



# Conditions that Facilitate the Emergence and Success of Ecotourism: The Case of Costa Rica

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## Abstract

With an extensive history of environmental policies and protections, Costa Rica has become an environmental leader to the rest of the world. Most administrations in Costa Rica have environmental issues on their agendas, which demonstrates the country's commitment to environmental conservation and protection. These efforts can be observed in their transition from traditional forms of tourism to what's known as ecotourism. This form of tourism has been gaining a lot of international interest, and there is a debate on whether it is beneficial as a sustainable development model. This paper will take a step back and address the question of what are the necessary conditions for ecotourism to emerge successfully in the first place. By using Costa Rica as an example, the paper concludes that strong government support; general and local environmental awareness and education; proper management, operational capacities, and institutions; and effective involvement and communication of the local communities; are all conditions that facilitated the emergence and success of ecotourism.

*Keywords:* Costa Rica, ecotourism, environmental policies, development models, green education

## Introduction

Understanding economic structure of a country is vital when thinking about its development potential, growth strategy, and influence on the rest of the world. One way of understanding this structure is by looking at the distribution of the country's GDP three main sectors: agriculture, industry, and services. Another important element of a country's GDP is net exports, the diversity of those exports can serve as a proxy for the country's economic structure. Tourism is a unique business because it is usually included in the service sector, but it's also considered an export. Some countries in Latin America have economic structures with a dependency on a single export, or resource, a structure commonly seen in countries that possess large reserves of a natural resource and exploit the benefits of extracting that resource, at the expense of other sectors of the economy, often called the resource curse. Nevertheless, this economic structure can also be seen in reliance on a single sector of the economy, especially in countries that may

not have an abundance of a single natural resource. In the case of Costa Rica this sector, or export, is tourism.

Costa Rica is a small country, with a population of around 5.094 million, located in Central America. It shares borders with Panama and Nicaragua and has coasts along the Atlantic and the Pacific oceans. It is recognized for its culture, beautiful landscapes, beaches, jungles, and volcanos. Adding tropical weather to this combination it is no surprise that tourism in Costa Rica is a thriving industry. According to the Embassy of Costa Rica , tourism is the country's main source of income. Other significant exports include high-tech products and bananas. The service sector accounts for 68% of the country's GDP (World Bank, 2022), and tourism is incorporated in that sector. According to the World Travel and Tourism Council, in 2018 internal travel and tourism consumption in Costa Rica accounted for about 5.94 billion dollars (2022). Concerns about climate change, being one of the most pressing issues in modern times, has sparked a transition toward ecotourism.

Ecotourism is a relatively new concept with several definitions. One of the objectives of this paper is to present a theoretical framework by analyzing some of the current literature on this form of tourism. Beyond looking at economic structure, this research takes into consideration Costa Rica's environmental policies and development model to try to understand how it may have influenced and facilitated the country's transition from traditional tourism to ecotourism. Costa Rica's leadership on environmental policies is reflected in its unique development model that includes a strong emphasis on environmental protection and conservation. These policies help demonstrate the success of ecotourism in the country. Ecotourism has been studied as a development strategy for countries wanting to transition to a more sustainable tourism sector (Charnley, 2005; Hill, & Hill, R. A, 2011; Koens, Dieperink, C., & Miranda, M., 2009; Lee, & Jan, F.-H, 2018), yet there is a gap in the literature when understanding the conditions under which ecotourism is more likely to thrive. The goal of this paper is to develop a framework for the conditions that facilitate the emergence and success of ecotourism. Based on the definition and literature on ecotourism and using Costa Rica as an example, this paper will discuss the foundation for which this form of tourism is most likely to thrive.

### **History and evolution of Costa Rica's environmental policies**

Costa Rica has enjoyed a stable democracy since the drafting of their last constitution in 1949. One important article of that constitution included the abolishment of their military, a unique characteristic of the country. Regarding environmental policies, their constitution includes two articles, articles 46 and 50 that focus on the protection of the environment. The first one states that “Consumers and users have the right to the protection of their health, environment, security and economic interests.” (Constitute, 2022). The latter states that “All persons have the right to a healthy and ecologically balanced environment” (Constitute 2022). Having explicit articles in their constitution portrays the country’s commitment to environmental protection.

Costa Rica’s history of environmental policies is a complex and extensive one. The book “Environmental Leadership in Developing Countries” by Steinberg has a chapter that provides substantial analysis of the history of environmental policymaking in the country. One of the first institutions that dealt with environmental concerns was the National Agricultural College, which later became the Agronomy Department at the University of Costa Rica. Agronomists were initially concerned with deforestation and vocalized their concerns through the Center for the Study of National Problems, a think tank that eventually led to the social-democratic revolution of the 1940s (Steinberg, 2001).

After, World War II cross-border collaborations increased across the Western Hemisphere, which marked an important era of foreign influence in Costa Rica’s environmental policies. Some milestones of this era include the creation of the Inter-American Institute of Agricultural Sciences. This period also marks significant efforts from the Costa Rican government, for example, the sponsoring of a Natural Resources Conservation Week by the Ministry of Agriculture and Industry (Steinberg, 2001).

Costa Rica’s biodiversity richness is another unique characteristic of the country. According to the National Academy of Sciences, they are number one in the world when it comes to species density (2022). Because of their contact with both oceans, they experience very diverse climates and ecosystems among their numerous mountains and volcanoes. Taking into consideration the significance of biology in the country, it is no surprise that during the 1970s environmental policies debates were greatly influenced by the National University's department of biology.

Beyond teaching about the diversity of life in different regions, biologists also focus on park management to protect that diversity.

The National System of Conservation Areas (SINAC) is an agency of the Ministry of Environment, Energy, and Telecommunications, which was responsible for the creation of the country's national park system in 1970. Currently, the SINAC "offers the possibility of developing a responsible governance, involving the State, civil society, private enterprise, and every individual of the country concerned and committed to building a healthy environment and ecologically balanced." (SINAC, 2022). Mario Boza was an important player in the SINAC'S development and expansion, he "was careful to make each area operational, with a budget and staff, before moving on to the next." (Steinberg, 2001).

An important political figure in the history of environmental policies was President Daniel Oduber. Elected in 1974 he served as an advocate for the park system, during his presidency "park acreage nearly doubled, while the park service budget tripled and the staff increased to 400" (Steinberg, 200, p. 74). After Oduber's presidency, there was a significant economic crisis, which led to a transition from national to foreign funding of the park system. International campaigns were made to raise funds for the management and conservation of parks, which brought worldwide attention to the country's environmental efforts and goals. This attention became a key factor in the rapid development of ecotourism in the country. Americans, in particular, found the country's efforts intriguing and they became the number one nationality that visited the parks. According to the Organization for Economic Co-operation and Development: "the largest source market for overseas visitors in 2018 was the United States with 1.3 million tourists (41.9% of total share)" (OECD, 2018). This era marks an exponential increase in foreign influence on the tourist sector of the country

More recently, in the 1990s the Environment Commission of the Legislative Assembly was created and became fundamental for environmental policy initiatives. This commission was responsible for adding article 50. In 1998 they introduced the Biodiversity Law that focuses on conserving biodiversity, sustainability of resources, and equity of benefits from the use of those resources (FuturePolicy, 2022). Costa Rica received worldwide recognition for developing the Payments for Environmental Services Program, which is seen as one of the most efficient

programs for environmental compensation. This program implements “mechanisms to charge the users of environmental services for the services they receive.” (Pagiola, 2008, p. 712).

One crucial takeaway from this analysis, beyond the numerous institutions, organizations, and policies, is the civic engagement and awareness on the topic. The aftermath of such complex history includes a unique public involvement that has become embedded in the country’s civic culture. Most administrations since the 1970s have prioritized the environment in their campaigns and agendas. Sustainability is a core value in Costa Ricans and environmental awareness in the country transcends scientists and advocates to include the public. The combination of policies, institutions, and organizations along with strong civic engagement led the foundation for Costa Rica to emerge as an environmental leader. According to the World Bank, they have reversed deforestation, making them the only tropical country in the world to do so (2022).

### **Ecotourism**

The total contribution of tourism and travel to Costa Rica’s GDP in 2019 was 11.5%, according to the World Travel & Tourism Council (2019). Their main type and most popular style of tourism is nature oriented. After analyzing the history of environmental policies in the country it should come as no surprise that Costa Rica has been transitioning from traditional nature-oriented tourism to ecotourism. This term lacks an agreed-upon international definition. The word itself was coined by Hector Ceballos in 1982, and some of its earlier definitions were simply referring to any tourism that involved nature and the environment, basically a synonym for nature-based tourism.

Since then, much more complex definitions have emerged. For example, the International Ecotourism Society defines ecotourism as “responsible travel to natural areas that conserve the environment and sustain the well-being of local people” (Harvey, 1999). Furthermore, Seales and Stein point out that the element of benefiting local communities requires that businesses be economically sustainable, adding this component to the definition. According to Silva and McDill, another crucial part of ecotourism is that it educates visitors about the nature, culture, and history of the destination (2004). Some definitions focus more on the economic components and look at the relationship between economic benefits and the protection of the environment. In

theory, ecotourism yields economic benefits for the local communities which creates incentives to protect the surrounding ecosystems that are providing those benefits to them (Hill, & Hill, R. A., 2011).

There are discrepancies in the definitions of ecotourism, but there is a bigger debate on its potential as a development model. The literature agrees that in theory, it is efficient as a development model for sustainable tourism (Charnley, 2005; Hill, & Hill, R. A., 2011; Koens, Dieperink, C., & Miranda, M., 2009; Lee, & Jan, F.-H., 2018), yet some studies show that the reality can be a bit more complicated in practice (Hill, & Hill, R. A., 2011). A study done in Amazonian Peru looks at ecotourism programs to evaluate their relationship to local community development, and environmental conservation, that is, its potential as a development model. The research concludes that this potential depends on 4 factors: minimizing economic leakage, community participation, visitor education, and environmental conservation (Hill, & Hill, R. A., 2011). Once those factors are met this study supports the idea that ecotourism is efficient as a development strategy.

Another study done in the Ngorongoro Conservation Area of Tanzania comes up with three conditions for when ecotourism does serve as a development model. The first condition is that the economic benefits must be “structured in a way that is culturally appropriate” and “accessible to the target population” (Charnley, 2005, p. 81). The second factor deals with land ownership and states that the local communities need secure land tenure to experience the benefits of ecotourism. Third, the benefits that locals enjoy from ecotourism must be political, social as well as economic, this last factor serves as a complement to the previous idea of the need for economic success.

It is difficult for any development strategy to be a win-win situation in its entirety. In the early years of implementing ecotourism, it was believed to be a sustainable model that resulted in no compromise for any party. An article by Koens, Dieperink, C., and Miranda takes a close look at four areas in Costa Rica to assess whether ecotourism as a development strategy results in a win-win situation when you consider the environmental, economical, and social consequences. They conclude that the “greater institutional capacity of a region” allows for “better planning of ecotourism facilities” which results in more sustainable tourism (Koens, Dieperink, C., &

Miranda, M, 2009, p. 10). This conclusion aligns with the next section of this paper which looks at the conditions necessary for ecotourism to emerge and thrive).

### **Conditions that facilitate the emergence and success of Ecotourism**

There is substantial literature on the definition of ecotourism and its efficiency as a sustainable development model, yet there seems to be a gap when it comes to the conditions necessary for this form of tourism to emerge in the first place. A middle and missing step in this debate should be to analyze the foundations that a country needs to have for ecotourism to rise successfully. Since there is not one international definition, it is difficult to agree on what makes the practice successful. Although ecotourism may be used as a development model, it is not defined by its effectiveness, whether ecotourism is efficient as a development model does not represent the success or failure of the practice itself.

To construct a framework about the conditions that facilitate the emergence of ecotourism it is necessary to define the concept. The definition that will be used for the remainder of the paper was constructed by identifying the most common elements in the literature review of the different definitions. Those elements are the improvement of the well-being of the local communities and the protection and conservation of the environment<sup>1</sup>. Taking into consideration those elements there are a few conditions that are needed for ecotourism to emerge. Those conditions are strong government support; general and local environmental awareness and education; proper management, operational capacities, and institutions; and effective involvement and communication of the local communities.

Usually, businesses must work closely with their government, or at least follow certain rules and regulations. It is easier for a business to succeed when there are government institutions, laws, and agencies in place to support them. Ecotourism is no exception to the rule, which is why having a set of policies and institutions that align with the goals of this type of tourism is crucial for its emergence and success. Some examples of this kind of government support include land ownership laws. It is fundamental for the success of ecotourism for locals to secure land tenures (Charnley, 2005). With proper land ownership laws, locals can better operate and benefit from tourism, supporting the conditions of government support and effective participation of the local communities.

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<sup>1</sup> Same literature as the previous sections.

Having departments in government that advocate for the environment translates to the allocation of resources to practices that conserve and protect it. Those resources can include anything from a significant budget to an increase in staff. If the resources offered by the government are directed towards budgeting and staff then this last point correlated to another condition, proper management, and operation capacities of a country

For ecotourism to rise successfully, proper management must be in place to accommodate large-scale ecotourism. In regional comparison research that looks at four areas in Costa Rica, the authors concluded that “Drawbacks of ecotourism development were sewage problems, lack of sufficient waste management, [and the] uncontrolled building of tourist facilities” (Koens, Dieperink, C., & Miranda, M, 2009, p. 1234) all issues that may be resolved with better management and operation capacities. The same research found that “greater institutional capacity of a region” allows for “better planning of ecotourism facilities" which results in more sustainable tourism” (Koens, Dieperink, C., & Miranda, M, 2009, p. 1234). It becomes easier to achieve the desired levels of management when there is outstanding government support in the form of large budgets and staff. Additionally, there needs to be qualified personnel to properly manipulate those resources, which relates to the conditions of extensive education.

### **Ecotourism in Costa Rica**

The goal of this last section is to combine all the ideas and to show how Costa Rica can serve as an example to test the framework developed in the previous section. The first condition, government support, is proven by looking at the history of environmental policies in the country. The fact that environmental issues have been and still are a priority to most administrations shows the commitment of the government to support initiatives and projects that conserve and protect the environment. The Costa Rican government has a Ministry of Agriculture and Industry, as well as a Ministry of Environment, Energy, and Telecommunications. Both ministries have laid political foundations for ecotourism to emerge.

An example of government support in Costa Rica is their National Parks System, which enables most of their ecotourism practices. The SINAC also serves as an interaction between the condition of government support and management. Within the University of Costa Rica, El Colegio de Biólogos, worked hard to educate people not only on the richness of the biodiversity

of the country but also on park management to protect that diversity. The initiative of this institution supports both conditions, proper management, and education of the public.

The Payment for Environmental Services program in Costa Rica is an example of how the country employs the condition of involving the local communities. Landowners get paid for using their land in an environmentally conscious way. Combining the conditions of government support and local involvement positively and effectively. An article that analyses ecotourism in four areas in Costa Rica shows how “on [the] insistence of the local communities, the national government created a recreation park to preserve remaining areas of natural coastal vegetation.” (Koens, Dieperink, C., & Miranda, M, 2009) showing how valuable this condition of communication and involvement is.

Prioritization of green education is another one of those unique characteristics that separate Costa Rica from the rest of the world. Environmental awareness is not reserved for scientists and advocates in this country. Since the 1980s environmental learning is part of the national state school curriculum for primary and secondary education (Castro, 2022). Additionally, within the Ministry of Education, there is an Office of Environmental Education that coordinates programs “across the nation on issues such as solid waste management, population growth, sustainable watershed management, and energy conservation” (Castro, 2022). Not only are Costa Ricans being educated in general environmental issues, but recently there has even been specialization in ecotourism offered in some secondary schools. Having an educated population is one of the most important conditions that has helped facilitate the emergence and success of ecotourism in the country.

### **Conclusion**

Costa Rica serves as an interesting case study when trying to understand the relationship between environmental policies, development models, and ecotourism in a country. Their position as world leaders in sustainability and unique programs, like the Payments for Environmental Services (PES), set up a great foundation to understand under which conditions is ecotourism most likely to thrive. It is also significant in their representation of small countries all around the world that suffer the consequences of climate change, no matter their own actions to mitigate the crisis. Having a thriving ecotourism sector doesn't eliminate the threats of climate change, imposed by the rest of the world. In partnership with the Institute for Sustainable Futures (ISF), Costa Rica has

achieved incredible milestones regarding its environmental goals, including that almost 100% of its energy comes from renewable sources, yet they are a small country with high risk when it comes to the consequences of climate change.

Future research on the topic should look at the vulnerability of ecotourism to the consequences of climate change. The World Bank Climate Change Knowledge Portal includes a risk assessment on how vulnerable countries are to climate change. According to the World Bank, “Costa Rica has the 8th highest economic risk exposure to three or more hazards and 6.8 percent of its total area is exposed to three or more adverse natural events” (2020). In general, the climate crisis is a pressing issue for most countries, yet when it directly affects around 10% of a country's GDP it becomes even more significant. It will be interesting to see what Costa Rica is doing to alleviate the consequences of climate change and protect its eco-tourism sector.

The framework developed in this paper is a useful contribution to the literature on ecotourism. Although it is a relatively new idea, making it hard to understand the long-term benefits, Costa Rica has been experiencing and implementing this type of tourism for the past 20 years, which gives this analysis a broader perspective on some of those benefits. Beyond just recommending ecotourism as a development model, this paper lays out the conditions that a country should have present to give this practice a real chance of emerging successfully. Lessons from this paper can help to implement and improve ecotourism in other countries with similar environmental characteristics and promote similar or improved environmental policies to those in Costa Rica.

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