conceive some of the key ideas of a theory that changed the course of western scientific thought (Honey, 1999). In his theory of evolution, published in *On the Origin of Species by Means of Natural Selection* (1859), Darwin addressed two phenomena, first, the unusual docility of wildlife when natural predators are absent and second, the uniqueness of the islands’ species of animals, birds, and plants despite the similarity of geological, altitudinal and climatic characteristics between the archipelago’s islands (Ibid). These unique characteristics - along with the fact that about 95% of the reptiles, 50% of the birds, 42% of the land plants, 80 % of the insects, and 17% of the fish on the Galapagos live nowhere else in the world (Mac Farland & Cifuentes, 1996) - attract an increasing number of visitors to Galapagos every year.

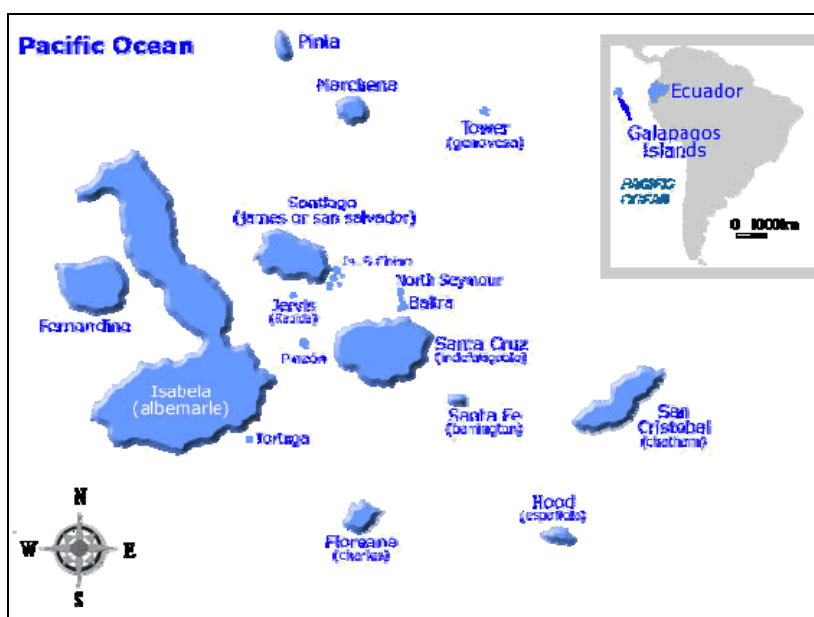


Figure 2 Map of the Galapagos Islands (Source: Galapagos Discover, 2005)

The Galapagos Archipelago is located in the Pacific Ocean about 1 000 km off the coast of Ecuador formed by 120 islands with a total land surface area of 7 651 km² of which only 3% is allocated for human settlements and the rest is protected area (UNESCO, 2001). Ecuador took official possession of the archipelago in 1832; later on in 1935 the so called “enchanted Islands” were designated as a wildlife sanctuary and in 1959 were officially declared National Park, starting to function actively as such in 1968, in the same year of the designation of the Galapagos national park (GNP) the Charles Darwin Research Station (CDRS) was created, from then on both institutions have worked together with other stakeholders in the planning and implementation of a management plan for the archipelago (Mac Farland, C. 1998).

The first official management plan of the GNP was issued in 1975 with revisions in 1984 and 1996. In 1986 the Marine Reserve was created, however active management did not start until 1996, the Galapagos Marine Reserve (GMR) is now considered the second largest in the world and covers about 133 000 km². In 1998 the Galapagos Special Law (GSL) was enacted providing the legal framework and the necessary autonomy for the national park to adopt an active role in conservation (UNESCO, 2001).

In an international level, the Galapagos Islands have gained significant recognition and support for conservation efforts. UNESCO’s International Convention on Natural World Heritage Sites declared Galapagos terrestrial area the first Natural World Heritage Site in 1978 this status was extended to the marine reserve in 1994 (Ibid). Likewise, under the Man and Biosphere Program Galapagos was declared as a Biosphere Reserve in 1984 (Ibid). Moreover, in 1990 the Ecuadorian government declared the inland waters of the archipelago an international whale sanctuary (GNP, 1998).

The relative remoteness of the islands made the access for tourism very difficult until the late 1960’s. Organized tourism was initiated previous close consultation with and collaboration from the Galapagos National Park and the Charles Darwin Research Station, thanks to this approach tourism gradually evolved in a well structured framework based on principles both for nature protection and tourism, see table 2 (Mac Farland, 1998). Since then the GNP regulates the different forms of tourism that take place in the archipelago, currently the most common way of tourism takes place onboard vessels, referred as floating hotels by the local people. This marine form of tourism must follow fixed itineraries established by the national park (GNP, 1998).

Due to the aforementioned management framework, Galapagos gained the reputation -often cited in the literature- as a model of sustainable tourism, for instance, Honey (1999) describes it as “*a beacon light on the road to sustainable and sound ecotourism*”.

Box 2 Protection strategy of nature & specific principles in relation to tourism (Source; CDRS, 2005)

Key Tenets of the Strategy for Protection of Nature	Specific Principles in Relation to Nature Tourism
<ul style="list-style-type: none"> • Maximum protection of biodiversity and ecosystems, both terrestrial and marine, because of their total interdependence • Preservation of evolutionary and ecological processes • Ensure a high quality educational experience for visitors • Recreational and educational opportunities for the local population 	<ul style="list-style-type: none"> • For every visitor site selected for visitation, ensure that there remain 3-4 similar sites not to be visited. • Concentrate impacts in fragile areas to protect the physical environment and vegetation (i.e. by the use of marked trails) • Zero tolerance for impacts on reproductive success of wildlife (also by marked trails with certain distances from breeding colonies maintained) • Impacts should be monitored, especially biophysical ones

However, a tourism boom that started in the middle 1980’s put to the test the effectiveness of this framework. The direct and indirect impacts of the increase in the flow of people into the islands fueled with political and economic interests has reached alarming proportions to the point of UNEP considering the inclusion of Galapagos in the endangered Natural World Heritage Site list (Bandarin, 2005).

In the following section both positive and negative impacts of tourism in Galapagos will be analyzed.

2.3.1 Tourism score card in the enchanted islands

Tourism has been addressed as the “double edged sword” (Honey & Stewart, 2002), this effect is particularly visible in Galapagos where tourism constitutes a very important, if not the most important, driving force of changes and development in the archipelago.

a. Economic pros and cons; This is the most obvious impact of tourism on the archipelago, the last census done by the National Institute of Census and Statistics (INEC, 2001) showed that two of every three economically active people of Galapagos are now employed either directly or indirectly in tourism-related activities, accordingly it showed that the living standards are higher in Galapagos than in most of continental Ecuador.

According to WWF (2003), the income generated in the period 2001 - 2002 by tourism activities in Galapagos reached USD 130 000000 of which USD 40 000000 remained in the local economy. Notwithstanding these impressive figures, the local population of Galapagos has a common opinion that little of the income generated by tourism enters the local economy, the main reason for this, they argue, is the fact that most of the tourism in Galapagos takes place onboard vessels which avoid spending much time in the inhabited islands and thus restrict the spending impulses of the visitors. This opinion is shared by Taylor *et al* (2003) who go as far as stating that “*spending of local conservation workers has a greater stimulating effect on the Galapagos economy than spending by tourists*”. However, even though the debate about the destiny of the income generated by tourism is unlikely to settle in a near future, the local population from Galapagos continues to be supportive of tourism; this is demonstrated by the result of a survey of WWF (2003) which showed that 80.5% of the Galapagos population “strongly agrees” or “agrees” that tourism is a beneficial activity.

In Addition to the regular spending of tourists in the islands, the direct economic contribution of visitors to charities and conservation funds (during or post tourism experience) facilitate a variety of social and conservation projects that range from environmental education to the breeding and repatriation of endemic species, for example, in the year 2000 guests of Lindbland Expeditions (the first company to operate in an organized manner in the Galapagos) donated more than half million dollars to the Galapagos Conservation Fund (GCF) which almost matched the annual budget assigned to the PNG (BEST, 2005).

Tourism has also influenced in the flourishing of other industries that provide products and services to the tourism industry as well as to the growing population of the inhabited islands (i.e. agricultural and fishing sector, grocery and supplies shops, mechanic workshops, etc.).

However, these positive impacts have come hand by hand with a wave of immigration of people from the mainland in search of better living standards and job opportunities creating a “tourism-income-population growth spiral” (Taylor *et al*, 2003), the supply of jobs from the new comers (in many cases unqualified) has always been higher than the demand from the tourism industry, the newcomers are left with little alternatives and usually turn to extractive activities which are not compatible with conservation.

b. Environmental pros and cons; Most of the environmental-conservation benefits of tourism can be related to philanthropic attitudes of both tour operators and visitors, however that is not the only benefit derived from the tourism activity in the archipelago, for instance, the national park lack of infrastructure and mobility to monitor the terrestrial and marine reserves is compensated with the logistic help of tourism vessels and the licensed naturalist guides working onboard these vessels who act as representatives of the park not only providing information to the tourists but also reporting infractions, making natural history observations and conducting monitoring (Mac Farland, 1998).

Another important benefit to consider is that knowledge about the Galapagos Islands and the challenges they are facing is rapidly growing due to the fact that visitors are both a recipient and a channel for environmental awareness thanks to the interpretation provided by guides and the variety of interpretation facilities usually available onboard vessels and in inhabited islands (IGTOA, 2005).

However, there are serious challenges for Galapagos that are being exacerbated by the side effects of the tourism activity, for example, introduced species from the mainland constitute one of the major risks for the equilibrium of the Galapagos ecosystem and human mobility to the islands through marine and air transportation has increased this risk considerably (Mac Farland & Cifuentes, 1996). As a matter of fact, human beings themselves are an invasive species therefore an increasing pressure to the ecosystem; this is evidenced in the increasing scarcity of potable water, over fishing and illegal fishing, the difficulty to manage solid and liquid wastes, erosion of trails, etc (Ibid).

c. Social pros and cons; obviously the social aspect is inseparable from the environmental and economic ones and therefore benefits and negative impacts are closely related to what was mentioned above.

However, immigration and illegal fishing deserve special attention in regard to social issues because of their potential negative consequences; these two phenomena are a byproduct of the economic boom triggered by tourism. The fishing community in Galapagos is divided in two sectors; newer immigrants (majority) who are aligned with international fishing interest and are pushing for political autonomy - in many instances through sabotage and violence against property, people, and endangered species - and, long term residents of Galapagos who have traditionally relied on artisanal fishing and are aligned with park officers, resident scientists, tourism operators and other conservation committed stakeholders (Honey, 1999). Response to the pressure of these interests from the GNP has been less energetic than expected, largely due to the lack of governance in the organization - there have been 11 directors in the past 2 years - and the decision of the central government to downsize and cut down by 50% the budget of the GNP (Bandarin, 2005).

The local government as well as the industry has responded to the challenges listed above since they became evident in the early 1980's. The following chapter will explore the suit of policy instruments used for this purpose in Galapagos.

Chapter 3 Policy Instruments for Tourism Sustainability: Efforts to Bridge the Gap

“[Efforts of] ecotourism concessions and NGO's obviously provide a compliment to park management they should not, however, supersede or replace park administrators, rangers, and interpreters as those responsible for the management of protected areas. There is no substitute for the long term security, ecological and egalitarian management of protected areas than national and state systems” (Wallace; 1992, as cited in Honey; 1999)

The most common way of classifying the policy instruments in the literature are mandatory and voluntary (e.g. Rivera 2004, Honey & Steward 2002), this division addresses the obligation of the industry to implement a policy instrument imposed by national or local legislation or, on the other hand, go further by implementing voluntary policy instruments which implies going beyond legislation (Font & Harris, 2004). Despite the practicality of this approach, this way of classifying the policy instruments will be expanded on the model of Hjalager (1996) who groups the policy instruments into three mechanisms (market forces, bureaucracies and clans), this approach allows a better appreciation of the nature of the different forms of policy instruments, especially those that are non voluntary and play an important role in the way tourism is developed in the Galapagos Islands. While those instruments that are voluntary -thus of special interest for this research- will be explored further on in chapter four.

Table 1 Policy control mechanisms for tourism sustainability (Adapted from Hjalager, 1996)

	Instrument	Objective	Examples for the tourism industry
Market Forces	Incentives	To influence industry behavior in advance to avoid future higher costs of remediation.	Subsidies, tax relieves or low-interest loans for sustainable investments.
	Taxes and pricing	To impose a value in a common good in order to regulate the demand.	Entrance fees to protected areas, licensing for specific activities.
	Penalties	To prevent the noncompliance of norms and regulations.	Fines for exceeding the permitted number of visitors in a site or fines for inadequate waste disposal.
	Negotiable licenses	To influence individual companies to reduce their emissions in order to sell their surplus quota (license) to other companies.	Number of tourists per year or quota of fuel per month.
Bureaucracies	Emission standards with supervision on compliance (Performance standards)	To control achievement of targets with relative liberty to choose the methods to do it.	Reduction of solid waste by 15%.
	Compulsory use of specific energy resources or specific technologies (Prescriptive standards)	To control the achievement of targets through specific prescription on how they should be achieved.	Use of biodiesel on all vessels as opposed to bunker or use of four stroke engines as opposed to two stroke ones.
	Zoning: for industry, inhabitants and visitors	To Limit the use of resources according to environmental objectives.	Restriction of visiting sites or limits to agricultural frontier.
	Maintenance & creation of attractive natural resources	To Increase the resource potential by maintaining it and facilitating usage while keeping vulnerable areas protected.	Maintenance of access to beaches, coastal cleaning programs or restricted seasonal access to tidal pools.
	Provision of physical infrastructure	To integrate urban-infrastructure development and planning with strategies for protection.	Marinas or roads.
	Provision of interpretative/educative infrastructure	To influence behavior of local people and tourists.	Interpretation centers or museums.
Clans	Networks, associations	To gain momentum in order to address industry and stake holder's concerns	WTTC, WTO, Tour operator charter for sustainability, ASOGAL.
	Awards, ecolabeling, sustainability reporting	To gain recognition from stakeholders for sustainability performance, expected market value	British Airways "tourism for tomorrow" award, Green Globe 21, Global Reporting Initiative, Smart Voyager.
	Proactive administration, implementation of standards	Facilitate achievement of objectives as well as the measurement of conformance through widely used voluntary standards	ISO standards, Environmental Management Systems.

3.1 Market forces

Despite of what the name of this mechanism might lead to think, the manner in which it works is far from Adam Smith's "invisible hand of the market", quite the opposite, the specific intervention of the government is required in order for it to function. Market forces, also called market based instruments, aim to prevent market failure caused by overexploitation of resources; to achieve this, the cost of usage of public goods such as air, land, water, etc., usually regarded by the industry as externalities, are internalized into the price of a good or service (Carter, 2003). Harris (2002) states that this mechanism is particularly suitable for cases

where private or social property is poorly defined, thus appropriate for tourism destinations which tend to undergo the well known “tragedy of the commons” (Hardin, 1968).

In Galapagos the instruments used by this mechanism are well represented and take an important role in the sustainability agenda.

a. Taxes and pricing; International visitors pay an airfare of \$343 for a round-trip from Quito or Guayaquil and then pay an entrance fee to the national park which is set at \$100; this contrasts with the fares applied to national visitors which are \$191 for the airfare and \$ 6 for the national park entrance fee (GNP, 2005).

The entrance fee previously subsidized the rest of the Ecuadorian national park system, however since the creation of the Special Law of Galapagos in 1998 the entrance fee is channeled to the administration and development of the Galapagos national park in the following way; Galapagos national park service 40%, municipalities of Galapagos 20%, Galapagos provincial council 10%, Galapagos national institute 10%, Galapagos marine reserve 5%, quarantine system 5% and national navy 5%; the remaining 5% is assigned to the ministry of environmental affairs (PNG, 1998). Therefore the income generated by entrance fees is of primal importance to many stakeholders and probably a factor why a ceiling on the maximum number of tourist per year has not been set.

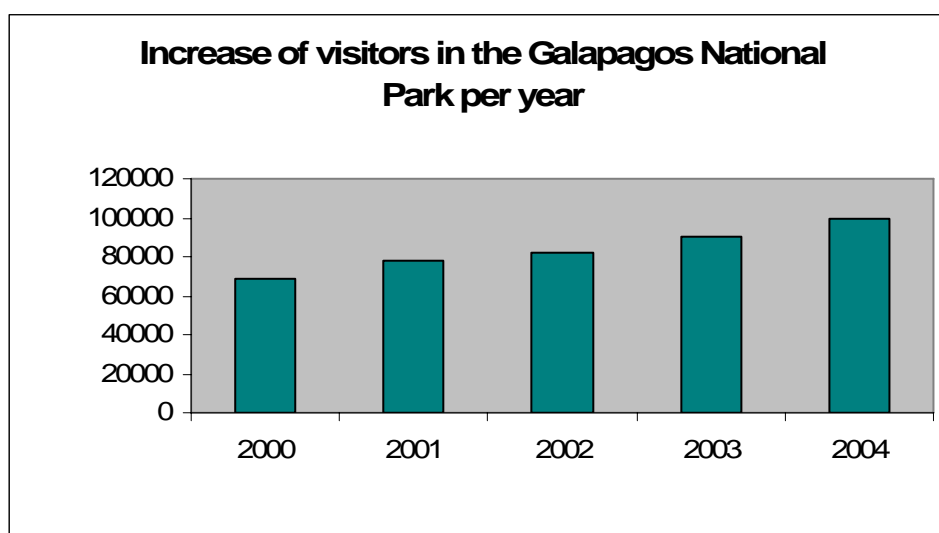


Figure 3 Numbers of visitors in the Galapagos Islands per year (sources GCT 2005 & IGTOA 2005)

Another important instrument that falls in the category of taxes and pricing is the licensing system for marine based tour operators, the process to obtain the license entails two steps, first an authorization to use the areas designed for both land and maritime tourism activities, this authorization is to be obtained from INEFAN (Ecuadorian Institute for Forestry and Natural Areas) and second, a permit to operate vessels in the archipelago is to be obtained from DIGMER (Merchant Marine General Direction), this license is not transferable other than to residents of the Galapagos province.

The license for navigational tourism is coupled with an annual permit fee which is set in three levels according to the number of passengers a vessel is authorized to carry, the quality of service offered and the type of itinerary (Mac Farland, 1998), as can be appreciated in table 2.

Table 2 Annual permit criteria (Source: Ibid)

Level A	\$250/year x number passenger spaces
Level B	\$200/year x number passenger spaces
Level C	\$150/year x number passenger spaces

Although this system is somehow functional it is not free from tribulations due to lack of coordination between these institutions, for example, cases have been observed where INEFAN is forced to

grant authorization to operators that have previously managed to obtain the permit from DIGMER (Ibid). The system could be more coherent in its sustainability goals if INEFAN would be the only entity responsible for issuing permits to perform tourism activities in the Galapagos Islands since it is an active stakeholder in the sustainability agenda of the archipelago while DIGMER could play a role monitoring maritime operational and safety standards to support the decisions of INEFAN.

Pricing is commonly used as a market force instrument in the islands; services and goods in Galapagos are about three times higher than those in the mainland mostly due to transportation costs. The production of energy and the mobility of tourism vessels are highly dependent of fossil fuels imported from the mainland. According to the Ecuadorian policy of parity, the cost of transportation of fuels should be absorbed by the government; however, this benefit is given to all industries and sectors in Galapagos except for the tourism industry (Salvador; 2005, personal communication²).

Other examples of high prices in Galapagos are common, for instance, the scarcity of potable water leads to the import of bottled water and the production of desalinated water through very intensive energy consuming processes; it goes without saying that this has an effect on the cost of the vital liquid. Similarly, the management of solid and liquid wastes is costly and difficult due to factors such as geographical features, ecological fragility of the ecosystem, and lack of proper technology. Despite the voluntary efforts of the tourism industry such as internal fees for collection and transportation of used oil to the mainland to be reused, and, regulatory efforts of the authorities such as bans on the import of canned beverages, an optimal volume of waste³ is yet to be achieved, driving the local government to follow the example of the tourism industry by implementing fees for collection, recycling and transportation of sorted wastes to the continent (Ibid).

b. Negotiable quotas; This policy instrument is not applied in the tourism industry of Galapagos. According Salvador (2005, personal communication), this fact limits tourism inflow to the National Park System; he argues that the main controlling factor is that the system is based on the supply side and not on the demand side. In effect, each marine tour operator has a maximum passenger limit per tour established by the authority, this limit is seldom reached due to various factors, for example, seasonal tourism trends, mandatory maintenance periods for tourism vessels, etc. In spite of this fact, environmentalists argue that the system to control tourism inflow based on the supply side lacks validity since the current supply already exceeds by far the carrying capacity of the archipelago (Honey, 1999). Therefore, it is argued that negotiable quotas or a ceiling in number of visitors could be a viable policy instrument to control the inflow of visitors.

c. Penalties; The framework for penalties related to the tourism industry is clearly defined in two documents, the GSL (1998) and the General Enforcement Regulation for the Galapagos Special Law (2000). The law entail three levels of penalties according to the severity of the infraction, the **first level** addresses mainly illegal fishing practices, however it also covers a more general spectrum which can be applied to unsustainable tourism practices, the sanction for this level involves a prison sentence of three months to three years and a fine equivalent to two thousand minimum vital wages⁴ for whoever “*invade the heritage site area and who collect, move or carry without authorization, or hunt, sell, transform or destroy in whole or part native, endemic, vulnerable or endangered organisms*”(Ibid; art. 68). The **second level** addresses pollution, transport of biota and geological material to and from the park system, and the illegal concession of licenses for tourism and fishing during moratorium periods, the sanction for these forms of infraction involves a prison sentence of one month up to one year and a fine of ten to one thousand minimum vital wages (Ibid; art. 69).

The former two levels of penalties imply the enforcement of the Criminal Procedure Code notwithstanding the application of administrative actions and sanctions (Ibid; art. 70), these administrative actions or sanctions imply one or several of the following penalties according to article 71 (Ibid);

² Salvador, A. Director of ASOGAL. Telephone interview realized November 1, 2005.

³ Optimal volume of waste or optimal pollution level is to be understood as the level of pollution that leads to a balance between marginal social benefits with marginal social costs as stated in Harris (2002)

⁴ The referential minimum vital wage applied by law for penalty purposes is set at USD 4 as for August 2005. However, the actual minimum vital wage set by labor legislation is USD 150 as for August 2005 (ILDIS, 2005)

“confiscation of the product and the tools used to commit the infraction, a fine and the temporary suspension of the authorization, permit, license, patent or other administrative instrument”.

The **third level** addresses the aforementioned administrative actions and sanctions, the monetary results of their application are invested by the Galapagos National Park in control activities, pursuant to the regulations (Ibid; art. 70). These administrative actions and sanctions are specified in the General Enforcement Regulation which is, similarly, set in three levels according to the gravity of the infraction. The first level, **very grave infractions**, deals with the concealment of required information and the obstruction of inspection efforts as well as the relapse of a infraction considered as “grave” while the second level, **grave infractions**, deals with the initiation of projects of any sort without compliance of the required environmental impact assessment, the noncompliance of orders of suspension, closure or any counteracting measures dictated by the authority, incurring in any sort of activity not considered a criminal act but which is explicit in the Galapagos Special Law or the correspondent enforcement regulations, and, the relapse of an infraction considered as “minor”. Finally, the third level, **minor infractions**, deals with infractions which do not have major repercussions for the environment or the society (GERGSL, 2000; art.102 and 103). The sanctions set for these three levels are summarized in table 3.

Table 3 Sanctions (Source: Ibid, Art.104)

	Pecuniary Sanctions	Non pecuniary Sanctions
Very Grave Infractions	Fine from 500 to 1000 minimum vital wages	Confiscation of the product and the tools used to commit the infraction Temporary suspension, for a maximum of 2 years, of the administrative instrument by which any right or benefit is granted
Grave Infractions	Fine from 100 to 500 minimum vital wages	Confiscation of the product and the tools used to commit the infraction Temporary suspension, for a maximum of 6 months, of the administrative instrument by which any right or benefit is granted
Minor Infractions	Fine from 10 to 100 minimum vital wages	None

As can be appreciated, the legal framework for penalties is well developed, however its enforcement has much to be desired. Although clear cases of transgression of the law by tourism activities are scarce in the literature they are existent and some of them show poor enforcement of the law, an event that took place recently provides a good example, the mayor of San Cristobal Island organized an international sports fishing tournament that took place in February 2005 with authorization from the National Park Service in spite that neither exists a technical study approved that can serve concerning management decision in sports fishing nor a regulation that control this activity -therefore still an illegal activity- (GCT, 2005). This evidences the ineffectiveness of this instrument when weakened regulatory organisms are challenged by strong economical or political interests.

Apart from this, attempts to enforce the law against illegal fishing (i.e. shark fins and off season sea cucumber fishing) resulted serious conflicts such as riots, closure of airports and many forms of violent actions, causing the lost of millions of dollars for the province and especially for the tourism industry (CDRS, 2000). In an attempt to manage this situation, two entities were created to obtain collaboration from the stakeholders in the process of planning and managing the marine reserve and thus encourage compliance with the regulations; first, a Participatory Management Board formed by artisanal fishermen, local naturalist guides and representatives of the Galapagos National Park, the Charles Darwin Research Station and the tourism sector and, second, the Inter-institutional Management Authority, an entity that comprises both government departments and primary stakeholder groups responsible, amongst other, of determining the

regulation of fishing activities (CDRS, 2004). This participatory approach, though not perfect yet, has reduced the conflicts and has achieved important successes such as an annual fisheries calendar with participatory monitoring (Ibid). In spite of this, no legal action was pursued against the people that committed infractions and acts of violence (GCT, 2004).

Another aspect to consider is the level in which the penalties are set, according to the literature this is of primal importance for this instrument to be effective (Harris, 2002). In other words, if the penalty is set too low, it might be more profitable for the offender to pay the penalty and continue the illicit activity than to cease it and obey the law.

All these arguments show that the instrument of penalties is to be applied with caution, considering the following aspects; participatory processes are crucial in their design and implementation in order to foster compliance, the authority responsible for imparting the penalties must remain impartial and free of external influences, and as it was mentioned above the level in which the penalty is set should be high enough to be effective.

d. Incentives; Regarding the instrument of incentives applicable for the tourism industry, it is addressed in the Galapagos Special Law (1980) and should, in theory, work through the following mechanisms, first incentives to productive and conservation activities (including tourism) through preferential loans or guarantees with interest rates and conditions more favorable than those in the marketplace (Ibid, art. 64), second, deduction of any sum invested on training programs for permanent residents of Galapagos from the amount to be declared monthly as value-Added tax (Ibid, art. 65), and third, deduction from the assessable income of those donations in favor of environmental sanitation purposes (Ibid, art. 67). However, even if the incentives are well established in the law they are actually not applied due to the financial crisis that started just after the Galapagos Special Law was issued⁵ (Salvador; 2005, personal communication) and still continues to hinder development in every sector of the Ecuadorian economy. Thus, suggesting that this instrument is only applicable when a stable financial system is existent.

3.2 Bureaucracies

This mechanism refers to the organization of administrative execution and enforcement of legal policies. This type of social organization is characterized by rigid procedures, hierarchical structure and well defined division of responsibilities and is commonly operated by a large number of officials. (Oxford, 2003). The concept of bureaucracy usually has a negative connotation as *“the perversion of means and ends so that means become ends in themselves”* (Wikipedia, 2005) suggesting that if left uncontrolled, bureaucracies can become self-serving and corrupt.

According to Hjalager (1996), this mechanism has two aims in the tourism context, first, to control and regulate the behavior of visitors, the residents and the industry through legislation and second, the provision of the necessary infrastructure for a sustainable development of tourism. Additionally, the aim and responsibility to act as coordinator and mediator between stakeholders belonging to different sectors was identified as a primal aim of bureaucracies in the Galapagos context.

a. Mandatory standards; The mechanism of bureaucracy is embedded in the Galapagos Special Law (1998), which is executed through different bureaucracy instruments, for instance, compulsory prescriptive standards are applied regarding the introduction and transportation between islands of exogenous organisms. A strict control is performed to all cargo arriving to the archipelago as well as to the luggage of every visitor, the institution in charge of executing this standard is the Galapagos inspection and quarantine system (SICGAL) which was established in 2000 (SESA-SICGAL, 2004). As can be expected, the increasing number of visitors and cargo arriving to the archipelago using maritime and aerial transportation constitute a challenge to the effectiveness of this system.

⁵ In 1998 the Ecuadorian financial and banking system collapsed leading to the closure of several private banks, the freezing of all bank accounts and funds to avoid massive capital leakage and eventually to the change of the national currency “sucre” to American dollars.

Ecuador has ratified several international conventions that have an influence in the way marine tourism operates. These agreements are enforced through mandatory certification and audit systems; the most relevant conventions for the context of Galapagos are MARPOL 73/78, which is the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes (IMO, 2005), and, the International Convention for the Safety of Life at Sea (SOLAS) which was adopted in 1914. Since 1974 several amendments added extra chapters to SOLAS including International Safety Management (ISM) (Ibid) which is also relevant for Galapagos. The Government of Ecuador requires the compliance of these conventions and their regulations for any vessel that carries passengers in Galapagos, the criteria to apply these regulations is based on the number of passengers that the vessel can carry and/or its size.

b. Zoning; In order to limit the use of resources and protect and preserve the ecosystem, a zoning system was established in the management plan of both the terrestrial and marine areas. The zoning plan of the terrestrial area comprises six zones⁶ depending on the level of human impact and is divided as follows; **absolute protected zone**, a pristine area where only activities such as scientific investigation are permitted, **primitive zone**, where introduced organisms may or may not be present and activities such as scientific investigation, training and educational work are allowed, **special use zone**, a considerably altered zone where activities such as extraction of mineral resources, construction and controlled recreational activities are permitted, **visitors' use zone**, not a very altered area where introduced organisms may or may not be present but that contain representative signs of the native biodiversity and can support visits, usually places of natural interest where recreational or guided activities are permitted under the framework described in the section of market forces, **port zone**, these zones are destined for activities in the ports and recreational activities, and **rural and urban zone**, this is where the agricultural and urban centers are located and activities are supposed to be monitored in order to minimize the impacts on the ecosystem (PNG, 1996).

The responsibility of onsite enforcement of the visitors system lay on naturalist guides who are licensed by the national park. The law requires that for every 16 visitors to extensive and intensive zones there must be one guide. In order to maintain vigilance over tourist behavior, as well as to provide accurate information about the area (GNP, 1998).

The guides licensing system is based on a three level qualification depending on the education background of the naturalist guides; therefore if a guide holds a university degree on natural sciences he/she would attain the level III while a guide with basic primary education would attain the level I, resulting in a variable yet identifiable quality of interpretation. Since the Galapagos Special Law was enacted two conditions for obtaining and keeping the license have been implemented, first the natural guide positions are to be filled exclusively by permanent residents of the archipelago and second in order to keep the license a guide must spend at least 120 days of the year actively working in Galapagos (Mac Farland, 1998).

Despite the functionality of this plan had in the past, certain signs of strain suggest the need for its revision, for instance the visitor zone shows signs of overuse of some sites while other sites are underused, and overexploitation of resources for construction materials is evident (Ibid).

According to the management plan of the marine reserve (GNP, 1999) the marine area comprises three main zones with six subzones and is divided as follows; **zone of multiple use**, in this zone all activities allowed and regulated in the marine reserve management plan are allowed including fishing, tourism, scientific work, conservation, sailing, etc., **zone of limited use**, in this zone the activities allowed in the zone of multiple use are subject to certain restrictions delimited by four subzones; the **subzone of comparison and protection** where activities to ensure the sustainability of the marine reserve take place (i.e. testing areas, measurements of human impacts), the **subzone of conservation and non extractive usage** where the main non extractive use allowed is aquatic tourism but where conservation and education also take place, the **subzone of conservation, extractive and non extractive usage** where activities such as artisanal fishery, tourism, education and military maneuvers are permitted close to the coast under additional park control,

⁶ There were originally seven zones, however the marine zone was replaced by the management plan for the marine reserve which have it's own zoning system

and, **especial temporary (subzone) management areas**, which are to be authorized for experimental activities, environmental sanitation, etc., **zone for seaport usage**, in this zone all usage mentioned in the zone of multiple use can be modified according to environmental and social needs which might not necessarily be contemplated in the management plan. Additionally, each zone can adhere temporary subzones in order to control, allow or limit certain activities and can be classified in twofold; **temporary subzone for experimental purposes** with especial emphasis on fishing resources and **temporary subzone for recovery** to be established when signs of deterioration of physical damage are evident (i.e. pollution, hurricanes, overexploitation of resources, etc.).

Although both zoning systems are subject to revision from a participatory stakeholder commission (GNP, Artisan Fisheries Directorate, CAPTURGAL, CDRS), they have not been able to function properly due to inter-institutional conflicts in the commission, pressure from certain economic sectors and weak governance of the national park embedded in national and regional political interests, that have led to the constant change of the directorate of the institution leaving the national park headless for a period of two years (Bandarin, 2005) thus preventing this institution from having a continuity in their sustainability effort.

c. Provision of infrastructure, maintenance & creation of attractive natural resources; Regarding the maintenance and creation of attractive natural resources, authorities in Galapagos have done an exemplary job; for instance, the trails used for tourism are regularly maintained and monitored while attractive natural recreational areas have been adapted for the use of local population since 1994 (Mac Farland & Cifuentes, 1996). Similarly, the provision of interpretative and educative infrastructure is evident after 20 years of involvement of local people in environmental education programs and the creation of interpretation centers and research stations in the inhabited islands (Ibid). However, these achievements contrast with the poor provision of physical infrastructure and services for the local population, according to Mac Farland & Cifuentes (Ibid).

“[Galapagos] municipalities are not capable of providing adequate potable water, electricity, sewage, solid waste and land use/zoning services, nor to produce and enforce proper urbanization plans and policies. National and regional institutions have failed to accomplish their objectives in Galapagos because of lack of clear development and conservation policies, deficient technical capacity and, in some cases, lack of funding”

Similarly, Jaramillo, an artisanal fishermen resident of Isabela Island claims, *“How can they expect us to support tourism and conservation when they invest more resources studying iguanas than providing decent health services for the inhabitants of Isabela, that kind of attitudes give us a sense of abandonment”* (Personal communication⁷, 2003). The lack of balance between policies of conservation and development of infrastructure for the growing human population evidences a weakness in the social-cultural aspect of sustainability and triggers feelings of rejection and resentment against conservation efforts.

The experiences aforementioned show that even though bureaucratic efforts delivered positive results during the 1970's and 1980's in the implementation of a framework for the development of sustainable tourism they somehow lost direction when the system became more complex and political and economic interests gained momentum. Additionally, the fact that local bureaucracies depended on political decisions made by a government that is going through political, economic and social instability begs the question on how and when Galapagos' bureaucracies will regain credibility and authority in carrying out their statutory mandate and bring sustainability to the archipelago.

3.3 Clans

This mechanism, also addressed as partnerships or networks, refers to the voluntary accord between firms to form or act as a body to accomplish something (Hjalager, 1996). In the context of tourism this mechanism is efficient in creating a momentum to address the concerns of the industry and the stakeholders while harmonizing an otherwise extremely fragmented and diverse industry (Fadeeva, 2004).

⁷ Personal communication with Jaramillo C. Member of *Cooperativa de Pesca Artesanal 'Horizontes' de Isabela* [Isabela Artisan Association of fishermen “Horizontes”]

According to Tepelus (2000), these associations can be formed at different levels; **sectoral**, which address the interests of a particular sector of the industry (i.e. shipbuilder association of Galapagos, national naturalist guides association, etc.), **destination organizations**, which address the interests of a specific tourism destination (i.e. chamber of tourism of Galapagos, the national association of tourism enterprises of Galapagos, etc.), and, **tourism organizations**, which transcend boundaries in order to address issues concerning the industry as a whole (i.e. world tourism organization, world travel and tourism council, etc.).

The following section will analyze in detail the different policy instruments for tourism sustainability applied by members of a particular **destination organization** of the Galapagos Islands. The reason why the instruments used by this mechanism will be explored in a different section is because they are intrinsically voluntary approaches and therefore of especial interest for this research. However, before moving on, it is important to conclude this section by saying that the three mechanisms discussed in this chapter (market forces, bureaucracies and clans) are not regarded in this study as incompatible, on the contrary, it is argued that orchestrated actions between them are crucial to move the tourism sustainability agenda forward, as Middleton (1993, as cited by Hjalager; 1996) stated, “*Environmental considerations are far too important to be left to self regulation. It is as naive as relying solely on government intervention*”.

Chapter 4 Voluntary Policy Instruments for Tourism Sustainability: The Industry Approach

Voluntary policy instruments are an alternative for the tourism industry to go beyond mandatory regulation which suggests the implementation of best practices (Font, 2005). According to Rivera (2002), the main promoters and developers of these instruments are industry associations, NGO's and governmental organizations (less often consultancies and private ventures) and they can be grouped in three different categories depending on the level of governmental involvement; **public or governmental voluntary programs**, which aim to promote beyond compliance from the industry in aspects related to environmental performance, **bilateral programs** based on negotiated agreements between governments and the industry which have similar objectives than the former but entail a more participatory approach, and finally, **unilateral programs or initiatives**, established by industry associations or third-party organizations which involve environmental performance and in some cases socio-cultural and economic performance as well.

In the last years, these voluntary policy instruments have become buzzwords in the tourism industry, considered by their supporters as a potential mechanism to; reduce costs through environmentally sound technologies and processes, increase market share among environmentally conscious customers, and, provide an active response to environmentally and socially concerned stakeholders (Honey & Stewart, 2002). On the other hand, critics argue that the implementation of voluntary policy instruments is nothing more than an industry greenwash which aims to; disguise poor environmental performance, hinder mandatory regulations or reduce their severity and hamper the entry level for new competitors (Ibid).

In the following lines the set of tools of voluntary policy instruments available to the tourism industry in Galapagos together with an assessment of their implementation will be presented.

4.1 Certification & Ecolabeling

According to Honey & Stewart (Ibid), certification refers to “*the procedure of assessing, monitoring and giving written assurance that a business product, process, service, or management system conforms to specific standards*”; this process is usually coupled with a label or emblem once compliance is achieved⁸.

⁸ Although some programs award ecolabels on the basis of improvement commitment (e.g. Green Globe 21)

This is perhaps the most common and oldest policy instrument in discussion; it can be traced back as far as 1800 B.C., back then a certification scheme for construction materials called the code of Hammurabi was functional (Toth, 2002). When applied to the tourism industry certification can be traced back to the beginning of the twentieth century when industry associations launched certification programs that measured quality, costs, health, hygiene, and safety (Ibid). In the early 1980's tourism certification evolved to measure environmental performance and more recently social, cultural, and economic aspects are being increasingly included into these schemes (Honey & Stewart, 2002).

The process of certifying is also known as conformity assessment which, according to Toth (2002), includes the following six components:

1. **Standards**, according to Font (2005), “*standards are documents that establish a basis, example or principle for firms to conform to, linked to uniform units of measurement*”. The initial step of conformity assessment requires the identification of industry relevant standards that can be achieved the industry. Standards can be either **prescriptive**, which describe “how” an objective must be accomplished, usually through a generic environmental management system (the outcome is not tested as long as the prescribed process was followed), or **performance based**, which describe “what” is the objective to be achieved through benchmarks but allows freedom for the industry to choose the process to achieve it, however, there must be a mechanism in place to prove that the objective has been achieved. Certification schemes can utilize either one of them or a combination of both (Toth, 2002).
2. **Assessment** refers to the process of determining whether a firm meets all the requirements of a specified standard. Assessments can be performed in three different ways; **first party assessment**, also referred as self assessment, in which a subject of certification declares his/her own conformance, **second party assessment**, in which the assessment is performed by the certifying body, and **third party assessment**, which is a carried out by a third independent party (Ibid). Clearly, the latest is considered the most reliable, yet more expensive, mechanism.
3. **Certification** is the process of providing documented assurance that a product, process, service or management system conforms to a standard (Honey & Stewart, 2002). The documentation can take the form of a certificate, a label, a register (i.e. public archives, internet), or a combination of them. The certificate may be awarded on the basis of a fail-pass criterion or on a grading system with commitment to improve (Toth, 2002).
4. **Accreditation** is the process for certifying the certifiers which is often performed by the developers of the standards (ISO, 2005).
5. **Recognition** is the designation of competence to an accreditation program by a government or prominent NGO (Honey & Stewart, 2002).
6. **Acceptance**, more than a process, is the objective of certification to enable those dealing with the sector to make decisions with confidence. This concept deals with credibility and reputation of the certified firm, the certifying body and the accreditation body (Toth, 2002).

In Galapagos two types of voluntary certification programs are used by the marine tour operators; one is ISO 14001, therefore of generic and prescriptive nature and optionally awarded by internationally recognized certifying bodies present in Ecuador (e.g. Det Norske Veritas). The other one is an environmental and social certification program based on an hybrid approach of locally relevant performance benchmarks with a strong influence of prescriptive ISO 14001 standards, this certificate is awarded by an association of two NGO's; the U.S. based Rainforest Alliance (RA) and the Ecuador based Conservation and Development (C&D).

4.1.1 Smart Voyager



As mentioned above, this certification program, which was officially launched in the year 2000, was designed by an international partnership of two NGO's and under close consultancy with relevant stake holders of the Galapagos (scientists, conservation experts and tour operators). A green seal (ecolabel) is awarded to individual vessels -not companies- that meet a set of environmental and social standards.

Box 3 General guidelines of Smart Voyager (Source; C&D, 2001)

1. Company Policy: The company must have a management policy that includes compliance with national legislation and international agreements as well as Smart Voyager standards.
2. Conservation of Natural Ecosystems: The tourist operation must support and promote conservation of the Galapagos National Park and the Marine Reserve.
3. Reduction of Negative Environmental Impacts: The tourist operation must prevent or mitigate and compensate for any environmental damage done to the Galapagos Islands and Marine Reserve.
4. Lowering the Risk of Introduction and Dispersal of Exotic Species: The tourist operation must prevent the introduction of species from the continent to the islands and the dispersal of species between islands.
5. Just and Proper Treatment of Workers: The tourist operation must elevate the socioeconomic welfare and quality of life of the workers and their families.
6. Employee Training: All personnel involved with the tourist operation must receive environmental education and training.
7. Community Relations and Local Welfare: The company must make a commitment to the welfare and socioeconomic development of the Galapagos Islands community.
8. Strict Control of Use, Supply, and Storage of Materials: Boat operators must plan and control the consumption, supply, and storage of materials, taking into consideration the well-being of tourists, workers, local communities, and conservation of natural ecosystems.
9. Integrated Waste Management: Boats must follow a waste-management plan, including reduction, reuse, recycling, and adequate final treatment and disposal of all wastes.
10. Commitment on the Part of the Tourists: Tourists must be guided in their involvement in protecting natural resources and local cultures, tread lightly, and collaborate with the island conservation programs.
11. Safety Recommendations: Foster compliance with the minimal requirements to promote the safety of all involved individuals.
12. Planning and Monitoring: Tourism operations must be planned, monitored, and evaluated, taking into consideration technical, economic, social and environmental factors.

The conformity assessment of Smart Voyager follows the same steps described above, starting with a written application form the potential firm (vessel) to be certified, followed by a preliminary second party audit to allow the company to do the necessary investments and changes to comply with the guidelines, then, after a period of time a complete second party audit is performed by an C&D auditor with occasional participation of a RA auditor. The results of the audit are presented to a certification committee conformed by external specialists and representatives of RA and C&D who did not participate in the auditing process (Stewart, 2002). Finally, those applicants that fulfill 80% of a 380 item criteria evaluation and that provide a

⁹ Source, Rainforest Alliance (2005)

written commitment to improve their operation in a yearly basis are awarded the Smart Voyager certification and ecolabel. The process is followed up with a yearly audit with the possibility of impromptu audits (Ibid).

The fact that the standards and guidelines utilized by Smart Voyager were designed to address the specific issues surrounding the development of tourism in Galapagos, gained the recognition of prominent organizations such as UNESCO, the Ministry of Tourism of Ecuador and even the support of the Galapagos national park (UNESCO, 2001). However, general acceptance, in the form of a critical number of marine tour operators demanding to be certified and clients (i.e. travel agents) demanding tourism packages with Smart Voyager certification, has not been achieved (Steward, 2002).

The high costs involved in the implementation and operation of Smart Voyager constitute a problem both for potential participants who cannot afford it and for the economic self sustainability of the program itself. Despite the continuous fundraising efforts of C&D and RA to help small and medium size marine tour operators to be certified a critical number of participants has not been achieved leading to insufficient financial resources coming from certification fees and a dependency on the results of fundraising efforts. Similarly, the fact that Smart Voyager has not opted for ISO accreditation is attributed to financial constraints (Ibid).

The future of this certification program is still unpredictable since it is still a fairly new instrument in a highly complex setting; it appears that the existence of Smart Voyager depends on two factors; a) the ability of C&D to recruit more participants and become economically self-sufficient and b) the effectiveness of the program to deliver results to the industry such as market differentiation and significant eco-savings. Whatever future awaits this instrument, it must be recognized that Smart Voyager played (and continues to play) an important role as the spear head to bring to the fore important issues related to environmental and social standards in the tourism industry in Galapagos.

4.1.2 EMS & ISO 14001 Certification

Environmental Management System (EMS) refers to a company's structure for managing its processes or activities, to meet the organization's objectives including the minimization of impacts to the environment, satisfying the customer's quality requirements, complying with regulations while allowing the company to achieve continual improvement of its environmental performance (ISO, 2005). The cornerstone of any EMS is based on the concepts of continual improvement and regulatory compliance.

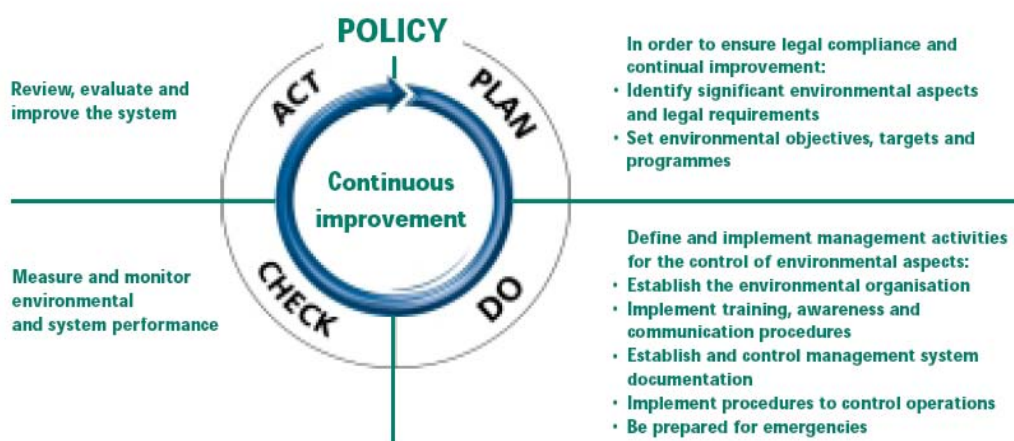


Figure 4 General guidelines for an EMS (DNV, 2005)

ISO 14001, is the ISO normative or framework for EMS, it was created in 1996 and revised in 2004 and is currently implemented by more than 634000 organizations in 152 countries being recognized as an international state of the art model for implementing and operating an EMS (ISO, 2005).

The ISO 14001 normative has the following characteristics:

1. Is generic, meaning it can be applied to any organization regardless of size, sectoral activity, and whether is private or governmental. Furthermore, the scope of the normative is totally up to the discretion of the organization, thus it can be applied to the whole company or to a particular part of it.
2. Is of prescriptive nature, concerning only about company's processes, and not products or services. Assuming that the way in which the organization manages its processes affects the final product.
3. Certification is **not** compulsory, meaning that an organization can voluntarily implement the ISO 14001 standard and decide if it wants to be audited -or not- to verify if it conforms to the standard. According to ISO (2005), this is a decision a company should make on purely business grounds, considering aspects such as market trends, and client and regulatory requirements.
4. ISO, does not award a logo or ecolabel to the companies, certified or not, that pursue the ISO 14001 normative.

If a company decides to certify their ISO 14001 EMS; some aspects must be considered. For instance, the different certifying bodies available in the market and their experience in the business sector, their reputation and if they are accredited or not (DNV, 2005). The process of conformity assessment follows the steps described above, once the process is completed, the registration of the company's EMS in ISO is mandatory, this registration guarantees the validity of the company's EMS for a period of three years (ISO, 2005).

The fact that ISO standards are internationally recognized constitutes a market advantage for the company that implements this instrument, however, critics of EMS and ISO 14001, argue that the generic characteristics of this instrument make it too broad to accurately measure impacts of such a varied range of activities, similarly they argue that it's lack of social and economic standards is a major draw back and that the costs implied in setting the system and operating it make it prohibitively for small and medium firms, finally, they argue that reliance on prescriptive standards make this instrument insufficient to guarantee sustainable practices since the only think that it ensures is the implementation of an EMS and compliance with national and local regulations, thus the bar is not raised (Honey & Stewart, 2002).

4.2 Codes of conduct

Codes of Conduct are non-legislated guidelines that an organization or a group of organizations agree to follow, it usually outlines standards which compliance can be expected, but not assured, when dealing with a company that is subscribed to the code (Coastlearn, 2005).

This instrument was one of the first responses to the environmental and social concerns in relation to the impacts of tourism (Forsyth, 1996). According to Mock & O'Neil (2005) there are three different categories of codes related to tourism; **tourist codes**, which basically tell the visitor how to take an active role in protecting the environment and respecting the host community by behaving in an environmentally and socially sound manner, **host community codes**, which address the cultural norms of the community, the way the economic development of the host community is planned (usually dealing with the role of local people in tourism development), and the conservation of their local environment, and **tourism industry codes**, which are developed by governments, destination and industry associations, and occasionally by independent tourism companies. Two of the most influential codes for the industry have been developed by the WTO (1999) and the WWF (1996).

Box 4 WWF ten principles for Arctic Tourism (1996)

1. Make Tourism and Conservation Compatible
2. Support the Preservation of Wilderness and Biodiversity
3. Use Natural Resources in a Sustainable Way
4. Minimize Consumption, Waste and Pollution
5. Respect Local Cultures
6. Respect Historic and Scientific Sites
7. Arctic Communities Should Benefit from Tourism
8. Trained Staff Are the Key to Responsible Tourism
9. Make Your Trip an Opportunity to Learn About the Arctic
10. Follow Safety Rules

Codes of conduct provide principles that are sufficiently general for any type of tourism operation to adopt, they estate irrefutable preconditions to perform tourism in a sustainable manner, however, they lack technicality to guide the adherent(s) step by step on the process of trying to achieve sustainability (Garrod & Fyall, 1998). Similarly, the lack of mechanisms to measure performance and achievement of the principles lead to question the legitimacy of this instrument, for instance Honey (1999) claims that “*Codes such as this have no teeth but allow an organization to claim great sensitivity and responsibility*”.

In the case of Galapagos, the most common type of codes of conduct are the ones addressed to visitors, which in fact, provide fairly good results as they address issues in which the visitor has direct influence (in addition to being continuously monitored and reminded by a naturalist guide). Marine tour operators usually adhere to the codes implemented by the associations or network to which they belong; for instance, ASOGAL has a set of corporative principles in which they address a variety of issues ranging from business integrity to environmental and social sound practices, similarly, it is not uncommon to find codes of ethics or codes of conduct adapted to a company and displayed on promotional material and web pages.

The evidence shows that the implementation of these codes and principles -despite their lack of technicality and measurement mechanisms- complements in a substantial manner other policy instruments for tourism sustainability.

4.3 Sustainability reporting

According to Tepelus (2000) sustainability reporting “*refers to the variety of techniques for communicating information and disclosing tour operator’s practices towards improvement of their environmental performance; minimization of the negative social and cultural impacts of their activities; together with insuring the long term economical viability for both tour operators and the host community at destinations*”.

This fairly new instrument is often mistaken with financial yearly reports to shareholders, or environmental reporting initiatives, however, as seen in the definition above, in encompasses a much wider aspect of reporting which has its roots in corporate governance, accountability and citizenship through a proactive communication approach based on quantitative and qualitative indicators of the company performance (GRI, 2005).

The first effort to develop a set of guidelines for sustainability reporting was done by a coalition of UNEP and CERES in 1997 which resulted in the first Global Reporting Initiative Set of Guidelines released in the year 2000 with a revised set published in the year 2002, in the same year a sector specific supplement for tour operators was published (Ibid). The following benefits of implementing sustainability are reporting were identified the in the GRI guidelines:

- Can help to communicate an organization's economic, environmental, and social opportunities and challenges in a more coordinated and efficient way than simply responding to stakeholder information requests
- A valuable tool for the company's internal management processes by linking discrete and insular functions of the organization while fostering internal dialogue.
- The process of preparing a sustainability report serves as a warning tool for potential trouble spots as well as potential opportunities therefore allowing the company to act accordingly well in advance.
- It helps highlighting the societal and ecological contributions and impacts of the organization and the "sustainability value proposition" of its products and services
- It is important, however, to keep in mind that reporting is not designed to replace management systems, codes of conduct or performance standards.

In a few words, sustainability reporting aims to increase transparency and build trust on an organization while improving internal processes and performance given that it encourages the company members to go through all the relevant economic, environmental and social aspects of their operation. However, it is necessary to proceed with caution when addressing this instrument, in fact several studies such as the one performed by Adams (2004) show discrepancies between what is displayed in reports and the results of independent audits to the same company. Thus, suggesting that reporting needs proper audit schemes and strict guidelines in order to be accountable.

In the case of Galapagos, proper sustainability reporting is seldom used although companies claim to do it; marine tour operators are, in fact, very reluctant to disclose their company's information. Even though the first steps towards sustainability reporting are being taken with actions such as claims of environmental and social sound practices posted in the internet and communication to stakeholders through newsletter and press releases, these efforts do not follow a structured framework and lack accountability. This can be explained by the fact that disclosure of information is not a common practice in the Ecuadorian business setting and providing a proper sustainability report is perceived as a risk more than an advantage. This is regrettable because there are good examples of "best practice" companies in the tourism industry in Galapagos and their reporting is the sort of evidence that the rest of the industry needs to share in order to move towards more sustainable practices.

This chapter analyzed the different policy instruments that are taking place in Galapagos as a response to the issues surrounding tourism sustainability, and presented their advantages and weaknesses. It is possible to point out that even if the voluntary policy instruments are still in their infancy in the context of Galapagos they are a positive step towards best practices, however, they have not reached a momentum as major drivers for sustainability. In this sense, it is necessary to ensure that bureaucratic and market mechanisms are functional enough to assure the protection of Galapagos until voluntary policy instrument reach the necessary maturity to foster sustainability in the tourism industry.

Chapter 5 Summary of findings

The main purpose of this research was to assess whether the independent efforts of different marine based tourism firms of Galapagos are working in a coordinated fashion towards the development of sustainable tourism. This chapter assesses the findings of the proposed issues through the literature review and the responses obtained from the questionnaire sent to marine tour operators in Galapagos.

The findings will be presented in the following way: a) criteria for selecting the target group and the response rate, b) criteria used in the elaboration of the questionnaire, c) performance of the voluntary policy instruments through aspects of equity, effectiveness, efficiency, legitimacy and integration, d) perception of tourism sustainability of the tour operator sector and level of coordination of their efforts towards a sustainable development of tourism in Galapagos.

5.1 Selection of target respondents and response rate

The members of ASOGAL were chosen to participate in this research due their homogeneity¹⁰ in the sense that they are all marine tour operators and due to their heterogeneity in the sense that they have different standards and practices in the development of their activities. ASOGAL has 12 full and 1 honorary member companies with one or more vessels operating in Galapagos, accounting for approximately 35% of the total authorized tourism vessels in the Islands. All of them subscribe to the principles of ASOGAL which include “*promoting an ethic, sustainable and quality tourism operation compatible with the unique natural characteristics of the province of Galapagos*” (ASOGAL, 2005). Of the 13 members of ASOGAL a total of 6 (accounting for 21% of the total authorized tourism vessels in Galapagos) answered the questionnaire; an additional response was obtained from the director of ASOGAL, however this answer was not considered for statistical purposes. In order to reach relevant conclusions, this low response rate was compensated with data collected from the information published in the web pages of the marine tour operators and the different associations related to this specific sector.

Table 4 Claims of compliance with voluntary policy instruments by respondents

Policy instrument	Number of respondents using the instrument
Smart Voyager	3
EMS / ISO 14001	4
Sustainability Reporting	3
Codes of conduct	5

5.2 Criteria used in the elaboration of the questionnaire

Three main issues were addressed in the questionnaire (see appendix 1); the first one addressed the understanding and interpretation of sustainable tourism by the tour operators, for this issue a set of three open ended questions was designed. The second issue addressed the general state of the local sustainable tourism agenda, for this issue a set of three closed ended questions dealing with the tour operator’s perception of the local impacts related to their activity (environment, society and economy) were designed, these questions had the possibility to add comments at the end of each one of them. The third issue had to do with the performance of the voluntary policy instruments for sustainable tourism used by each respondent; this was addressed through a set of eight close ended questions with the possibility to add comments at the end. These questions were framed using the following five specific aspects, based on the work about sustainability standards on the global economy by Font (2005):

- **Equity;** refers to the fairness of an instrument, which is considered as the ability of tourism firms to access the voluntary policy instrument. Three potential areas of inequity are; the cost of; application, implementation, and operation of a policy instrument.
- **Effectiveness;** is a measure of useful is an instrument in helping the user to achieve its objectives
- **Efficiency;** is a measure of how well an instrument uses the resources available, in other words it is a measure of perceived value for money of the policy instrument
- **Legitimacy & credibility;** refer to the acceptance of the instrument as a valid tool by the stakeholders involved
- **Integration;** refer to the extent up to which the instrument is coordinated with local, national and global sustainability agendas

These criteria recognize the complexity character of the instruments in discussion allowing an analysis of the perception of the marine tour operators about the functionality of the voluntary policy instruments implemented and not simply categorizing them as appropriate or inappropriate.

¹⁰ Other similar networks (IGTOA, CAPTURGAL) include other sectors present in the Galapagos tourism spectrum (i.e. travel agents, restaurants, bars, land hotels, etc.) which made them less appropriate for the purpose of this research

5.3 Voluntary policy instruments for tourism sustainability; summary of findings

5.3.1 Equity

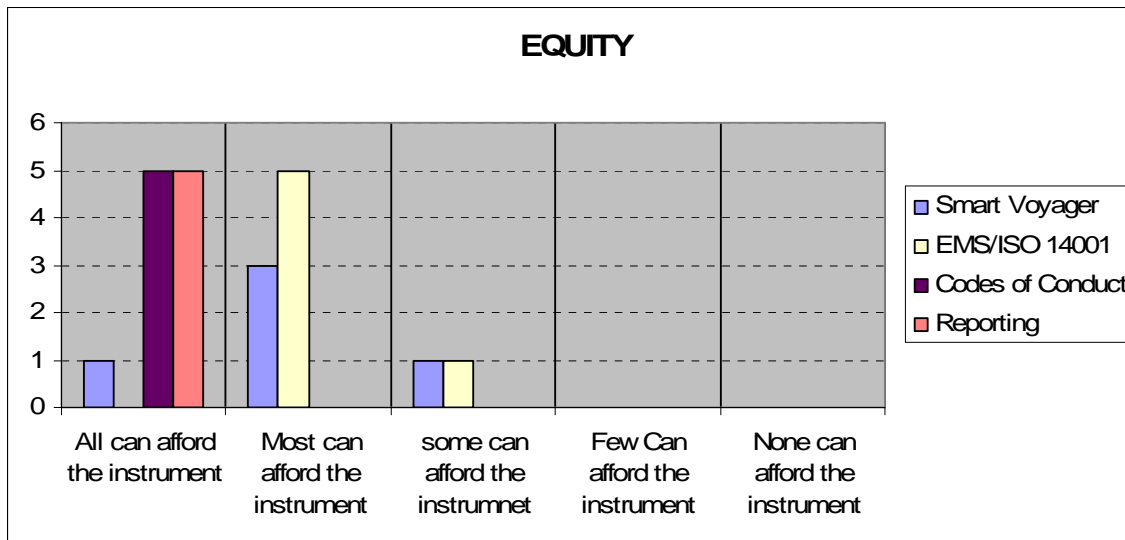


Figure 5 Equity

Sustainability reporting; all respondents but one (who did not answer this question) considered this policy instrument to be affordable by all the marine tour operators in Galapagos. However, as it was discussed before, the few reporting initiatives found were substantially incomplete (mainly focused on environmental and financial aspects) and lacked mechanisms of accountability, demonstrating that the implementation of this instrument in Galapagos is still in its infancy and therefore it is impossible to assess if the actual costs involved in implementing and operating sustainability reporting schemes (e.g. GRI) were considered by the respondents when answering the question.

Codes of conduct; the responses obtained for codes of conduct have the same trend as the ones obtained for sustainability reporting (see figure 5). However, the relative perceived low cost of implementing a code that has been already developed explain this perception of equitability, as all firms have the same potential to access this policy instrument.

EMS / ISO 14001; according to the results obtained, five of the respondents consider that most marine tour operators can afford this instrument while only one considers that “some marine operators can afford it”. It is argued that the rationale behind these results is that the ISO 14001 normative does not require certification. For instance, four of the respondents declared to be compliant with the ISO 14001 normative while only three marine tour operators in Galapagos are voluntarily wishing to be certified and are currently in the process of conformity assessment expecting to achieve the ISO 14001 certification by December 2005 (Peña, 2005¹¹, personal communication). Therefore, it is important to differentiate the costs of implementing an EMS based on the ISO 14001 normative from the costs of implementing a **certified** ISO 14001 EMS which involves the costs of conformity assessment as well as the costs involved in the implementation of the normative. This factor was not considered when developing the questionnaire, therefore it constitutes an impediment in the analysis of the outcome expected from this question.

Smart Voyager; the opinion of the respondents regarding the equity of this instrument is quite dispersed when compared to the other three instruments in discussion. Only one respondent considers that all marine tour operators can afford the instrument, three consider that most of them can afford it (the ones that have implemented it), one that only some can do it and none of them considers it to be unaffordable. The comments from the respondents as well as the evidence in the literature confirms that Smart Voyager is in fact the most costly instrument in discussion, however, this “inequitable” aspect is counteracted by the active fund raising efforts from C&D and RA to help small and medium sized tour operators to be certified

¹¹ Peña, P. Vice-president of Operations Metropolitan Touring C.A.

(Steward, 2003). According to the World Bank report on Smart Voyager (2003), these efforts have resulted in 6 certified vessels and, according to Ferro (2005¹², personal communication) 10 more are currently going through the process of conformity assessment.

5.3.2 Effectiveness

Effectiveness was not possible to assess through the questionnaire due to a misinterpretation of the questions that addressed this aspect (see questions 12 to 14; appendix 1). The aim of the questions was to obtain an understanding of the effectiveness of the “policy instrument” in question regarding economic, environmental and social objectives. Unfortunately, the respondents interpreted the question as the effectiveness of particular actions to achieve the aforementioned objectives. The result was a compilation of very valuable initiatives with their correspondent level of effectiveness, for example; four stroke engines are considered economically effective due to low fuel consumption and low maintenance costs, coordinated efforts to collect used oil has improved the environmental performance of many vessels while industry networking for this effort has resulted in an economically self-sustaining system, training programs are considered highly effective to attain social objectives, amongst other. However, the level of detail of these answers and the impossibility of assigning them to a specific instrument made them unsuitable for the purpose of this analysis.

5.3.3 Efficiency

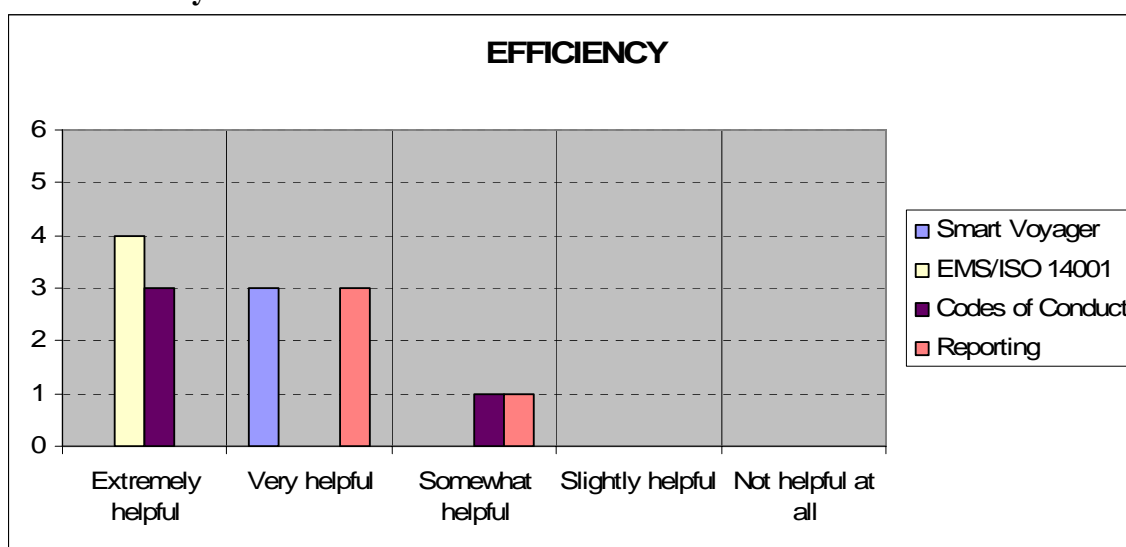


Figure 6 Efficiency

Sustainability Reporting; three respondents considered this instrument to be very helpful for the company to manage resources in an efficient way, while one considered it to be somewhat helpful. However, the review of the marine tour operator’s reporting initiatives through web pages and news letters showed the lack of monitoring tools to support these statements therefore making it impossible to assess the validity of the responses.

Codes of conduct; similarly, three respondents referred to codes of conduct as being extremely helpful for the company to manage economic, human and natural resources in an efficient way while only one respondent considered it to be somewhat helpful. Suggesting that the generality in which principles and guidelines are presented in codes of conduct might deliver effective results to marine tour operators in Galapagos.

EMS / ISO 14001; this policy instrument is regarded as extremely helpful by four of the respondents who constitute the 100% of the users of this policy instrument that participated in this survey. According to the comments of the respondents, the set of processes and clear procedures of the ISO 14001 normative allows a fairly straightforward implementation of the standards in the company’s EMS which delivers results in an effective manner (e.g. eco-savings). The value for money of this instrument appears to be regarded as very high when certification is not pursued by the company implementing it. The perception of value for

¹² Ferro, M. Director Conservacion y Desarrollo (Smart Voyager)

money after certification could not be assessed since, as was mentioned above, the only companies that have applied to be ISO 14001 certified in Galapagos are going through conformity assessment and are expected to obtain certification by December 2005 (Peña; 2005, personal communication).

Smart Voyager; all the users of Smart Voyager that participated in this survey agreed that it is a “very” helpful instrument for the company to manage the available resources in an efficient way. However, the reasons for not considering it to be “extremely” helpful were not provided. According to Font (2005) the fact that certification systems usually have low take-up and high start-up costs from NGOs indicate their inefficiency in the use of resources, evidenced, as it was already mentioned, by their lack of economic self sustainability. Nevertheless, the marine tour operator’s perception of value for money of Smart Voyager seems to be fairly positive, according to the World Bank report on Smart Voyager(2003), the benefits of this instrument are commercially advantageous enough to make the system self-supporting after these benefits are demonstrated. Additionally, the report addresses the results of the investment on small boat certification¹³ which according to the report has yielded significant return on investment in competitiveness of the industry and the protection of natural and human capital.

5.3.4 Legitimacy and credibility

The aspect of legitimacy and credibility of each individual policy instrument was not possible to assess through the questionnaire due to a misinterpretation of the question that addressed this aspect (see question 15, appendix 1). The aim of the question was to obtain an understanding of the perception of the relevant stakeholders about the company using a specific policy instrument(s); however, the respondents interpreted the question as the perception of the stakeholders about the implementation of voluntary policy instruments -in general- by the company. However, the responses permitted an analysis of the overall opinion of the stakeholders about voluntary initiatives.

According to the perception of the respondents, the majority of stakeholders consider the implementation of voluntary policy instruments somewhat positive or very positive (see figure 9). This trend in the responses is by no means surprising, as a matter of fact; the implementation of voluntary policy instruments is perceived as positive and is even actively encouraged by a variety of organizations and individuals ranging from the local scientific community to UNEP, demonstrating that voluntary policy instruments can indeed, be used as a tool to improve a company’s image. However, profit driven marine tour operators ought to consider that several studies (e.g. Font & Bendell; 2003, Medina, 2005) have demonstrated that this positive perception does not have an effect in an increased market share, understood as customers (travel agents or independent tourists) demanding products and services that use voluntary policy instruments for sustainability.

5.3.5 Integration

The question that addressed this aspect generated the most dispersed response. The comments provided by the respondents together with the evidence found in the literature suggests that this has to do with the lack of consensus in the tourism industry rather than with the capacity of integration of the different policy instruments in discussion.

¹³ This initiative was financially supported by the World Bank with an investment of less than USD 66000

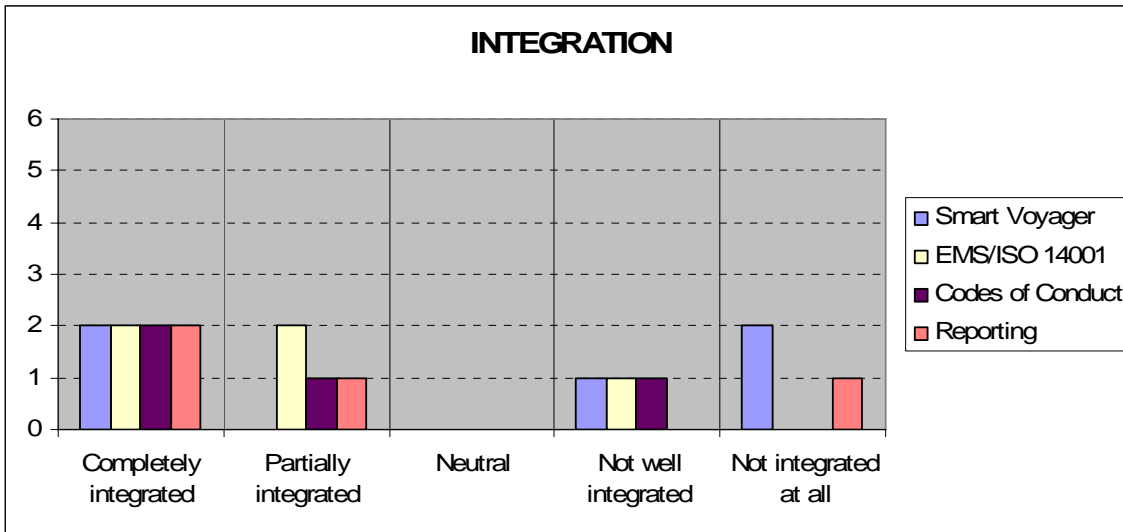


Figure 7 Integration

Reporting; two of the respondents considered this instrument to be completely integrated with other sustainability efforts, one considered it to be partially integrated and one not integrated at all. There were no comments to support the answers.

An assessment of the level of integration of this instrument is impossible given that, as it was mentioned before, sustainability reporting is not fully implemented by any of the marine tour operators that responded the questionnaire.

Codes of conduct; two respondents considered this instrument to be completely integrated with other sustainability efforts, one considered it to be partially integrated and one not well integrated. There were no comments to support the responses. However, the fact that this instrument is widely used by the industry and its associations as well as by other relevant stakeholders (e.g. NGO's) suggests that codes of conduct are well integrated with other sustainability efforts in the Galapagos setting.

EMS / ISO 14001; two respondents considered this instrument to be completely integrated, two considered it to be partially integrated (these are the four respondents that actually implement EMS/ISO 14001) and only one considers it to not be integrated at all. Two respondents commented on the good integration of this policy instrument with the government required MARPOL 73/78 and ISM standards, according to them, despite the fact that EMS/ISO 14001 does not provide a mechanism to operationalize this international convention, the general framework for the implementation of an EMS/ISO 14001 can be translated to some of the requirements of ISM and MARPOL 73/78 and vice versa. Other comments addressing the integration of this policy instrument were focused on comparisons with Smart Voyager, which suggests the preference of some companies for one policy instrument over the other due to the companies' own agendas. This evidences the lack of consensus within the tourism sector rather than the level of integration of the policy instruments themselves.

Smart Voyager; the perception of this instrument to be integrated with other sustainability efforts is quite dispersed, two respondents considered it to be completely integrated, one partially integrated (these are the three respondents that actually implement Smart Voyager) and two respondents consider it to not be integrated at all (these are the respondents advocating for ISO 14001 over Smart Voyager). The fact that this certification program was developed through a multistakeholder process and was tailor cut for the Galapagos setting, has granted it the support of the GNP and the Ministry of Environment as well as appraisal from UNESCO. This evidences the good level of integration of Smart Voyager with other sustainability efforts despite the particular preference of some marine operators to choose a different policy instrument over Smart Voyager.

5.4 Sustainable tourism development agenda; is it being managed in a coordinated way?

Summary of findings

In order to find out if the different marine tour operators were acting in a coordinated fashion to achieve tourism sustainability the following issues were addressed:

The concept of tourism sustainability

The results of the questionnaire showed that most the respondents' understanding of tourism sustainability is in fact orchestrated with the concept developed by the WTO (1996), with the exception of the aspect of intergenerational equity which was considered only by two respondents. Additionally, one respondent addressed this issue just as "not to exhaust the resources".

Awareness of the industry about impacts

In order to reach an understanding of this aspect a set of closed ended questions was developed separately addressing the three aspects of the bottom line of sustainability in a five point scale that rated the impact of the company from "significant improvement" to "significant deterioration" with the possibility to add comments at the end of each one of the three sections.

The manner in which all respondents addressed this set of questions was very similar, in the close ended part of the questions they ticked either the "significant improvement" or the "moderate improvement" boxes and in the section of comments they provided examples of how the impacts of tourism are counteracted by efforts of the company, delivering somehow a contradictory message of improvement of the environmental, economic and social aspects on one hand and acknowledging the negative impacts caused in those levels, and the actions to remediate them, on the other; suggesting that the marine tour operators are indeed aware of the consequences –both positive and negative- of their operations.

Factors supporting the development of sustainable tourism

The major factors supporting the development of sustainable tourism considered by the respondents were sorted in the following table for clarity purposes:

Box 5 Factors supporting tourism sustainability

- | |
|---|
| <ul style="list-style-type: none">• Care for the local community / Creation of jobs for residents of the islands• Care for the environment / Conservation initiatives• Awareness of impacts of the operation / Corporate responsibility• The existing legal framework & GNP regulations• Research and investigation• Environmental education• Inclusion of the fishing sector in the benefits of tourism• Customer demands |
|---|

Factors impeding the development of sustainable tourism

The major barriers that hinder the development of sustainable tourism considered by the respondents were sorted in the following table for clarity purposes:

Box 6 Factors impeding tourism sustainability

- Weak governance of GNP and Ministry of Environment
- Outdated laws and regulations
- Manipulation of technical decisions by political powers
- Manipulation of technical decisions by economic interests
- Lack of ceiling on number of tourists / Carrying capacity
- Industry's lack of know-how of sustainable practices
- Illegal fishing / pressure over marine resources
- Immigration
- Outdated technology used by the industry (e.g. types of fuel used by vessels, engines, etc.)
- Lack of local skilled workers
- Bad quality of public services (health, sanitation, etc.)

What can be done?

In order to gain an understanding of the perception of the tour operators about what lays ahead and the possible actions to correct the aforementioned issues, an open ended question was included in the questionnaire. Surprisingly, most of the marine tour operators seem to be driven towards a more stringent and effective regulatory framework as opposed to a voluntary one to achieve a sustainable development of tourism in the islands. The following aspects are repeatedly addressed in the responses;

- The need to create and update regulations for the tourism industry
- The need for the GNP to regain governance and legitimacy
- Full implementation of the Galapagos Special Law
- More rigorous control over illegal fishing activities and immigration
- Inclusion of the fishing sector in tourism industry activities
- Environmental education and mechanisms to spread environmental awareness both in the industry and the local population

In addition to these answers in which the respondents seem to agree, there are interesting suggestions such as making certification mandatory and the development of a code of conduct and ethics specific for the marine tour operator sector of Galapagos.

Chapter 6 Analysis

The analysis of the results will be presented in two sections in order to fulfill the stated objective of this research, the first section will address the questions of “Which instruments for tourism sustainability are currently being used by tour operators in Galapagos?” and “Useful are these instruments for the context of the Galapagos Islands?” while the second section will address the questions “What is the perception of the tour operator sector in the Galapagos Islands about tourism sustainability?” and “How coordinated are the efforts of the marine tour operators in implementing these instruments for tourism sustainability?”.

6.1 Voluntary instruments for tourism sustainability; Analysis of findings

The result of the survey, complemented with the information available in the tour operators and stakeholders' web pages, and the literature review, suggest that the voluntary policy instruments studied herein are not equally suitable for the Galapagos setting. Furthermore, it was found that the implementation of voluntary instruments is fairly new in the marine tour operator sector; therefore, qualifying the instruments as “appropriate” or “inappropriate” at this stage would not be adequate. Having said that, the following section will provide a separate analysis of each policy instrument in discussion:

Table 5 summarized analysis of voluntary policy instruments

	Equity	Effectiveness ¹⁴	Efficiency	Legitimacy	Integration
Smart Voyager	Most expensive – needs funding	Not possible to assess	Considered to be very helpful by compliant MTOs	Overall good	Literature suggests integration
EMS-ISO 14001 (non certified)	Not as expensive but only first party conformity assessment	Not possible to assess	Considered to be extremely helpful by compliant MTOs	Overall good	Literature suggests integration with global efforts
EMS-ISO 14001 (certified)	Expensive, expected to be as expensive as Smart Voyager. Few MTO are in the process of compliance assessment	Not possible to assess	Not possible to assess but expected to deliver good results by MTOs in the process of compliance assessment	Overall good	Not possible to assess
Sustainability Reporting	None of the respondents are fully compliant	Not possible to assess	None of the respondents are fully compliant	Overall good	None of the respondents are fully compliant
Codes of Conduct	Most affordable but less technical	Not possible to assess	Considered to be extremely helpful regarding tourist codes especially	Overall good	Good demonstrated by the wide usage of the instrument

Sustainability Reporting

Even though half of the marine tour operators surveyed claimed to be compliant with this instrument, the actual reporting initiatives of the tourism industry in Galapagos do not meet the necessary standards for considering this instrument to be fully implemented, this is attributed to the fact that companies do not perceive public disclosure of information as an advantage for their business, on the contrary, they consider it a risk.

However, during the course of the research best practices were found in the performance of some members of the tourism sector of Galapagos, these companies should consider sharing their experiences of particular areas of achievement and concern with the rest of the industry to accelerate the tourism sustainability agenda; they could do this by properly implementing sustainability reporting.

Codes of conduct

During the course of this research different sort of codes of conduct were encountered, the ones that seemed to be more effective were those addressed to visitors since they encourage an active role in conservation at the very moment visitors are having the “Galapagos experience”. The common use of codes of conduct by the tourism industry in Galapagos and the responses obtained in the survey suggest that codes

¹⁴ As was stated in chapter 5 the criterion of effectiveness was not possible to assess due to a misinterpretation of the question addressing this aspect.

of conduct constitute a rough but valid blueprint for marine tour operators to improve their environmental and social performance. However, it is argued that despite the level of guidance this instrument provides it is not enough to move the tourism sustainability agenda in a significant way, other well implemented policy instruments either voluntary or mandatory or a combination of both should be in place to assist the tour operators in meeting the triple bottom line of sustainability and assure compliance.

Additionally, specific codes for marine tourism in Galapagos were not encountered and the management plan for the marine reserve does not provide detailed guidelines for the sound development of this activity, therefore specialized codes of conduct and guidelines for marine tourism such as the ones developed by the tour operators initiative (TOI, 2003) and the META project (2001) could serve as reference for the development of sector specific codes of conduct in Galapagos.

EMS/ISO 14001

The results of the research suggest that the implementation of EMS based on ISO 14001 and its (optional) certification has certain drawbacks recognized by various authors; a) the fact that is a process-based system implies the assessment of a proper implementation of an EMS and not the outcome of the operator's actions (Synergy, 2000), b) the broadness of its generic nature leaves substantial gaps when trying to implement it in such a specific sector as the marine tourism (Steward, 2002), c) the fact that it only requires compliance with local and national regulation hinders the raising of the bar, especially in social and environmental aspects (Honey, 2002), d) the fact that certification is not compulsory weakens the legitimacy of this instrument (Ibid), d) the already high costs involved in implementing the instrument are considerably raised when a company decides to be certified (Ibid).

Despite the aforementioned constraints found in the literature, the responses from the marine tour operators surveyed suggest that EMS based on the ISO 14001 normative is suitable for the context of Galapagos since it helps them to achieve their objectives. The main argument to support this position is that the regulatory framework for the development of tourism in Galapagos is already very protective of nature and having to comply with it would secure meeting the necessary environmental objectives of the sustainability agenda (specially after the governmental requirement to comply with ISM and MARPOL 73/78), nevertheless, this line of argument does not fit when addressing social aspects since Ecuadorian labour legislation leaves much to be desired regarding salary levels, thus, having to comply only with these might not be enough to meet the social aspect of sustainability.

As a concluding remark, it can be said that the implementation of this instrument by the tour operators is indeed a step forward in the tourism sustainability agenda of Galapagos; however, as it was mentioned above, social aspects should receive special consideration when implementing it in order for the company to achieve the triple bottom line of sustainability.

Smart Voyager

The results of the research suggest that the implementation of this instrument can potentially deliver benefits for the specific context of Galapagos fostered by the following factors; a) multistakeholder development process during the design of the instrument, b) consideration of specific environmental and social challenges for Galapagos in the general guidelines and standards, c) combination of process and performance based standards designed for a highly specific tourism sector, d) recognition from well known organizations such as the WB and UNESCO (WB, 2003; RA, 2005; Steward, 2002).

On the other hand, issues related to the economic sustainability of Smart Voyager are of concern. According to Toth (2002), there are two crucial factors for a certification system to succeed, firstly to be created because of demands from major stakeholders, securing a marketplace for the instrument overtime (demand driven), and secondly, to be self-supporting and financially stable. None of these preconditions are met by Smart Voyager to date, although the system has been able to operate uninterruptedly since its creation and even has raised funds to help some small tour operators getting certified (WB, 2003) the continuity of its efforts rely on the fundraising capacity of C&D and RA and their ability to recruit more companies willing to be certified.

In addition to this, the high start up costs of compliance and the costs related to annual fees are considered prohibitive for the majority of small and medium size marine tour operators who cannot opt for certification despite their willingness to do so (Steward, 2002). Suggesting the existence of a demand for certification but also evidencing a lack of means to afford it. This challenge could be addressed by influential organizations overseeing Galapagos such as GNP, the Ecuadorian government, UNESCO, WB, RA, and WWF; coordinated efforts between prominent organizations can allow marine tour operators willing to be certified to afford doing so, thus, activating a positive cause and effect relationship to assure that Smart Voyager satisfies the -now dormant- demand and achieves financial self-sufficiency¹⁵.

6.2 Sustainable tourism development agenda; is it being managed in a coordinated way? Analysis of findings

The findings suggest that the understanding of the marine tour operator sector of Galapagos about sustainable tourism development is sufficiently coherent in order for them to agree on the principles to follow in an attempt to achieve sustainability in the industry. However, the question on **how** to put these concepts in practice remains blurred.

The difference in practices and strong advocacy for different policy instruments (e.g. ISO 14001 vs. Smart Voyager) encountered in a homogeneous group of marine tour operators members of ASOGAL suggests that the industry is not working on a coordinated way when addressing voluntary policy instruments for tourism sustainability. It is argued that networking for these initiatives would reduce costs and allow more companies to access these voluntary schemes while permitting progress assessment and performance comparison of the instrument(s) due to the use of the same standards and criteria in the industry. Furthermore, this process would facilitate benchmarking in the industry which in turn would help to raise the bar of the industry performance thus fostering tourism sustainability in the archipelago.

The responses suggest that the industry is well aware of the impacts of their operation on the environment, economy and society of the archipelago; this is demonstrated by the proactive attitude of the surveyed marine tour operators of implementing a suit of voluntary policy instruments to address these issues. However, even though there were signs of discrepancy amongst the respondents about the suit of voluntary policy instruments available, there was consensus on the need for a more stringent regulatory framework to develop tourism in a more sustainable manner.

According to the respondents, some of the factors that hinder the capacity of the authorities to carry out the necessary framework are:

- The weak governance of the GNP, worsened by continuous changes of the director of the park appears to be a very important, if not the most important, limit to move the local sustainability agenda forward.
- The management system of the national park lost effectiveness when pressures in the form of visitor numbers and immigration increased, the lack of flexibility of the system to adapt to the new pressures on one hand, and the lack of political decision to implement technical based regulations such as a limit for number of tourists per year (carrying capacity), on the other, has made this system obsolete to tackle the current challenges facing Galapagos.
- Even though the legal framework for the sustainable development of the archipelago is in place its full implementation is delayed for a series of exogenous factors such as a weak national financial system and general political unrest in the country.

These issues have called the attention of UNESCO that, in an attempt to influence the current situation, has recently addressed the Ecuadorian government with a set of requests including the full implementation of the Galapagos Special Law by 2007 and the restoration of the authority and legitimacy of the GNP (IGTOA, 2005).

¹⁵ This suggestion may appear naïve at first; however, the success of the pilot project to assess the applicability of Smart Voyager to small and medium marine tour operators financed by the World Bank proves its feasibility.

Evidence suggests that relying solely on voluntary policy instruments is not sufficient enough to move the tourism sustainability agenda forward, in order for these mechanisms to achieve the triple bottom line of sustainability a need for a solid regulatory framework coupled with a functional administration system is evident.

Conclusions

The Galapagos Islands' ecosystem has historically undergone a series of pressures (e.g. introduced species, and human impact) that have threatened the already fragile biodiversity of the archipelago; the tourism "boom" that started in the late 1980's contributed -in direct and indirect ways- to exacerbate these pressures. Even so, tourism is considered to be the most suitable economic activity to be developed in this unique area of the world.

The Galapagos marine tour operators' understanding about sustainable tourism development is rather consensual and in accordance with the concept developed by the WTO (1996), except for the aspect of intergenerational equity which was considered only by a minority of the participants of this research.

This study was able to identify the marine tour operators' efforts to achieve tourism sustainability by implementing voluntary policy instruments. However, it has also shown that these voluntary efforts are quite dispersed and uncoordinated despite the networking capacity of this sector when addressing voluntary initiatives (e.g. used oil collection). A consensual decision from the sector about the suit of instruments to adopt could reduce the costs of implementing and running these programs and, thanks to the use of similar standards, a comparable assessment of progress and performance could be possible.

Regarding the voluntary policy instruments currently used by the tour operators, the study found that;

- Sustainability reporting is not fully implemented despite claims from some of the actors to be compliant with this instrument. The public disclosure of information from "best practice" companies would foster the local sustainability agenda by serving as example of **how** to operationalize the concept of sustainable tourism.
- Codes of conduct addressed for visitors were found to be the most efficient type of codes currently used in the industry. A sector specific code of conduct for marine tourism is yet to be developed, guidelines such as the ones developed by TOI (2003) and the META project (2001) could serve as reference for Galapagos.
- ISO 14001 normative seems to be particularly appealing for many marine tour operators due to relatively low start up costs and good return in investment. However, the decision not to opt for certification when implementing this instrument constitutes a weakness in the sense that self assessment is not as accountable as a third party certification. The fact that this instrument requires only compliance with current legislation does not foster the raising of the bar regarding social and environmental aspects.
- The tailor cut characteristics of Smart Voyager seem to make it especially suitable for the marine tour operators and the Galapagos context; however the lack of market demand and economic self-sufficiency will likely compromise the success of this scheme in the long term.

The use of voluntary policy instruments is relatively new in the context of Galapagos; therefore this study aims to assist the local industry in making informed choices when planning to implement any of these instruments.

This study suggests that the possibility of voluntary instruments to prompt tourism sustainability is complemented and to a certain extent dependent on the existence of a functional regulatory framework. Thus, the need to revise the actual mechanisms of regulation -including bureaucracies and market forces- is crucial to come up with an appropriate framework that deals effectively with the current challenges of Galapagos and foster the success of voluntary initiatives.

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Web sites

- Asociación Nacional de Empresas Turísticas de Galápagos (ASOGAL): <http://www.asogal.com.ec/>
- International Galapagos Tour Operators Association (IGTOA): <http://www.igtoa.org>

Appendices

Appendix A. Questionnaire in English¹⁶

I am doing a survey about the use of voluntary instruments for assisting in tourism sustainability. The goals of this research are to gain knowledge about the different sustainability instruments used by the tourism industry and to determine best practices for tourism sustainability in the Galapagos Islands.

Your answers will be treated confidentially. Please complete the following questionnaire electronically and return it before September 26th 2005 to the following email address:

gabriel.jaramillo.667@student.lu.se

Thank you for your collaboration!

For questions and comments please contact:

Gabriel Jaramillo

+46-(0)705789501 (Mobile)

+46-(0)44219501 (Home)

General information

Please take a moment to tell me about yourself and your company.

1. What is the name of your company?
2. What is your name?
3. What is your position/title in the company?
4. In which country is your company legally registered?
5. How many years has your company operated in the Galapagos Islands?

Tourism Sustainability

Please answer the following questions.

6. In your opinion, what does "tourism sustainability" mean?

7. In your opinion, what are the major factors supporting the implementation of sustainable tourism practices in the Galapagos Islands?

8. In your opinion, what are the major barriers to implementing sustainable tourism practices in the Galapagos Islands?

9. In your opinion, what should be done to further promote sustainable tourism practices in the Galapagos Islands?

Voluntary Instruments

Please answer the following questions about sustainability instruments by choosing the statement that best reflects your company's experience.

10. Which of the following instruments that support tourism sustainability does your company use?
Please answer "Yes" to all instruments with which your company is fully compliant.

¹⁶ The space to answer the open ended questions has been reduced in order to better fit the space available for the thesis

Instrument	Fully compliant and used by your company	
	Yes	No
Ecolabel, i.e. Smart Voyager		
Environmental Management System, i.e. ISO 14001		
Sustainability reporting		
Sustainability policy / codes of conduct		
Other type of instruments (please specify)		

Please describe in a few words the reason why your company decided to use these particular instrument(s).

11. Can all the tourism companies in the Galapagos Islands afford the costs of implementing and operating the instrument in question?

Instrument	All can afford the instrument	Most can afford the instrument	Some can afford the instrument	Few can afford the instrument	None can afford the instrument
Ecolabel, i.e. Smart Voyager					
Environmental Management System, i.e. ISO 14001					
Sustainability reporting					
Sustainability policy / codes of conduct					
Other type of instruments (please specify)					

Comments:

For the following 4 questions, please specify which instruments you use and tick the box under the most appropriate answer for each.

12. How effective have the instrument(s) used by your company been in achieving their environmental objectives? (For example, the reduction of fresh water use.)

Instrument	Highly effective	Somewhat effective	No change	Somewhat ineffective	Highly ineffective

Comments:

13. How effective have the instrument(s) used by your company been in achieving their economic objectives? (For example, significant savings on operating costs.)

Instrument	Highly effective	Somewhat effective	No change	Somewhat ineffective	Highly ineffective

Comments:

14. How effective have the instrument(s) used by your company been in achieving their social objectives? (For example, the reduction of poverty in Galapagos Islands.)

Instrument	Highly effective	Somewhat effective	No change	Somewhat ineffective	Highly ineffective

Comments:

15. What perception do your stakeholders have (i.e. customers, NGO's, community, local government, etc.) about your company using these instrument(s)?

Instrument	Very positive perception	Somewhat positive perception	Neutral perception	Somewhat negative perception	Very negative perception

Comments:

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16. How have these instruments helped your company be more efficient in managing the following resources: economic (for example, time and money), human (for example, employees) and natural (for example, water and energy) resources?

Instrument	Extremely helpful	Very helpful	Somewhat helpful	Slightly helpful	Not helpful at all
Ecolabel, i.e. Smart Voyager					
Environmental Management System, i.e. ISO 14001					
Sustainability reporting					
Sustainability policy / codes of conduct					
Other type of instruments (please specify)					

Comments:

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17. There are many efforts, both regulatory and voluntary, currently in place to support sustainability in the Galapagos Islands. To what extent do you consider these instruments to be integrated with them?

Instrument	Completely integrated	Partially Integrated	Neutral	Not well integrated	Not integrated at all
Ecolabel, i.e. Smart Voyager					
Environmental Management System, i.e. ISO 14001					
Sustainability reporting					
Sustainability policy / codes of conduct					
Other type of instruments (please specify)					

Comments:

--

18. Which instruments do you consider to be the most useful for the context of the Galapagos Islands? Please rank them from 1 (most useful) to 5 (least useful)

Instrument	Ranking
Ecolabel, i.e. Smart Voyager	
Environmental Management System, i.e. ISO 14001	
Sustainability reporting	
Sustainability policy / codes of conduct	
Other instruments (please specify)	

Comments:

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19. In your opinion which **one** instrument would you consider to be the best overall tool to meet the goals of tourism sustainability in the Galapagos Islands? (**please choose one only**)

Instrument	Please mark your choice
Ecolabel, i.e. Smart Voyager	
Environmental Management System, i.e. ISO 14001	
Sustainability reporting	
Sustainability policy / codes of conduct	
Other instruments (please specify)	

Environmental, social and economic impacts

Please answer the following questions by ticking the box under the most appropriate answer below:

20. To what degree do you consider your company has an impact on the environment of the Galapagos Islands?

Significant improvement	Moderate improvement	No impact	Moderate deterioration	Significant deterioration
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

21. To what degree do you consider your company has an impact on the culture and society of the Galapagos Islands?

Significant improvement	Moderate improvement	No impact	Moderate deterioration	Significant deterioration
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

22. To what degree do you consider your company has an impact on the economy of Galapagos Islands?

Significant improvement	Moderate improvement	No impact	Moderate deterioration	Significant deterioration
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Please feel free to add any additional comments about sustainability instruments and best practices for sustainable tourism in Galapagos Islands.

Thank you!

If you wish to receive information about the results of this research project, please indicate your interest by ticking “yes” on the box below and providing an email address.

Yes

Please send results to the following email address: