

*Reading from, The Pros and Cons of Ecotourism in Costa Rica by Julie Dasenbrock at <http://www.american.edu/TED/costa-rica-tourism.htm>

Economic Costs and Benefits – Economic Benefits

Ecotravel has become a very lucrative sector of the service industry, but some of those who study the industry worry that the economic benefits of ecotourism may not be reaching the local community. For instance, B. Wheeler believes that "pure" ecotourism is incompatible with business because every form of tourism entails an element of exploitation. He argues that companies are motivated by short-term profits, while tourists are looking for mainly a self-satisfying vacation and local communities are seeking to obtain the maximum economic benefit from tourists. (Weaver, 1998, 22-23). Similarly, Deborah McLauren claims she has never come across a true ecotourism project that could pay for itself, proving that the industry is not economically sustainable. (McLauren, 1998, 101). However, P. Wight is more optimistic about the economic potential of even the most environmentally focused forms of ecotourism, stating that with careful monitoring and planning, the problems cited by Wheeler and McLauren can be overcome. (Weaver, 1998, 23). In this light, this section will look at where the business side of ecotourism can and has gone wrong in Costa Rica.

Economic Benefits

The expansion of ecotourism has undeniably boosted Costa Rica's overall economic development with tourism revenues last year totaling \$1.1 billion - an incredible figure for such a small nation. (State Department, 2001). Ecotourism has brought employment opportunities to often previously disadvantaged rural populations, and a significant amount of the industry remains in the form of small scale projects that can be funded by locals. Currently, 75% of all licensed tour agencies are owned by Costa Ricans and 85% of all of Costa Rica's hotels have fewer than 50 rooms. (Weaver, 1998, 84-85). Besides these general economic benefits to local communities and the Costa Rican economy in general, ecotourism has contributed to the nation's financial well-being in other manners. For example, although the Papagayo Project may be criticized by environmentalists, continuing development of the resort area is bringing in a lot of foreign investment and creating thousands of jobs for Costa Ricans.

- **Benefits to Other Industries** - The growth linkage possibilities of ecotourism development can have far reaching effects on other sectors of the economy. For example, a visit to the Carara Biological Reserve entails not only a \$15 entrance fee and possible additional donation, but also a flight into San José's International Airport, a bus ride to the park, a stay in a local hotel, dining in the town's restaurants, and the purchase of souvenirs from street vendors. In addition, less obvious growth linkages of ecotourism can effect everything from the communications industry to agriculture. For instance, the successes of Costa Rica's ecotourism industry have helped breathe life into the nation's sagging coffee market. Tourists consume an average of two cups of the nation's gourmet coffee a day adding up to approximately 22 million cups of coffee a year, which, at 75 cents per cup, brings in about \$16.5 million. Therefore, as many Latin American nations are losing jobs and revenue to falling coffee prices caused by an influx of cheaper Asian brands into the market, Costa Rica has managed to stay afloat with this increase in domestic consumption. Tours of coffee plantations, such as the [Cafe Britt Tour](#), have also caught on in Costa Rica's tourist boom lending even

more help to coffee producers. (Brenes, 2001). Cafe Britt offers several types of coffee tours, including an Espresso Tram and the Coffee Lover's tour, which charges \$50 for a seven hour tour of an organic coffee plantation and a coffee mill.

- **Transfer of Incomes** - An often overlooked benefit of tourism development in the Third World is that tourism is an excellent vehicle for transferring income from wealthy nations and persons to the poorer sectors of society. Ecotourism is especially effective in this transfer since travelers often venture into remote, economically-disadvantaged regions. The majority of ecotourists have above average income profiles and are willing to pay higher park entrance fees as well as make donations to conservation efforts. (Weaver, 1998, 23, 98). For example, a study of visitors to Costa Rica's Monteverde Cloud Forest found that foreign visitors are willing to pay an average of \$118 to ensure that the park is adequately protected. (Fennell, 1999, 172). This extra amount that foreign visitors are willing to pay could be collected in the form of an environmental tax on non-citizen ecotourists rather than a voluntary donation. While most tourism is an exchange between the world's wealthier nations, ecotourism has the potential to increase travel to the developing world. Since tourism is a relatively barrier free trade commodity it can be a more effective means of transferring income from the modernized world than other forms of foreign investment, such as export-processing zones, in which profits are largely repatriated.
- **Diversification** - Ecotourism in Costa Rica has helped diversify the national economy, which previously depended upon the exportation of a few agricultural products, namely coffee, bananas, meat, and sugar, for 65% of its exports. Like many countries in Central America, Costa Rica's small internal market and scarcity of raw materials make industrialization a slow and difficult process without much room for expansion. (Chant, 1992, 89-90).