

Ecotourism as a market-based conservation scheme

Existing financial incentives for market-based conservation schemes & impacts on community based conservation initiatives: How ecotourism development capitalizes on areas that are conserved at the cost of communities in India

I. Ecotourism as a market based conservation scheme (definition / description)

'Market based conservation schemes' are mechanisms that seek to mobilise and channel private sector contributions for the sake of environmental conservation and the use of markets to resolve various environmental problemsⁱ. It is being actively propagated as an innovative approach "[t]o attract private contributions, introduce sustainable resource management practices compatible with the Rio Conventions' objectives and principles, and contribute to the development of economic opportunities in poor, rural areas of the worldⁱⁱ". These schemes are being actively promoted by a large variety of governmental and non-governmental actors, as a possible new and innovative way to finance the conservation of forests and other ecosystemsⁱⁱⁱ. In India, ecotourism is one such scheme being promoted because it is lucrative to speak the conservation language.

Parties to the Convention on Biodiversity (CBD) have also embraced other market-based approaches to biodiversity conservation. A strong push for such approaches came from the debate about Biological Diversity and Tourism, which was first initiated in 1999 and led to an extensive discussion about the negative and positive impacts of tourism on biodiversity at the fifth Conference of the Parties of the Biodiversity Convention in 2000. Despite a number of cautionary statements about the many things that can go wrong when tourism is being promoted in biodiversity-rich areas, Decision V/25 of the Conference of the Parties states that "tourism does present a significant potential for realizing benefits in terms of the conservation of biological diversity and the sustainable use of its components." In the same decision the Conference of the Parties also notes that "Historical observation indicates that self-regulation of the tourism industry for sustainable use of biological resources has only rarely been successful." Despite this acknowledgement of the inherent limitations of voluntary approaches, the Parties to the CBD subsequently embarked on a process to elaborate voluntary CBD guidelines for Biodiversity and Tourism Development, which were adopted by the

7th Conference of the Parties to the CBD. The need to involve Indigenous Peoples and local communities in tourism development is mentioned in these guidelines, but only as a voluntary measure. Meanwhile, at the national level, many governments have been embracing the 'potential' of tourism by actively promoting "ecotourism" development, that is, the development of tourism in biodiversity-rich areas. Many of these national tourism promotion policies are defended with reference to the positive contribution such policies could make to biodiversity conservation. However, with the guidelines being of a voluntary nature, many so-called "ecotourism" developments are far from sustainable. Moreover, community^{iv}-driven tourism initiatives are still playing a marginal role compared to the massive tourism schemes – often labelled as ecotourism – currently being developed by large tour operators. As recognized by the CBD, it is extremely hard for communities to compete in a market that is "fiercely competitive" and "controlled by financial interests located away from tourist destinations" (decision V/25, Conference of the Parties). Also, negative impacts on local communities can be significant as "operators are very likely to "export" their adverse environmental impacts, such as refuse, waste water and sewage, to parts of the surrounding area unlikely to be visited by tourists" (decision V/25 of the Conference of the Parties).

2. Why is ecotourism a lucrative option?

Ecotourism is undoubtedly big business across the world. When the United Nations Environment Programme with blessings of the World Tourism Organisation launched the International Year of Ecotourism in 2002, it received vociferous sponsorship and support from industry giants and travel associations. The reason was simple – 'ecotourism' was the magic *mantra* that enabled the tourism industry to pacify critics by using the language of conservation and managing the adverse environmental footprints of tourism while not compromising on profits. This green-washing was starkly evident to communities and groups in developing countries – which were the target for ecotourism – who wrote to UNEP and IYE organisers

registering their protest and concerns. But despite these efforts, ecotourism continues to be a popular concept for governments and industry to adopt. There are those who think that brand 'ecotourism' has run its length and is on its way out, especially in the west and tourist-source countries. But sadly, this is not the case in countries like India where ecotourism still reigns supreme as a feasible concept and gets active government support and industry investment. Ecotourism continues to be a popular option because of its claim to support conservation attempts through the market-based mechanism.

Moreover, very little regulation exists for ecotourism development in India with amendments to existing environmental laws and policies that facilitate rather than regulate. The National Environment Policy, 2006 recommends ecotourism in all wilderness and ecologically sensitive areas; the new Environmental Impact Assessment Notification has omitted tourism from the purview of environment impact assessment and clearance; these are a few examples to show the changing face of regulatory frameworks. With newer policies like the concepts like special tourism zones (STZ), the tourism industry has been given holiday from accountability and ecotourism is set to capitalize on this.

Estimates place the value of the ecotourism market in developing countries close to USD 400 billion annually⁶. India has a substantial share of this market on account of its rich biological and cultural diversity and heritage and entrepreneurship skills in the tourism industry that have capitalised on ecotourism. The main incentives for development of ecotourism have been through private capital, UN agencies and more recently, involvement of international financial institutions like the World Bank and Asian Development Bank.

3. Ecotourism in India - policy and regulatory implications

India has a history of colonial rulers usurping control of natural resources from indigenous and local communities that has led to the breaking down of traditional management and knowledge systems of conservation. The process continued

post-independence, which led to the adoption of an exclusionary model of conservation complemented with sometimes stringent laws. This has resulted in intensification of conflicts between communities and the authorities. Where the authorities have been unsuccessful in conserving forests effectively, under pressure from commercial and political forces, there are numerous community-initiated and community-based conservation process across the country.

On a parallel level, ecotourism is being vigorously propagated in many of these protected areas and community conserved areas. The push for this kind of propagation is emerging from national and state level ecotourism / tourism policies, projects of international financial institutions and inter-governmental agencies.

Drawing from international guidelines^{vi} prepared by tourism industry associations and organisations, the Ecotourism^{vii} Policy & Guidelines, 1998 issued by the Ministry of Tourism – Govt. of India, represents interests of global industry players. The policy approach is environmental protection for sake of profits. The policy outlines all ecosystems of India as ecotourism resources and states that these have been well protected and preserved.

Where the policy enlists its principles and elaborates operational aspects for key players in the ecotourism business, the role of communities is considerably reduced to protecting environmental resources and providing services to tourism in the role of 'hosts'. An environment protected by communities is a resource for ecotourism when tourists experience the natural beauty. Indigenous and local communities become important "stakeholders" thereby becoming subservient to a process where environmental protection is vested from their control and is being pursued for the sake of supporting economic enterprise. What the policy fails to realise is the cross linkages between ecotourism and the social, cultural, economic and institutional processes of indigenous and local communities. Their lives are very closely linked to the environment they live in and their customs and traditions bear strong linkages to it.

The Tourism Policy for the Andaman and Nicobar Islands is a rather simplistic document serving very

little of its purpose of providing guideline and principles for implementation^{viii}.

Chhattisgarh does not have an ecotourism policy. Information on ecotourism sites is provided on the official website^x which states that one of the major objectives of the policy is to promote economically, culturally and ecologically sustainable tourism in the State; with ecotourism in the 3 national parks and 11 wildlife sanctuaries.

The salient features of Madhya Pradesh's Eco and Adventure Tourism Policy, 2001-02^x includes measures to involve private participation, based on activities, locations and financial considerations. The criterion for sanctioning the project as per policy is commercial viability of the project and not meeting environmental standards and zoning regulations. The policy also states that Madhya Pradesh with its richly endowed natural environment, unexploited so far, has immense potential for eco and adventure activities.

Uttaranchal does not have a separate ecotourism policy but the development of ecotourism has been included in the tourism policy of the state^{xi}, which was formulated in April 2001. The Policy's vision is to elevate Uttaranchal into a major tourist destination both nationally and internationally and make Uttarnachal "synonymous to tourism". It wishes to develop this sector in an "eco-friendly manner, with the active participation of the private sector and the local host communities." And finally, it wishes to develop tourism as a major income earner for the state and as a source of employment to the extent of being "a pivot of the economic and social development in the State."

The state policies focus on ecotourism through private sector investment. The policies lay a thrust on opening naturally important and ecologically sensitive areas for ecotourism. That the lives and livelihoods of communities dependent on these natural resources will be impacted, and severely so if ecotourism is unregulated, is hardly acknowledged in the state level policies.

It is the rich natural heritage spread along the forests, mountains, coasts and rivers, all of which are the living spaces of communities, which constitute the 'tourism product'. Even Protected Areas, which have by definition

Example of community conserved area in India

Regeneration and protection of 600-700 hectares of forest by Jardhargaon village in Uttaranchal state in India. Villagers have also re-discovered hundreds of varieties of indigenous crops and are successfully growing them organically, and practicing a traditional system of grassland and water management. In the recent year they have also struggled to save not only the forests in their own village but in the surrounding areas which are being destroyed by mining or hydro-electric projects [Suryanarayanan, J. and Malhotra, P. (1999)].

Source: Pathak, N., Islam, A., Ekaratne, S.U.K., and Hussain, A. "Lessons Learnt in the Establishment and Management of Protected Areas by Indigenous and Local Communities in South Asia", IUCN; data retrieved from <http://www.iucn.org/themes/ceesp/Publications/TILCEPA/CCA-NPathak.pdf> November 2006

prohibit commercial activities, are now being seen as potential tourism areas^{xii}. It is the location of tourism, a resource-intensive activity, in these areas that gives rise to a conflict of interests between the needs of local communities and conservation with the needs of a consumer oriented industry which understands nature as an economic commodity.

The Ministry of Environment & Forests - Government of India took steps for setting up protected areas: national parks and wildlife sanctuaries, and later community reserves and conservation reserves under the Wild Life (Protection) Act, 1972 and its subsequent amendments. Large populations of indigenous and local communities were displaced when these protected areas were notified^{xiii}. And now, the forest departments of many Indian states, including the study states, planned to develop ecotourism in many of these protected areas. In many cases, the operations involve the services of indigenous / local communities in the form of guides and workers in lodges etc. While there are inherent problems in the manner in which this form of ecotourism is done, i.e. largely driven by forest departments with little participation of communities in decision making and benefits largely going to state exchequers, ecotourism is nevertheless being promoted as a conservation scheme.

Moreover, community-owned tourism initiatives are still playing a marginal role compared to the other tourism schemes, which are often labelled as ecotourism and developed by large, often global,

tour operators. They consider ecotourism as a source of sustainable livelihood supplement and not to compete for markets. It is extremely hard for communities to compete with a market that is fiercely competitive and which controlled by financial interests in tourist destinations. Also, negative impacts on local communities can be significant as operators are very likely to export their adverse environmental impacts, such as refuse, waste water and sewage, to parts of the surrounding area unlikely to be visited by tourists. Most often, governments have overlooked these initiatives and have extended little support. They have also promoted different versions of tourism as ecotourism with no inkling of conservation. Another worrying factor is that governments have used undemocratic means to assert their roles through policies.

Attempts like the World Bank supported Joint Forest Managements (JFM) and India Eco Development

Context for Forest Management in Uttarakhand

As the largest custodian of state property, the Forest Department has been unable to maintain the forests in good condition or meet people's forest-based livelihood needs. Its responsibility for enforcing the Forest Conservation and Wild Life Protection Acts has reinforced its image as an anti-people agency. Thus, in 1988-89, some of the *Chipko* activists started yet another, relatively less known *Ped Kato Andolan* (cut trees movement). They argued that the Forest Conservation Act 'was being used to hold up basic development schemes for the hill villages while the builders' mafia continues to flout it brazenly under the guise of promoting tourism' (Rawat, 1998). More recently, resource displacement and loss of livelihoods caused by expansion of the protected area network produced the *Cheeno Jhpto Andolan* (snatch and grab movement) reflecting the intense feelings of alienation and disempowerment. Women who earned international fame for stopping contractors from felling their forests during *Chipko* have come to hate the word environment. As one of these women from Reni village complained: 'They have put this entire (surrounding forest) area under the Nanda Devi Biosphere Reserve. I can't even pick herbs to treat a stomach ache any more' (Mitra, 1993).

Source: Sarin, M. Singh, N. M., Sundar, N. & Bhogal, R. K. (2003). "Devolution as a Threat to Democratic Decision-making in Forestry? Findings from Three States in India. Working Paper 197. Overseas Development Institute, London. Data retrieved from <http://www.odi.org.uk/fpeg/publications/papers/wp/197.html> November 2006.

Projects have not contributed much to this impasse since it did not address core issues of community control and access to natural resources. When ecotourism development permeates these realms of control, the fundamental issues of community rights remain unresolved and the stewardship is shifted to the ecotourism industry and its players from the community.

4. Financial incentives and their impacts on community conserved areas^{xiv}

At the national level, although the Ministry of Tourism – Government of India has outlined eco-friendly practices in its Ecotourism Policy & Guidelines, 1998, there are very few direct financial incentive schemes in place for supporting ecotourism. The thrust continues to be on incentives for infrastructure development, capital import subsidy, marketing assistance and promotion of ecotourism. Nonetheless, many state tourism policies and plans identify sites that are to be developed as ecotourism destinations with budgetary support but in most cases, such money goes towards building infrastructure and 'hardware' development rather than any conservation scheme. Whereas ecotourism is supposed to be low-infrastructure and therefore low-impact activity, such high focus on infrastructure development goes against conservation principles. Although the Ecotourism Policy & Guidelines prescribe environment-friendly techniques like solar, recycling, rain-water harvesting etc, the incentives for incorporating such techniques do not exist.

Apart from these government-supported ventures, much of the investment in ecotourism in India has come from the private sector. Taj Hotels Private Limited, one of India's oldest and largest luxury hotel companies has made big forays into the ecotourism market. Apart from setting up ecological hotels and resorts all across the country, Taj has also begun investing in wildlife tourism in association with Conservation Corporation Africa (CCA) to set up gaming reserves in India. With over 485 sanctuaries and 87 national parks, it is highly lucrative investment^{xv}.

Other private investments in ecotourism have been mostly through local entrepreneurship, with varying degrees of scale and investment. These range from

small-scale initiatives of running activities like house-boats and home-stays to investing in eco-resorts and slightly more sophisticated ecotourism products. These ventures, being locally based and owned also have a significant level of cumulative impacts on ecosystems as they tend to be clustered and more in number.

An important incentive and support for ecotourism in India has been from UN agencies like the UNEP and UNDP. While the former played a very active role in the International Year of Ecotourism process, the latter has supported different projects with ecotourism components through their livelihoods and environment programmes. One of the more recent UNDP ventures into tourism has been the UNDP-MoT Endogenous Tourism Project – a “novel ecotourism venture” that focuses on promoting rural arts and crafts through rural tourism at the village level. While the actual financial investment is not clear, development and conservation work through tourism is on the agenda of both UN bodies. However, there is nothing “eco” about this kind of tourism, but MoT promotes it as such; where the emphasis is on setting up ‘hardware’ (infrastructure), conservation here takes a back-seat.

Indirectly, World Bank supported projects like Joint Forest Management and India Eco Development Project have ecotourism as an integral market-based conservation scheme. The World Bank’s India report¹⁶ puts “*Ecological and ecotourism values from current JFM forests could be as high as \$1.7 billion as formerly degraded forests mature and begin to generate important conservation benefits*” and “*Ecotourism and carbon sequestration in forest areas have been estimated to increase national GDP share from forests from 1.1 to 2.4 percent*”.

Conclusions

Is ecotourism actually leading to conservation? If so, where are the examples to support ecotourism claims?

It is often stated that ecotourism leads to conservation and benefits to local communities. However, what is seen is that ecotourism is not very much different from mass-tourism.

Ecotourism is targeting areas that have been protected at the cost of communities, where:

- Communities have been displaced from their traditional habitats for the sake of conservation through convoluted policies that see no balance between conservation and people’s rights.
- Communities have taken the initiatives for conservation and done a better job of it than government-led and international financial institution-supported schemes.

But ecotourism is poised to take over these areas. When conservation is possible through other means, which has been demonstrated, where is the need to bring in ecotourism when it has failed to achieve its conservation goals?

Ecotourism continues to be market-driven with governments allowing this to happen with their policies that are tailored to meet the needs of private enterprise. These private players are promoting ecotourism in the name of conservation whereas their practices are far from being conservation oriented or even supporting conservation efforts.

Conservation could happen if at least one or more of the following criteria are followed:

- i. If there is regulation being put in on ecotourism development in terms of infrastructure, tourist volumes or activities;
- ii. If tourism profits are deployed for conservation purposes; and
- iii. If there are genuine ecotourism efforts that would not have allowed mass-tourism to mushroom, thereby controlling development and hence leading to conservation.

In reality, these practices do not exist. What exist, however, are incentives that are geared to promote ecotourism and none for conservation.

End notes

ⁱ Friends of the Earth International (2005), “nature: poor people’s wealth - a position paper for the UN World Summit and the Review of the Millennium Development Goals, 14 - 16 September 2005”.

ⁱⁱ Paquin, Marc & Mayrand, Karel (2005). "MEA-based Markets for Ecosystem Services - Draft concept paper prepared for the OECD Workshop on Multilateral Environmental Agreements (MEAs) and Private Investment, Helsinki, Finland, 16-17 June 2005", Unisféra International Centre, data sourced from http://www.unep.org/dec/docs/IIED_ecosystem.pdf November 2006.

ⁱⁱⁱ For example, in his note on Incentive Measures to the 11th meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) the Executive Secretary of the Convention on Biological Diversity states that "market creation has often proved to be an effective means for the conservation and sustainable use of biodiversity".

^{iv} "How Green is my tourism?", *Express Hoteliers and Caterers*, 2004.

^v The international guidelines are:

1. Guidelines for the development of National Parks and Protected areas for Tourism of the UN WTO (World Tourism Organization)
2. PATA Code for Environmentally Responsible Tourism
3. Environmental Guidelines for the World Travel and Tourism Council (WTTC)
4. The Himalayan Code of Conduct prepared by the Himalayan Tourism Advisory Board
5. Ecotourism Guidelines by The International \ Ecotourism Society.

^{vi} The Policy defines ecotourism as drawn up by the UNWTO "tourism that involves traveling to relatively undisturbed natural areas with the specified object of studying, admiring and enjoying the scenery and its wild plants and animals as well as any existing cultural aspects (both of the past or present) found in these areas". The policy enlists the key elements of ecotourism as being: a natural environment as the prime attraction; environment friendly visitors; activities that do not have a serious impact on the ecosystem; and a positive involvement of the local community in maintaining the ecological balance.

^{vii} The one-page document simply states its vision to develop the Islands: '*...as a quality destination for eco-tourists through environmentally sustainable*

development of infrastructure without disturbing the natural eco-system with the objective of generating revenue, creating more employment opportunities and synergies and socio-economic development of the island' (Directorate of Information, Publicity & Tourism 2003. http://www.and.nic.in/Tourism_policy.doc)

^{viii} <http://chhattisgarh.nic.in/tourism/tourism1.htm>

^{ix} <http://www.mptourism.com/wv/ecopolicy.pdf>

^x http://gov.ua.nic.in/uttaranchaltourism/Policy1_vision.html

^{xi} The State Tourism Ministers Conference in 1996 that chalked out guidelines for the development of eco-tourism had identified the following resources for tourism development: Biosphere Reserves, Mangroves, Corals and Coral Reefs, Deserts, Mountains and Forests, Flora and Fauna, and Sea, Lakes & Rivers.

^{xii} "Based on a ruling of the Supreme Court of India, the Indian Ministry of Forests and Environment passed an order to evict all encroachments from forested areas by the 30th of September 2002. While it is not clear how and whether this order has really affected the powerful and land hungry encroachers, it has created absolute havoc in the lives of the thousands of forest depended communities. Many of these people being thrown out of their houses and cultivated lands are people who have no other source of revenue and are being called encroachers because of their names having not entered the official land records for no fault of theirs".

An e-mail statement issued by Kalpavriksh - Environment and Action Group, India, September 2002.

^{xiii} Business Line, "Taj unveils a unique collaborative initiative to promote wildlife tourism", August 2004. <http://www.thehindubusinessline.com/2005/06/02/stories/2005060200671700.htm>

^{xiv} World Bank (2006). "India - Unlocking Opportunities for Forest-Dependent People in India", Agriculture and Rural Development Sector Unit, South Asia Region. Volume I (Report No. 34481 - IN). Data sourced from <http://www.worldbank.org.in/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/INDIAEXTN0,,contentMDK:20873030~pagePK:141137~piPK:141127~theSitePK:295584,00.html> November 2006.



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EQUATIONS was founded in 1985 in response to an urge to understand the impacts of tourism development particularly in the context of liberalised regimes, economic reforms and the opening up of the economy. We envision tourism that is non-exploitative, gender just & sustainable where decision making is democratised and access to and benefits of tourism are equitably distributed.

www.equitabletourism.org

Global Forest Coalition

www.wrm.org.uy/gfc

The **Global Forest Coalition** is an international coalition of Indigenous Peoples Organizations and NGOs that aims to reduce poverty amongst, and avoid impoverishment of, indigenous peoples and other forest-dependent peoples by advocating the rights of these peoples as a basis for forest policy and addressing the direct and underlying causes of deforestation and forest degradation.

www.wrm.org.uy/gfc