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Ecotourism Enterprises: The Case for Indigenous Community-Owned Tourism in Ecuador

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Abstract

With the rapid growth of the global ecotourism industry, the sector has had difficulty attaining its intended goals of environmental responsibility and local development. In recent years, there has been a recognized need for greater incorporation of local communities into tourism operations. This thesis explores the challenges facing ecotourism, while arguing for the potential found in ecotourism enterprises owned and operated by indigenous communities in Ecuador. An analysis of two distinct Ecuadorian cases demonstrates the potential for multi-faceted environmental and social impact in diverse contexts. Finally, by understanding the processes that build impact embedded in the business models, this study reveals key components and strategies applicable to community-based ecotourism around the world.

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Introduction

Contributing to 9% of global GDP and 1 out of 11 jobs worldwide, tourism is a key component of international development.[1] Tourism is one of the world's largest industries, associated with many of the prime sectors of the global economy, and is interwoven economically, socio-culturally and environmentally into the fabric of life around the globe.[2] Over the past 60 years tourism experienced continued expansion, becoming one of the fastest-growing economic sectors in the world.[3] In 2012, international tourist arrivals exceeded the 1 billion mark for the first time ever.[4] Tourism has the potential to develop and transform a region, yet it can also do more harm than good, especially in the developing world. Mass tourism is often criticized for the fact that it can dominate a region, but does not benefit local inhabitants. Mass infiltration of tourists can also lead to degradation of the natural environment and commercialization of local culture. Moreover, if the region becomes too degraded the tourism industry can collapse, leaving local inhabitants jobless.

During the 1970s and 1980s in response to the harmful impacts of mass tourism, originating in the Galapagos Islands of Ecuador, the concept of ecotourism emerged. Around the world, advocates and scholars such as Krippendorf (1982) argued for a new

[1] World Tourism Organization, "UNWTO Tourism Highlights: 2013 Edition" (Madrid: UNWTO Publications, 2010), p. 2.

[2] Fennell, David A. 1999. Ecotourism :An introduction. London, GBR: Routledge. p. 2.

[3] UNWTO, 2.

[4] UNWTO, 3.

approach to tourism that should consider the needs of local people and the natural environment, rather than solely focusing on economic gains.[5] Cited as "soft tourism," this approach incorporates natural and cultural resources into tourism planning, rather than simply as an afterthought.[6] Tied closely to the growing environmental conservation movement, ecotourism seeks to integrate conservation into tourism practices. Since the 1990s, ecotourism has become one of the fastest growing sectors within the tourism industry.[7] However, with its rapid growth ecotourism has faced numerous challenges, meeting its intended goals of incorporation of local communities balanced with environmental sustainability. As the birthplace of ecotourism, and one of the most biodiverse regions on the planet, Ecuador provides an ideal context for this study. With the excessive growth of tourism in the Galapagos Islands and often marginalized indigenous populations, Ecuador embodies both the potential and challenges facing the global ecotourism movement.

This thesis explores the challenges facing ecotourism, while arguing for the potential found in ecotourism enterprises owned and operated by indigenous communities. By limiting the focus to ecotourism in Ecuador, the socio-political context shaping ecotourism business models is examined. Through qualitative interviews and observational research conducted while living with an Ecuadorian indigenous family, I gained a first-hand perspective of the enterprise operations and community perceptions.

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[5] Krippendorf, Jost. 1982. "Towards new tourism policies: The importance of environmental and sociocultural factors." *Tourism Management* 3 (3) (9): p. 144.

[6] Fennell, 9.

[7] The International Ecotourism Society (TIES). 2012. "Our Story: Uniting Conservation, Communities, and Sustainable Travel". http://www.ecotourism.org/what-is-ecotourism

Using a framework of capital impact, an analysis of two distinct indigenous ecotourism enterprise cases in Ecuador will demonstrate the potential for multi-faceted environmental and social impact in diverse contexts. Finally, by understanding the processes that build impact in these two cases, this study will reveal key components and strategies applicable to community-based ecotourism around the world.

1. Background: Ecotourism & Community-Based Indigenous Tourism

Today, The International Ecotourism Society (TIES) defines ecotourism as "responsible travel to natural areas that conserves the environment and improves the well-being of local people." The aim of ecotourism is to unite conservation, communities, and sustainable travel, according to the following principles:

- Minimize impact.
- Build environmental and cultural awareness and respect.
- Provide positive experiences for both visitors and hosts.
- Provide direct financial benefits for conservation.
- Provide financial benefits and empowerment for local people.
- Raise sensitivity to host countries' political, environmental, and social climate.[8]

Although there are many definitions of ecotourism used in the literature, this definition reveals the multifaceted goals of social and environmental responsibility, serving as a reference point in this thesis.

Challenges

From the literature and this definition, ecotourism aims to be the solution to environmental destruction, while simultaneously lifting communities out of poverty. However, the goals of ecotourism are not always attained. Scheyvens (1999) argues that ecotourism has great potential, but "there is great danger as viewing ecotourism as the great panacea" and the sector is often romanticized.[9] Since the 1980s, the implementation

[8] Ibid.

[9] Scheyvens, Regina. 1999. "Ecotourism and the empowerment of local communities." *Tourism Management* 20 (2) (4): p. 246.

and practice of ecotourism has faced numerous challenges. One of the greatest challenges is "greenwashing," which occurs when a tour operator uses the term "ecotourism" as a marketing campaign, but does not adhere to the central principles. Self et. al (2010) argues that the prevalence of ecotourism "greenwashing" is due to a lack of an international standard or certification.[10] According to a 2007 survey, "ecofriendly" travel has grown very popular and 78% of American travelers feel it is important that their visits do not damage the environment, 62% say it is important to learn about other cultures when they travel, and 38% even claim they will pay more to use a company that strives to protect and preserve the environment.[11] Due the demand for "green" tourism, ecotourism has become a mainstream form of tourism that has little oversight or regulation to ensure proper standards are upheld. It seems that any nature travel company can add the word "ecotourism" or "green travel" to their brochure, whether their services live up to the name or not. Greenwashers give the appearance of ecotourism (nature-based, learning focused, environmentally and socially responsible) without the substance of sustainability.[12]The tourism industry has tried to address these concerns through the creation of certification programs, however over 100 certification or "eco" labeling programs exist, each with different standards or criteria.[13] Instead of regulating

[10] Self, Robin M., Donald R. Self, and Janel Bell-Haynes. "Marketing tourism in the Galapagos Islands: ecotourism or greenwashing?." *International Business & Economics Research Journal* 9, no. 6 (2010). pp. 114-115.

[11] Goeldner, C. R., & Ritchie, J.R. (2009*). Tourism: Principles, Practices, Philosophies*. (11th ed). New Jersey: Wiley and Sons.

[12] Self et al. 115.

[13] Ibid.

ecotourism practices, the abundance of certification programs has caused them to become insignificant labels, allowing for "greenwashing" companies to dominate the market.

The lack of adequate economic benefits is another challenge of ecotourism. Many scholars question ecotourism's contributions to local development, asserting that often little of the revenue actually reaches local people.[14] It is not uncommon that an ecotourism company focuses heavily on sustainable environmental practices, but overlooks the local development component. In other cases, the aim of the enterprise is to benefit the local community, but some ecotourism projects do not generate sufficient revenue to reach the local people or only a small number of jobs are created and the benefits are not widespread.[15]

Even as legitimate ecotourism enterprises gain popularity, a high influx of tourists can have harmful impacts on the natural environment it aims to protect. If not managed properly, successful ecotourism ventures can place great strains on the environment and wildlife. Ecotourism aims to have minimal environmental impact, but once an enterprise becomes an attraction and people want to come, there is a possibility that it can develop into mass tourism.[16]Expanding tourism ventures often involve the construction of new infrastructure, both civic and tourism specific, which is usually created by clearing forests or causing other disturbances to the natural environment. Increased activity can also lead to the depletion of renewable and nonrenewable resources such as water, construction

[14] Stem, C.J., Lassoie, J.P., Lee, D.R., & Deshler, D.J. 2003. "How 'eco' is ecotourism? A comparative case study of ecotourism in Costa Rica. *Journal of Sustainable Tourism*, 99 (4), 322-347.

[15] Self et al. 116.

[16] Ibid.

materials, and forests.[17] Ecotourism companies also must address the issue of greenhouse emissions, due to the fact that travelers are usually flying to the sites, which results in large portions of greenhouse gas emissions that contribute to climate change. Ecotourism can also involve wildlife watching or tracking, which can place strain on habitats or disrupt migration patterns. The Galapagos Islands is widely cited as a case of irresponsible ecotourism due to its rise in popularity resulting in damage to the natural environment and lack of benefits to the local community.

In addition to harmful environmental impacts, ecotourism can also have unintended negative impacts on the host community. Throughout the literature it is noted that one of the greatest risks to local communities is the "commodification of culture," where peoples and communities become marketable products.[18] In 2001, Pope John Paul II publically stated that tourism can "transform culture, religious ceremonies, and ethnic festivities into consumer goods."[19] Or in other cases, local people are presented, both deliberately and involuntarily, as a component of the biodiversity, a "threatened species" for tourists to observe, examine, evaluate, and try to conserve.[20] Local community members may even be marketed as part of the tourism package, especially indigenous residents, rather than as primary and legitimate beneficiaries of an ecotourism

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[17] Batta, R. N. 2006. "Evaluating ecotourism in mountain areas: A study of three Himalayan destinations." *International Review for Environmental Studies*, 6 (1), 41-62.

[18] Stem, Caroline J., James P. Lassoie, David R. Lee, David D. Deshler, and John W. Schelhas. 2003. "Community participation in ecotourism benefits: The link to conservation practices and perspectives." *Society &Natural Resources* 16(3). p. 388.

[19] *BBC* News, "Pope Condemns Cass Tourism," June 23, 2001. http://news.bbc.co.uk/2/hi/europe/1403393.stm (accessed April 3, 2014).

[20] Gale, Tim, and Jennifer Hill. 2009. *Ecotourism and Environmental Sustainability : Principles and Practice*. Farnham, England: Ashgate, 2009.*eBook Collection (EBSCOhost)*, EBSCO*host* (accessed April 18, 2014). p. 229.

enterprise.[21] In this type of setting, where a tour operator uses viewings of local culture as a tour package component, local communities are not only often disrespected, but local customs can be altered. For example, local people are often encouraged or forced to put on exaggerated cultural shows for tourists. These shows can misrepresent local people and harm legitimate community traditions. In an attempt to combat these harmful practices, the ecotourism tourism movement is placing a greater emphasis on the need for ecotourism initiatives that not only benefits local communities, but are run and owned by communities.

Rise of Indigenous Ecotourism

In an attempt to curb irresponsible ecotourism, in the past decade, the alternative tourism movement has emphasized the need for community-owned enterprises. Initiated in the 1990s, Indigenous ecotourism enterprises developed as part of a worldwide revival movement that seeks new forms of autonomous development, through integration into the global economy, alongside the revitalization of traditions.[22] Indigenous ecotourism seeks to promote greater involvement of local communities, but still continues to focus on conservation, retaining the support of the environmental movement.[23]

First it is important to define "indigenous people" and "indigenous tourism." Presently, there are more than 370 million indigenous people spread across 70 countries

[21] Ibid.

[22] Wesche, Rolf. 1996. Developed country environmentalism and indigenous community controlled ecotourism in the ecuadorian amazon. *Geographische Zeitschrift* 84 (3/4): p. 157.

[23] Ibid.

worldwide.[24] According to the UN, there is no official definition for indigenous people, but the modern understanding is:

> Self-identification as indigenous people at the individual and community level, historical continuity with pre-colonial or pre-settler societies, a strong link to territories and natural resources, a distinct social, economic, or political system, distinct language, culture and beliefs, and a resolve to maintain and reproduce their ancestral environments and systems.[25]

There is no single definition for indigenous tourism in the literature, but Zeppel (2006) clearly defines it as "nature-based attractions or tours owned by indigenous people and indigenous interpretation of the natural and cultural environment."[26] In these initiatives, indigenous groups are working to conserve the natural environment, educating visitors, and running their own ecotourism ventures that benefit the community.[27] Traditionally, the conservation movement in conjunction with early ecotourism, focused on nature parks and other conservation areas, with little regard for indigenous rights or participation. In many cases indigenous people were considered a threat to conservation, and were often forced out of national parks or other preserve areas.[28] However, during the 1990s, a more integrated view of conservation started to emerge. The World Conservation Union (IUCN) recognized that indigenous groups should be incorporated into conservation plans.[29] In the past, "ecotourism" ventures focused on attention to the

[24] United Nations. "Who are indigenous peoples?." United Nations Permanent Forum on Indigenous Issues. http://www.un.org/esa/socdev/unpfii/documents/5session_factsheet1.pdf (accessed April 1, 2014).

[25] Ibid.

[26] Zeppel, Heather. 2006. Indigenous Ecotourism : Sustainable development and management. Wallingford, Oxfordshire, GBR: CABI Publishing. Pg. 1.

[27] Ibid.

[28] Wesche, 159.

[29] Ibid, 160.

natural environment, but often had minimal involvement of local indigenous people.[30] Today, there is a greater focus on the sustainable integration of humans and nature. In the new paradigm, indigenous people are permitted to remain in national parks or reserves and through tourism can become the managers and protectors of these places. When indigenous groups are allowed to remain on their land and given the power to manage their own tourism operations, indigenous ecotourism has the potential to provide alternatives to extractive land uses such as logging, mining, farming, and hunting.[31] Indigenous ecotourism can include nature-based tours, cultural attractions, services in tribal homelands, homestays, traditional lodging and the cultural and spiritual aspects of indigenous heritage. Globally there is greater awareness about the environmental impacts of tourism and the importance of incorporating indigenous people, and indigenous ecotourism is widely supported.

Presently the vast majority of indigenous ecotourism initiatives are in the form of NGO projects and government programs, rather than for-profit businesses. As a typically marginalized or impoverished group, indigenous people are often viewed as "victims" in need of aid. As a result of this stereotype, many indigenous ecotourism projects are created as a means to "help" indigenous communities alleviate poverty, through NGO or government support. NGO programs and government projects are often financially unsustainable and are not created to compete in the tourism marketplace. One of the biggest disadvantages of non-profits is that they are dependent on traditional fundraising. Nonprofits have to seek resources, which require them to comply with the demands of

[30] Zeppel, 1.

[31] Ibid.

funders, who look to fund tangible projects rather than business development initiatives. Another challenge with NGO projects is that the idea for an ecotourism initiative often comes from the external actor, rather than an initiative from the community.[32] When the idea to start an ecotourism project does not originate from the community, it might be viewed as an imposition and not receive full community support. Successful ecotourism ventures must be fully supported by the community. According to Elper (1998) in Ecuador there are numerous examples of inappropriate NGO assistance in the field of ecotourism.[33] Goodwin and Santilli (2009) conducted an assessment of 28 community based tourism initiatives around the world and found that over half were unsustainable and dependent on support from external donors.[34] NGOs can play a vital role in indigenous ecotourism development, but this thesis argues that successful and sustainable indigenous ecotourism initiatives are best served by for-profit social enterprises owned and operated by the community.

[32] Inostroza, Gabriel. (2008). "Aportes Para un Modelo de Gestión Sostenible del Turismo Comunitario En La Región Andina". *Gest. Tur*, 10.

[33]Elper Wood, Megan. 1998 *Meeting the global challenge of community participation in ecotourism: Case studies and lessons from Ecuador*. Latin American and Caribbean Division, Nature Conservancy.

[34] Goodwin, Harold, and Rosa Santilli. 2009. Community-based tourism: A success. *ICRT Occasional Paper* 11 (1): 1-37.

2. Social Enterprise Model For Tourism

Ecotourism literature recognizes the need for robust business strategies to build successful ecotourism ventures, but the application of a social enterprise model to community-run ecotourism ventures is less studied. Applying a social business or social entrepreneurial model to community ecotourism ventures has the potential to create a greater and more sustainable impact. It was not until the late 1990s that the term "social entrepreneurship" emerged in the literature. Gregory Dees (1998) defined the idea of "social entrepreneurship" as the combination of the "passion of a social mission with business-like discipline, innovation, and determination."[35] In order to expand upon this definition, Dees cites that entrepreneurship must be centered on "the pursuit of opportunity without regard to resources currently controlled."[36] Entrepreneurs are visionaries not limited by their resources at hand, but are able to harness the resources outside their reach. However, social entrepreneurs are a specific type of entrepreneurs, specially driven by their social mission. The creation of social value rather than wealth is central to the work of a social entrepreneur. According to Dees, social entrepreneurs make fundamental changes in the way things are done in the social sector; they target problems rather than simply treating symptoms.[37] They see opportunities, where others see problems, and have the persistence to exploit new opportunities. Within these processes, social entrepreneurs must continually adapt, innovate, and always be open to new learning opportunities. They must take risks, act boldly, and not let a lack of

[35] Dees, J. G. 1998. "The meaning of social entrepreneurship.". *Comments and suggestions contributed from the Social Entrepreneurship Funders Working Group, 6pp*.

[36],Ibid.

[37] Ibid.

resources hold them back. Dees argues that social entrepreneurs are a special breed of leader that is going to be crucial to help us confront our world's greatest challenges.[38]

Social entrepreneurs must harness these distinct leadership skills in order to build sustainable social enterprises. Elkington and Hartikan (2008) explain how social businesses are set up as for-profit business models; however the profits are used to drive impact. From the onset the business must be set up with the mission of driving social or environmental change. Social or environmental change must be the end goal; profits are only a means to that end. The aim is not to maximize returns for shareholders, but instead to benefit target groups involved and grow the social venture by reinvestment. Through this model, profits are redistributed to the beneficiaries and used to scale and sustain the business.[39]

Drawing on parallels between biological and organizational systems, Dees and Bloom (2008) propose an "ecosystems framework," that focuses on incorporating the broader environment on which the organization depends, and the various actors that affect the entire industry. [40] This model is proposed to analyze social enterprises that shape and are intertwined with the external environment, making it particularly applicable to ecotourism enterprises.[41] In order to improve their business model and maximize intended impact, social entrepreneurs should understand all of the players and

[38] Ibid.

[39] Elkington, John, and Pamela Hartigan.*The power of unreasonable people: how social entrepreneurs create markets that change the world*. Boston, Mass.: Harvard Business School Press, 2008. p. 11

[40] Bloom, Paul N., and Gregory Dees. 2008. "Cultivate your ecosystem." *Stanford Social Innovation Review* 6 (1): p. 47.

[41] Ibid.

environmental conditions, or the "ecosystem" that affects their operations.[42] Part of identifying the players of the ecosystem includes identifying both resource providers as well as competitors, while the environmental factors are shaped by political and administrative structures, the market landscape, geography and infrastructure, and especially important for community tourism: the cultural and social fabric.[43] The case study analysis in the preceding sections integrates this framework in order to understand the external forces and players shaping the impact of the enterprises.

Although there are many different forms of social enterprise models, community-owned businesses present the opportunity to deliver maximum social and environmental impact through tourism. Community-owned enterprises are set up as traditional businesses, but are cooperatively owned by a group of members, who usually own an equal share of the company.[44] Local control of development, consensus-based decision making, and equitable distribution of the benefits, make up the fundamental elements of community-based ventures.[45] Community tourism businesses must be a product created by the community, and fully integrated into the social fabric of the community. Successful ventures should maintain and enhance local community equilibrium, through the collaborative effort of building tourism operations.[46] All of the community members should support the business and through this model tourists should be offered an

[42] Ibid, 49.

[43] Ibid, 51.

[44] Bloom, Joshua. 2010. "Community-owned Businesses: How Communities Become Entrepreneurs." *National Main Street Center* 3(4).

[45] Blackstock, Kirsty.2005 "A critical look at community based tourism." *Community Development Journal* 40, no.1. p. 39.

[46] Scheyvens, 247.

experience of "integration," with genuine contact between tourists and host communities. Although the impact of community-run ecotourism goes beyond monetary benefits, ventures still must meet high quality standards and be financially sustainable.[47] Community-led social ventures allow communities to develop the capacity to be independent, taking greater control over their own socioeconomic development.[48]These ventures have the potential to empower local leaders and combat the stereotypes of indigenous people as marginalized and impoverished, belonging to a homogenous group. Although it is a different model, it is important to note that community-based tourism enterprises still face many of the challenges highlighted previously, such as commodification of culture, distribution of economic benefits, inadequate funding and greenwashing. The case study analysis explores these challenges and demonstrates the potential for community-based enterprises to deliver multifaceted environmental and social impact, while also maintaining the cultural integrity of the community.

[47] Inostroza, Gabriel. 2008. "Aportes Para un Modelo de Gestión Sostenible del Turismo Comunitario En La Región Andina". *Gest. Tur,* 10. p. 81.

[48] Haugh, Helen. 2007. "Community-led social venture creation." *Entrepreneurship: Theory & Practice* 31 (2) (03): p. 161.

3. Ecuador's Sociopolitical Tourism Context

In Ecuador, tourism is the third most important economic activity, contributing to 4.5% of total employment, and 5.5% of GDP.[49] Since the 1970s, Ecuador has seen rapid growth in the tourism, which is only predicted to increase in the next couple of years. In the year 2013 alone, Ecuador recorded over 1.3 million international tourist arrivals.[50] Ecuador is one of the smallest countries in Latin America, yet it is one of the most diverse countries on Earth, consisting of four distinct regions: the Amazon, the Sierra, the Coast, and the Galapagos Islands. Beginning in the 1960s, the Galapagos Islands became one of the world's top ecotourism destinations and over the past 15 years, ecotourism growth increased by an average of 14% per year.[51] Today, the Galapagos Islands dominate the tourism market, contributing to economic development, but also raising concerns for the islands' sustainability. The Islands face a growing human population, irresponsible resource use, introduction of invasive species, and harm to the biodiversity.[52] Consequently, there is a need for sustainable tourism projects outside of the Galapagos.

Due to its high biological and culturally diversity, other locations across Ecuador are also top ecotourism destinations. The literature reveals that, the concept of community tourism is positioned in Ecuador due to the organization of local communities. The term "community" is often used in this field to describe a local

[49] World Travel & Tourism Council. 2012. "Travel and Tourism: Economic Impact 2012 Ecuador." http://www.wttc.org/site_media/uploads/downloads/ecuador2012.pdf

[50] Ibid.

[51] Epler, Bruce.2007. "Tourism, the economy, population growth, and conservation in Galapagos." *Charles Darwin Foundation.*

[52] Self at al., 116-8.

population group, but in Ecuador indigenous "communities" are legally recognized groups. Mainland Ecuador is home to fourteen different indigenous groups, the majority of which are located in the Sierra and the Amazon. The *Ley de Comunas de 1937* (Law of Communes), amended to the *Ley de Organizacion y Regimen de Comuna*s (Law of Rules and Organization of Communes) in 2004, officially recognizes communities as part of the political administration of the State.[53] Under these laws, communities have legal rights to land and a local democratic assembly system.[54] Community ecotourism spread outside of the Galapagos Islands in the 1990s, experiencing particular growth in the Amazon region, which in 1991 was called "The Nature Tourism Gold Rush."[55] During this time, many of the indigenous communities were antagonistic towards tourism development because many enterprises were developed without local involvement. As a response, in 1993, CONFENIAE (the Confederation of Indigenous Peoples' Organizations of the Amazon Basin) published ecotourism management guidelines, asserting their rights in the Amazonian territories. However, too many communities had false hopes, believing ecotourism would be the quick fix to their development needs, aggravated by NGOs that made large investments in projects without proper feasibility analyses.[56] Disappointment from failed community ecotourism projects led to many cases where indigenous land was sold for oil development or extractive uses such as unsustainable farming and logging. Although ecotourism has faced numerous challenges, communities still see potential in

[53] Ruiz, Esteban, Macarena Hernández, Agustín Coca, Pedro Cantero, and Alberto Del Campo.2008. "Turismo comunitario en Ecuador. Comprendiendo el community-based tourism desde la comunidad." Pasos. Revista de turismo y patrimonio cultural 6(3): pp. 402-3.

[54] Ibid, 403.

[55]Wood,8.

[56]Ibid.

ecotourism. In 2008, Ruiz et al. reported that there were approximately 60 communities involved in some form of community tourism.[57] Community representatives at the National Forum on Community participation clearly stated that, "hopes for greater benefits from ecotourism remain high."[58]

Ecuador's Sustainable Tourism Policies

In recent years Ecuador's policies and plans reveal strong ideological support for community-based ecotourism. In 2008, Ecuador approved a new constitution that emphasized the importance of nature and supporting populations in poverty. The constitution included a novel set of articles that explicitly granted rights to nature, or "Pacha Mama."[59] The first chapter enumerates the State's prime duties are, "Planning national development, eliminating poverty, and promoting sustainable development and the equitable redistribution of resources and wealth to enable access to the good way of living." Similarly echoing the principles of ecotourism, the Constitution declares:

> The right of the population to live in a healthy and ecologically balanced environment that guarantees sustainability and the good way of living (sumak kawsay), is recognized. Environmental conservation, the protection of ecosystems, biodiversity and the integrity of the country's genetic assets, the prevention of environmental damage, and the recovery of degraded natural spaces are declared matters of public interest.[60]

In addition to broad constitutional support for ecotourism, in 2007 the Tourism Ministry released an extensive plan to promote sustainable tourism. The *Plan*

[57] Ruiz et al., 403.

[58] Ibid, 9.

[59] Georgetown University. "República del Ecuador Republic of Ecuador Constitution of 2008 Constitucion de 2008." Ecuador: 2008 Constitution in English. http://pdba.georgetown.edu/Constitutions/Ecuador/english08.html (accessed April 28, 2014).

[60] Ibid.

Estratégico de Desarrollo de Turismo Sostenible Para Ecuador, (PLANDETUR 2020, Strategic Plan for Sustainable Tourism Development for Ecuador), stressed the need for investments in tourism, while integrating local communities and protecting the natural world. The report states that the goal of Ecuador's tourism planning is to promote sustainable tourism, which must focus on integrating environmental, economic, and social dimensions. The central vision seeks to place "human development in harmony with nature" with an institutional base.[61] Following this vision, three central goals are outlined, which include: respect for the socio-cultural authenticity of the host communities, optimal use of the natural resources, and economic viability with equitable division of the benefits.[62] Moreover, the plan seeks to meet four of the Millennium Development Goals (MDGs), including: 1. Eradicate extreme poverty and hunger, 3. Promote gender equality and empower women, 7. Ensure environmental sustainability, 8. Global partnership for development.[63] These plans demonstrate that the government recognizes the importance of tourism that provides benefits for the environment and local communities, but it is important to note that implementation of the plans is either not publicized, or has yet to materialize.

One visible initiative by the Tourism Ministry is the *La Federación Plurinacional de Turismo Comunitario del Ecuador* ("Plurinational Federation of Community Tourism in Ecuador," FEPTCE), a network to help communities improve their livelihood through community tourism. The organization claims to assume both a political and technical role

[61] Ministerio de Turismo, "Plan estratégico de desarrollo de turismo sostenible para Ecuador: ´PLANDETUR 2020´" (Quito, Ecuador, 18 de abril de 2007). P. 18.

[62] Ibid, 19.

[63] Ibid. 20.

to strengthen and position community tourism on the forefront of development.[64] One of FEPCTE's most recent initiatives was the creation of the "Escuela de Interaprendizajes" (School of Inter-Learning), to train community leaders in community tourism operations. The objective of this school is to develop talented community leaders through a process of "70% practical application and 30% classroom theory."[65] FEPTCE also developed the "Centro de Informacion y Comercializacion del turismo Comunitario en Ecuador" (Marketing and Information Center for Community Tourism in Ecuador), which intended to be a travel agency to market community tourism initiatives, however the system is not operational.[66] FEPTCE's goals and initiatives have the potential to significantly support community tourism ventures, however according to the cases they have had little impact on the ground. Ecuador's tourism policies are founded in ideology that directly embodies the principles to support community ecotourism enterprises; however evidence of implementation is limited. The case studies in the following section will explore the effects of Ecuador's sociopolitical context on their business development and areas of capital impact.

[64] FEPTCE. 2009. "Que Hacemos" http://www.feptce.org/index.php?option=com_k2&view=item&layout=item&id=315&Itemid=108

[65] Ibid.

[66] IICD. 2005. "Promotion, Dissemination and Marketing of Community Tourism – Ecuador." http://www.iicd.org/projects/ecuador-feptce

4. Case Study Analysis

Methodology

The cases of the Napo Wildlife Center (NWC) and Runa Tupari Native Travel, provide two distinct examples of indigenous community-owned ecotourism enterprises in Ecuador. The cases vary in location, community stakeholders, levels of success, and partnerships, but are both for-profit social enterprises with a mission of supporting local indigenous communities, while promoting environmental conservation. The Napo Wildlife Center is world renowned luxury eco lodge, cited throughout the literature as a model for ecotourism. While, Runa Tupari Native Travel has received much less publicity and serves a very different tourist market. NWC is located in an Amazonian National Park, while Runa Tupari is based out of rural communities in the Andes. These distinct cases were selected to explore varying approaches to ecotourism based in Ecuadorian indigenous communities.

The case study research was conducted through qualitative interviews, personal observation, archival, and Internet research. During the winter of 2013-14, I spent three weeks living with one of Runa Tupari's host families in the community of La Calera, while also working in their central office. I was welcomed into the family and the community, and was able to freely speak with community members and observe daily life. Over this period I conducted informal qualitative interviews in Spanish with Runa Tupari's staff, numerous community members, and tourists partaking in tours and homestay arrangements. In the office, I learned about the daily business operations, while reading through archival reports. I also recorded my daily personal observations and findings. Due to financial constraints I was unfortunately unable to personally visit the

Napo Wildlife Center. Information on this case was gathered through qualitative phone interviews with NWC staff members, primary Internet research, and secondary sources. As a result, this study may be limited and contain biases. However, both cases serve to convey the potential for indigenous ecotourism enterprises, while revealing notable strategies and challenges.

Impact Framework

In order to understand the formation, processes, and impact of these enterprises, each case will be analyzed using Endeavor Global's metrics of capital impact: financial, human, social, intellectual, cultural. In addition, I will explore the environmental impact of each case, using the measure of natural capital. Endeavor Global is an international non-profit organization "leading the global movement to catalyze long-term economic growth by selecting, mentoring, and accelerating the best high-impact entrepreneurs around the world."[67] This framework acts as a comprehensive analysis tool that provides an understanding of impact beyond traditional financial measures. It is attended to reveal the structures and processes embedded in the business models that result in impact. Analyzing the cases along these categories of capital will expose both strategies and challenges applicable to other ecotourism ventures.

This study aims to use these measures of capital in order to understand the processes behind the different business models and gain a multidimensional perspective of social and environmental impact. According to the Oxford Dictionary, "capital" is defined as "wealth in the form of money or other assets owned by a person or

[67] http://www.endeavor.org/model/ourmission

organization or available or contributed for a particular purpose such as starting a company or investing."[68] The six measures of capital will be used to analyze "wealth" beyond this traditional definition. The measures of financial, human, social, intellectual, cultural, and Natural Capital will serve to breakdown the business models, value streams, and processes of impact.

Financial Capital

Financial capital typically refers to monetary assets. In the case study analyses, financial capital is used to refer the sources of revenue generation, sources of income generation, processes of cash flow, and distribution of benefits to community stakeholders. Additionally outside funding sources such as grants and donations are discussed. Both cases explore how NGOs assisted by providing initial start-up capital for the venture.

Social Capital

According to the World Bank, Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions[69]. It is the resources available through the web of social relationships with friends, family members, or associates, or the community in which the social enterprise based in.[70] Social capital has been proposed as the "missing link" in development and the

[68] Oxford Dictionary. 2014. "English Definition: Capital."

[69] The World Bank. 2011. "What is Social Capital." http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTTSOCIALCAPITAL/0,,contentMDK:20185164~menuPK:418217~pagePK:148956~piPK:216618~theSitePK:401015,00.html

[70] Godfrey, Paul. *More than Money : Five Forms of Capital to Create Wealth and Eliminate Poverty*. Palo Alto: Stanford University Press, 2013. p 10.

focus for policy, practice, and research.[71] In community-based tourism enterprises, the social capital is derived from the relationships and networks within and connected to the local community. Community building experts (McKnight and Block 2010) argue that the "neighborhood is the natural nest for hatching a new enterprise" and local communities function to nurture entrepreneurship.[72] According to (Morse 2000), successful communities must include a consideration of long-term results and the incorporation of all citizens in order to ensure stability and future sustainability.[73] Social capital brings impact through the form of information, influence, and resources. These value networks created by social entrepreneurs and built out through the operations of the social enterprise are crucial for the creation of both social and economic value.[74] According to their extensive literature review (Hervieux and Turcotte 2010) identified involvement of external actors and target population, proactive actions in the development of the network, and providing missing links as the three most important actions necessary for the creation, development, and reinforcement of social networks.[75] Building competent community depends on the initiatives that result in more individual and associational connections.[76] Social capital networks are crucial during the initial

[71] Coria, Jessica. 2012. "Ecotourism and the development of indigenous communities: The good, the bad, and the ugly." Ecological Economics 73 (-01-15): p. 305.

[72] McKnight, John, and Peter Block. *The Abundant Community: Awakening the Power of Families and Neighborhoods*. Chicago, Ill.: American Planning Association, 2010. pp. 22-24.

[73] Morse, Suzanne W. 2000 "Five Building Blocks for Successful Communities." In *The Community of the future*. New York: The Peter F. Drucker Foundation. pp. 231-33.

[74] Hervieux, Chantel, and Marie-France B. Turcotte. 2010. "Social entrepreneurs' actions in networks." In *Handbook Of Research On Social Entrepreneurship*. Northampton : Edward Elgar Publishing Limited.. p. 184.

[75] Ibid, 184.

[76] Mcknight and Block, 132.

phase of the enterprise, but successful networks continue to provide access to contacts and resources.[77] Therefore, social enterprises must continually manage their networks and incorporate social capital as a central component of the business model.

In the case studies, social capital will be explored through an examination of the community stakeholders and dynamics that shape each business model. External partnerships and networks will also be explored. Strong social capital requires a diverse network of people that derive mutual benefits from the relationships. In several of the cases, the tourism enterprise operations also drive the growth of small local enterprises, such as goods and services purchased by tourists or the enterprise itself. It is also important to note that social relationships can sometimes negatively affect a business model. The cases explore how community dynamics can prevent growth or cause competition for resources. Blackstock (2005) argues that communities are often viewed as homogenous blocks, and it is essential to consider internal power struggles within a community.[78] External relationships with other tourism businesses and government agencies will also be discussed. Social capital is the driving force behind the success of community-based tourism operations and consequently one of the most important measures of non-monetary impact.

Human Capital

Human capital is defined as the resources embedded in people. It is the knowledge, skills, and attitudes that produce tangible outcomes and create wealth.[79]

[77] Ibid, 185.

[78] Blackstock,142.

[79] Godfrey, 10.

Human capital is the individuals contributing to the processes and development of an organization. It is shaped by individual ability, skills, knowledge, job training, and education. It is also important to note the importance of individual health, well-being, and empowerment. The case studies analyze the leaders and staff involved in each organization, programs to build human capital, and the impact of the role of empowerment upon organizational success. Extension of human capital through volunteers and external individuals also serve as key components contributing towards impact.

Intellectual Capital

Intellectual capital is closely related and often overlaps with human capital, but is defined as the knowledge that flows through the company. It is not only the knowledge and competencies residing in individual employees, but it is the collective know how of an organization.[80] In this study, intellectual capital analysis focuses on knowledge base and transfer into the organization. Organizational training, expertise from outside sources, and academic research reports are examined. Knowledge exchanged between the tourists and community, particularly language skills comprise key components of intellectual capital in both cases.

Cultural Capital

Cultural capital will be explored in the context of Ecuador's indigenous communities managing the tourism operations. According to (McKnight and Block

[80] Nerdrum, L., & Erikson, T. 2001."Intellectual capital: a human capital perspective."*Journal of intellectual capital*,*2*(2), 127-135.

2010), culture is the ways in which people have survived in a particular place.[81] Across the four cases, indigenous cultural heritage is a crucial component of the tourism operations. Exposure of indigenous cultures can be one of the greatest benefits of community-based ecotourism, however as previously mentioned, "commodification" of culture can be one of the most serious impacts of this type of tourism. Through interviews with community members and tourists, this study explores the dynamics of cultural exchange as a central component of the business models. Each case study attempts to understand the effect of tourism operations on the indigenous culture and how the cultural exchange with tourists is viewed by the community members. This section may be particularly limited in scope due to my inability to visit NWC and speak directly with community members.

Natural Capital

Finally, the processes that create environmental impact in each case are examined through a discussion of natural capital. Natural capital is officially defined as the world's stocks of natural assets, and is used to make the natural world integral to economic thought.[82] Ecotourism literature focuses on non-use of natural capital and the impacts of development or human activity on the environment.[83]It is important to note that no formal analysis of environmental impact was undertaken, but this measure focuses on efforts to decrease environment impact embedded in the business models. This includes impact of

[81] McKnight and Block, 15.

[82] The Natural Capital Forum. 2014. "What is Natural Capital?" http://www.naturalcapitalforum.com/what-is-natural-capital

[83] Butcher, Jim. "Natural Capital in the Advocacy of Ecotourism." In *Ecotourism, NGOs and Development: A Critical Analysis*. London: Routledge, 2007. pp. 131-2.

tourists on natural sites, sustainable building practices, sustainable livelihoods, and conservation of biodiversity. Environmental impact is explored through qualitative interviews and online sources. The cases of NWC and Runa Tupari address the use of natural capital in distinct ways due to their geographic contexts and program structure.

Case 1: Napo Wildlife Center

The Napo Wildlife Center (NWC) is a luxury eco-lodge in the Ecuadorian Amazon owned and managed by the Añangu Kichwa community. The ecotourism project includes the conservation of over 82 square miles (53,000 acres) of Amazon Rainforest within the Yasuní National Park, the largest tract of tropical rainforest in Ecuador. The lodge complex is located within the ancestral territory of the Añangu Kichwa community, on the Anangucocha lake on the Sotuh bank of the Napo River in the Northeast Amazonian Ecuador. In the 1990s the community recognized the potential of ecotourism to protect their land, while also providing new jobs. The project began as four shelters and a large house for the kitchen and dining room, however with inadequate funding, the buildings remained incomplete for many years. In 2000, through the assistance of outside funding and support, the project was able to move forward, and the community succeeded to establish a high quality lodge and distinct rainforest experience. In 2003, the Napo Wildlife Center was officially incorporated. Through the assistance of the Ecuadorian Ministry of the Environment, the members of the community officially became park rangers of the large portion of the National Park.[84] For the first seven years the lodge was co-managed by an Ecuadorian NGO, the Eco Ecuador Foundation. In

[84] Napo Wildlife Center. 2014. "About Us"
http://www.napowildlifecenter.com/index.php/nwc-ecolodge/about-us

2007, after significant training, full ownership was transferred to the Anangu Kichwa Community.

The NWC is made up of twelve individual cabañas and is the only lodge within Yasuní National Park, a UNESCO Biosphere reserve. In order to reach the remote lodge, tourists must first take a small plane from Quito to the town of Coca, then a two-hour motorized boat ride, followed by an hour long canoe trip (motorized boats are prohibited in NWC's reserve). The Yasuní National Park is 2.4 million acres (3,783 square miles) and cited as one of the most bio diverse places on Earth.[85]It possesses the greatest species richness in the world, some of the largest forest tracts, and numerous threatened species.[86] The reserve in which NWC sits alone is home to over 500 different bird species, 11 species of monkey, Giant River otters, Brazilian Tapir, Cayman, Anacondas and many more.[87] As one of the world's last high biodiversity wilderness areas it is known as one of the world's most significant conservation sites. Yasuní also sits on top of Ecuador's second largest untapped oil reserves, threatening its status as a protected national park. In 2007, President Rafael Correa created the Yasuní-ITT plan, to prevent the oil exploitation and protect the park. Correa proposed that Ecuador could leave the oil untouched preventing an estimated 410 million tons of fossil fuel generated carbon emissions from entering the atmosphere, in exchange for a compensation payment of $3.6 billion dollars, roughly half of the revenues Ecuador predicts to receive from the oil revenues. This

[85] Bass, Margot S., Matt Finer, Clinton N. Jenkins, Holger Kreft, Diego F. Cisneros-Heredia, Shawn F. McCracken, Nigel CA Pitman et al. 2010 "Global conservation significance of Ecuador's Yasuní National Park." *PloS one* 5:e8767.

[86] Ibid.

[87] Napo Wildlife Center Website.

proposal was widely supported by Ecuadorians and activists around the world, but not surprisingly payment never materialized and by mid- 2012 only $200 million had been pledged by international donors. In August of 2013, Correa announced drilling would begin in Yasuní National Park.[88] However, due to its success and long-standing contracts, the 53,000 acres of the NWC reserve will be preserved and protected by the Añangu community and does not face the threat of exploitation.

As a community-based ecotourism enterprise, NWC's mission is to "provide an exclusive and personalized rain forest experience, intimate with nature, within a dedicated, private and unique lodge," while also promoting conservation of and support for the local community.[89] The Añangu Kichwa Community has 100% ownership of the business, and all of the profits are used to support community development projects.[90] The community runs all of the lodge's operations and acts as the hosts for the tourists. NWC's goal is for tourists to have a close connection with the rainforest and the local people, promoting cultural respect and environmental conservation.

Programs and Structure

The Añangu Kichwa Community is comprised of approximately 170 inhabitants and 52 legally recognized community partners, who own NWC.[91] Since 2007, the community is responsible for full administration of the lodge. NWC sells 4 or 5-day tour and accommodation packages. The tours focus on rain forest adventures, flora and fauna

[88] Wallace, Scott. 2013 "Rain Forest for Sale." *National Geographic.* *http://ngm.nationalgeographic.com/2013/01/125-yasuni-national-park/wallace-text*

[89] NWC Website.

[90] Napo Wildlife Center staff member, Telephone Interview, March 3, 2014.

[91]Comunidad Kichwa Anangu. 2012. "Historia" http://www.comunidadanangu.org/historia.html

viewing, and cultural experiences. Guests sleep in the luxurious cabañas that provide views and access to the surrounding wilderness, without sacrificing top quality amenities. Activities include walking on the Community Trail; visit to the "Clay Licks," where hundreds of parrots convene to feed, a 130-foot high canopy tower, river canoe trips, longer hikes, bird watching, and more. Before reaching the NWC lodge, each group visits "The Landing and Interpretation Center," or "Kuri Muyu," where tourists meet with community members and learn about Kichwa cultural customs and traditions.

Over the past ten years, NWC has gained international acclaim for its approach to ecotourism, resulting in widespread recognition. NWC is recognized by countless travel guides, international organizations and major news sources such as *The New York Times, National Geographic, BBC,* for its remarkable services and ecotourism practices. With this widespread recognition, NWC does not face marketing issues. In addition to the lodge, NWC also has an office in Quito, responsible for bookings and many of the business operations, and a small office in the town of Coca to receive travelers. The website NapoWildlifeCenter.com is aesthetically pleasing and immediately draws in the viewer with large rainforest photographs and international recognition from National Geographic and "Winner of the 2013 Travellers Award." The website presents concise, informative descriptions about NWC's services, mission, and tours, with highlighted links to check availability or to call to inquire about tour packages.

Financial Capital

NWC generates revenue through the sale of its accommodation and combined tour packages. As a "luxury" eco lodge, NWC's targets upper class international tourists and wildlife enthusiasts, and is able to charge high prices for its accommodations. The

starting tour package is sold for $820 per person for three nights and four days, which includes all meals but does not include airfare from Quito.[92] This is an average price for luxury Amazonian jungle lodges, but it is much higher than other attractions and accommodations in Ecuador. NWC would not disclose its revenues, but receives approximately 3,000 tourists per year, which results in substantial profits.[93] Due to widespread publicity, NWC is typically the primary point of sales for the tour packages, which allows for the full revenue to be captured. Although, NWC is presently financially self-sustainable, initial external financial capital was required to launch the business. From 2000-2007, the Eco Ecuador Foundation provided significant capital to construct the cabañas and basic infrastructure.

The financial capital flows through NWC's operations and is put towards conservation and community development. Due to the income earned from NWC, the Kichwa Añangu community has decided to cease involvement in large-scale extractive industries, such as oil, and is able live directly off tourism earnings.[94] The revenues not only fund tour guides and naturalists, but also fund park rangers to protect to reserve. The rangers work to promote conservation by guarding the reserve from loggers, poachers, illegal tourists, and oil extraction. NWC provides incomes for the community members, while putting all profits towards community development projects. The profits are placed into a savings bank, which is managed by local women who allocate the funds towards the various projects.

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[92] Kevin, Brian. 2012. "Escape: Napo Wildlife Center, Ecuador," *Sierra* http://www.sierraclub.org/sierra/201209/escape-Napo-Wildlife-Center-Ecuador-268.aspx

[93] NWC Interview.

[94] Stronza, Amanda, and William H. Durham, eds. 2008. *Ecotourism and Conservation in the Americas*. Vol. 7. CABI.

Social Capital

NWC's extensive marketing network, connections with large tour agencies, cohesive community support, and small enterprise support, comprise major assets and impact for the enterprise. During initial development, NWC recognized the importance of creating an international marketing network. NWC's leaders had the vision to create an exemplary ecotourism enterprise, and the marketing manager strategically prioritized international publicity in order to build an extensive network. Garnering international attention was fairly easy due to Yasuní National Park's importance in the tourism and conservation world. The early partnership with the Eco Ecuador Foundation and other conservation groups, such as Rainforest Alliance, set up NWC in the conservation community, which started the process of recognition. With support of the international conservation community, NWC built its reputation and was earned recognition by major news sources and travel guides. Participating in international travel shows such as the ITB Berlin, LA Times and NY times, NWC has built a name for itself and created a strong brand, representing high quality and impact. In 2013, NWC was awarded Trip Advisor's Traveler's Choice Award, due to the abundance of positive web reviews from travelers around the world. In addition, NWC is "Rainforest Alliance Verified," one of the most well-known ecotourism accreditations, "Smart Voyager Certified" and "CONDE NAST JOHANESENS Recommended."[95] Since 2007, with the Yasuní ITT proposal for oil exploitation, NWC has garnered even greater support and recognition, cited as a model for conservation and alternatives to resource extraction. In January 2013, NWC was featured in National Geographic's 125th anniversary edition, in a 40-page

[95] NWC Website.

spread of photographs detailing one of the planet's "most spectacular biodiversity centers" under the threat of "big oil."[96]

In addition to its extensive marketing network, NWC leveraged important partnerships with the Ecuadorian government and other tour companies. In the nascent stage, NWC partnered with the Ministry of the Environment, in order to solidify land rights and become the official guardians of the reserve within Yasuní National Park. The partnership gave NWC agency, as formalized land rights are one of the most important components of a successful ecotourism venture. Working with the Ministry of the Environment gave NWC the ability to partner with the Ministry of Tourism and receive special recognition on the Ministry's travel website, www.Ecuador.Travel.ec [97] This is a crucial partnership, because it is Ecuador's most visited travel site, and it is rare for the Tourism Ministry to market specific businesses rather than destinations in general. NWC also has leveraged partnerships with hotels and other tour companies in Quito, where the majority of international tourists arrive. NWC's Quito office is in a central location, which frequently attracts visitors. Leveraging an extensive network of partners and international recognition, NWC has built a strong brand and broke into the mainstream tourism industry, which many other community-based ecotourism companies fail to achieve.

NWC's extensive marketing network is crucial, but NWC would exist without the support of the Añangu Kichwa community. The development of NWC was a result of total mobilization of the community. Each of the 170 community members saw the

[96] Wallace.

[97] Ministerio de Turismo. 2014. "Amazon Highlights: Ecolodges," http://ecuador.travel/en/4/37/destinations/napo-wildlife

potential in ecotourism, and worked together to make their dream a reality. This passion combined with the community's small size has been the foundation of NWC since the beginning. The community drives the venture, controls the operations and receives all of the profits. Profits are put towards community development projects such as the development of educational centers and scholarships, solar energy projects, and more.[98]NWC also leverages social capital through the sale of local handmade products and artisan goods. Local women make handicrafts, such as soaps, baskets, bowls, weavings, and more, which are sold, through the lodge's gift shop. With NWC's top tier clientele, the local goods can be sold for significantly more than a local market.

According to interview respondents, the community actively supports NWC, however it has changed their way of life. One of the biggest challenges for the community has been transitioning from a subsistence livelihood to being completely dependent on tourism. The community receives a greater income than before, which can lead to problems, such as alcohol abuse. Daily contact with foreigners has also influenced the community's worldview, and younger generations feel a greater inclination to seek opportunities outside the community. In order to prevent this, NWC has initiated a scholarship program for students to study tourism management or environmental science at a major university and then return to work for NWC.

Human Capital

NWC's success is also a result of its talented community staff, guides, and naturalists. NWC's team is made up of over 100 staff members responsible for business operations, marketing, finance, reservations, etc. These include individuals from the

[98] NWC Interview.

Añangu Kichwa community as well Ecuadorian and Internationals. The diverse team is made up of multilingual professionals with backgrounds in tourism management, conservation, marketing, biology, and more. Five naturalist guides permanently reside at the lodge, each of whom are at least bilingual and hold degrees in ecotourism, conservation, and biology. The onsite guest services and maintenance staff is comprised entirely of Añangu Kichwa community members, providing employment and community-run authenticity for guests.

From 2000-2007, when NWC was owned in partnership with Eco Ecuador Foundation, the community staff received extensive training. Since the beginning, NWC envisioned a 100% community-run enterprise, but they did not have any prior tourism experience. For the first seven years, the Eco Ecuador foundation managed the business, while simultaneously training the community members to take full ownership. With the assistance of the Rainforest Alliance the community was training in hospitality management, financial management, and daily operations of the lodge. This process of skills training built competent human capital and allowed for the community to successfully manage the enterprise on its own.[99]

Intellectual Capital

In addition to training programs, NWC leverages intellectual capital through its academic partnerships and approach to learning through rainforest exploration. Due to its location within Yasuní National Park, NWC attracts naturalists and researchers from around the world. As the only lodge inside the park, NWC is a place for researchers to stay while conducting their work. For example, many notable conservation reports have

[99] NWC Interview.

been published at NWC, promoting conservation and a greater awareness of NWC's ecologically important operations. On-site NWC also has a library with a wide variety of books on natural history, biology, conservation, literature, magazines, and scientific journals. On tours the guides take the time to explain the flora and fauna to spread knowledge and connect guests with the natural world. For naturalists, researchers, and even ordinary tourists, NWC works to provide a meaningful learning experience.

One of the greatest challenges for NWC is that intellectual capital is produced for tourists, but less received by the community. At NWC tourists or researchers carry knowledge with them and then transfer it to the global community, rather than the Añangu Kichwa community. As a lodge rather than a homestay arrangement, interaction between tourists and community members is limited. Interview respondents noted that the community seeks to learn, particularly English, from tourists, but in the present arrangement it is difficult for many of the members to significantly converse with tourists to learn English.[100]

Cultural Capital

The limited interaction between tourists and community members also affects the cultural impact of NWC. As shown by the literature, and the case of Runa Tupari, the most successful cultural capital is built through individual interactions and exchanges. At NWC, tourists are housed in luxury accommodations, where they are served by community members. Guests are able to interact with the community staff or walk through the community, but staying in luxury accommodations alongside the community's rural dwellings, builds separation rather than cultural exchange. Part of

[100] NWC Interview.

many of the tours is a cultural show where community members dressed in traditional garb perform for the tourists. According to the Sierra Club, who lauds all other aspects of the NWC, the "awkward indigenous-cultural presentation" was "vaguely imperialist" and "made both sides seem uncomfortable," citing it as the "worst moment" during their NWC trip [101] However, according to interviews with NWC staff members, community members enjoy putting on the shows as a way to share their Kichwa culture.[102]

Cultural exchange also takes place in the "Kuri Muyu" Landing and Interpretation Center, prior to arriving at the lodge. Located at the entry point of the Añangu reserve, tourists receive a short presentation about the community, in which they learn about community customs and rules of respect while at the lodge. Community members present talks about customs and traditions such as hunting practices and medicinal plants. The Center also houses several indigenous artifacts and sells handmade handicraft souvenirs. Tourists find this portion educational, but alsonot typically have personalized interactions with community members.

Natural Capital

NWC's international acclaim and operational success is built upon the incorporation of natural capital through the business model. Through its operations, NWC is able to preserve over 82 square miles (53,000 acres) of pristine rainforest, while also promoting conservation for Yusuni National Park's 2.4 million acres of one of the world's most biologically rich places on Earth. The park provides a refuge for numerous

[101] Kevin.

[102] NWC Interview.

threatened or endangered species including: 28 threatened vertebrate species, 95 threatened or endangered plant species, and 43 regionally endemic amphibians, birds, and mammals.[103] NWC has worked with internationally recognized biologists to ensure that small group viewing does not harm or disturb the wildlife. Action is also taken to minimize human influence, such as the construction of blinds to hide tourists viewing the parrots at the clay licks.[104]

In addition to impacting biodiversity conservation, NWC incorporates sustainable building practices into the construction and operations of the lodge. To construct the lodge, the community took care to only clear a small 1-hectare area of forest on the edge of the lake. The cabañas were constructed using mostly local wood directly from the cleared site, and additional building materials were paddled in using canoes. Many tourism operations create the greatest environmental disturbance from the construction of hotels and lodges, but NWC took care to have minimal environmental impact during construction. For electricity, the cabañas and main hall are powered by a solar power system with storage batteries and two diesel generators used only as back up during peak loads. Water comes directly from the lake to provide for the bathroom facilities, showers, and is treated for drinking water. Wastewater is treated and put back into a system of man-made wetlands to avoid lake contamination and produce clean drinking

[103] Finer, Matt, Varsha Vijay, Fernando Ponce, Clinton N. Jenkins, and Ted R. Kahn. 2009."Ecuador's Yasuni Biosphere Reserve: a brief modern history and conservation challenges." *Environmental Research Letters* 4(3).

[104] Napo Wildlife Center. 2009. "Frequently Asked Questions." http://www.ecoecuador.org/FAQ.html

water.[105]NWC seeks to minimize trash waste, by composting all organic material, promoting reusable water bottles, and packing out the remaining trash to designated landfills outside the National Park.[106] NWC has become an icon for the international conservation and environmentally sustainable operations, demonstrating the potential for ecotourism to promote conservation and provide alternatives to destructive forms of development. As an international model, NWC has been able to not only protect the Ecuadorian Amazon, but also promote the importance of natural capital around the globe.

Case 2: Runa Tupari Native Travel

Runa Tupari Native Travel is a community-based tour operator specialized in rural tourism in the Cotacachi region in the Northern Ecuadorian Andes. Cotacachi, in the province of Imbabura, is 110 km north of Quito and 15 km from the city of Otavalo, inhabited by approximately 35,000 people, half of which live in rural communities.[107] The concept of Runa Tupari emerged in 1999 when the communities and indigenous leaders saw the potential social and economic benefits from tourism.[108] After a long process of meeting with community stakeholders and developing the tourism operations, in 2001 Runa Tupari was officially established as a limited private Ecuadorian company by the *Unión de Organizaciones Campesinas e Indígenas de Cotacachi* (Union of Rural and Indigenous Organizations of Cotacachi, UNORCAC) together with four indigenous

[105] Ibid.

[106] Ibid.

[107] Runa Tupari Staff member, Fausto Gaulsaqui. Personal Interview. January 10, 2014.

[108] Ibid.

communities in the Cotacachi region.[109] In the beginning, each of the 36 members of UNORCAC invested $50 dollars and the four communities each invested $50, resulting in a $2,000 initial capital investment that was used to launch the company. This also determined that UNORCAC, the indigenous union would own 90% of the company, while the communities were allotted the remaining 10%.[110] In addition, Runa Tupari received financial support from an international NGO. Runa Tupari is structured in a way that allows UNORCAC's community councils to improve rural living conditions by reinvesting the profits back into the communities.

Runa Tupari means "encounter with local people" in the local kichwa language and expresses the enterprise's aim to facilitate interaction between visitors and the local community members.[111] The vision of Runa Tupari is to actively develop sustainable and socially responsible tourism through the active participation and involvement of local communities.[112] The mission of Runa Tupari is to connect visitors and inhabitants, enable mutual learning and exchange, and establish an economic activity in the region that is sustainable, doesn´t harm the environment and values indigenous and local culture.[113] The goals are to actively and directly involve the rural communities of Cotacachi, propose an alternative sustainable development that places value in the indigenous

[109] http://www.runatupari.com/index.php/en/home/our-company.html

[110] Runa Tupari Staff member,Martin. Personal Interview. January 8, 2014.

[111]Runa Tupari Native Travel. 2013.
http://www.runatupari.com/

[112] Ibid.

[113] Ibid.

cultures and natural resources, and generate new dignified work opportunities for mothers and their families through an income that complements the family economy.[114]

Programs and Structure

Runa Tupari is made up of a network of 22 host families in the four communities of Morochos, La Calera, Tunibamba, and Santa Barbara, 10 guides, and 4 administrative personnel. Runa Tupari sells to a variety of customers including: school groups, middle class European, North American, and South American travelers, and study abroad programs The main activities sold are family homestays and various tour packages. The variety of tours are primarily based in Cotacachi and Otavalo regions and include cultural tours, hiking, mountain climbing, biking, horseback riding, and community tours. Runa Tupari also partners with another ecotourism operator, Intag Tours, to provide tours in the Intag Valley.

The business operations and tour reservations take place in a small office located near the center of Otavalo. This office houses the four administrative personnel and serves as the central location to begin tours and take tourists to their homestay families. Occasionally tours are sold to travelers who walk into the office, but the most common forms of marketing occur through the website and through partner tour agencies.[115] The website RunaTupari.com is both in English and Spanish and immediately attracts potential customers through the use of bright colors and vibrant photos . The website includes a description of Runa Tupari's history, mission, and values, team, detailed tour descriptions, a photo gallery, testimonials, Frequently Asked Questions, contact

[114] 2013 Presentacion Runa TUPARI

[115] Runa Tupari Interview.

information, and an online reservation booking system. The "Who We Are" section concisely explains Runa Tupari's history, mission, values, and includes awards and recognitions they have received, such as the Merit Award by the Ecuadorian Ministry for Tourism (2008) and the Quality Certificate PACHAMAMA (2012). The section on "Tours" is easy to navigate as it is arranged in way viewers can search by destination, duration, interest, or additional services. Traditional tour companies may only have tour options based upon destination, duration, and type of activity, but Runa Tupari distinguishes itself with the "interest" category. Within this category are options including culture, outdoor activities, bird watching, flora and fauna, organic farming, development and microenterprise, and volunteering. The "Our Team" section includes a photo of the indigenous women of the host families, to show that Runa Tupari is a community-run enterprise. Overall, the website design is visually appealing, easy to navigate, clearly displays the products, and conveys the central mission of community ownership.

Financial Capital

Runa Tupari generates revenue through the sales of tour packages and homestay accommodations. The most commonly sold tour package is a daylong tour sold for $30 USD per person. This includes a visit and short walk to the Peuche Waterfall, a visit to Lake Cuicocha, a visit to three different indigenous community-run micro enterprises, and lunch at a local restaurant. The tour lasts six hours and a local Runa Tupari guide transports the tourists in a private van to each of the different locations. Longer or farther away tours are slightly more expensive, but none of the programs are more than $100 USD per day. The sales revenue is divided between the communities, transport, guide,

taxes, and commission (if it was sold through an external retailer). According to Runa Tupari interview respondents, the profit margin from tour sales are typically very small when all of the costs are factored in, but jobs are created and the community receives a portion of each sale.[116] The largest number of tours isTours are primarily sold through external retailers, which are typically larger tour agencies based in Quito. However these agencies charge sales commission, which severely brings down the profit margin. This is one of the greatest challenges for Runa Tupari, because larger tour agencies generate the most sales, but the commission charge significantly lowers profit margins, which presents a difficult tradeoff between revenue generation and marketing.

The most important revenue streams are the homestay accommodations that are sold to tourists for $30 USD per night. Homestay accommodations are located in the four communities of Morochos, La Calera, Tunibamba, and Santa Barbara, in which about seven families in each community have been equipped to host tourists. Tourists are housed in private bedrooms, typically with two queen beds, that each have a private bathroom with hot water, and a chimney. The rooms are simple, but clean and furnished with brightly colored traditional Andean fabrics. Accommodations also include breakfast and dinner and private transport to and from the family's home. From the accommodation sales, 42% is given directly to the family, 5% goes towards transport, 12% for taxes, 15% for agency commission, 3% for cell phone communication, 20% for Runa Tupari operational expenses, and 3% is given to the community in which the tourist stays. This

[116] Runa Tupari Interview.

means that for every tourist, the family receives $12.60 USD. Part of this is used to cover food costs, but it serves as a small supplementary income for the families.

In addition to sales revenue, Runa Tupari has received financial support from several international NGOs in the form of grants and in-kind donations. From 2001-2003, Agriterra a Dutch NGO gave grants to support the initial program development and provide international marketing support. Several years later, a Belgian development agency financed renovations of the homestay accommodations, with a requirement that each family invest $250 USD of their personal savings. This stipulation acted as an incentive for the family to take ownership over their homestay accommodations, while the additional financial capital allowed for renovations that most of the families could not feasibly cover. In recent years Runa Tupari has received in-kind donations such as new computers in the office, a twelve-person passenger van, and water filtration systems for the homes. These sources of external capital have helped Runa Tupari improve the homestay accommodations and provide impactful savings. However, as a for-profit social business, it cannot rely on donations and must receive the majority of its income from tour and lodging sales.

Social Capital

As a community-based tourism company, Runa Tupari has been built upon its social capital. In 2001, when UNORCAC established Runa Tupari they intentionally chose to involve the four communities in order to build a stronger community network and promote equitable distribution of the benefits. In the early stages, meetings were held with the community leaders to verify that the whole community was committed to community tourism. It was also ensured that the communities met standards of security,

access to basic services, and physical access for transportation.[117] Each of the four communities are comprised of approximately 300 people and are community-oriented as a result of their shared indigenous heritage. According to interviews with members of the La Calera community, family and community relations are integral to the Kichwa culture.[118] It is part of the culture for several generations of families to live together and relatives to be neighbors. It is also not uncommon for members of the community to work or go to school in other locations, even as far away as Quito (a 2-3 hour bus ride away), but to continue to live within the community. The relationship between UNORCAC and the community leaders created a strong social network, upon which Runa Tupari is able to build strong support for its business operations. As mentioned previously, several families within each community serve as host families in order to integrate community members into Runa Tupari's business operations. In the last several years, as Runa Tupari has grown and become more successful, more families in the community have wanted to become host families. For example in 2012, 17 families in La Calera were interested in becoming host families, but only four could be chosen. The families were selected based upon their house, family dynamics, community life engagement and interest in tourism.[119] Families had to have a house that had space to accommodate tourists or the ability to add on a room and having a garden also improved their chance of selection. Having children was also a favorable criteria, because tourists tend to feel more comfortable in a home with children and having more children implied the family

[117] Runa Tupari Interview.

[118] Jessica, Runa Tupari community member interview.

[119] Martin, Runa Tupari staff member interview.

presented a greater need for the extra income.[120] Runa Tupari also took into account the family's level of community engagement in order to ensure that the family would expose the tourist to the community life and promote a richer cultural experience. Those families who were not selected expressed disappointment, however Runa Tupari noted that they have not noticed any internal community tensions. In general the families are very supportive of each other, because the whole community receives a portion of tourism income, even those who do not directly host tourists. Runa also attempts to distribute tourists throughout the host families, but if a particular family receives positive reviews they will be assigned to host more tourists in the future. This creates an incentive system in which the families are held accountable for their services and motivated to provide the best possible experience for the tourists.

In addition to the social networks within the community, Runa Tupari capitalizes on external partnerships to expand their reach and marketing efforts. Runa Tupari's partnership with larger tour agencies allows for an expanded market reach. These partners expand Runa Tupari's network, but for a high price. Runa Tupari staff members noted that large tour agencies often inflate the tour prices that tourists pay, which often results in tourists expecting a higher level of service than Runa Tupari provides.[121] Moreover, the partner agencies are often traditional tour companies that do not provide adequate information about Runa Tupari's community-based business model and social mission. Runa Tupari is trying to move away from sales through partner agencies, but in

[120] Ibid.

[121] Ibid.

Ecuador a few larger companies dominate tourism and it is a difficult market to break into, especially as a small company with limited resources.

Over the years as Runa Tupari has grown and established itself as a reputable community-based tour agency it has been able to expand marketing efforts through listings in international travel guidebooks. For example in Lonely Planet Ecuador, one of the most popular backpacker guidebooks, Runa Tupari is cited for its "renowned approach to community tourism" and listed as one of the top things to do near Otavalo.[122] Being listed in Lonely Planet provides publicity to millions of travelers at no cost, however Runa Tupari's target market is not budget backpackers. Backpackers are typically on a tight budget and want to pay $10 a night for a hostel, and are not willing to pay $30 for a homestay, even if it is supporting a local community.[123] Runa Tupari is also listed in Rough Guides, Moon Travel Guides, Footprint Travel Guides, Frommer's and on Trip Advisor. Listings in guidebooks and online travel sites help expand marketing efforts at no cost, but additional marketing is still needed to increase sales.

One of the greatest deficits in Runa Tupari's social capital network is the lack of government support from the Ecuadorian Tourism ministry. Runa Tupari is affiliated with FEPTCE but has been significantly impacted by their support. When Runa Tupari first began, FEPTCE held community meetings to generate interest and inform people about the potential of community tourism, but presently they are no longer involved.[124] From Runa Tupari's perspective, the Ministry of Tourism has ambitious goals to support

[122] Palmerlee, Danny, and Michael Grosberg. .2006.*Ecuador & the Galápagos Islands*. 7th ed. Footscray, Vic.: Lonely Planet.

[123] Martin Interview.

[124] Jessica Interview.

community, as seen in the PLANDETUR 2020 report, but in practice Runa Tupari does not feel supported by the government. On the Ministry of Tourism's website, community and ecotourism are highlighted to be central components of Ecuador's Tourism agenda, but Runa Tupari has not felt the effects of these claims.[125] The provincial government of Imbabura also promotes community tourism, but does not help market Runa Tupari. For example, the municipal government provided funding to have signs placed along the roads and the entrances of the community that designate community tourism destinations, yet the signs do not mention that Runa Tupari is responsible for the community tourism operations. Runa Tupari feels that the government is trying to take credit for the work they do without properly marketing their business.[126]

One of the greatest sources of social capital at Runa Tupari is the support of local micro enterprises through exposure to the tourist market. Central components of many of Runa Tupari's tours are visits to local community enterprises where tourists learn about the operations and have the opportunity to purchase hand-made goods. The first stop on the most popular day tour is a visit to the nearby community of San Rafael whose main economic activity is mat making from Totora reeds found in Lake San Pedro. On the tour, tourists are shown how the reeds are harvested, dried, and then woven into mats, and they are given the opportunity to interact with the weavers and try out the technique. Then tourists are given the opportunity to purchase a mat or small handmade souvenir. Many tourists end up purchasing a souvenir, but the guides do not pressure anyone into making purchases. Another destination on the tour circuit is a visit to another nearby

[125] Interview Runa Tupari.

[126] Interview Runa Tupari.

community where they make Andean instruments. Tourists are given a demonstration of the different kinds of traditional instruments, shown how the instruments are made, and then also given the opportunity to purchase small souvenir instruments or an audio CD of local folk music. Next on the tour is a shop where wool is handspun and woven into fabrics, sweaters, and scarves. Similarly tourists learn about the processes and are given the opportunity to purchase handmade wool products. In the community of La Calera, where many of the host families live, a group of women have started a jewelry collective using Tagua nut, also known as vegetable ivory, which is found in the Amazon. The program was started by a French volunteer who provided training courses to teach the women how to transform the nut into colorful beads to make jewelry that is exported to a fair trade store in France. The jewelry is also sold to tourists who visit the workshop and learn how it is made and then 50% of the profits are given to the local elementary school in the community. Through these tours of the local micro enterprises, Runa Tupari is able to expand its reach and have both an economic and social impact. Tourists support the enterprises through their purchases, which helps to preserve traditional artisanal practices integral to the Kichwa culture. Moreover, tourists are provided with a unique learning opportunity that help, making them feel culturally connected and more apt to purchase local products in the future, because they are aware of the impact.

Human Capital

In the case of Runa Tupari, many of the impacts of social capital overlap with human capital; however this section specifically focuses on Runa Tupari's staff, the volunteer program, the homestay families, and empowerment through job creation.

Runa Tupari's team is comprised of the host families, guides, volunteers and operational staff. In the office Runa Tupari has a managing director, a full time operations and sales manager, a part time accountant, and one full time volunteer. Fausto Gualsaqui Flores, current managing director, was born and raised in the community of La Calera and has worked with Runa Tupari for many years. As a community member, and relative of several of the host families, Fausto brings expertise and inside community knowledge to Runa Tupari's operations. Martin Baumann, current full-time operations and sales manager, is originally from Germany and has a background in tourism and rural development and his work at Runa Tupari is funded through a fellowship grant he receives from a German development agency. Martin brings significant expertise to Runa Tupari with his background and his ability to communicate with customers in English, Spanish, German, and Portuguese. It is also beneficial that Martin's salary does not come from Runa Tupari's budget. While there are advantages to having a foreigner on the team, Martin commented that if he is the only one in the office when a potential customer enters, Runa Tupari's mission of being a "community-run" enterprise may appear to be misaligned.[127]

In addition to its full-time staff, Runa Tupari harnesses human capital through its volunteer program. In this program, Runa Tupari has developed specific positions in the fields of education, conservation, micro-enterprises, fair trade, and community tourism. Having specified positions helps Runa Tupari attract a wider variety of human capital and ensures volunteers contribute to specific program needs. Runa Tupari requires that long-

[127] Martin Interview.

term volunteers stay a minimum of two weeks and are encouraged to remain longer in order to maximize their impact. Volunteers are required to stay with a host family, for which they pay $15 per day and receive three meals a day. Runa Tupari has also created a short term volunteer program designed for larger groups to take part in a traditional "minga," which is communal work with participation of the whole community to address a specific problem the community is facing.[128] The volunteer programs increase human capital, while also bringing income to the host families.

The host-families, specifically the mothers of the household,represent a crucial component of Runa Tupari's operations, as they are responsible for providing the accommodation services. As mentioned in the previous section, families that are selected to host tourists must undergo an extensive screening process and an express a genuine interest in community tourism. The family I stayed with in La Calera took great care to make sure all of my needs were met. They warm, welcoming, and made me feel part of their family. Sharing meals and participating in activities with them, gave me the opportunity to learn about the Kichwa culture in an authentic way. Living with a host family was a distinct learning experience, where I was able to connect with local people, something many conscientious tourists look for in a travel experience.

Intellectual Capital

Runa Tupari's mission is to provide a mutual learning experience for both tourists and the community. Through the intimate interactions between tourists and community members, intellectual capital is both brought into and produced by the community. For the host families, learning English from the tourists was cited as one of the important

[128] Runa Tupari Website.

components of community tourism.[129] Similarly, many tourists noted that learning Spanish or even Kichwa is one of the greatest appeals of staying with a host family. Both the tourists and host families seek knowledge from each other, and in Runa Tuapri's model they can work together, producing a mutual learning experience. This approach provides benefits to both parties and is a selling point for tourists; especially study abroad or school groups, as well as community members.

With its distinct approach to intellectual capital, Runa Tupari has been ableto build partnerships with international universities and study abroad programs. Academic groups recognize the opportunity to learn from community tourism, and Runa Tupari has capitalized on this opportunity by tailoring programs to specific group learning experiences. With its ongoing partnerships, Runa Tupari retains a steady stream of customers. Many groups even continue producing intellectual capital by bring back their experiences to the academic settings. Several universities also have students that work with Runa Tupari and write reports to disseminate their acquired knowledge.

Intellectual capital is also produced through Runa Tupari's formalized training programs. During its nascence, Runa Tupari received formalized training from CODESPA an international development NGO. The training focused on business development of the company, as well as development of the microenterprises. In 2001, the guides also received naturalist training from UNORCAC and the Ecuadorian Environmental Ministry.

[129] Diego Interview.

In addition to organizational training, each of the homestay families is required to partake in a 200 hour-long formalized training course.[130] In this course the families, most oftentypically the female head of households, are taught how to cater to tourists and provide quality service. The course also outlines specific programmatic details, such as the types of food to provide and the amenities that must be made available. This builds homestay capacity and works to ensure that a uniform standard of quality is met in each of the homestay accommodations.

Cultural Capital

"We want to share our culture with foreigners and we also want to learn about them. We welcome people into our home and provide an environment for cultural exchange and mutual learning." My host parents Diego and Jessica explained that they decided to become a host family in order to show foreigners what it meant to be Kichwa in modern society.[131] Tourists often hold a preconceived notion that rural indigenous people live without basic amenities and are ignorant to modern technology. Runa Tupari works to change these misperceptions by showing that indigenous people can maintain their cultural practices, while living simultaneously in modern society. Instead of putting indigenous Kichwa culture on display, as is often the case with cultural tourism, Runa Tupari intends to build a mutual exchange. Tourists learn about the community through interactions with individuals, rather than cultural exhibitions.

According to community respondents, community tourism allows for a cultural exchange with foreigners, but does not affect cultural practices. In the homestays, tourists

[130] Martin Interview.

[131] Jessia and Diego Interview.

are brought along to festivals or ceremonies that may be taking place at the time, but the communities do not put on shows for the purpose of tourism. Runa Tupari attempts to create an integrated, organic cultural experience, rather than one that is constructed for the purpose of tourism. During my homestay, I was treated as if I was part of the family and brought along to community events. I attended Sunday Mass at the local Church, and learned how Indigenous Kichwa are devout Catholics, but also retain many traditional spiritual beliefs. On New Year's Eve, I had the opportunity to wear traditional women's clothing, an "Anaco" and participate in a customary folk dance ceremony. The community was excited to share their customs and teach me about the Kichwa culture.

In addition to learning about the Kichwa culture, Runa Tupari encourages tourists to share their culture with the community. During my stay, my family would teach me about the Kichwa way of life and then would ask about how things were done in my country. We exchanged stories and I explained about my culture and upbringing in the United States. As they changed my preconceptions about rural indigenous people, I also attempted to break down stereotypes about Americans. The families receive tourists from all around the world, constantly learning about distinct cultures to create a two-way exchange of cultural capital.

Natural Capital

As a community-based tour operator, Runa Tupari does not directly focus on environmental conservation as a traditional ecotourism company, yet natural capital is built into many of the tours and business operations. For example, a large part of the homestay experience is receiving fresh food directly from the family's garden. This incorporation of local food promotes and supports sustainable organic agriculture. Small-

scale agriculture, mostly corn, is central to the Kichwa culture and way of life. In the homestay and community tours, community members teach tourists about their practices and raise awareness about the importance of local organic farming. The homestay families are able to continue farming, while providing fresh, quality food for tourists.

One of the best ways to protect the environment and promote environmental awareness is by creating close experiences with nature. Runa Tupari's small and personalized tour groups, allow for tourists to have an intimate experience in nature without flocks of other tourists. Traveling to sights that are unknown or inaccessible to average tourists, Runa Tupari creates a distinct tourism experience. At each of the sites or during hikes, the guides point out flora and fauna and explain the cultural history of each place. Tourists are encouraged to appreciate the surroundings, but also given the freedom to explore on their own. The small tour group sizes result in minimal environmental impact and tourists can only visit certain sites with a guide to prevent environmental degradation.

Runa Tupari's incorporation of natural capital distinguishes itself from other companies by demonstrating that ecotourism operations can exist outside of national parks. This model promotes appreciation of the natural world, while demonstrating that humans and nature can coexist sustainably.

5. Key Findings & Strategies

The cases of the Napo Wildlife Center and Runa Tupari Native Travel provide an in-depth view of the processes, operations, and multifaceted impact of two distinct ecotourism enterprises run by indigenous communities. The analysis of capital impact breaks down the business models and highlights the central components of the enterprises within the Ecuadorian socioeconomic context. From the cases and relevant literature, this study extracts key issues and strategies, which have potential applicability for other community-run ecotourism ventures around the world.

Social Capital Networks

The most important component of community-based ecotourism enterprises are the social capital networks they are built upon. Community collaboration and support, marketing networks, and cross-sector partnerships comprise the most important aspects found in these cases and throughout the literature. As an enterprise managed by a collective of community leaders with operations intertwined into many aspects of daily life, successful ventures must be democratic initiatives. In the beginning phase, the greatest challenge for Runa Tupari was integrating tourism into the communities, which is why community tourism was established through a long participatory process of meetings with relevant stakeholders.[132] Similarly in the case of NWC, building and managing the lodge is a communal effort in which the majority of members are mobilized to take part in. In order to garner this level of support and integration, community tourism cannot be initiated from outside, but must come from within the community. Initiatives

[132] Runa Tupari Interview.

such as FEPTCE's, in which communities learn about different forms of community tourism and the potential benefits, represent a way to spread awareness without imposing tourism on communities.

In their 2008 study of community tourism in Ecuador, Ruiz et al. found that community tourism should complement rather than substitute the activities and income of the community. In order to gain full support, community tourism should be a "translation, rather than adaptation to the market."[133] Communities should not be completely dependent on tourism and it is important to maintain diverse economic activities. The microenterprises supported by Runa Tupari's operations demonstrate how tourism can be integrated in the community without monopolizing economic activities. Tourism supports the enterprises, but they are not dependent upon it for their survival.

In addition to internal community support, external social networks are vital for successful tourism enterprises. There is a need for community collaboration within regions. Instead of having one single community manage the enterprise, Runa Tupari incorporates four communities to increase the benefits for the local population as well as tourists. Presently the Añangu community solely manages NWC, but has plans to collaborate with other communities in the surrounding area. They strive to create an ecological corridor with other Kichwa communities in the Amazon in order to preserve at least 500,000 acres of Yasuní National Park, to conserve the biodiversity and ensure the survival of indigenous groups.[134] Indigenous communities struggling to start tourism

[133] Ruiz et al.

[134] Guzmán, Javier . 2013."El turismo, opción de progreso." *El Telegrafo*, .http://www.telegrafo.com.ec/economia/item/el-turismo-opcion-de-progreso.html

ventures should look towards other groups in the region, and work through pre-existing networks to facilitate collaboration.

Shaw (2008) argues that due to greater competition and the increasing complexity of the tourism sector, networks have become more crucial than in the past.[135] The case of NWC reveals the importance of building a strong brand and developing a strong international marketing network. Runa Tupari found marketing to be one of its greatest challenges. For NWC widespread marketing and recognition was achieved through strategic partnerships with the Ministry of Tourism and international media entities. Through these initial connections, NWC gained credibility which catalyzed the creation of more partnerships, further expanding their network and reach. For ventures struggling with marketing, the first step is to create a robust brand that clearly conveys the social mission, while also demonstrating a commitment to high quality and service. With a strong brand, it is easier to make connections and form partnerships. To assist early ventures form partnerships, there is a need for greater collaboration between the public, private, and nongovernmental sectors. The Ecuadorian government and the Ministry of Tourism should uphold the plans to support community tourism, through direct promotion of enterprises, as they have done for NWC. Resources should be put towards FEPTCE's initiative to market community tourism projects and provide an online reservation system. Communities starting enterprises must recognize the importance of marketing and should work to develop strong networks.

[135] Shaw, Gareth. 2008. "Entrepreneurial cultures and small business enterprises in tourism." In A companion to tourism., 122-134. Blackwell Publishing Ltd.

Access to Startup Capital

Having access to adequate capital is imperative to launch a community ecotourism enterprise. Both Runa Tupari and NWC were able to successfully launch their businesses due to the startup capital investments received from NGO partners. In the private sector, access to startup capital is an obvious component to launching a business; however community tourism ventures are not typically viewed as for-profit businesses. According to the Elper Wood Report (2008) many projects do not undertake business or market analyses to ensure viability.[136] Many community tourism initiatives in Ecuador are set up to be aid projects, rather than for-profit businesses, which often can lead to inadequate or irresponsible funding. According to Gabriel Maldonado, head of the Tourism Program of the Yasuní National Parks, the government simply "invests in huts," to promote community tourism, but does not provide additional resources to create comprehensive tourism programs.[137] These types of investments are not typically aimed at supporting robust businesses, but provide small amounts of unsustainable funding. The problem is perpetuated, because NGO and government funders typically seek to fund projects rather than businesses and as a result communities seeking to start tourism operations do not have an incentive to develop profitable enterprises. Runa Tupari and NWC present atypical cases where NGOs understood the importance of investing in long-term business strategies, rather than projects targeted at immediate problems. The

[136] Elper Wood Report, 7.

[137] http://www.telegrafo.com.ec/economia/item/el-turismo-opcion-de-progreso.html

Elper Wood Report (2004) also found that the most profitable Eco lodges were built upon financing structures that allow for a longer term return on investments.[138]

As community-run tourism companies emerge, the public, private and nongovernmental sectors must recognize the opportunity to invest in long-term impact through the provision of grants and access to credit. Funding should be targeted towards the establishment of a robust business that is able to deliver high-quality tourism services. Many of the communities have access to microfinance programs; however these types of loans are typically insufficient to launch a functional tourism enterprise. Governmental agencies or microfinance banks should work to provide easier access to larger amounts of credit and other financial services.

Management Training& Capacity Building

According to the Elper Wood International Report (2004), credit and training are fundamental for community tourism development.[139] In addition to startup capital, one of the greatest challenges facing community ecotourism initiatives is a lack tourism management and business development training. In Latin America many local communities are entering into the tourism market, without understanding how to commercialize their product, which has led to an oversaturation of poorly run tourism programs.[140] NWC owes much of its success to the training provided by Eco Ecuador during their joint-operation phase. The training NWC community members received during the initial years allowed them to learn fundamental tourism management skills,

[138] Elper Wood International. 2004. "Green Market Gap." http://www.eplerwood.com/pdf/EplerWood_Report_Mar04.pdf

[139] Ibid.

[140] Wood.

before the community managed the operation on its own. A select few Eco lodges in Latin America, have also used this model of NGO partnerships to provide training before the community is transferred ownership. There is great potential to expand this model to other community enterprises as a means to provide hospitality training through direct experience. NWC also promotes capacity building through its scholarship program that provides incentives for community members to study tourism management and return to work at the lodge. Government agencies or NGOs should follow this example and provide opportunities and incentives for members of indigenous communities to study tourism management. FEPTCE's "School of Inter-Learning" aims to provide viable training, but it is a relatively new initiative and results have yet to be seen. Instead of focusing on new initiatives, and thereby neglecting programs run with inadequate resources, policy should focus on providing opportunities within existing tourism management programs at reputable academic institutions.

In addition to general management skills, training of local guides is a crucial component of successful community ecotourism enterprises. Well-trained and knowledgeable local guides represented strong components in both cases. Salazar (2012) argues that any community tourism venture seeking sustainable success needs well-trained and local guides.[141] Guides usually serve as the primary source of interaction with tourists, serving as the link between the community and the foreigner. Effective guides should be able to find ways to connect with tourists to share their culture and information about the natural sites. At Runa Tupari, the guides were local community members, who

[141] Salazar, 18.

understood the community dynamics and were able to share their cultural heritage with tourists through individual conversations. They integrated personal stories into their tours and engaged in conversation with the tourists to share local knowledge. This personalized experience created an environment of trust where tourists could feel connected to the community and sites they visited. At NWC, the trained and knowledgeable guides also significantly enhanced the experience and improved impact.

Language skills represent a crucial competency for guides, as well as for other community members. Opportunities to learn languages, particularly English, should be incorporated into training programs and as a part of tourism operations. For example, NWC community members expressed disappointment with the lack of opportunities to acquire language skills. . Having local, knowledgeable, well-trained guides and staff that can effectively communicate with tourists is essential to providing high quality tours and fostering a meaningful experience for the tourists

Accreditation and International Ecotourism Standards

In order to confront the challenges of irresponsible ecotourism and distinguish high quality enterprises there is a need for stronger international standards. Global organizations have created international ecotourism standards and guidelines, but on the ground these guidelines have little influence. In 2002, the UN sponsored the International Year of Ecotourism (IYE), which included participatory meetings around the world to address the concerns of mass tourism through a World Ecotourism Summit. The summit culminated in the *Quebec Declaration on Ecotourism,* which outlined the principles and guidelines of ecotourism. However according to a review of the relevant literature by Honey (2008), and the two case studies expounded here, these guidelines have not

affected operations on the ground[142] The principles are guiding the goals of community-based ecotourism, but the guidelines do not serve to enforce standards. The international community should provide an international standard and greater regulations that ecotourism enterprises must comply with.

Due to the difficulties often associated with the implementation of international regulations, policies should focus on national accreditation programs with local implementation mechanisms. According to Fennell (1999), accreditations have the potential to improve ecotourism industry standards, while also ensuring high-quality services and programs.[143] Accreditations are also advantageous to improve branding efforts and ensure tourists they will receive high-quality services. As discussed previously, the abundance of certification programs has led to the prevalence of greenwashing and a lack of enforced standards.[144] Runa Tupari noted the need for clearer standards and a standardized and improved system of accreditations.[145] One of the most well-known certifications is through the "Rainforest Alliance," who ensures "globally respected sustainability standards."[146] NWC has acquired this certification, upholding sustainable standards and using it as a marketing tool. Runa Tupari considered attaining this certification, but as a small business, the costs to obtain it were too high.[147] A Runa Tupari manager also noted that due to the multitude of "certifications" tour operators are

[142] Honey, 36-7.

[143] Fennell, 154-6.

[144] Self et al. 14.

[145] Runa Tupari.Interview

[146] Rain Forest Alliance. 2014. "Certification, Verification and Validation Services." http://www.rainforest-alliance.org/certification-verification

[147] Runa Tupari Interview

able to obtain, they hold little value.[148] There is a need for a single strong credible accreditation system that is easy to attain but ensures quality.

In 1996, Australia implemented a National Ecotourism Accreditation Program, under which all ecotourism operators are required to submit to a standardized accreditation process. The program includes core requirements, but encourages operators to implement measures beyond the standards to earn advanced accreditation recognition.[149] The eligibility criteria are based on the principles of sustainable ecotourism including: promoting appreciation of nature, ecologically sustainable operations, contribution to local community development, conservation of local areas, sensitivity to local cultures, meeting client expectations, and accurate marketing. These criteria include clearly defined standards, while still allowing for variability and room for innovation between different models. To attain accreditation tourism operators complete an application and pay a small annual fee, on a sliding scale based upon annual revenue. Accreditation standards are enforced through client feedback, feedback from other operators, and through random audits. This program has received great support and it should serve as a model for the development of other national standards and accreditation systems.[150] National accreditation programs can be used to regulated ecotourism operations, provide incentives for improvements, and help small enterprises distinguish themselves without having to pay high fees.

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[148] Ibid.

[149] Fennell, 156.

[150] Ibid, 156-7.

While these key findings and strategies are applicable for community-run ecotourism enterprises around the world, they must be applied within the specific community context. Communities are not homogenous groups that can be placed into development plans to operate an enterprise, but they are groups of individuals that can work together as entrepreneurs. Building robust social capital networks requires strong leaders who are able to proactively build connections and share their organizational vision. Access to social capital also depends on community initiatives to seek out resources providers, depending on the sociopolitical context. Management training requires support from external institutions, combined with internal peer mentoring. Finally, the community ecotourism industry needs accreditation programs and regulated standards, while allowing for innovation and differences in approach.

Conclusions

Although there are still many challenges facing the ecotourism industry, ecotourism enterprises managed by indigenous communities hold great potential for sustainable development. Early ecotourism emerged as a response to the harmful impacts of mass tourism, and aims to promote a greater consideration for the natural world and local inhabitants. As the ecotourism industry has expanded, it has faced challenges reaching the intended goals and in some cases has become purely a marketing tool. More recent literature stresses the importance of community-run initiatives as means to incorporate the local community, but the focus has been on NGO development projects, rather than tourism businesses. In Ecuador, indigenous communities recognize the importance of tourism and seek to manage their own operations. The cases of Napo Wildlife Center and Runa Tupari Native Travel reveal that there is no single business model to achieve a successful tourism operation. Ecotourism enterprises must be a product of the community, specifically tailored to the social, political, cultural, and environmental context.

While this study demonstrates the potential of community-based tourism, it also contains limitations. Understanding the social impacts and the community's response to ecotourism is crucial. While I gained a first-hand perspective living with a Runa Tupari host family, I was unable to personally speak with community members at NWC. In my phone interviews, I was only able to speak with staff members in the office in Quito, who were not part of the Añangu Kichwa community. I asked about the influence on the community and their perception of the tourism operations, but they were only able to provide secondary insights that may have been biased. I was unable to visit NWC, due to

financial constraints, which highlights an important point about the accessibility of many successful ecotourism ventures. Many of the model ecotourism ventures are only accessible to elite travelers. Runa Tupari serves to combat this problem, by providng an experience available to a much wider group of travelers.

My experience working with Runa Tupari and living with a host family completely changed my perception of indigenous people. When I first arrived, the two women in my host family were dressed in traditional kichwa clothing and were hand-washing laundry outside the house. I immediately assumed they were dressed in the clothes as a cultural display in anticipation of my arrival, yet I soon learned they were simply going about their daily activities, dressed as they did every day. Sitting at the dinner table with my host family I learned how the Kichwa people are able to maintain their culture and close connection to the community, while being part of modern society. My host Jessica, who dresses in the traditional "anaco" every day, works for the Andean Indigenous Ministry in Quito lobbying for indigenous rights and representation. While her husband Diego works as a computer teacher for young children. After teaching at school, Diego would come home to pursue his passion in digital graphic design, while studying to earn a second degree in marketing or spend the afternoon working in the garden. Meeting Jessica and Diego broke down the stereotypes I had subconsciously held about indigenous people. Runa Tupari's programs allow for tourists to learn about indigenous culture by experiencing activities in their daily lives, rather than presenting them with cultural shows. By providing an integrated and personal experience tourists are shown indigenous culture from the perspective of an individual, seeing indigenous people as individuals, entrepreneurs, and strong leaders. Ecotourism enterprises owned and

managed by indigenous communities hold promise for local development and environmental conservation, while also providing a distinct travel experience for tourists. Through an experience of mutual learning both tourists and local communities can gain new perspectives. Embodying the shifting paradigm of environmental sustainability, indigenous communities must collaborate to build enterprises that fit within their community ecosystem. With a strong global vision, combined with national policies to support local implementation, community-based ecotourism enterprises hold great potential for the future.

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