Sustainable Tourism Development in Coastal Areas

*plus documentary video:*

“The Goose with the Golden Eggs:
Tourism on Costa Rica’s Pacific Coast”

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Center for Responsible Travel (CREST)

GWU & UNWTO: Themis Course
October 9, 2014
**What is CREST?**
Center for Responsible Travel

- **Mission:** *Transforming the way the world travels*
- **Identify & examine critical issues in field of tourism**
  - Nonprofit organization (NGO)
  - Headquartered in Washington, DC;
  - 11 years: affiliated with Stanford University; Now aligning with consortium of universities
  - Multidisciplinary; unique in U.S.
  - Network of tourism consultants & experts

- **Provide analysis & tools**
  - To assist industry, governments, parks, NGOs, international development agencies
  - Through research, publications, conferences, courses, films

- **Programs & field studies include:**
  - Ecotourism
  - Indigenous People & Community-based tourism
  - Certification & Eco-labeling
  - Market Research: Consumer & industry trends
  - Coastal & Marine Tourism
  - Travelers’ Philanthropy
Demand for Sustainable or Responsible Travel

The Case for Responsible Travel: Trends and Statistics

International tourist arrivals grew by 5% in 2013, reaching 1.067 billion, up 52 million from 2012. Despite global economic challenges, international tourism results were well above expectations, and the United Nations World Tourism Organization (UNWTO) forecasts a 4% to 4.5% growth in 2014 - again, above the long-term projections.

International tourism receipts also hit a new record, reaching an estimated US$ 1.075 billion in 2012, up 4% in real terms, from US$ 1.014 billion in 2011. The travel industry contributed 9% of global GDP (5.5 trillion) in 2012 and generated more than 260 million jobs, or 1 in 11 of total jobs. The United States leads the world in revenue from international tourism (US$ 165.8 billion in 2012), and is second in international arrivals (66 million in 2012) France ranks first.

With continuing growth in travel, there is increasing recognition among both travel professionals and consumers of the importance of responsible travel – travel that minimizes negative impacts, brings economic benefits to host communities, and preserves the cultural and natural resources of the destinations. Fortunately for travel businesses and destinations, there is strong evidence that responsible travel is also good for the bottom line.

Tourism Terms

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DEFINITION</th>
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<tr>
<td>Ecotourism</td>
<td>Responsible travel to natural areas that conserves the environment and improves the welfare of local people.</td>
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<tr>
<td>Geotourism</td>
<td>Tourism that sustains or enhances the geophysical character of a place – its environment, heritage, aesthetics, and culture and the well-being of its residents.</td>
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<td>Pro-Poor Tourism</td>
<td>Tourism that results in increased net benefit for the poor people in a destination.</td>
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<tr>
<td>Responsible Tourism</td>
<td>Tourism that maximizes the benefits to local communities, minimizes negative social or environmental impacts and helps local people conserve fragile cultures and habitats or species.</td>
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<tr>
<td>Sustainable Tourism</td>
<td>Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities. Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments.</td>
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<tr>
<td>Ethical Tourism</td>
<td>Tourism in a destination where ethical issues are the key drivers, e.g. social injustice, human rights, animal welfare, or the environment.</td>
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www.responsibletravel.org
Demand for Sustainable Travel

- Study endorsed by UNWTO, GWU and 8 other leading international tourism organizations.

- “The tourism sector is embracing responsible tourism not as an option, but as a condition for its continuous growth...”

--Luigi Cabrini, Advisor to the Secretary-General of the UNWTO & Chair, Board of Directors of the Global Sustainable Tourism Council
Demand for Sustainable or Responsible Travel

CREST meta-analysis finds...

- “increasing recognition among both travel professionals and consumers of the importance of responsible travel.”

- “strong evidence” that sustainable travel is “good for the economic bottom line.”
Consumer Trends Favoring Sustainable Travel

• Emergence of experiential tourism
• Search for fulfillment
• Demand for authenticity
• Urbanization and need to connect with nature
• Togetherness

_Sustainable travelers = high value travelers_
Unfortunately, too often

Tourists want this...

But they find this...

and this...

and this...

and this...

And emerging signs of damage to the reef...
Focus on Coastal & Cruise Tourism: Why?

• Fastest growing sectors of the tourism industry.

• Most susceptible to impacts of climate change.

• **High volume** cruise & resort tourism competing with **high value** ecotourism and sustainable tourism.
A few indicators

- Globally, 12 of the 15 top international destinations are countries with coastlines.
- Miami Beach gets 21m/yr.
  > Yosemite + Yellowstone + Grand Canyon
- Cruise passengers jumped 40-fold from 1970 to 2012: 20 million
  > 3 major lines: most consolidated industry sector
  > Profits: projected to double 2008-2018
  > 50% in Caribbean region
Focus on Coastal & Marine Tourism: How?

- Critiques of developments ~ Sustainable alternatives
  - Sinaloa state, MX: ongoing

- Innovators Symposiums to showcase ‘greener’ models
  - Grenada, West Indies, July 2014

- Studies on impacts of coastal and cruise tourism on destinations/ports of call
  - Costa Rica: 2010 to present
Costa Rica: Leader in Ecotourism

Costa Rica is the most popular destination in the world for travelers interested in an eco-friendly trip.

-- TripAdvisor, 2012
Costa Rica Pacific Coast Study: Competing Models of Tourism

- 2 year-plus field & desk research
  - 16 researchers
  - 23 specific studies
  - Final Summary Report & Policy Recommendations

- Costa Rica has built successful model of ecotourism/sustainable tourism
  - Supported with ‘green’ certification programs: hotels/tour operators/car rental agencies & beaches/marinas

- Challenged by fast-paced, poorly planned sun-sand-&-sea tourism: all-inclusive resorts, vacation homes & cruise ships

- Costa Rican terms for two phenomena:
  - “Residential tourism”: Large all-inclusive resort/housing complexes
  - “Desarrollo hormiga”: Chaotic, intense small-scale development

- Threat to Osa Peninsula: ‘crown jewel’ of biodiversity

- Impact on Costa Rica’s ecotourism model & reputation
Costa Rica’s
Ecotourism/Sustainable Tourism Model

- Home grown & grew quickly
  - 1987 – 1992
  - Built largely on local assets, not foreign investment

- Nature based: near parks or private reserves
  - Spread throughout country

- Locally owned: Costa Ricans or foreign residents
  - Many have strong social & environmental ethics
  - Earnings remained in country

- Responsive to market trends and sustainable practices.
  - Remained remarkably strong
Financial Success of Costa Rica’s Ecotourism “Model”

In 2 decades:
- Arrivals increased 7 times
- Receipts increased 14 times
- Costa Rica *doubled* its earnings/tourist

By mid-1990s, ecotourism = top foreign exchange earner
Pacific Coast

Rapid Growth of Other Types of Tourism:
Cruise, Resort & “Residential” Tourism

Distinct history, trajectory, & impact
Guanacaste’s “Gold Coast”: ~100 coastal resorts served by Liberia airport.

By 2008, 65% of Liberia airport arrivals staying in all-inclusive 5-star resorts.
Golf Courses

- Golf courses considered necessary for all-inclusive resorts.

- Serious environmental impacts, consumes daily as much water as a village of 10,000 people.

- 2% of tourists to Costa Rica play golf.

- Condominiums next to golf courses sell for 20% more.

- Real purpose: real estate speculation.
  - .... & marketed as ‘eco’!
Growth of Cruise Tourism

(Based on Government Airport Surveys)

Tourists
- Liberia airport (resort tourism)
- San Jose airport (ecotourism)

From U.S.
- Visit North Pacific Coast
  - 80% 88%
  - 2 or more locations

- Beach & Sun
  - 96% 57%

- Visit national park
  - 41% 53%

Length of stay
- 9 nights 13 nights

Conclusion: Ecotourists are higher value tourists
Cruise Tourism: Impacts on Ports-of-Call

- Studies in Costa Rica, Belize, & Honduras
- Business model: revenue concentrated on board
  - Registered in US/ fly ‘flags of convenience’
  - Avoid US taxes and labor laws
- Port infrastructure built by government
- High commissions & low ‘head tax’
- Onshore spending minimal
Findings: Economic Value of Cruise vs. Overnight Tourism in Costa Rica

- **Arrivals:**
  - Cruise Ship visitors: 280,017
  - Overnight visitors: 1,659,165
    - 6 times more

- **Daily spending per tourist:**
  - Cruise passenger: $55
  - Overnight visitors: $120
    - More than double

- **Total spending for visit:**
  - Cruise passenger: $55
  - Overnight visitors: $1000
    - 18 times more

- **Contribution to local economy:**
  - Cruise Ships tourism: $18.9 million
  - Overnight tourism: $2.1 billion
    - 111 times more

**Conclusion:** Government should not increase cruise tourism
Findings: The Caribbean

- Cruise tourism: > 50% of passengers; < 5% of industry’s gross revenue

- Comparison of Overnight vs Cruise Tourism
  - Similar arrivals numbers (c 18 million of each)
  - Overnight generates 7 times more ($7.3 vs. $1.1 billion)
  - In country expenditures: $994 vs. $77; 18 times more
  - Tax income/passenger: $133 vs. $17 or 8 times more

- St. Maarten: invested $400m; earns $9m/year
  - Repayment time: 138 years -- without interest

Conclusion: Governments should not invest in cruise tourism
Tapping into the Sustainable Travel Market: Recommendations for Policy Makers
Key Recommendations

- Focus on *high value*, rather than *high volume* tourism.
- Target socially/environmentally aware consumers & European as well as American market.
- Center on local assets, not foreign imports: *create linkages, reduce leakages.*
- De-emphasize all-inclusive resort, vacation home & cruise ship tourism.
- Provide incentives to innovative ‘green’ developers and investors.
- Incorporate international best practices for sustainability.
The Goose with the Golden Eggs: Tourism on Costa Rica’s Pacific Coast

October 1, 2014: Premiered in Costa Rica’s Legislative Assembly
Thank you!

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