



Case study

The village as a social entrepreneur: Balancing conservation and livelihoods

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ABSTRACT

This study seeks to understand some complexities of the business model underlying ecotourism that is focused on generating supplementary incomes for poor rural communities in a community-based home-stay arrangement. We discuss aspects of financial viability, distributional equity and compatibility of ecotourism with the objective of conservation of natural resources and local culture. Through a case study, this paper highlights the essential tension between livelihood and conservation, and suggests that ecotourism represents a trade-off between environmental sustainability and financial success. This trade-off would be even sharper where the involvement in ecotourism is an outcome of the pressures for generating livelihood and incomes rather than from an inherent concern for nature and its preservation.

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1. Introduction

Ecotourism has often been proposed as a sustainable solution to providing livelihoods which has a built-in mechanism to manage the natural ecosystem. This view of ecotourism involves the integration of many actors and the managing of multiple functions. Ecotourism is also distinguished from traditional tourism by focussing on lifestyle and human responsibility rather than mere consumer satisfaction which could entail irresponsible behaviour (Orans, 1995). Natural areas and local populations become part of a complex symbiotic relationship (Ross & Wall, 1999), which can be viewed from different aspects. It can be seen as social development or as business. It may also be viewed more philosophically as representing a deeper relationship of human beings with nature.

A very specific instance of ecotourism that is focused on generating supplementary incomes for rural communities is a community-based home-stay arrangement, where the visitor/guest is put up by a local of the village in his or her home, and the community as a whole tries to provide the tourist a taste of their culture as well as an experience of the natural environment they reside in. This paper is a study of

such an initiative in the idyllic world of Himalayan home-stays, an ecotourism initiative in the villages of Sikkim.¹ This is a typical intervention made in developing countries to address the problem of poverty and livelihoods (Schaeyvens, 1999; Tirasattayapitak & Chaiyasain, 2015). While these have been studied in great depth, often as case studies, discussion on the underlying business model and its financial viability are harder to find.

Through this study we seek to understand the complexities of the business model underlying this form of ecotourism to determine whether it is financially viable, socially equitable, and compatible with conservation of natural resources and local culture, replicable and/or scalable. A more fundamental question would be whether such activities, even if economically attractive in the short run, can be sustained across generations. The study does not aim to provide solutions or a template to develop business models for community based tourism, but to raise certain specific concerns about the difficulty of price discovery, equitable allocation of work and distribution of rewards for the participants in such community based models. In this sense, we have raised more questions than we have answers to, which we hope will generate further research interest in these kinds of development interventions.

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¹ This case study was part of a larger project on studying development interventions in different villages across India. The results of the study have been published as a book titled Another Development Participation, Empowerment and Wellbeing in Rural India.

The paper is organized as follows. The next section discusses the authors' understanding of community managed ecotourism in the context of sustainable livelihoods and the management of natural resources. Section 3 discusses the research methodology adopted for this study. The Himalayan landscape and natural environment, which forms the backdrop of our study is described in Section 4 next. Villages in the pristine state of Sikkim located in the eastern part of the foothills of the Himalayas presents an appropriate locale for an ecotourism initiative with its wealth of environmental capital and biodiversity coupled with the livelihood needs arising from endemic material poverty of the communities. Section 5 describes a typical village community in Sikkim acting as an entrepreneur in running the business of home-stays and ecotourism. This is followed in Section 6 by an analysis of our observations, highlighting several complex aspects of developing a viable business model. The related issues of distribution, equity and sustainable development are also explored. Section 7 concludes.

2. Ecotourism: leveraging nature to create economic opportunity

Ecotourism is differentiated from tourism in general by its focus on conserving nature using revenue earned from the tourists. The importance of ecotourism is relatively recent having gained significance in the context of sustainable development. There are several different ways by which tourism can be leveraged for environmental gains. We can classify them based on the degree of organizational complexity, contingent on the extent and involvement levels of local participation. In the first instance, a government could set up and manage basic tourism infrastructure. For instance, Natural Parks, managed by a regulatory authority are one example where revenue earned (entrance fee) from visitors are ploughed back into conserving the commons and compensating the local population for services rendered by them (if any) to support tourism. A second form of ecotourism centres on a purely private commercial venture where a hotel-like establishment is located near a place of great natural beauty or biodiversity. In promoting its business, the establishment, sometimes referred to as an eco-lodge or resort, leverages the available natural capital assets. The objective of such establishments is private profitability though the activity may generate positive externalities for the environment and the local population.

The third variant is where the eco-lodge is not individually owned, but is a community based tourism option where a few members of the community (with similar levels of private assets and other endowments) act as entrepreneurs by collaborating with one another. This might happen when traditional tourism opportunities reach a capacity constraint and the local initiative can actually become a preferred alternative, integrating into the local tourism infrastructure. The fourth variant of ecotourism could be the outcome of a start-up venture in the hospitality domain where the local environment is showcased as an asset to attract tourists with a promise of getting a different experience as compared to traditional tourism. In these community run tourism options, the aim is private profitability but there could be local benefits for the community as an outcome of spill-over effects from the enterprise. The fourth variant is distinguished by a larger number of participants with varying backgrounds in terms of endowments and capabilities. Schaeyvens (1999) provides a framework for analysing the impact of such tourism on empowering local communities. The empowerment of local communities alone may not be sufficient for controlling the tourism project. The ultimate outcomes are often determined by objectives of the external actors involved such as an NGO or an entrepreneur. Some of the limits to community participation in tourism in developing countries are discussed at some length in Tosun (2000).

This paper reports a specific form of community based ecotourism where the entire village (or adjoining villages) together acts as an entrepreneur offering ecotourism services. In this variant of ecotourism the

primary objective is to provide supplementary livelihoods for the people. Thus, the impact of ecotourism on communities and the natural environment may be mixed. For this reason, the literature on ecotourism often describes such activities as a destroyer of nature, culture and social norms on the one hand and as a saviour of the poor and the deprived on the other (Simpson, 2008, pp. 1–18).

A key challenge common to all four variants described above is how to price the ecosystem services offered to the tourist for meeting their recreational and aesthetic desires. Another important concern in ecotourism would be the allocation of resources towards maintaining and augmenting the natural capital on display for the tourist. In the first variant, this is relatively simple as a regulator allocates and apportions the revenues earned from entrance fees towards natural capital and paying locals for their support. In the second and third instances, however, there is a possibility of natural capital being neglected² due to myopic objectives since the primary motive is private gain. In the alternative that we studied, there would be multiple claims to the resources to be apportioned. The allocation of revenues for the conservation of natural capital would be an outcome of collective action. It should be noted that the objective here is neither private profitability nor public welfare but rather supplementing incomes earned by the people involved and distributing the revenue in some acceptable fashion. This is a greater challenge in view of the fact that the participants in the village enterprise could be quite heterogeneous in terms of identities, asset endowments, capabilities and preferences.

Finally questions could be raised about the prospects of each variant in the long term to sustain themselves. Since, in the first variant, there is a regulatory authority administering the ecotourism, the sustainability of the project is dependent on public policies and public will. In the second and third variants, since private profitability is the main motive, the initiatives would be sustainable as long as the businesses are viable. The scalability, replicability and possibility of private profitability overshadowing conservation measures pose challenges to long term viability. In the fourth variant, the long term sustainability of the initiative is vulnerable precisely because it is centred on the provision of supplementary livelihoods to poor people. Any change in economic conditions of the community would have substantial consequences for the communities' ownership of the project. Deterioration in income would lead to the community exploiting natural capital for survival, while a substantial improvement in alternative income earning opportunities may trigger a lowering of interest in provision of ecotourism services. If there is a sufficient demand, community based village ecotourism could evolve into the second or third variant.

3. A word on method³

The objective of our study was to explore the complexities of the ecotourism model, as implemented within a village, and what its economic, ecological and social impact was. Since we did not know what to expect or have clear pre-conceived hypotheses, we adopted a grounded theory (Glaser & Strauss, 1967) approach. Primary data was collected through participant observation (wherever possible), observation, and open ended interviews with key stakeholders. Group discussions with beneficiaries, non-beneficiaries and project implementers supplemented the information. Convenience sampling was used. By experiencing ecotourism services ourselves in more than one village, we participated in the experience as guests, gathering rich qualitative

² However, there are instances where private environmental stewardship can lead to a large amount of resources being spent on developing and conserving the commons.

³ This paper is part of a larger study which sought to explore the implications of micro-interventions on the bigger picture of development as transformation to modernity. The criteria for selection of these interventions included (a) the multiplicity of objectives, where the outcome could affect several dimensions such as income and wealth, livelihoods, natural and social capital, and (b) the diversity of projects, their terrains, geographies and the ethnicities of participants.

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