January 2007

The Impacts of Tourism and Development in Nicaragua: A Grassroots Approach to Sustainable Development

Jennifer Atwood Burney

University of Massachusetts Amherst

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THE IMPACTS OF TOURISM AND DEVELOPMENT IN NICARAGUA
A GRASSROOTS APPROACH TO SUSTAINABLE DEVELOPMENT

Thesis Presented

By

JENNIFER ATWOOD BURNEY

Submitted to the Graduate School of the University of Massachusetts Amherst in partial fulfillment of the requirements for the degree of

MASTER OF REGIONAL PLANNING

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Landscape Architecture and Regional Planning
THE IMPACTS OF TOURISM AND DEVELOPMENT IN NICARAGUA
A GRASSROOTS APPROACH TO SUSTAINABLE TOURISM

A Thesis Presented

by

Jennifer Atwood Burney

Approved as to style and content by:

________________________________________
Elizabeth Brabec, Department Head
Landscape Architecture and Regional Planning
ACKNOWLEDGEMENTS

To begin with, I would like to thank Steve Grimes M.D. for introducing me to Nicaragua through the volunteer organization NEVOSH. I would also like to thank my thesis committee members for their suggestions, input and guidance, especially to Ellen for her enthusiasm and support in both my topic and field work. Furthermore I would like to thank my friends and family who hung in there with me when the going got tough. To my husband Stephen for his continued encouragement and patience and for not minding that I lived away at school in order to complete my degree. To my two daughters: Tara, who didn’t think I had gone insane when I told her I was quitting my job of 19 years to go back to school and little Emma who was with me during my field work in Nicaragua; although not born yet. And finally and most importantly I would like to thank the people of Nicaragua who remind me each year I return; what really matters in life can’t be bought, nor is of monetary value: family, friends and health. And when all is said and done, I can say that I have achieved all I have set out to accomplish, and feel truly blessed in life.
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CHAPTER 1

INTRODUCTION

“I sit on a man’s back, choking him and making him carry me, and yet assure myself and others that I am very sorry for him and wish to ease his lot by any means possible, except getting off his back”. - Tolstoy

“We, abuse land because we regard it as a commodity belonging to us. When we see land as a community to which we belong, we may begin to use it with love and respect”. – Aldo Leopold

“Where you live should not decide whether you live or whether you die” – Lyrics from Crumbs from your table – International Rock Band U2

“Nicaragua has significant natural resources and attractions to be exploited, a competitive and productive labor force, and generous laws promoting investment”. - Enrique Bolanos Geyers, Former President of Nicaragua, January 10th, 2002
1.1 Tourism and Development in Nicaragua

Nicaragua is the 2\textsuperscript{nd} poorest country in the Western Hemisphere behind Haiti, and has the highest per capita foreign debt in the world (World Bank, 2006). It has experienced natural disasters such as earthquakes, hurricanes and volcano eruptions and has had its share of political and social unrest. Politically stable for the past decade, the government has been investing in infrastructure improvements as well as offering investment incentives (Austin, 1994). Nicaragua is pushing its tourism economy, and last year ranked tourism number three in foreign exchange revenue (Consulate of Nicaragua, 2006). According to the US Department of the State in 2006, Nicaragua had 5,300 Americans residing there and 60,000 American visitors. Nicaragua is becoming the next Costa Rica (Festervand, 2002; International Living, 2006), and in 2005 it was listed in 20 international publications as a great tourist destination (Latin Trade, 2005).

Because Nicaragua still offers a low cost of living and is at the beginning stages of tourism and development, it offers opportunities for investments in business or development as well as an affordable place to retire to. Nicaragua has a large labor force, with the average pay of .67 (US dollar) per hour. It also offers the lowest cost of land in Central America (Consulate of Nicaragua, 2006). Oceanfront land is being bought up by foreigners who are developing huge waterfront housing developments and are also

![Figure 1: Volcan Concepcion- Island of Ometepe](source: J. Burney, 2004)
buying and restoring historic homes in colonial cities such as Granada. Foreigners are also opening up restaurants, small hotels and tourism businesses, and predict that once the road is built on the Pacific coast, development and tourism will increase even more rapidly (International Living, 2006).

1.2 Personal Experience

I began my travels to Nicaragua in 2002 while volunteering on medical missions with New England Volunteer Optometric Services to Humanity (NEVOSH), and have witnessed changes each year I return such as improvements in infrastructure, as well as increases in business and tourism. On my last visit in January 2006, I left with many unanswered questions.

While sailing along the coast of Nicaragua towards Costa Rica, I saw the deforestation of a large section of trees which was located directly on the Pacific Ocean. Not a single tree was left; only the site of bulldozers remained. I questioned the captain of the sailboat that I was on. The Captain told me she was from Europe and the owner of the boat was from America. The owner of the sailboat had also recently built Pelican Eyes, a high-end development located in San Juan Del Sur geared towards foreign investors looking to invest in a second home. The captain told me the sail boat was booked 7 days per week with 45 passengers per trip paying $65.00 (US dollars) (well worth the cost). During this
same trip my husband inquired about deep sea fishing and because he couldn’t find any tourist operations offering it, he approached a local fisherman. For $25.00 (US dollars) he went fishing for the morning.

I question whether the locals have opportunities to open businesses and if they do would they abandon their traditional jobs? How do they feel about tourism and development? Have they been pushed off their land? Is tourism making it too expensive to live where they once lived? What policies are in place to protect natural resources from the deforestation I saw while on my sailing trip?

1.3 Problem

It is inevitable that Nicaragua is going to experience tourism and development boom similar to Costa Rica experienced in the 1980’s.

“Many mistakes have been made in the name of economic development and there are many examples of the ill effects of tourism development. Communities that are just beginning to consider tourism development are at an advantage, in that they can learn from the experience of negative examples in order to prevent unsustainable development practices. Taking advantage of this experience has contributed to some positive examples of communities that are taking control of development” (Price, 1996, p. 19)

The purpose of this paper is to provide a synopsis of issues facing tourism and development and examine the impacts, challenges and how lessons learned can be applied as a strategy for sustainable development practice in Nicaragua. What are the impacts and challenges of eco and sustainable tourism? This paper also looks at ways in which ecotourism and sustainable development can be evaluated and incorporated into
Nicaragua’s policy. I would like to point out that this research is not an attempt to question the various types of ecotourism and whether they make false claims. Nor is it an attempt to point out that all mass tourism or traditional tourism is negative development. Rather I will explore the following research question:

**As tourism and development increase and become an important tool for economic development, it becomes imperative that Nicaragua have policies in place that account for social, economic and environmental implications in order to be successful. How is this being approached? What are some of the impacts and challenges of tourism? Is sustainable or ecotourism tourism a better approach than traditional or mass tourism?**

In January of 2007, I was able to return to Nicaragua for the seventh time to conduct field work for my thesis and for my sixth medical mission. Through this field work I was able to visit two different types of tourism developments; Finca Esperanza Verde (FEV) which has gained world-wide attention from organizations such as the United Nations World Tourism Organization (WTO) and was used for a pilot study based on Costa Rica’s sustainable certificate program. It has also been the recipient of many sustainable tourism and development awards. The second tourism development I chose to include in my thesis research wasn’t initially intended to be part of my research, however I decided to include it as a case study due to the efforts it is making to improve the surrounding community. Although Pelican Eyes is not at the same level of sustainability practice as
FEV it is one example of how a high-end, for-profit, development can partner with a non-profit and make remarkable contributions to a local community.
CHAPTER 2
NICARAGUA BACKGROUND

2.1 Geography

Nicaragua is the largest of the seven Central American Countries (Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama) it is bordered by Honduras to the north, Costa Rica to the south, the Caribbean Sea to the east and the Pacific Ocean to the west. Nicaragua has the largest lake in Central America and over 40 volcanoes, six of which are still active, it has rain forests and an abundance of natural resources including approximately 12,000 plant and 1,400 animal species. Nicaragua has a diverse climate due to the mountain range that runs diagonal northwest to southwest creating a climate that is tropical and dry along the pacific coast, cool in the mountainous areas and humid on the Caribbean side. The average temperature is 27°C or 80.6°F and has an average rain fall of 1,300 mm or 51.8 inches per year. Nicaragua has two seasons, the dry season or summer, which runs December through May and the winter or raining season from May through November (Consulate of Nicaragua, 2006).

2.2 Demographics

Nicaragua’s population is close to 6 million people; 69% are Mestizo (mixed Amerindian and White), 17% Caucasian, 9% Black and 5% Indigenous. The official language is
Spanish with 76.7% of the population being literate. Nicaragua is a land of young people with only 3% of the population over the age of 65 years and 57% between the ages of 15-64 (Consulate of Nicaragua, 2006).

The majority of the population lives in urban areas, a third living in the capital City of Managua. Approximately 45% of the population lives on $2.00 per day, and 15% on $1.00 per day. According to the United Nations Children’s Fund (UNICEF) (2005), 45% of the nation’s wealth goes to the wealthiest 10% of the population. The unemployment rate in 2005 was 12.2% with underemployment\(^1\) cited around 35.4% (U.S. State Department, 2005). 75% of the population lives in poverty and 39% do not have access to sanitary water (United Nations, 2005; Habitat for Humanity, 2007). With the revolution in the 1980’s and the devastation of Hurricane Mitch in 1998 there is a housing deficit of 500,000 homes and 250,000 in need of repair (Habitat for Humanity, 2007).

Table 1 demonstrates how Nicaragua compares to other Central American Countries as well as the United States in areas such as infant mortality, life expectancy, literacy rate and Gross Net Income.

---

\(^1\) “Inadequately employed, especially employed at a low-paying job that requires less skill or training than one possesses”. Source: The American Heritage® Dictionary of the English Language, Fourth Edition Copyright © 2004, 2000 by Houghton Mifflin Company.
Table 1: Central American Countries and the United States: Infant mortality, life expectancy, literacy rate and Gross Net Income.

(Rates are per thousand)

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<th>Infant mortality rate under age 5 *</th>
<th>Life expectancy at birth *</th>
<th>Adult literacy rate **</th>
<th>Gross Net Income</th>
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<td>30</td>
<td>37</td>
<td>70</td>
<td>76.7%</td>
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</tr>
<tr>
<td>United States</td>
<td>6</td>
<td>7</td>
<td>78</td>
<td>99.7%</td>
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<td>Costa Rica</td>
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<td>78</td>
<td>95.0%</td>
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<td>Panama</td>
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<td>34</td>
<td>75</td>
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<td>Honduras</td>
<td>31</td>
<td>40</td>
<td>68</td>
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<td>79.7%</td>
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<td>76.9%</td>
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<td>68</td>
<td>69.0%</td>
<td>$ 2,400</td>
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Sources: * According to UNICEF 2005
** According to UN Development Report 2005

2.3 Political History

The history of the land use policy is a very complicated one. Nicaragua’s land use policies have been influenced by political changes over the past 100 years. Nicaragua has gone through three major land reforms.

1. The Somoza Era

The Somoza family dynasty controlled Nicaragua until 1979 with the onset of General Anastasio Somoza Garcia who seized control of Nicaragua in 1937. Five Presidents were elected during this 42-year period. Under this leadership, agriculture frontier land was encouraged by granting rental contracts with an option to buy. Despite dictatorship, it
was during this era that Nicaragua had one of the most dynamic economies of Central America (Consulate of Nicaragua, 2006). In 1972 a massive earthquake killed approximately 10,000 people in the capital city of Managua leaving 50,000 families homeless. As National Guardsmen looted businesses, Somoza controlled disaster aid, his personal wealth growing to an estimated $400 million. He was seen as a symbol of power and greed. Today you can still see evidence of the overwhelming number of families that live in inadequate housing conditions in the capital City of Managua. Following an uprising and civil war, Somoza fled Nicaragua in 1979 taking with him the capital reserves in the bank and leaving behind $1.6 billion (US dollar) in debt (Nielsen, 2005; Stahler-Sholk, 1999;).

2. Sandinista Era – Frente Sandinista De Liberacion Nacional (FSNL)

The Sandinista Front for National Liberation (FSNL) is named for and based on the beliefs and idealism of Augusto C. Sandino, a renegade who fought against the U.S. Military in the early 1930’s and was opposed to the inequality found in Nicaragua. Daniel Ortega led this Marxist-Leninist organization from 1979-1990 nationalizing businesses and forming co-ops which drove many Nicaraguans to flee the country. In an agrarian society land ownership is a key factor that determines a person’s social status and lifestyle and through the Agrarian Land Reform over 2.3 million acres of land was confiscated and redistributed to 200,000 poor people. Peasants were pushed off to
marginal land and often forced to work on larger farms with little pay. A majority of the large landowners did not use the land efficiently and eventually sold off their assets and transferred money out of the country. Land that was underutilized or abandoned was often confiscated and redistributed which resulted in approximately 1,418 titles being given away. Under the Sandinista leadership the per capita income fell 50% and displaced 15% of the population (United Nations, 2006; Gaslin, 1989; Stahler-Sholk, 1999; Biderman, 1983).

The Reagan Administration became concerned over Sandinista ties to Cuba and secretly sold arms to Iran who was in a war with Iraq and then diverted the proceeds to supply arms to the counter revolutionaries known as the “Contras” who were fighting to overthrow the Sandinista government. This controversial period in United States history is known as the Iran-Contra Affair. During this period the United States issued a trade embargo\(^2\); combined with the brain drain of Nicaraguans fleeing the country, inflation soared to 13,500% (Nielsen, 2005, p. 2). The revolution finally ended in 1990 leaving the country in shambles with estimates of over 30,000 dead, thousands homeless and many orphaned children (Stahler-Sholk, 1999).

\(^2\) “A governmental restriction on trade for political purposes. The objective is to put pressure on other governments by prohibiting exports to or imports from those countries”. Source: The New Dictionary of Cultural Literacy, Third Edition Edited by E.D. Hirsch, Jr., Joseph F. Kett, and James Trefil. Copyright © 2002 by Houghton Mifflin Company. Published by Houghton Mifflin.
3. **Union Nacioinal Opositora (UNO) and Partido Liberal Constitucionalista (PLC)**

**Era**

Upon losing the election, the Sandinistas handed over their power to President Violeta Chamorro. Many of the Nicaraguans who had fled during the Sandinista presidency began to return, causing confusion over who actually held title to the land. According to the World Bank only 70% of agricultural land has a registered title; the remaining 30% of land is unregistered or holds insecure tenure and 40% of agricultural land is in title conflict. The uncertainty of property rights is often related to the fact that the poor do not have the resources to protect their property rights. Before buying property in Nicaragua it is highly recommended that one hires a lawyer experienced in land title search. There have been many stories of people returning to their land only to find it occupied by squatters or people claiming the land to be own (World Bank, 2007; Gaslin, 1989).

Despite reducing foreign debt and slashing inflation the new Nicaraguan administration continued to have bank failures, vote rigging, fraud, money laundering, corruption and child molestation charges added to the already suffering country. In 1998 Nicaragua was devastated by Hurricane Mitch killing 2,500 and damaging 500,000 homes at a cost of billions of dollars. Foreign aid flowed in but much of it never reached those in need further damaging the integrity of the new administration (Nielsen, 2005; Habitat for Humanity, 2007).
Return of the Sandinistas

When I began my field work in Nicaragua in January of 2007, the Sandinista party was back in power with the return of President Daniel Ortega who won the presidency with 55% of the vote. The other 45% was split between three candidates who were opponents of the Sandinista party. Many of the Nicaraguans I spoke with during my field work expressed opposing views of the current presidency. Scarlet, a translator I worked with during the mission, expressed support for the Sandinistas being back in power because she felt children now had the opportunity to attend school for free. Scarlet explained that, since the fall of the Sandinista government in the 90’s children were often required to pay to attend school preventing many from going. According to Oscar Rene Varges (1999), fees included registration, monthly enrollment, uniform and workbooks. Although school is required up until sixth grade, many children don’t have access to school. One third of the elementary schools only offer three or four of the six grades required. In 1998, 20% of children between the ages of 10-18 worked the streets and 45 out of 100 children didn’t attend school at all. The Sandinistas claim that the literacy rate decreased since their fall in power with the illiteracy rate increasing from 25% in 1990 to 34% in 1998. Doctors at the local hospital we worked with during the mission expressed concern over the future of their jobs with the new Sandinista administration. Another individual I spoke to was a female lawyer with an office in Managua and who was in the process of getting an Italian passport for her son in the event she needed to flee the country with her family.
While conducting my field work I picked up some local papers to see what was being written about Ortega being back in power. An article that appeared in *Nica Times* in January 2007 stated that Ortega had his work cut out for him due to the fact the county is politically split between the Sandinistas and Liberal Constitutional Party (PLC). Venezuela’s President Hugo Chavez presence at Ortega’s inauguration in January 2007 has many people questioning Ortega’s pledges to work with both the United States and Venezuela as well as to diversify Nicaragua’s economic and political relations with other countries. Investors and business leaders who fled in the 1980’s are hoping Ortega doesn’t return to his revolutionary ways. Analysts claim that the Ortega of today is very different from the revolutionary one and will “navigate somewhere in the center” (Tim Rogers and Eric Sabo, 2007, p. 1-3). Only time will determine the fate of Nicaragua under the newly returned Sandinista government.
CHAPTER 3

METHODOLOGY AND PROJECT DESCRIPTION

Introduction

My research consists of both quantitative (Fossati and Panella, 2000) and qualitative research methods (Phillimore and Goodson, 2004; Mikkelsen, 2005; Cole, 2004). I analyzed tourism and development statistics, such as the number of tourists and amount of tourist dollars spent in Nicaragua, GDP and exports, and employment and population figures. The qualitative research method consisted of participatory rural appraisal (PRA) (Cole, 2004) method of field work. The thesis research begins with a literature review of tourism and development. In order to apply the lessons to my research in Nicaragua, I included case study reviews of Mexico and Costa Rica tourism and development. I reviewed current policies on tourism and development as well as development incentives for Nicaragua. Most of this research was done prior to my field work in Nicaragua. In January of 2007, I spent sixteen days in Nicaragua dividing my time between the two case studies and the medical mission. This field work consisted of a stay at Finca Esperanza Verde/Green Hope Farm (FEV), a sustainable development that has been the center of much attention, as well as Pelican Eyes, a high-end resort that promotes community development and sustainability. While conducting my field work I was able to speak to locals, visitors, workers and management.

3.1 Goals and Objectives

MAIN GOAL: Determine if sustainable development or ecotourism is a better alternative than traditional mass tourism.
GOAL ONE: Apply lessons learned from case studies of Costa Rica and Mexico to Nicaragua.

OBJECTIVE: Review various types of tourism and development that are being encouraged and discouraged by the government or tourism departments within the country.

QUESTIONS:
1. What are the policies in place and what types of tourism and development are being promoted?
2. What lessons can be learned from this review?

METHODOLOGY: Review of case studies can be a useful tool when implementing policies in a country dealing with tourism and development. One can learn from mistakes and successes through case study analysis. I reviewed Mexico and Costa Rica policies and case studies, as well as government policies on tourism and government.

GOAL TWO: Determine if any there are any efforts to promote regional Central American sustainable tourism.

OBJECTIVE: Analyze policies and programs in place to promote regional tourism.

METHODOLOGY: I will review the regional tourism efforts of Promotion of Sustainable Development through Tourism in Central American (FORESTUR), who is conducting a regional campaign to promote the seven Central American countries as places to visit. It is also trying to stamp out the negative image that some of these countries face from political turmoil and natural disasters. FORESTUR is in the process of developing a regional sustainable tourism certification based on Costa Rica’s
Certificate for Sustainable Tourism (CST). Finca Esperanza Verde (Green Hope Farm) was selected as a pilot study for this program.

**GOAL THREE:** Analyze Nicaraguan Government Policy on development and tourism and determine the type of tourism and development it encourages.

**OBJECTIVES:**

- Analyze policies and zoning regulations in place for tourism and development in Nicaragua.
- Analyze the various levels at which policies are being enforced: National, regional, local, grassroots and private organizations.
- Analyze the types of development and tourism Nicaragua is encouraging and promoting.
- Determine the benefits and drawbacks of these various tourism types.
- Analyze incentives and tax benefits being given to encourage tourism and development.
- Analyze Nicaragua’s economic policy. Where does tourism rank?
- Determine if Nicaragua is portraying a particular image to promote tourism.
- Review NGO and private sustainable tourism and development efforts.

**METHODOLOGY:** To meet these goals and objectives, I reviewed various government policies such as the President of Nicaragua’s mission statement, Ministers within the Government such as the Minister of Tourism and Environment and Consulate of Nicaragua. I researched international organizations such as the World Bank, United
Nations, World Tourism Organization (WTO), and NGO to see what efforts they have made to encourage or support Nicaragua in tourism development.

**GOAL FOUR:** Determine efforts that Finca Esperanza Verde and Pelican Eyes are making to create responsible or sustainable tourism. In what ways have these efforts impacted the local community?

**OBJECTIVES**

- Determine how the facility makes claims they are promoting responsible or sustainable tourism. Determine the claim that is made through advertising.
- Determine if locals have had the advantage to open tourism related businesses, and if any resources were available to aid in this effort. How is the facility assisting or promoting these local businesses?
- Analyze employment or similar statistics if available.
- Analyze social, cultural, environmental and economical impacts that these facilities have made on the local communities. What difference has sustainable tourism made to the community?
- Determine if conditions have improved since the facility was created. Are homes improved? Have improvements been made to infrastructure such as roads, water supply and schools? What programs have been developed?
- Determine if any drawbacks exist.

**METHODOLOGY:** I conducted field work in Nicaragua in January of 2007 by staying at Finca Esperanza Verde and Pelican Eyes. While there I interviewed management, locals, workers and visitors as well as observed the sustainable tourism efforts that have
been made. I conducted participatory rural appraisal (PRA) analysis. According to Cole, this type of research is “fast and dirty” and “generates knowledge and information in a relatively short time” (Cole, 2004, p. 294). Cole was able to conduct 30 interviews in 10-days in Indonesia, because I was in Nicaragua for only 16 days, part of which is for a medical mission, I needed to use this same style of interviewing for efficiency purposes. The author claims that spontaneous informal interviews are a more successful technique than formal questionnaire-based interviews (Cole, 2004). The author states that PRA is easier to manage, the information obtained more insightful than a formal questionnaire, and the person being interview finds it easier to open up and not give answers based on what they think you want to hear (Cole, 2004).

When interviewing local citizens as well as others I often relied on a translator. Working with translators can be challenging because I relied on that person to relay the questions and answers between myself and the person being interviewed. Guy Jobbins conducted field work in a foreign country and states that “the tone of voice, body language, choice of words can be important in establishing a bond and rapport with the person being interviewed” (Cole, 2004, p. 312). Jobbins also states that the type of personality, social skills and education of a translator is a very important factor. For instance, they can come across as too intelligent to bond with a farmer yet do well with a businessman. Jobbins suggests in order to ensure that questions being asked and answered is consistent, a series of at least three questions must be rephrased and asked for the same topic.
3.2 Analysis

An analysis of policy review, case study research, and interviews enables me to have a better understanding of the various types of tourism development and which ones has the most positive impacts on the local community.

3.3 Limitations

Because my Spanish is limited and most government policy is written in Spanish, my research in particular areas were difficult to obtain as well as the limitation of interviewing.

3.4 Contributions to the Field and Personal Goal

As tourism and development increase, it becomes imperative that Nicaragua have policies in place that protect its resources and offer continued improvement and benefits to the socio-economic, cultural and environmental well being of communities through sustainable development practices. In my conclusion chapter 10, I present the lessons learned as well as recommendations that can be applied to Nicaraguan policy and/or implementation. My personal goal for this thesis was to learn more about sustainable tourism and development practice as well as improve my Spanish speaking ability. I hope to use the skills gained and apply this to my future profession by eventually working for a non-profit or for-profit sustainable development organization. One day I would like to have my own company developing sustainable communities in countries such as Nicaragua.
CHAPTER 4

IMPACTS OF TOURISM AND DEVELOPMENT

Introduction

Many consider tourism and development to be a solution to economic development in developing countries by offering economic opportunities other than agriculture (Fennell, 1999; Richards and Hall, 2000; Fossati and Panella, 2000). However, tourism and development can often lead to negative social, environmental, economic, and cultural impacts (Cater, 1995). Studies have shown that unplanned and uncontrolled tourism growth can result in a deterioration of the environment, decay in the quality of cultural heritage, and the destruction of local communities (Fossati and Panella, 2000). Developers often use such alternatives to traditional development as sustainable development practices or ecotourism to deal with these impacts. (Paaby, Clark and Gonzalez, 1991; Fennell, 1999; Richards and Hall, 2000).

4.1 Emergence of Tourism

Richards and Hall define tourism as “the temporary movement of people to destinations outside their normal places of work and residence, activities undertaken during their stay in those destinations, and the facilities created to cater to their needs” (2000, p. 36). In response to the environmental movement of the 1970’s and dissatisfaction with mass tourism after World War II, ecotourism emerged in the 1970’s and 1980’s as an alternative (Potts and Harrill, 1998). Today tourism is the world’s largest and fastest growing industry. It makes up 10% of the global Gross Domestic Product (GDP).
creating 4.7 trillion dollars (US dollars) (WTO, 2001). Over 663 million people travel each year internationally (WTO, 1999).

### 4.2 Conventional Tourism/Mass Tourism

Traditional tourism, or mass tourism, is often defined as development that is owned by a chain or an international company. According to Fennel (1999), traditional tourism development has often been criticized because it usually dominates a region making it difficult for smaller competing tourism operations or for new entrepreneurship startups. Profits and money spent by visitors is usually kept within the development. Mass tourism generally doesn’t use local products and is often high-volume and seasonal, displacing workers from their communities (Fennel, 1999). Little attention tends to be paid to the environment or cultural impacts, resulting in:

- **Air pollution**: Result of an increase in transportation and electricity use.
- **Water pollution**: Result of sewage from hotels and boats.
- **Solid waste**: Litter and garbage from tourists and facility
- **Loss of natural landscape and biodiversity**: From tourism use and collection of shells, rocks, fossils, the destruction of natural ecosystem such as coral reefs, beaches and forests.
- **Noise**: From traffic, airplanes, entertainment facilities and recreational vehicles.
4.3 Impacts of Tourism and Development

Economic Impacts

Richards and Hall (2000) point out that although tourism and development can bring new employment opportunities it can often be seasonal and offer unskilled low paying work. Many workers will often abandon traditional work and leave behind their family and community to seek work. The tourism economy can also cause local citizens to become overdependent on tourism and create inflation because tourists can afford to buy items at higher prices than the locals. It can lead to an increase in land values making it unaffordable to the local community (Mathieson and Wall, 1982; Lea, 1988).

Cultural Impacts

“The larger the cultural and economic differences between tourists and local residents, the more significant the changes are” (Richards and Hall, 2000). Tourism can also have impacts on language, religion, art, traditional handicrafts, music and dress by creating a strong desire for western ideas and practices (Mathieson and Wall, 1982; Lea, 1988).

Environmental Impacts

Tourism can make permanent physical changes to the natural environment by removing large quantities of land from potential agricultural production, destruct the natural habitat and cause the removal of people from their homes and land. It often destructs the environment with the increase of waste product and impacts on the water and air quality. (Mathieson and Wall, 1982; Lea, 1988).
Social Impacts

Tourism can increase crime, create changes in moral behavior, such as prostitution and gambling, and disrupt traditional kinship and community bonds by the migration of community members to work in tourism areas (Mathieson and Wall, 1982; Lea, 1988).

4.4 Sustainable and Ecotourism

According to Fossati and Panella (2000, p. 43) in order for tourism development to be considered sustainable “it has to have a balance of economic health, consider the well-being of the local population and satisfaction of the tourists, and protect natural resources and the local culture.” Any “imbalance means a negative impact” Ecotourism and sustainable tourism include the natural and cultural resources early in planning and developing phases unlike mass tourism.

The World Commission on Environment and Development defines sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (Willers, 1994, p.1146). Another definition of sustainable development by the World Conservation Union is “improving the quality of human life while living within the carrying capacity of supporting ecosystems” (Willers, 1994, p.1146). Although eco and sustainable tourism are similar there is a difference. Ecotourism refers to “recreation in natural landscapes or threatened areas”, while sustainable tourism is development without negative impacts or social impacts” (Forsyth, 1997, p. 272). Fossati and Panella make a claim that there are also many “niche markets” of tourism and development geared towards a certain tourism market.
such as exclusive tourism, agri-tourism, adventure/sports tourism and cultural tourism (2000, p. 46-58).

Four goals of Sustainable Tourism

Sustainable tourism and development should promote these four areas of sustainability:

1. Environmental Sustainability

Preserve and enhance ecosystems by improving and reducing negative impacts on the environment.

2. Economy Sustainability

Create direct economic benefits to the local community by creating jobs and local business growth opportunities.

3. Social Sustainability

Improve health and welfare of the local community and region by the creation of personal growth, education, health, and lifetime learning, as well as the improvement of local conditions and infrastructure.

4. Cultural Sustainability

Tourists are given opportunities to be educated on the culture and history of the region often by the use of locals as tour guides, and by offering home stays with local families.
4.5 Green washing

Researchers also question so-called sustainable or eco development (Willers 1994 and Lewis, 1992). Willers’ article claims “sustainable development is force-fed by the media, and people are not capable of living sustainably because society is over consuming and industrialized and doesn’t respect the environment” (1994, p.1146). Other researchers question the validity of ecotourism which is often used as a label to attract a certain type of traveler (Pearce, 1989). Green terminology can also be used by companies to promote their product or service as eco-friendly, using terms such as “environmentally friendly” or “natural” which can often be misleading because there is lack of universal standards regulating them.

4.6 Recommendations

It is up to the nation to enforce strict guidelines that guide developments in creating places that embrace and nurture all the elements of a place. Strict management principles must be in place to ensure countries’ will retain their environmental and socio-cultural resources (Cater, 1995; Fossati and Panella, 2000). The World Tourism Organization (WTO), a specialized agency of the United Nation, states in its agenda that there is evidence of the growing strength of the tourism industry, and of its capacity to create new jobs and generate foreign exchange for developing countries. According to WTO, international tourism in developing countries amounted to 177 billion (US dollars) in 2004 and can generate income through micro, small and medium size enterprises in tourism and related sectors such as handicrafts, food, furnishing, infrastructure, job creation, health, sanitation, telecommunications and other services for tourists and
residents, and debt reduction through foreign exchange. Tourism opens up opportunities for local businesses by allowing local communities to benefit by selling goods and services directly to visitors. Developing countries have an advantage over developed countries because they offer culture, art, music, natural landscapes, and wildlife, all of significance to the tourism industry. Tourism is more diverse than many other industries and can support other economic activities through a chain of goods and services, and provide jobs and opportunities for skilled and unskilled labor (World Tourism Organization, 2006).

**Conclusion**

Although tourism can be a good economic tool for developing countries such as Nicaragua, often it makes these countries vulnerable to corporations in search of “cheaper raw materials and labor... resulting to a race to the bottom” (Potts and Harrill, 1998, p. 3). Tourism can have negative impacts on a nation and their people socially, culturally, environmentally and economically by effecting traditional lifestyles, family relationships, changing individual behavior and the structure of the community (Richards and Hall, 2000; Mathieson and Wall, 1982; Lea, 1988).

This literature review has illustrated that much research has been done on the impacts of tourism and development throughout the world and Latin America (Fennell, 1999; Richards and Hall, 2000; Fossati and Panella, 2000). Experts are also brought together to discuss many of these impacts at international conferences such as The European Association for Tourism and Leisure Education (Richards and Hall, 2000) and the Tourism and Sustainable Economic Development held in Italy in 1998.
Since Nicaragua is in the early phase of tourism and development there is lack of research specifically done on what some of the impacts of tourism and development have been there. My research reviews, as well as addresses, some of the questions and issues that have come up in this literature review. For this thesis I wish to point out that sustainable tourism is a step taken beyond ecotourism. This point is further elaborated on in the case study review of Costa Rica’s Certificate for Sustainable Tourism (CST) as well as the case study review of Mexico, both of which acknowledge that tourism efforts need to move beyond mass and ecotourism development. Costa Rica is now encouraging and promoting sustainable tourism which goes beyond ecotourism efforts by embracing a balance of economic health, the well-being of the local population and the satisfaction of the tourists while protecting natural resources and local culture.
CHAPTER 5
TOURISM REVIEW OF MEXICO AND COSTA RICA

Introduction

Costa Rica, Mexico and Nicaragua share many similarities; all three countries have experienced issues with political stability, tenure of land title and natural disasters, and all three countries promote tourism as an economic tool. As discussed in the previous chapter, tourism can often be an unstable and unreliable market. People often abandon traditional forms of employment to work in the tourism field. What are these countries doing to ensure that tourism and development have positive impacts on the people and the environment?

5.1 Cancun Mexico

In 1971, the president of Mexico created a tourism development strategy as a financial tool for Mexico’s economy. Planners and politicians visited Miami to get ideas of how to create an upscale resort that would attract Americans and Canadians. Permits were granted for development along the coastline and the government set up the National Trust Fund for Tourism Development (FONATUR) an organization that offers financial support and low interest rates for
tourism related activities. Cancun, once a desolate lagoon and nesting site for seabirds, turtles and marine life, became, by 1973 a home to 300,000 residents, five million visitors and 20,000 hotel rooms. While Cancun experienced an increase in jobs, the environment suffered tremendously. Initially agriculture infrastructure was set up by bringing in farmers from other areas. However, the soil proved too poor for farming. Infrastructure such as roads, bridges and causeways were set up and portions of the lagoon were filled for golf courses. Eighty percent of the surface area of Cancun became paved or an impervious surface. Waste produced from tourism was put in empty quarries which went on to contaminate ground water and the lagoon (Trade and Development Database; FONATUR).

Although, tourism was intended to create jobs for the locals it required employees who could speak foreign languages and who were skilled in tourism. Unskilled migrant workers from other parts of Mexico left their families seeking work only, to find that outsiders and foreigners were the ones who became the clerks, bellboys, waiters and bartenders making money on tips, while the unskilled locals and migrant workers became the maids, gardeners, laborers and the ones picking up trash. These migrant workers set

Figure 7: Map of Cancun and Tulum, Mexico (area in red circle)

Source: www.lonelyplanet.com, 2007
up shanty shacks in the barrios. Social problems began with the clash of cultures and the
deterioration of families, as well as increase in petty crime, drugs and prostitution (Trade
and Development Database; FONATUR).

To make matters worse, in 1988 Hurricane Gilbert hit Cancun, now a 15 year-old tourist
resort. Hit heavily and with much damage, tourists began to seek other destinations such
as Puerto Rico, Jamaica and Barbados. As a result the Cancun Hotel Association created
competitive pricing by offering discounted airlines and package deals. By 1990, this
attracted more visitors back, but many were now budget-minded tourists and college
students on spring break. These visitors spent little in the restaurants and businesses. As a
result of Cancun being the most visited place in Mexico it is exceeding the carrying
capacity; the lagoon is damaged, many of the sand dunes are obliterated, many animals
and fish are facing extinction and 60,000 hectares of the rain forest have been destroyed
(Trade and Development Database; FONATUR).

5.2 Tulum Mexico

A team of University of Massachusetts-Amherst professors including Henry Geddes
studied the impacts of tourism on the community of Tulum, Mexico, an area into which
Cancun’s tourism spread (Geddes, Thomas, Sunyer, 2005). The study showed massive
social and demographic changes caused by one factor: tourism. The study also showed
how the community became dependent on the unstable industry of tourism. Some of
these issues were changes in the demographics such as the ethnic and national makeup,
contested and insecure land tenure, and an increase in diversity in the economy. The
community of Tulum became fragmented; it contained a beach tourist area and an archelogical site, both of which excluded locals from accessing them. Although the sites brought in bus loads of people from Cancun none of them spent any money in the local community. This study showed that the wealthier the tourist, the less likely they were to visit Tulum. Many of the individuals reaping the economic benefits were foreign or outside Mexican entrepenuars. The federal government designated the archelogical site as a National ruin, depriving locals from a sacred space they once used for cermonies. Small sustainable beach hotels were beginning to be bought out by larger ones. Tulum was less of a tourist destination and more a dormitory town for housing workers in the tourism industry. Many of the suggestions that were made in the Tulum study are now being addressed in Mexico’s new phase in tourism planning which is discussed in the next section.

5.3 New concept in Sustainable Development - Mar de Cortes/Sea of Cortez, Mexico

The Mexican Tourism Board is responsible for promoting Mexico as a destination for sun, beaches, culture and varied wildlife and boasts that Mexico has the 5\textsuperscript{th} largest biodiversity with 22 reserves, 47 national parks, 9 protected areas and 25 registered sites with World Heritage. Tourism is the number one priority and gives Mexico 55\% of its revenue dollars (Mexican Tourism Board, 2006). The National Trust Fund for Tourism Development (FONATUR) is in charge of it tourism development and is now developing Mexico’s first sustainable tourism project in the history of the entire country. Mexico wants to create a nitch in the popular markets of scuba diving,
ecotourism, adventure travel, nautical tourism and cruise travel all of which are rapidly growing.

According to the FONATUR, sustainable development is a new concept to Mexico and Mar de Cortes or Sea of Cortez is the first sustainable tourism project. Under the Integrrally Planned Tourism Project (ITP), Sea of Cortez will offer a way to reduce regional poverty and offer new employment opportunities. The plan calls for the restructure of tourism, the creation of new jobs, development opportunity for the population, and an improvement in the quality of life and the protection of the ecosystem (FONATUR, 2006).

Under ITP and the sustainable development plan for Sea of Cortez,

- Use local food and goods.
- Improve Infrastructure.
- Provide endowments to small villages in order to improve infrastructure and provide services that will attract visitors to area and absorb the migrant workers.
- Offer job opportunities for entire region not just coastal areas.
- Allow communities and businesss to take part in the planning

To find out more visit [www.fonatur.gob.mx](http://www.fonatur.gob.mex)

5.4 Tourism in Costa Rica

In a newspaper article I read in Nicaragua during my field work, Costa Rica’s tourism growth came to a halt in 2006 with just 1.7 million visitors and a growth of 17.3% in 2004 and 15.6% in 2005 (Schmidt, 2007). According to William Rodriquez, Vice-
President of the National Tourism Chamber, “prices are rising faster than the quality”. He points to the need to develop a sustainable tourism industry, improve roads, highways, airports and security. According to the article, Costa Rica now has to compete with Panama to its south and Nicaragua to its north. Rodríguez states that Costa Rica is a mature product that attracts a different type of buyer than its neighbors, so Nicaragua and Panama are not direct competitors. Crime and discontinued flights are also problems that have contributed to the tourism decline. Air Madrid which brought 30,000 tourists a year to Costa Rica recently closed its business. Carlos Lizama, President of the Costa Rican Association of Tourism Professionals said “in order to pull tourism out of its slump the industry will have to revamp its marketing strategy and seek new markets” (Tica Times January 12, 2007, Tourism Growth Stagnates Blake Schmidt, p. 1, 10).

5.5 Costa Rica’s Certificate for Sustainable Tourism (CST) Program

Although Costa Rica has been a leader in ecotourism, and previously focused its efforts on the ecological impacts of tourism, it now recognizes the importance of incorporating the social, cultural and economic factors. According to Costa Rican Tourist Institute (ICT), tourists are now even more active and desire tourism that is interactive and respectful of cultures and the environment while demanding a high standard of service. ICT defines sustainable tourism as tourism that satisfies the requirement of today’s society without making it impossible for future generations. It also recognizes that unrestricted development often exploits resources. Because sustainable tourism is
fairly new, there is no reference base or measurable parameters to base sustainability on. This resulted in Costa Rica developing a certification program in 1997 called the Certificate for Sustainable Tourism (CST). Costa Rica’s national tourism organization, ICT, is in charge of this voluntary program that certifies tourism operations that promote sustainable tourism. Supported by the Costa Rican National Accreditation Committee, Costa Rica is positioning itself as a leader in sustainable tourism and is reinforcing its reputation as a destination for travelers who seek out an alternative to mass tourism (www.turismo-sostenible.co.cr; www.visitcostarica.com).

“The main objective of the CST is precisely to turn the concept of sustainability into something real, practical and necessary in the context of the country’s tourist competitiveness, with the aim of improving the way in which the natural and social resources are utilized, to motivate the active participation of the local communities, and to support the competitiveness of the business sector” (ICT).

**CST Process**

The certification process is free and voluntary. The tourism facility fills out a questionnaire comprised of 153 questions that are divided into four general areas (appendix A). Each question evaluates a specific standard or condition and is weighted by its relevance on a scale of 1 to 3 (3 most important). Responses are Yes = complies or N = non-compliance or N/A does not apply.

<table>
<thead>
<tr>
<th>(weight)</th>
<th>(does not apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

Table 2: Example of CST question. Does the hotel have a private reserve?
4 general areas:

1) Physical-biological environment

Questions in this section look at policies and programs that identify and deal with negative environmental impacts. The facility should participate with local or regional organizations on solving environmental issues and have a certificate granted by the Department of Environmental Control from the Ministry of Health. The facility should do its best in recycling water and have a rainwater management plan. Facilities located in coastal zones should participate in the voluntary Ecological Blue Flag Program. Facilities should only plant native plants and avoid the use of fertilizers, pesticides and herbicides. It should promote that flora or fauna isn’t removed by tourists and does not allow the sale of animals, plants and products that are protected or forbidden by law. It should not keep any wild animals in captivity and discourage the feeding of wild animals. Lighting and noises should be kept to a minimum to prevent alterations to the natural environment and wildlife. Facilities should promote tourism visitation to natural areas and comply with policies and laws to regulate these areas.

2) Facilities

Policies should be in place that promote sustainability and provide brochures to the guest that outline sustainability policies and ensure that employees are also be aware of these goals. Facilities should enforce an energy usage and reduction plan and provide information in its recycling program and promote the non-daily washing of towels, sheets and conservation of water. Simple solutions such as the use of solar energy should be used to dry laundry. Drinking water should be monitored and swimming pool water
should be treated using a chloride free process. Natural and alternative solar energy should be used for illumination, water heating or other needs. Natural ventilation and shading should be used as an alternative to air conditioning. The use of energy efficient equipment and refrigeration should be used. At least 50% of printed material should be on recycled paper. Facilities should use fresh produce, certified organic products, national and regional dishes, and industrial sized canned products. Facilities should only use cleaning and cosmetic supplies that are non toxic, biodegradable, phosphate and bleach free. A waste management plan should be in place for solid waste reduction and organic waste composts as well as a recycling plan for glass and paper. Final destiny of this plan should be verified. The use of reusable dishes should be used to avoid waste.

3) **Customers**

Costumers should be given information on the cultural and historical activities in the regional and be encouraged to visit protected and natural attractions. Tours should be offered by utilizing local guides. Customer feedback measurements such as surveys should be given.

4) **Socio-economic environment**

At least 60% of employees should be locals and the facility should offer job training. Administrative employees are not foreigners but natives of country. Illegals are not hired nor are people hired below minimum conditions such as minimum wage. Material is provided on activities and organizations led by the local community. Handicrafts, products and decorations, technology, material and equipment are made locally or in the
country. The facility promotes national tourism by offering discounts to citizens and doesn’t compete with local community needs for services such as water. The facility should be active in promoting programs such as preventative health care or ways to improve the local conditions of the community and infrastructure.

Levels of sustainability

Table 3 shows the sustainability levels that range from zero to five (similar to the traditional star categorization used for hotels). The sustainability level given to a tourist operation depends on its percentage of compliance with the standards established by the questionnaire (see appendix A for example of CST questionnaire).

Of the 59 hotels that hold CST certification, the highest majority of them are given level 2 sustainability status and only two meet the highest standard of sustainability level 5. CRT level one certification indicates that the tourism facility has made the first step towards sustainability while level 5 is considered outstanding.

<table>
<thead>
<tr>
<th>Level of sustainability</th>
<th>Minimum percentage of compliance for all four general areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>&lt; 20%</td>
</tr>
<tr>
<td>1</td>
<td>20 - 39</td>
</tr>
<tr>
<td>2</td>
<td>40 - 59</td>
</tr>
<tr>
<td>3</td>
<td>60 - 79</td>
</tr>
<tr>
<td>4</td>
<td>80 - 94</td>
</tr>
<tr>
<td>5</td>
<td>&gt; 94</td>
</tr>
</tbody>
</table>

Table 3: Sustainability levels

Source: Costa Rican Tourist Institute (ICT), 2006

Location and Size

It makes no difference where the hotel is located, hotels located in cities, beach and mountain areas achieve about the same level of certification (Figure 8). The size of the hotel doesn’t impact the average given to hotels. Medium hotels have an average rating
of 2.0, small 2.29 and large hotels received the highest average at 2.9 (Figure 9).

Figure 8: Level of certification based on location

Figure 9: Level of certification based on size

Source: Costa Rican Tourist Institute (ICT), 2006

Conclusion

Nicaragua is lucky that it is in the early stages of tourism and development and has the opportunity to apply the lessons learned from countries with decades of tourism experience such as Mexico and Costa Rica. Through the case study analysis of Mexico, we have learned that although mass tourism often brings millions of dollars of revenue to a country it can also have negative impacts such as the destruction of natural resources and displacement of natives who often uproot themselves from their communities in pursuit of jobs that turn out to be low skilled and low paying. And through analysis of Costa Rica, we have learned that tourism development not only needs to be environmentally sensitive but also developed with the social and cultural stability of the local people in mind while also bringing economic opportunity to the local communities. Furthermore, tourism development must be monitored and regulated by an
authority or by a certification program similar to Costa Rica’s, to make sure development is truly sustainable. In the following two chapters, Nicaraguan tourism promotion efforts as well as policy and regulation is reviewed and analyzed.
CHAPTER 6
PROMOTION OF TOURISM AND DEVELOPMENT IN NICARAGUA

Introduction

The success of tourism is dependent on many factors, both to the developer and to the tourist. What is the current political situation of the country? Is it safe? Not only will tourists not want to visit a country that is in the middle of a civil war or is unsafe to visit, but developers or investors won’t want to start businesses either. Developers also have other factors to consider whether adequate infrastructure exists such as water, electricity and roads. In this chapter, international, regional and national efforts to promote, develop, plan and offer incentives for tourism opportunities is reviewed.

6.1 Economic Conditions

Nicaragua underwent free market reforms and has had price controls, large scale privatization and government subsidies eliminated after the end of the Sandinista government. Only five companies were operating in free trade zones in 1992 and with the ratification of several free trade agreements by 2005 there were over 100. Twenty-five US companies operate in Nicaragua, with investments being made in energy, communications, manufacturing, fisheries and shrimp farming (Nielsen, 2006; Torres-Rivas, Edelberto and Towner, 1980). According to the US State Department Fact Sheet

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(2005), Nicaragua has been primarily an agricultural country but has seen an increase in construction, mining, fisheries, tourism and commerce in the past few years. Agriculture still ranks number one with products such as corn, coffee, sugar, rice, beans, bananas, beef, and dairy. Industry ranks number two, with products such as processed foods, beverages, textiles, petroleum, and metal. Most recently tourism has become the 3rd largest source of foreign exchange. Nicaragua’s has the fastest rate of growth in Central America and in 2005 the GDP was 4.91 billion dollars (US dollars), with a growth rate of 4.0%. The per capital GDP is approximately $850 (US dollars) per person and in 2005 the inflation rate was 9.6% (Consulate of Nicaragua, 2006; US State Department, 2006).

6.2 International Efforts

According to the World Tourism Organization (WTO) (2006), tourism ministers from Central American countries desire sustainable small-scale, niche tourism. Central American tourism plans show plans for improving rural infrastructure, identifying regional characteristics to showcase diverse cultural and natural resources, and investing in micro enterprise. A conference held in Nicaragua in November 2005, was the sixth such seminar organized by the World Tourism Organization (WTO) which is leading an initiative to develop tourism as a force for poverty elimination. According to WTO the best type of tourism respects the cultural authenticity of host communities, provides stable income-earning opportunities and social services, and pays attention to the region's environmental integrity (Websites of Sister Community of San Ramon and Finca Esperanza Verde).
6.3 Regional Promotion of Tourism - FODESTUR

Ten or twenty years ago, and even today, countries like El Salvador, Nicaragua and Guatemala bring images of soldiers and civil war. When I mention I am visiting Nicaragua, I often get a response of “isn’t that a dangerous place to visit?” A regional tourism campaign is being undertaken by the organization, Promotion of Sustainable Development through Tourism in Central America (FODESTUR), and is making efforts to promote the seven small Central American countries: Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama. It is using the slogan “Centro American, tan pegena, tan grande” (“So little so much”), and is promoting the natural resources of these countries by offering eco travel (FODESTUR, 2006). According to FODESTUR, Central America has seen an increase in tourism since post 9-11 and contributes this to travelers who want to travel closer to home. El Salvador and Guatemala have seen tourism become second to money being sent home from migrant workers in the United States.

6.4 National Promotion of Tourism – INTUR

Nicaragua is promoting itself as the safest of all the Central American countries. Table 4 shows that Nicaragua has a smaller crime rate than Costa Rica. INTUR, the regulatory body of tourism and development indicates that Nicaragua attracted 712,000
visitors in 2005 and generated $183 million (US dollars). In 2006 this figure increased to 773,000 visitors generating $239 million (US dollars). According to Nica Times staff writer Eric Sabo, the largest percentage of visitors came from the United States, followed by other Central American Countries or Europeans. INTUR’s executive president, Maria Nelly Rivas states that since 2004, tourism has been one of the main money makers in Nicaragua’s economy. Rivas attributes part of Nicaragua’s tourism success to the many newspaper and magazine articles written that have been the equivalent of $20 million (US dollars) in free publicity just alone in 2006. A recent article in the December 2006 New York Times claimed that “Nicaragua is beautiful and looks very different today than if you visited 15 years ago” (Rivas, 2007). The 2007 travel book Lonely Planet listed Nicaragua as the top 7 hotspots to visit and Yahoo Travel Web site listed Lake Nicaragua’s Ometepe island as number two of “Eight Great Overseas Destinations for 2007” (Sabo, 2007). Nicaragua invests less on tourism promotion than any of the other Central American countries and spends 16 times less than Costa Rica or Panama. Part of a five-year tourism promotion plan by INTUR is to spend $60 million on improving roads and other infrastructure in Nicaragua. The main priorities are areas near the San Juan River that borders Costa Rica and the coffee growing area (Sabo, 2007).

<table>
<thead>
<tr>
<th>Year</th>
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<th>Dollars</th>
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<tr>
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</tr>
<tr>
<td>2005</td>
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<tr>
<td>2006</td>
<td>773,000</td>
<td>$239 million</td>
</tr>
</tbody>
</table>

Source: INTUR

<table>
<thead>
<tr>
<th>Country</th>
<th>Crimes per 100,000</th>
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<tbody>
<tr>
<td>Germany</td>
<td>6822</td>
</tr>
<tr>
<td>France</td>
<td>5020</td>
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<tr>
<td>U.S.</td>
<td>5485</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>1520</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>1177</td>
</tr>
</tbody>
</table>

Source: ProNicaragua

Table 4 & 5: Crime & tourism statistics
6.5 Nicaraguan Tourism Institute - NTI

The Nicaraguan Tourism Institute (NTI) is promoting Nicaragua as a nation with heart.

“Located in the heart of America is the ideal destination for those that seek something truly different. There are countless reasons, in addition to the warmth of its people that visitors fall in love with this land: two oceans, dozens of spectacular volcanoes, enormous lakes, magical lagoons, fabulous rivers, myriad plant and animal species, colonial towns, archeological treasures, natural wonders, brilliant thinkers, lively music, intense nights and delicious traditional cuisine. Ecotourism has great potential in Nicaragua, as the country is rich in biodiversity. It has 76 protected areas that represent 18% of their territory. These include 23 private natural reserves that are accessible for tourists” (Nicaraguan Tourism Institute, 2006)

6.6 National Efforts for the Promotion of Foreign Investment – ProNicaragua and Tourism Incentive Law

ProNicaragua

Besides tourism, Nicaragua is also making efforts to attract foreign investment and has created a public-private organization called ProNicargua (2006) in an attempt to attract business development to Nicaragua. According to ProNicaragua, foreign investment leads to economic and social development by creating jobs, making improvements in technology, increasing exports and allowing Nicaragua to become more competitive in the global market.
Under ProNicaragua lie seven areas of business development:

Textile and apparel  Fishing & agriculture
Light manufacturing  Energy
Tourism  Forestry and agribusiness
Dairy products

Tourism Incentive Law

To promote tourism and development the country has also established a tourism incentive program called “Tourism Incentive Law #306”. Purchases of equipment and construction material, as well as property taxes and income tax are exempt from taxes for 10 years (ProNicaragua).

Conclusion

Multiple efforts are being made to establish Nicaragua’s tourism industry. International players such as the United Nations, World Tourism Organization recognize that developing countries have much to gain from tourism. Regionally, the seven Central American countries have come together to promote themselves as a desired destination, and nationally Nicaragua is promoting itself as a safe place to visit and is offering economic incentives for businesses to be started. Now that we know that Nicaragua is a safe place to visit and the government desires business growth, how is development being enforced and implemented? The next chapter focuses on this question?
CHAPTER 7
POLICY REVIEW

Introduction

How does a country deal with planning regulations when it lacks the technology to do so, and when it is faced with more critical issues of natural disasters, severe unemployment and inadequate infrastructure? Despite these obstacles, the country has had the opportunity to work with organizations such as the American Planning Association, World Bank and United Nations to aid in developing planning policies. This chapter reviews the policies in place and how are they implemented as well as the countries efforts to establish a certification program similar to Costa Rica’s.

7.1 Environmental Policy and Control

The first Nicaraguan national park was established in 1971 and during the 1980’s under the Sandinista administration; the Nicaraguan Minister of Environment and Natural Resources (MARENA) was created to manage these protected areas. During this time 17 protected areas fell under MARENA, however with little or no planning or support. Beginning in 1990 and following the civil war and new government these protected areas began to receive planning and support. By 2002, Nicaragua had 76 protected areas covering 18% of its territory. There is still difficulty in managing and protecting these areas due to mining, logging, human habitation and poaching, common problems to many Central American countries. To help alleviate the difficulty, many of the protected areas are managed by private non-profit organizations such as Mombacho Natural Reserve located near Granada which is managed by Fundacion Cocibolca (Waves, 2005).
The National System of Protected Areas (SINAP) is managed by the Minister of Environment and Natural Resources (MARENA) who holds the regulatory power. Policy regulation is set by the Z.E.P.D.T (Special Zones of Tourism Planning and Development) which guides, plans and develops zones through the master plans for use of land and infrastructure. Ten categories guide which type of tourism and development can occur in particular areas. For instance only low impact tourism is allowed in Categories 1 biological resources & 3 wildlife refuge, and in zones 5 genetic resources or 10 forestry reserve tourism isn’t allowed at all (Consulate of Nicaragua).

Categories

1. Biological Resources
2. National Park
3. Wildlife Refuge
4. National Refuge
5. Genetic Resources
6. National Monument
7. Historical Monument
8. Protected Land and Marine Scenery
9. Biosphere Reserve
10. Forestry Reserve

7.2 Regulatory Body of Government Top Down Approach to Tourism and Development - INTUR

Tourism and development in Nicaragua is a top down approach controlled by INTUR, the regulatory body of the government who manages, implements and controls regulations mandated by the National Assembly of the Republic. INTUR has its hand in the application process, site plan review and final approval and has all the powers of a planning board, zoning board of appeals (ZBA), building inspector, historical commission and board of health. The applicant must provide general information about
the project, such as the project cost and the number of employees expected to be
generated. Applicants must also provide a measurement plan, topographical plan of
property, scheme and phases of project, documentation of the Evaluation of the
Environment Impact (EIA), property title and registry history of 10 years provided by the
Real Estate Registry. Set backs, building heights, frontage, building within a sensitive
area or beach is regulated through this application process. INTUR also works with other
State agencies such as the Minister of Finance and Public Credit, Minister of
Environment and Natural Resources (MARENA) and local municipalities. INTUR sends
the documents for review to state entities, if required to MARENA and the municipality
where the project is located to request their approval, opinion and recommendation of the
project. INTUR then analyzes the application in light of any recommendations and
opinions provided from the review and issues a decision within 60 days of the application
date. If approved INTUR registers the project with the Tourism Investment Registry and
issues a certificate. INTUR is the only agency that can approve or deny an application,
unlike the United States where an appeal can be taken to the ZBA or state land court for
resolution (Consulate of Nicaragua; SNV).

7.3 Strengthening Municipal Administration and Development - INIFOM
Nicaragua has a long history of strong central state control. The Nicaraguan Institute of
Municipal Development (INIFOM) was created in 1990 with the objective of
strengthening municipal administration and development. The country is divided into six
regions and three special zones that are further divided into fifteen departments and two
autonomous regions located on the Caribbean side. These departments are divided into
145 municipalities. The municipalities are empowered by the Law of Municipalities which was created to give local government the power for urban development and the shared responsibility for education, health, housing, environment, water services, and the promotion of culture and sports. Sanitation, rain water drainage, environmental protection, construction and maintenance of the roads, parks and sidewalks, bridges, verification of weights and measures are responsibilities of the municipalities. The municipality is made up of major cities and the surrounding rural areas and is headed by a municipal Council. The number of members of this Council is based on population figures of the municipality, the largest being the Capital city of Managua. Each municipality elects a Mayor who is the chief executive and administrator. The municipalities develop their own budget and are in charge of registration, services, and tax collection on property, enterprises and vehicles. The tax revenue makes up most of the municipality budget which the government found were better at collecting (Pan American Health Organization, 1990).

7.4 Sustainability Certificate Program – Pilot Study

Another goal of FODESTUR, the Central American tourism organization, is to create a sustainability certification similar to Costa Rica’s CST program. In 2001 Nicaragua became the first of the seven Central American countries to undergo a pilot program for a sustainable development and tourism certificate. FODESTUR, along with Nicaragua’s national tourism organization, Nicaraguan Institute for Tourism and Green the Central American Initiative (ICV), collaborated along with a committee that evaluated, reviewed and visited 34 protected areas and ecotourism operations located throughout Nicaragua. The case study and focus of my research project, Finca Esperanza Verde (FEV) New
Green Hope won an award in all three categories. Each facility that was evaluated had to meet certain criteria. Of the 34 facilities evaluated, five protected areas and five ecotourism facilities met the criteria (Kubisch, 2000; Nielsen 2005; INTUR; FODESTUR; ICV).

**Protected areas had to meet the minimum criteria established for the pilot program.**

- Must be protected under National System of Protected Areas (SINAP) who is managed by Minister of Environment and Natural Resources (MARENA).
- Provide security and protection for the guests.
- Protect natural habitat of area.
- Monitor environmental impacts.

**Five protected areas met the criteria**

- Masaya Volcano National Park
- Mombacho Volcano Natural Reserve
- Guatusos Wild Life Refuge
- Montibelli Wild Life Reserve
- Green Hope Wild Life Reserve

**The Eco-tourism facilities had to meet the minimum requirements established for the pilot program.**

- Facility must be legal and hold a sanitary license and have permission of the Ministers of Health and Finance.
- Have Mayorship permission/certification.
- Must be protected under National System of Protected Areas (SINAP) managed by
  Minister of Environment and Natural Resources (MARENA) (if applicable).
- Provide quality lodging and quality services
- Provide security of the guests.
- Oversee environment and cultural impacts.
- Promote biodiversity conservation.
- Provide for the well being of the locals

The following five ecotourism facilities met the requirements established:

- Sábalos Lodge
- The Guatusos Ecological Center
- Mombacho Volcano Biological Station
- Montibelli Ecolodge
- Finca Esperenza Verde (Green Hope Farm)

Within the three areas of national parks or reserves, wild life refuges and
ecotourism operations, the following participants received special recognition by
demonstrating outstanding achievement.

- National Park or Reserve – Masaya Volcano National Park
- Wild Life Refuge – Montibelli Wild Life Reserve
- Ecotourism operation - Finca Esperenza Verde (Green Hope Farm)
7.5 International Aid and Lending Institutions

Often, developing countries such as Nicaragua work with International organizations such as the World Bank and United Nations to reform land use policies by modernizing institutional structures and making programs accessible to everyone. The United Nations Capital Development Fund (UNCDF) established a four year program from 2001-2005 that made efforts to develop municipal planning guidelines and manuals. In 1994, Nicaragua had the highest ratio of debt to Gross Domestic Product (GDP)\(^5\) in the world and in 2000 Nicaragua was included in the Highly Indebted Poor Countries (HIPC) debt relief initiative in 2000 and exonerated from most of its international debt if it complied with certain programs mandated by the International Monetary Fund (IMF) and World Bank program. The American Planning Association has also worked with Nicaragua on local planning efforts (Pan American Health Organization, 1990; United Nations, 2006; US State Dept, 2006; World Bank, 2006; APA, 2006).

7.6 Limitations

Because Nicaragua isn’t technologically advanced it has minimal policies available for research on the internet as well as little written on Nicaragua policies and procedures. The research that I was able to find was limited and available through tourism organizations, government and international organizations. I wasn’t able to find any specific policy on the local level except for what was found in the application process with INTUR. Similar research done in other developing countries has shown that policies

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\(^5\) “The monetary value of all the finished goods and services produced within a country’s borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory”. Source: Investopedia Inc., 2000. Answers.com 07 Apr. 2007. http://www.answers.com/topic/gross-domestic-product
are often enforced on the national level and it is grassroots organizations and responsible businesses that make efforts on the local level. This will be further elaborated on in the remaining chapters.

**Conclusion**

My research shows that the current land use policy is complicated and politically sensitive due to the high degree of foreign investment and significant growth. While lack of administrative infrastructure and technology is something Nicaragua lacks to link communities and to implement policies efficiently and effectively, they are faced with more eminent problems such as safe drinking water, proper sanitary facilities, housing, schools, clinics, roads and poverty. It is imperative they have policies in place that protect their resources from the negative impacts of tourism and development. This policy review has demonstrated that Nicaragua has a top down approach; INTUR takes direction directly from the National Assembly who in turn takes direction from the President.

INTUR has local, state and federal regulatory powers, which are quite different from policy implementation and control in the United States. Although municipalities do have some input in the planning process by providing suggestions and opinions of projects sent to them by INTUR for review, they do not have any local authority for approving the final application. It appears a Municipality’s responsibilities lie with tax collection and the implementation of the budget.
CHAPTER 8

CASE STUDY: A GRASSROOT’S APPROACH TO SUSTAINABLE TOURISM AND DEVELOPMENT IN NICARAGUA – FINCA ESPERANZA VERDE/GREEN HOPE FARM

Introduction

Sustainable and ecotourism have been promoted by various organizations such as the regional tourism association FODESTUR and United Nation’s World Tourism Organization (WTO). Policy development efforts have also been made through international organizations such as the World Bank, United Nations and national organization American Planning Association. However, it is often the efforts of Non-Governmental Organizations (NGO’s), grassroots or private organizations that have had the biggest impact on sustainable tourism and development. NGO’s such as the Smithsonian Institute, Nature Conservancy, Audubon Society and Sierra club contribute through educational programs as well as by offering nature and adventure tours for their members to promote education and professional development. Other efforts are made by grassroots organizations such as the group that founded and developed Finca Esperanza Verde, which will be further discussed in this chapter. The private sector also plays a vital role in the development of responsible and sustainable tourism. The private sector is often lured into countries such as Nicaragua as a tool for economic development but is often unregulated and undertaxed. This can lead to profits leaving the country and also allow facilities to make false claims of sustainable tourism better know as green washing. However, many in the private sector are making an effort and making positive impacts on communities by developing responsible or sustainable tourism. Private sector efforts will be discussed in the following chapter. And lastly the tourists themselves play an
important role; many tourists seek a certain type of tourism and seek out places that promote sustainable or ecotourism, such as the world leader of ecotourism, Costa Rica.

8.1 Mass Tourism Personal Experience

I have stayed at various types of tourism establishments during my seven visits to Nicaragua ranging from a $3.00 (US dollars) per night backpacker hostel to a high-end villa that charged $185.00 (US dollars) per night. I’ve also stayed with a former Peace Corp volunteer who converted a house into a small hostel and rented rooms out with the proceeds going to social programs she ran in the City of Granada. I’ve, camped out in a tent on a surfer’s beach and paid $5.00 (US dollars), and small hotels run by local Nicaraguans. I’ve also stayed at a large international chain called Montelimar at the conclusion of four medical missions.

8.2 Montelimar – Example of Mass/Traditional Tourism

Montelimar is run by an International company that has hotels located throughout the world. It is ironic that former Nicaraguan dictator Somoza home has been converted into a casino and restaurant, and is now part of Montelimar’s elaborate hotel complex. The hotel is completely gated off from the surrounding community which consists of substandard homes with no signs of any tourism related businesses. In order to enter the complex the visitor must check in with a guard who checks to make sure you have a reservation before letting you enter. Guards are also present around the complex, especially at night. Although the beach is not gated off you will only find guests directly in front of the complex. If one chooses to wander down the beach you might meet up
with some of the locals who will ask you to buy homemade jewelry. This sense of separation and isolation is quite profound compared to the two case studies I’ve included in my research. FEV is located within the community of San Ramon and is not at all gated off. The visitor feels as though they are part of the community and often sees coffee workers, locals and children walking by. Visitors are encouraged to mingle with the community and FEV even offers home stays with local families. Although visitors of Montelimar can leave the complex anytime, the presence of guards make it difficult to pass by and makes the guest second guess whether it was safe to venture out. The other case study, Pelican Eyes, is also not gated off from the town of San Juan Del Sur and visitors are free to venture out to the small village. Although there is a guard house at the entrance of Pelican Eyes it is more for the convenience of guest requests for taxi service. The guards never check you in or ask any questions about your presence.

8.3 Finca Esperanza Verde/Green Hope Farm (FEV) - Background

In January, 2007 I traveled to San Ramon, Nicaragua to conduct my field work. I chose Finca Esperanza Verde, which translates to Green Hope Farm (FEV), as a case study because of the publicity and numerous awards it has received.

In 2002 FEV won the North Carolina Peace Corps Prize awarded to non-profit organizations that work to help people help

FACTS: 

<table>
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<tbody>
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<tr>
<td>Best Eco-Lodge in Nicaragua-2004 Nicaragua’s Institute of Tourism</td>
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<tr>
<td>Sustainable Tourism Award for Conservation-2004 Smithsonian Magazine and Travelers Conservation Foundation</td>
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<tr>
<td>TODO! Award for Socially Responsible Tourism–2005 from the Institute for Tourism and Development, Germany</td>
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themselves, promote peace and cross-cultural understanding. In 2004 it was voted as the best eco lodge in Nicaragua by the Nicaraguan Minister of Tourism. FODESTUR, a Central American tourism organization, used FEV as a pilot study for a Central American sustainable tourism award program based on Costa Rica’s ecotourism certification. In 2004, it was awarded the Smithsonian Magazine Travelers Conservations Foundation Sustainable Tourism award for conservation. The Swiss Foundation for Solidarity in Tourism awarded FEV an award for socially responsible tourism in 2005. Most recently, it was selected as a model project for World Tourism Organization (WTO), an agency under the United Nations that recently held a conference in Nicaragua. The tourism industry has "enormous potential to alleviate poverty in Central America and throughout the world," said Eugenio Yunis, head of the WTO’s sustainable development tourism section at this conference. (website for Sister Community of San Ramon) Over 110 representatives from 12 Central American and Caribbean nations visited Finca Esperanza Verde Ecology to learn about the project and listen to staff members and many small entrepreneurs in San Ramón tell how their lives have been improved by the economic opportunities tourism has made available to them.

8.4 History of Community Project - Finca Esperanza Verde

Richard and Lonna Harkrader are two of the founders of the sister community partnership which was started in 1993, both of whom were former

Figure 13: View of FEV

Source: J. Burney, 2007
Peace Corps volunteers in Africa in the late 60’s. Durham-San Ramon Sister Communities (D-SRSC) is a Durham, North Carolina based 501(c) (3) non-profit organization. A Board of Directors consists of eight members and a staff of volunteer committees that assist on education, coffee sales, land conservation, and grant writing. In an interview with Lonna Harkrader in January, 2007, she explained to me that the sister city partnership\(^6\) was formed following the Contra war and at a time when the region faced persistent economic turmoil and unemployment. Lonna states that San Ramon is in one of the poorest regions of Nicaragua and both she and her husband Richard wanted to stimulate an interest in coffee and also knew that tourism would be a good economic solution to poverty and unemployment in the area. From their many trips to Nicaragua, the Harkraders made many friends in San Ramon and it was there that she met Yelba Valenzuela who managed the local library and went on to become the project manager for FEV. Between 1993 and 2000 efforts were focused on collecting funds and donations, and convincing US church groups, civilian groups and individual donors of the idea of a community project in Nicaragua.

\(^6\) Sister Cities International was started in 1956 by President Eisenhower. U.S. cities partner with other international cities to promote programs and projects based on mutual aspirations of the partnering communities (Sister Cities International 2007).
8.5 San Ramon

San Ramon is nestled in the mountains 90 miles northeast of Managua in the Matagalpa region of Nicaragua (a 3-4 hour difficult taxi ride from the airport). Of the 30,000 who call San Ramon home, 26,000 live in rural areas and 4,000 live near or in the town. San Ramon sits within the coffee region of Matagalpa and is lush from the abundance of rain it receives.

8.6 Conception and Structural Organization

In 1997 and in search of a suitable location for FEV the Harkraders found a four-hectare area (1 hectare equals 2.47 acres) abandoned coffee farm with no buildings and without any road connections. Richard, an architect and renewable energy promoter, designed all the buildings that today exist at FEV. Lonna states the facility wasn’t based on any model eco projects but now has become one. According to Lonna, the government didn’t have much input at the time nor did she and her husband face any resistance in developing FEV. She did state however, starting a business of any kind, especially a small one, will often face the bureaucracy of a developing country. With the help of Yelba Valenzuela, project manager of FEV, an application was filed with the Minister of the Environment and Natural Resources (MARENA) to gain reserve status due to the proximity of FEV to a nearby nationally recognized forest. It is now registered as Riserva Silvestre Privada. At the time of developing FEV, and from what Lonna remembers no permits were needed nor required except an accounting report. Lonna states that FEV isn’t required to hold any licenses but are members of the Small Hotel Association, a non-government agency. Although they are a small operation and also a non-profit they are still required to pay a
special tax to the government, but not the usual required 15% tax that is imposed on large hotels. Lonna states that the Nicaraguan government has been very supportive of FEV and recently the Minister of Tourism attended a rewards ceremony in Florida for FEV’s 2004 Smithsonian Sustainability award. Yelba Valenzuela was also awarded a plaque from the President of Nicaragua for the efforts FEV has made. During my fieldwork in 2007, I determined that FEV did indeed hold several certificates.

- Certificate of inspection from the Minister of Hacienda Credito Publico
- Certificate from the Alcaldia Munciple of San Ramon,
- License from INTUR (Minister of Tourism)
- Certificate of Ecoalberque from ICV
- Certificate for clean water from the Laboratorio de analisis de agua in Matagalpa.

Indicating the water was tested every 6-months and clear of bacteria

8.7 Involving the Local People

In 1998 Hurricane Mitch struck Nicaragua; 30,000 people were killed or declared missing, and 1.5 million were displaced. Many of the roads were washed out making travel difficult, especially in the coffee region. A 42% drop in coffee revenue from the effects of Hurricane Mitch greatly impacted this area. Despite agriculture being the main economy, unemployment and malnutrition are widespread; only 20% of San Ramon

Figure 15: Author and local boy in San Ramon region
school age children attend school (Nielsen, 2005). Poverty tends to be concentrated in rural areas and is the area that receives the least development assistance. A certain amount is appropriated by the government for education and health; however San Ramon then has to collect revenue by imposing property tax and coffee and agriculture taxes.

The people in and around San Ramon make their living primarily in agriculture or by hiring themselves out as day laborers, mainly on the coffee plantations during the harvesting season between November and February. One of the goals of the Sister City partnership is to improve the lives and situation for the people of San Ramon by offering jobs and community development. FEV is staffed year round by local people, including management and administration. All the buildings and supplies were generated from local labor and materials. According to Lonna, one of the biggest achievements and impacts are the visitors who come to FEV, many of whom split their time by staying at FEV for four days and a local San Ramon family for three nights to get fully immersed into the culture. It is here that many Americans share their skills with the locals and have also assisted them in starting businesses or improve business operations. Host families were initially trained by Yelba in order to gain the skills necessary for offering home stays. They were also given micro-credits from funds raised by the Sister City Partnership to pay for mattresses and showers etc. A portion of the proceeds from the home stay go towards the micro-credit (Nielsen, 2005). Committees made up of locals from San Ramon and the Sister City Partnership decide on the needs for San Ramon such as improvements to schools, drinking water, job training, health etc. These achievements will be further discussed in this chapter.
8.8 How does FEV stack up to Costa Rica’s Certificate for Sustainability Program as well as the four areas of Sustainability?

Costa Rica’s Certificate for Sustainable Tourism (CST) program was discussed at length in Chapter 5. Four areas of sustainability are evaluated: Physical-Biological Environment, Facilities/Sustainability, Customers/Culture, and Socio-economic development. The four areas of sustainability that were discussed in Chapter 4 are evaluated below: economic, environmental, social and cultural sustainability.

**FACT: Sustainability efforts**
- Solar light lit paths
- Rain collection
- Solar panels for solar power
- 2 solar powered refrigerators
- Reusable utensils, plates, glasses and cloth napkins
- Laundry is dried in sun
- Use of native pants
- Pervious surfaces
- Local foods and products
- Candles for light
- Composting
- Local furnishings, crafts, buildings made of local bricks.

**Economic Sustainability**

In an interview with Melvin Castrillo, an employee of FEV who works in the administrative San Ramon office, proceeds from FEV go back to the community for employment and social programs. Besides the ecotourism operation, FEV also grows and sells shade grown organic coffee, and has a butterfly farm where butterfly pulpae is produced and sold to a museum located in the States. All employees of FEV and the coffee farm are locals from San Ramon or the surrounding area including management and administrative staff. The employees are paid a fair wage as well as provided benefits. FEV encourages business growth and offers its guests the opportunity to stay with local families and partake in cooking classes, horseback riding, camp fires and singing. Many
of the guests stay four nights at FEV and three nights with a local family. All of the products and decorations are local products or made in the country. Tour guides are from the local community. FEV employs 17 staff and 20-30 temporary workers during the coffee picking season. Six to eight coffee workers stay year round for maintenance of the coffee farm. Prior to FEV, the staff worked as hand laborers in bigger conventional coffee farms or cattle ranches. A few of FEV workers owned land but the majority were employees with often little or not fringe benefits. According to Mr. Castrillo “job opportunities were minimal” and “FEV also buys local milk, eggs, corn, beans etc., and the locals provide horse back riding services, bonfire and campesino music, etc... no single penny leaves the municipality of San Ramon or Matagalpa”!! (Melvin Castrillo, 2007)

According to a study conducted by Duke University in 2005, FEV manager Yelba Valenzuela was paid $350 (US dollars) per month, the rest of the staff was paid between $75-$150 (US dollars) depending on experience. At Christmas the staff receives a bonus equivalent to one month’s salary. FEV also pays a share of the health care and social security costs. Optional tips are divided equally between the staff (Nielsen, 2005).

Coffee

FEV produces 3-1/2 tons of certified organic shade grown coffee that is shipped to the U.S. and roasted by Durham’s Counter Culture Coffee. The brand Café San Ramon is available in many Carolina coffee shops as well as Whole

Figure 16: Coffee plants

Source: J. Burney, 2007
Foods Market stores located throughout the United States. Coffee is sold at fair trade prices, guaranteeing farmers a chance at a fair standard of living. “FEV practices organic, shade grown type of agriculture thus conservation is one of FEV objectives, we hope to be a model for other farmers around us” (Interview with Melvin Castillo, 2007). In an interview with Professor James Hayes-Bohanan, he explained that many of the small farms had put their coffee together to form coffee co-ops. These coffee co-ops have better negotiating power than individual or small operations not affiliated with a coffee co-ops and would often resort to selling their just picked beans on the side of the road to coffee “coyotes”. They would have to sell beans for what ever price is offered; otherwise their beans would be left to rot.

**Cultural Sustainability**

“Tourists are given opportunities to be educated on culture and the history of region and are given opportunities for home stays, singing, cooking”. According to Mr. Castrillo, he doesn’t know “how the locals feel about outsiders but I do know younger kids enjoy the contact. “FEV hosts groups which are becoming involved with the rural schools thus creating a closer relationship among all involved” (Interview with Melvin Castrillo, 2007).

**Social Sustainability**

Co-founder Lonna Harkrader says another great achievement of FEV has been the local school which was constructed through FEV proceeds. Many of the children who would
have never had the opportunity to attend school now have this opportunity. Harkrader claims that although the current Sandinista Administration has outlawed fees that were often charged by teachers and schools as a way of funding the cost of education, she felt that it doesn’t indicate that the Sandinista government is now going to appropriate more money for education to make up the difference. According to Melvin Castrillo “kids now do not have to walk all the way down and up to Yucul (3.5 kms each way!!) since La Chispa school was build. I hope education for these kids is treasure as much it was for me but I know FEV is just providing the means for the kids to learn in a nice building.

The teachers' stipend for transportation is provided by the Sister Communities. There are groups who visit FEV which donates school supplies as well”. The kids are from “two communities La Chispa, close to the red trail and El Porvenir close to the blue one” (hiking trails near FEV). The school provides education from pre-school to 4th grade. Schooling beyond 4th grade is available up to 7th grade in San Ramon and Yucal” (Interview with Melvin Castrillo, 2007).

Other social programs have been initiated through FEV proceeds as well:

- Elementary school built for $5,000 (US dollars)
- Teacher and librarian salaries and school supplies
- Local water project for drinking water built for $8,000 (US dollars)
- Sexually transmitted disease (STD) and teen pregnancy prevention programs
- Youth baseball
Environmental Sustainability

FEV creates its own electricity through the use of solar panels. It even has solar powered refrigerators. Footpaths are illuminated by solar lights, and rooms have energy efficient bulbs powered by solar energy. Candles are provided in all of the units and used as lighting at night in the public areas. Clear roof panels allow natural lighting in and are found in public building areas. Each unit has a rain water collection system that provides water for shower, sink and toilet and is heated by solar power. FEV has no impervious surfaces; the footpaths and roads are unpaved. The use of native plants and efforts to maintain as much of the natural plantings is a goal of sustainable development. Rather than the use of an electric or gas dryer for drying laundry, the use of solar power is a preferred method. Signs are posted throughout the facility promoting the conservation of energy.

8.9 Challenges

Not only does FEV face the challenge of getting visitors to visit due to the remoteness and difficulty of getting to San Ramon, it also faces stiff competition from the popular Nicaraguan tourist destinations of San Juan Del Sur, Granada, Leon and Managua. Although revenue from coffee sales, ecotourism and outside donations cover costs and fund community projects, it still could profit more with an increased rate of occupancy. Busy times are during the dry season which runs from November to June with lower rates...
of occupancy in the other months. In 2004 FEV had an average occupancy rate of 35-40 overnight stays per month (Betz, 2004), and in 2005 FEV had 567 day visits and 864 over night visits (Duke University, 2005). FEV has seen an increase in Nicaraguan guests from 38 to 200 visits since being awarded the Best Ecolodge in Nicaragua, an award given by the Nicaragua Institute for Tourism. Visits to FEV have also increased by word of mouth, tourist handbooks, websites, and eco awards and by offering incentives. (Duke University, 2005). Tour group leaders who lead groups of 10 or more are given a free trip as well as a plane voucher for $600 and leaders of groups of 7-9 are given a 50% discount.

**Conclusion**

The eco-lodge was created and funded by Durham-San Ramón Sister Communities and the organizations and individuals that support it. Finca Esperanza Verde has strong ties with the Museum of Life and Science in Durham, which has imported butterfly pulpae raised on the farm and leaf cutter ants. FEV is constructed of handmade brick and has solar electric panels many of the roof tops. It has two solar refrigerators in the kitchen. It has 150 species of birds, large howler monkeys and other wildlife. The lodge includes three double rooms with private baths, two cabins with bath and shower which each sleep six people in comfortable bunk beds, 8 bed dormitories located next to the butterfly farming operation nearby and offers camping. Eco-tours to San Ramón are offered to tourists who want to find out more about rural Nicaragua life. Horse back rides, cooking and music lessons are offered or opportunities to stay with locals. Opportunities to learn about the coffee farm or tour guides to see the habitat or learn how to cure rashes and
stomach aches with herbal medicines from many of the plants found along the paths.

None of the revenue from FEV is taken out of San Ramón; it goes entirely to the local community development projects, to support the farm and to pay for a broad array of services.

Projects include a school, a water supply, free music school, sports programs for children, a high school teacher’s salary, a librarian’s salary, an activity program for senior citizens, art classes for youth, adult literacy program, a physical therapist for the handicapped children’s center, and a sports program and medical equipment for the health center have been funded by FEV and other Durham organizations such as churches and the rotary club. FEV has prompted the locals to start launch micro-enterprises such as cooking classes, workshops for jewelry making, home stays and Nicaraguan folk music groups. FEV promotes ecotourism and protects the mountains from deforestation through increased appreciation for the economic benefits sustainability can bring.
CASE STUDY: A PRIVATE FOR-PROFIT ORGANIZATION’S APPROACH TO SUSTAINABLE TOURISM AND DEVELOPMENT IN NICARAGUA – PELICAN EYES

9.1 Pelican Eyes

Although Pelican Eyes is not considered an ecotourism facility such as Finca Esperanza Verde (FEV), I chose to include it as a case study because of the efforts it is making to give back to the community and also to promote sustainability. Pelican Eyes is an example of how a high-end luxury resort can promote responsible tourism.

Piedras Y Olas translated to Pelican Eyes is located in the small sea side fishing village of San Juan Del Sur, located just north of the Costa Rican border and on the Pacific Ocean. San Juan Del Sur is booming with tourism and development and although many of the 18,000 local residents still make a living from fishing, many have started tourism related businesses as well. As you walk through this small village you can see that many of the locals have opened businesses that offer language lessons, laundry and taxi service, tourism tours, surfing trips, as well as small restaurants and inns. In 1998, Holland America Cruise lines added San Juan Del Sur as a port of call, a hopeful addition to the local economy but one of which led to disappointment. Unfortunately most passengers are greeted by a monopoly of buses and guides from sources outside of San Juan del Sur.
and get carted off to other parts of Nicaragua such as Leon and Granada with only a few hundred passengers staying in San Juan del Sur, none of whom spend much money (Wood and Berman, 2005).

For the past two years the volunteers of the medical mission I participate in have stayed at Pelican Eyes following the conclusion of the mission. Pelican Eyes resort was developed by a Californian who sailed his sailboat the Pelican Eyes to San Juan Del Sur in the 90’s. He dropped anchor and hasn’t left since. Initially he offered sailboat trips and eventually went on to develop this high-end resort in 2000. The villas are built into a hillside and are made of straw-bale construction. Units range from $300,000 up to the close wards of a million (US dollars). When units are not occupied by the owners they are rented out throughout the year at a 75% occupancy rate.

The resort has two pools and a full service restaurant. One of the waiters whom I spoke to is a native of San Juan Del Sur and had left to work in Costa Rica for fourteen years. When he returned back to San Juan Del Sur four years ago he was shocked by the change of the town. Homes and development were
now scattered throughout the hillside that was once barren. He now called San Juan Del Sur “gringo land”. He explained that there were both negatives and positives to the change. On the negative side San Juan Del Sur was once filled with family and friends where everyone knew everyone, however it is now filled with Europeans and Americans. It has become busy with hotels and people and has become very expensive. He claims that in five or ten years people won’t be able to live in San Juan del Sur and will be forced to move out and at one time you could buy a 1-acre lot for $500 (US dollars) and now is valued at half a million dollars. He said many locals have sold land which has been resold three or four times by various owners each sale increasing in price and profit. He has worked at Pelican Eyes for four years and likes it.

9.2 When a private for-profit group and a non-profit meet wonderful things can happen.

Fundacion A. Jean Brugger a non-profit community organization was started in 1999 and partnered with Pelican Eyes to assist with education and development of the local young people. The mission provides educational and vocational training opportunities to the residents of San Juan Del Sur and its surrounding communities. The Foundation receives financial support for administrative staff, office space and supplies from a portion of the profits from Pelican Eyes. The activities include a school uniform program, educational scholarships and hands-on training. To date the program has provided opportunities for more than 2,000 children and young adults in the region. It has also has expanded to other programs such as a monthly luncheon for the senior citizens of San Juan Del Sur, a trash collection project and environmental educational program. Another program that Pelican

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7 Nicaraguan term for American or European white
Eyes sponsors is Stones and Waves Veterinary Clinic and Wildlife Center. A staff of veterinarians and volunteer veterinarian nurses and inters work with animal rescue, healthcare and wildlife services.

While I visiting for my field work I was able to talk to some of the volunteers who work with the animals. I was told that many of the animals at the wildlife center had been captured illegally for resale and at the clinic were being nurtured back to health, many too sick to be released back to the wild. One baby monkey that I was able to pet had been taken from her mother to be sold; she had been found clinging to her mother who had been killed by the poachers. This is just one of many similar stories.

Pelican Eyes has a private nature reserve with hiking trails and offers brochures and information on local tourist operations and facilities. The workers I met were all locals, and the facility claims it uses local or national products and local hand crafted furniture and artwork. It also has provides information on the conservation of water and other resources. It differs from FEV in that the villas are all air conditioned, and have televisions, telephones, and full kitchens.

**FACT: Sustainability efforts – Pelican Eyes**

Partnered with a non-profit, Fundacion A. Jean Brugger to:
- Educate and train young locals
- School uniform program
- Educational scholarships
- Hands-on training
- Trash collection project
- Environmental educational program
- Senior monthly luncheon

Pelican Eyes
- All building constructed of straw-bale
- Veterinary Clinic and Wildlife Center
- Private reserve
- Promotes local businesses & tourism
- Promotes & educates guests on conservation of resources
- Uses local or national products and hand crafted furniture and artwork.
CHAPTER 10

CONCLUSION AND DISCUSSION

10.1 Interpretation of Case Studies

In reviewing the case studies, four areas were at focus; the environment, economics, and the social and cultural well-being of the locals. Sustainable development takes into consideration all four in the planning stage. Refer to table 6 for an analysis of these case studies.

Economic notations

Although bus loads of tourists from Cancun were dropped off to visit beaches and an archeological site in Tulum, none of them would visit or spend money in the local community. This also occurred in the village of San Juan Del Sur; cruise ship passengers were picked up by non-local buses and carted off to other parts of Nicaragua, none of them spending any tourist dollars in the town. At FEV, 100% of the employees are from the local community and are offered job training. Locals are also given opportunities to open businesses, and are offered training and micro loans to start home stay businesses. Locals are also employed as guides and have opportunities to give cooking lessons to the guests. In Mexico, many of the mass tourism operations offer low paying and low skilled jobs, many of whom left behind their communities and families seeking job opportunities. Montelimar a gated resort discourages locals from opening businesses because tourists never venture out to the community.
**Environmental notations**

In Cancun, tourism development depleted natural resources and polluted the water supply. At FEV sustainable measures were considered such as solar power, rain collection, organic coffee, and composting and Pelican Eyes uses straw-bale construction. Both facilities promote conservation of natural resources to the guests and both use local goods and products in construction, design and decoration.

**Social notations**

Both FEV and Pelican Eyes initiated many social programs in the local community. All profits from FEV go back to the local community to fund such projects as a new school and water supply system. Pelican Eyes formed a partnership with a non-profit organization and offers programs such as education and vocational training for local youth, and a veterinary clinic and wildlife center for animal rescue. It is unknown if any tourism facilities in Cancun or Tulum give back to the community in any way.

**Cultural notations**

In the case studies that didn’t promote sustainable development; fragmentation of communities was apparent. In Tulum, the locals no longer had access to the beach or to the archaeological site, a former religious site to the locals. In Nicaragua the guests at Montelimar were gated off from the local community. In Cancun, workers who left behind their families and communities to seek work, often found low paying jobs and resorted to living in shanty shacks. Increases in crime, drugs and prostitution also occurred in Cancun. On the other hand when sustainability measures were undertaken, the local community was considered. In the cases of FEV and Pelican Eyes, interaction
between the locals and the guests were encouraged. At FEV visitors were offered home stays with local families to encourage an exchange of cultural learning.
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Cancun</th>
<th>Tulum</th>
<th>Sea of Cortez</th>
<th>Costa Rica</th>
<th>FEV</th>
<th>Pelican Eyes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Low paying jobs&lt;br&gt;Low skilled jobs such as maids, gardeners and labors. Better jobs given to outsiders and foreigners who could speak foreign languages and skilled in tourism.</td>
<td>No Economic opportunities. Buses of tourists from Cancun dropped off at beach and archeological site. None would spend money in community of Tulum.</td>
<td>Will offer job training and opportunities to local.</td>
<td>Certification mandates that 60% of employees are locals and offer job training.</td>
<td>Offers job training and 100% of employment to local people. All profits go toward community programs. Locals were given training and micro loans for home stay businesses.</td>
<td>Through partnership with a non-profit offers job training to local youth.</td>
</tr>
<tr>
<td>Environmental</td>
<td>Polluted water supply&lt;br&gt;Depleted natural resources</td>
<td>n/a</td>
<td>Will consider environmental impacts by protecting the ecosystem.</td>
<td>Facilities under the certification program promote sustainability throughout facility.</td>
<td>Sustainable development measures (solar, rain water collection, organic coffee, composting, use of local products and goods.</td>
<td>Hay bale construction, Use of local products &amp; goods.</td>
</tr>
<tr>
<td>Social &amp; Cultural</td>
<td>Displaced workers&lt;br&gt;Fragmented communities&lt;br&gt;Changed social behavior; increases in crime, prostitution</td>
<td>Fragmented community from beach and archeological site</td>
<td>Will include locals in planning. Villages will receive money to improve infrastructure to attract visitors to area.</td>
<td>Certificate program mandates that local guides are used. Doesn’t compete with local community for services. Active in promoting social programs &amp; improving local conditions.</td>
<td>Includes locals; uses local guides, offers home stays, other cultural programs with locals. Promotes social programs and has been very involved with improving conditions; built a new school and water supply system.</td>
<td>Created education and vocational training to locals, school uniform program, educational scholarship, trash collection project. Veterinary clinic and wildlife center for animal rescue.</td>
</tr>
<tr>
<td><strong>Implementation</strong></td>
<td><strong>Policy and Planning regulations</strong></td>
<td><strong>Policy and Planning regulations</strong></td>
<td><strong>The National Trust Fund for Tourism Development (FONATUR) is developing the first sustainable tourism development in Mexico</strong></td>
<td><strong>Certification program is voluntary and implemented by Costa Rican Tourist Institute (ICT)</strong></td>
<td><strong>Developed by a non-profit. Sister City Partnership Durham-San Ramon Sister Communities (DSRSC) and San Ramon.</strong></td>
<td><strong>Built by a private owner who wanted to give back to the local community and formed a partnership with a non-profit organization</strong></td>
</tr>
</tbody>
</table>
10.2 Evaluating Ecotourism and Sustainable Development

Unrestricted development can not only lead to the exploitation of the natural resources of a country, but also of the people. Because sustainable tourism is fairly new, no reference base or measurable parameters exist to base sustainability on. In response, many organizations have attempted to create certification programs. Costa Rica established a Certificate of Sustainable Tourism (CST) program, and although the program is voluntary, it gives facilities the opportunity to follow specific guidelines. However, not all organizations and countries have the resources such as Costa Rica to support such a program. Although FODESTUR has made an effort to establish a certification program in Central America, to my knowledge none of the countries have as of yet adopted one. Environmental organizations, tourism operators and boards, hotel owners, trade associations, ecotourism associations and universities have all made efforts to create or promote sustainable development. Universally, the United Nations World Tourism Organization (WTO) is in the process of creating the Sustainable Tourism Stewardship Council, a global accreditation program. Nationally, governments have adopted policies such as environmental protection and land planning that enforces sustainable development. Although not necessarily related to sustainable development or ecotourism, there are successful rating systems that exist that can be further studied to base a certification program on. One successful certification program is the American LEED Program. This voluntary certification program is a rating system for green building design. Started in 1993, it is a non-profit established whose goal is to have a system in place to define and measure green buildings. The American Automobile Association (AAA) 5 Diamond, and the Mobil 5 star rating programs are well know organizations in
the United States that rate the physical features, service, atmosphere and price of establishments. Many other countries have also created similar hotel rating systems, however, because ratings differ in each country these programs are inconsistent and vary from country to country. It is difficult to determine whether a universal or more localized certification program is more effective; further research is needed to determine this.

10.3 Policy Review and Recommendation

While tourism has brought dollars to the economy of Mexico it has also brought destruction to the environment, offers of low paying jobs which often displaced workers and fragmented communities. Because of these issues, Mexico is now encouraging sustainable tourism development. Costa Rica, a leader in ecotourism now recognizes that policies need to be in place that encourages development that considers the needs of the local community by offering employment opportunities, and improvements to infrastructure and social programs. Table 7 outlines the various policies and lessons learned in researching these countries.
Table 7 Review of policies

<table>
<thead>
<tr>
<th></th>
<th>Central America</th>
<th>Costa Rica</th>
<th>Mexico</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of development</td>
<td>Promoting eco/sustainable tourism.</td>
<td>Has had eco-tourism development in place since 1980’s.</td>
<td>Primarily has encouraged mass tourism.</td>
<td>Appears eco/sustainable tourism or small scale operations are being developed.</td>
</tr>
<tr>
<td>Lessons learned</td>
<td>Can’t be determined yet in early stages of tourism development</td>
<td>Initially only encouraged ecotourism that didn’t deal with social, cultural or economic issues.</td>
<td>Mass tourism destroyed environment, put a strain on infrastructure, created social and cultural issues and provided low skilled and low paying jobs.</td>
<td>Tourism and development growth is in the infancy stages. Nicaragua is at an advantage because it can learn from other countries.</td>
</tr>
<tr>
<td>Recommendations</td>
<td>Continue developing a Certified Sustainable Tourism program based on Costa Rica’s</td>
<td>Recognizes sustainable tourism moves beyond just ecotourism in that it also considers economic, social and cultural impacts.</td>
<td>Is now encouraging ecotourism</td>
<td>Develop and adopt sustainability certification program and policies and regulations that encourage sustainable development.</td>
</tr>
</tbody>
</table>

This research has shown that a country such as Nicaragua, who is in the early stages of tourism development, can avoid the mistakes made by Costa Rica and Mexico by adopting polices that encourage sustainable development and by developing a certification program similar to Costa Rica’s. Nicaragua has already taken the initial steps necessary in establishing a certification program by being part of the FODESTUR pilot study certification program. Nicaragua could continue to develop, adopt and implement this program with the Nicaraguan Tourism Institute (NTI) being the responsible body for...
enforcing the certification program and continuing to market Nicaragua’s tourism to the public. Although, Nicaragua already has environmental planning policies in place and offers incentives to encourage growth, it doesn’t have policies in place that specifically encourage sustainable or eco tourism. INTUR the regulatory body of government could enforce the sustainability regulations and policies.

**Conclusion**

If countries don’t have policies in place that encourage sustainable development they run the risk of tourism and development that could lead to revenue leaks, foreign employment and green washing. However, many for-profit and non-profit organizations have taken it upon themselves to develop socially responsible tourism by offering job opportunities, building better schools, providing clean water, creating health programs and educational training while doing their share to have minimal impacts to the environment. This research has also shown there is a lack of a consistent certification programs for eco or sustainable tourism although attempts have been made by various organizations. Further research is needed on the existing certification programs as well as policies that encourage sustainable development, how they were initiated, how they are implemented and enforced and whether or not they are voluntary or mandatory and offer incentives.

This research has also shown that Nicaragua is changing. San Juan del Sur once a quiet fishing village, is no longer made up of just friends and families, but now has strangers as well. Strangers that too, have fallen for this place, but with them they often bring opportunities to open businesses, restaurants, souvenir shops, internet cafes, language schools, stores and hotels, but they also can bring negative consequences such as
gentrification; creating places too expensive for the locals to live. However, there can be a solution to gentrification if developments offer locals the opportunity to learn and grow and not shut them out. Places like Pelican Eyes and FEV are trying to do just that and although both FEV and Pelican Eyes both have different approaches to sustainability they have been successful in what they are giving back to the community and the country of Nicaragua.
APPENDIX: QUESTIONNAIRE FOR CST (CERTIFICATE FOR SUSTAINABLE TOURISM)

Physical and Biological Environment

1. Policies and programs

1.1 The hotel's negative environmental impacts are identified, monitored and kept on a written record.
   Weight: 1 [ ]yes [ ]no

1.2 Specific environmental mitigation plans have been designed by the hotel to deal with negative environmental impacts or environmental accidents (emergencies).
   Weight: 1 [ ]yes [ ]no

1.3 The hotel continuously participates in programs of environmental improvement of its surrounding areas or other areas of the country.
   Weight: 2 [ ]yes [ ]no

1.4 The hotel is member of regional or local organizations that work on solving environmental and social programs.
   Weight: 2 [ ]yes [ ]no

2. Emissions and wastes

2.1 The hotel strictly maintains and periodically registers the composition and quality of its residual water (treated wastewater).
   Weight: 1 [ ]yes [ ]no

2.2 The hotel has a certification of the quality of its residual water (treated wastewater) granted by the Department of Environmental Control of the Ministry of Health.
   Weight: 2 [ ]yes [ ]no

2.3 The hotel operates a wastewater treatment plant to avoid discharging it directly into the environment.
   Weight: 3 [ ]yes [ ]no [ ]n/a

2.4 The residual water is discharged without altering the environment.
   Weight: 1 [ ]yes [ ]no

2.5 The residual water is appropriately re-utilized (recycled).
   Weight: 2 [ ]yes [ ]no [ ]n/a
2.6 The rainwater is manage and disposed using systems that do not alter the environment.
Weight: 1 [ ]yes [ ]no

2.7 Any source of pollution located on the hotel's surrounding area is reported to appropriate government agencies.
Weight: 2 [ ]yes [ ]no [ ]n/a

2.8 Warning signs are used to identify contaminated areas.
Weight: 1 [ ]yes [ ]no [ ]n/a

2.9 The hotel actively participates on the "Ecological Blue Flag Program" for coastal zones.
Weight: 3 [ ]yes [ ]no [ ]n/a

3. Gardens

3.1 Native plants are predominately used on the hotel's gardens.
Weight: 2 [ ]yes [ ]no [ ]n/a

3.2 The hotel does not allow the dispersion of non-native ornamental plants, used on the hotel gardens, to the surrounding environment.
Weight: 1 [ ]yes [ ]no [ ]n/a

3.3 The main tree species on the hotel are identified according to their local and scientific name.
Weight: 1 [ ]yes [ ]no [ ]n/a

3.4 The hotel has written information about the plant species located on its gardens.
Weight: 1 [ ]yes [ ]no

3.5 The hotel's gardens are maintained avoiding the use of fertilizers, pesticides and herbicides.
Weight: 2 [ ]yes [ ]no

4. Natural areas (National parks and protected areas)

4.1 The hotel promotes the visitation of natural areas among its customers.
Weight: 1 [ ]yes [ ]no

4.2 The hotel has detailed information about natural areas of interest for tourists.
Weight: 1 [ ]yes [ ]no
4.3 The hotel complies with the policies and laws establish to regulate tourism activities in natural areas. It also communicates these regulations to its customers.
   Weight: 2  [ ]yes  [ ]no

4.4 The hotel owns a natural protected area.
   Weight: 2  [ ]yes  [ ]no

4.5 The hotel's protected area is appropriately managed.
   Weight: 1  [ ]yes  [ ]no  [ ]n/a

4.6 The hotel participates in or supports the maintenance or management of a natural protected area (private or public).
   Weight: 3  [ ]yes  [ ]no

5. Protection of flora and fauna

5.1 The hotel implements specific actions to promote the no extraction of native flora or fauna by tourist or any other people.
   Weight: 1  [ ]yes  [ ]no

5.2 The hotel shows its resolution to prevent any commercialization of natural products (animals, plants, and their products) forbidden by law.
   Weight: 2  [ ]yes  [ ]no

5.3 The hotel does not maintain wild animals in captivity.
   Weight: 1  [ ]yes  [ ]no

5.4 The hotel implements activities to prevent the artificial feeding of wild animals.
   Weight: 1  [ ]yes  [ ]no  [ ]n/a

5.5 The hotel external illumination system does not produce alterations on the natural environment or changes on wild animal behavior.
   Weight: 1  [ ]yes  [ ]no

5.6 The hotel sources of noise are appropriately located or isolated to prevent alterations to the natural environment.
   Weight: 1  [ ]yes  [ ]no

Hotel facilities

6. Formulation of policies

6.1 The hotel has established a sustainability mission and policies.
6.2 The hotel has prepared a brochure to publish the goals of its sustainability policies.
Weight: 1  [ ]yes  [ ]no

6.3 The employees know the goals of the hotel's sustainability mission and policies.
Weight: 2  [ ]yes  [ ]no

6.4 The hotel has designed a manual that defines the goal of its sustainability plan and describes its sustainability programs.
Weight: 1  [ ]yes  [ ]no

6.5 The hotel keeps a record of efforts implemented in order to achieve its sustainability goals.
Weight: 1  [ ]yes  [ ]no

7. Water consumption

7.1 The water consumption is periodically monitored.
Weight: 1  [ ]yes  [ ]no

7.2 The hotel keeps a record of total water consumption.
Weight: 1  [ ]yes  [ ]no

7.3 The hotel has a water usage plan with specific saving goals.
Weight: 1  [ ]yes  [ ]no

7.4 A person is responsible for the execution of scheduled water saving activities. This schedule is known by all the employees.
Weight: 2  [ ]yes  [ ]no

7.5 Water saving by employees and customers is encouraged by a permanent promotion program.
Weight: 2  [ ]yes  [ ]no

7.6 Water leakage problems are periodically monitored and the hotel keeps a record of location and repairs.
Weight: 1  [ ]yes  [ ]no

7.7 The hotel uses faucet water saving devices.
Weight: 2  [ ]yes  [ ]no
7.8 At least every two months, an independent laboratory monitors the quality of drinking water quality and ice used by the hotel.
   Weight: 3 [ ]yes [ ]no

7.9 The swimming pool water quality is periodically monitored. The hotel keeps record of this process.
   Weight: 3 [ ]yes [ ]no [ ]n/a

7.10 The swimming pool has a system to daily obtain chloride.
   Weight: 1 [ ]yes [ ]no [ ]n/a

7.11 The swimming pool water is treated using a chloride free process.
   Weight: 2 [ ]yes [ ]no [ ]n/a

8. Energy consumption.

8.1 The water consumption is periodically monitored.
   Weight: 1 [ ]yes [ ]no

8.2 The hotel keeps a record of monthly total energy consumption. The energy usage is statistically analyzed.
   Weight: 1 [ ]yes [ ]no

8.3 The hotel has an energy usage plan with specific saving goals.
   Weight: 1 [ ]yes [ ]no

8.4 A person is responsible for the execution of scheduled energy saving activities. All the employees know this schedule.
   Weight: 1 [ ]yes [ ]no

8.5 Natural illumination systems are used wherever is possible.
   Weight: 1 [ ]yes [ ]no

8.6 The hotel has a program of preventive maintenance for all electric installations and equipment.
   Weight: 2 [ ]yes [ ]no

8.7 The hotel promotes the turning off illumination systems whenever they are not necessary.
   Weight: 1 [ ]yes [ ]no
8.8 An energy-efficient illumination system in at least 80% of the hotel facilities.
   Weight: 2  [ ]yes  [ ]no

8.9 The hotel uses new technologies for energy saving. For instance, automatic switches for illumination systems and electric/electronic equipment.
   Weight: 2  [ ]yes  [ ]no

8.10 The hotel is using alternative energy systems (i.e. solar energy) for illumination.
   Weight: 3  [ ]yes  [ ]no

8.11 The hotel is using alternative energy systems (i.e. solar energy) for water heating or other energy needs.
   Weight: 3  [ ]yes  [ ]no

8.12 The hot water deposits and pipes are covered with insulated material to prevent heat losses.
   Weight: 1  [ ]yes  [ ]no

8.13 The hotel uses natural ventilation and shading and other alternative air conditioning systems.
   Weight: 1  [ ]yes  [ ]no

8.14 The hotel uses new technologies to increase the energy efficiency of the refrigeration and air conditioning systems.
   Weight: 2  [ ]yes  [ ]no  [ ]n/a

8.15 The hotel has a program to control the leakage of air and other gases from the refrigeration and air conditioning systems.
   Weight: 1  [ ]yes  [ ]no  [ ]n/a

8.16 Energy efficient electric equipment is used to cover at least 50% of the hotel's needs.
   Weight: 2  [ ]yes  [ ]no

8.17 The laundry takes advantage of solar heat to dry clothes, sheets, and towels.
   Weight: 2  [ ]yes  [ ]no  [ ]n/a

9. General supplies consumption

9.1 The hotel has a supplies' buying and consumption policy that incorporates environmental and social aspects.
   Weight: 1  [ ]yes  [ ]no
9.2 The employees know the standards established by the buying policy.
Weight: 2 [ ]yes [ ]no

9.3 The hotel has a suppliers' manual to guarantee their compliance with the buying policy's social and environmental standards.
Weight: 1 [ ]yes [ ]no

9.4 The hotel does not use or sell products that are harmful for the environment.
Weight: 1 [ ]yes [ ]no

9.5 At least 50% of the printed material used by the hotel is made with free chloride recycled paper.
Weight: 2 [ ]yes [ ]no

1. Food and beverages

1. 9.6 2. The food is prepared using preferably fresh products.
Weight: 1 [ ]yes [ ]no

3. 9.7 4. The hotel certified organic food products.
Weight: 3 [ ]yes [ ]no [ ]n/a

5. 9.8 6. The hotel menu offers national or regional dishes.
Weight: 2 [ ]yes [ ]no

7. 9.9 8. The "canned" food bought by the hotel is acquired in "full" (industrial) size containers that are preferable made of glass or recyclable steel.
Weight: 1 [ ]yes [ ]no

9. 9.10 10. The reuse or recycling of containers is a standard practice. The hotel also has specific suppliers of recycling services.
Weight: 2 [ ]yes [ ]no

11. 9.11 12. Butter, sauces, sugar, honey and fruit jelly are served on reusable containers.
Weight: 2 [ ]yes [ ]no [ ]n/a

13. 9.12 14. The kitchen, restaurant and bar of the hotel use reusable dishes, glasses, cups, etc.
Weight: 2 [ ]yes [ ]no [ ]n/a
Cleaning and cosmetic products

9.13 The hotel used non-toxic, non-corrosive biodegradable cleaning products.
    Weight: 1 [ ]yes [ ]no

9.14 The detergents used by the laundry and kitchen are phosphate and bleaching free.
    Weight: 1 [ ]yes [ ]no

9.15 The soup and other cosmetic products provide to customers and employees are biodegradable.
    Weight: 1 [ ]yes [ ]no

9.16 The cleaning and cosmetic products come in biodegradable, recyclable or reusable packaging.
    Weight: 1 [ ]yes [ ]no

9.17 The cosmetics on the customer rooms and toilets are supplied using dispenser containers.
    Weight: 2 [ ]yes [ ]no

9.18 The cosmetic product wastes are appropriately recycled or reused.
    Weight: 2 [ ]yes [ ]no [ ]n/a

10. Management of solid wastes

10.1 The quantity and quality of solid wastes is continuously monitored.
    Weight: 1 [ ]yes [ ]no

10.2 There is record of the production of wastes by room or hotel section.
    Weight: 1 [ ]yes [ ]no

10.3 The hotel has solid waste reduction plan with specific goals.
    Weight: 1 [ ]yes [ ]no

10.4 A person is responsible for the execution of scheduled solid waste reduction activities. All the employees know this schedule.
    Weight: 1 [ ]yes [ ]no

Organic wastes

10.5 Organic wastes are deposited in separated containers.
10.6 The organic wastes generated are composted or recycled.
   Weight: 2 [ ]yes [ ]no

**Inorganic wastes**

10.7 The hotel has separated containers for classifying different kinds of inorganic solid wastes (glass, paper, plastic, and steel).
   Weight: 2 [ ]yes [ ]no

10.8 The room service employees classify the inorganic solid waste not classified by the customers.
   Weight: 2 [ ]yes [ ]no

10.9 The hotel has specific areas where the final classification of inorganic solid waste is performed.
   Weight: 1 [ ]yes [ ]no

10.10 The hotel participates in a recycling program.
   Weight: 3 [ ]yes [ ]no

**Final destiny of wastes**

10.11 The solid wastes generated are appropriately stored before their final disposal.
   Weight: 2 [ ]yes [ ]no

10.12 The hotel verifies and guarantees that the final disposal of wastes is efficiently done.
   Weight: 1 [ ]yes [ ]no

**11. Training**

11.1 All the employees are informed and know about the sustainability policies of the hotel.
   Weight: 2 [ ]yes [ ]no

11.2 The hotel maintains a training program for employees according to its responsibilities.
   Weight: 1 [ ]yes [ ]no
11.3 The employees actively participate on the design of the environmental activities and policies of the hotel.
Weight: 2 [ ]yes [ ]no

11.4 The employees periodically participate on meeting that deal with hotel sustainability issues.
Weight: 1 [ ]yes [ ]no

11.5 The hotel has a strategy that provides incentives to the employees to suggest improvements to hotel's sustainability program.
Weight: 2 [ ]yes [ ]no

**Customers**

12. **Communication and involvement**

12.1 Customers are provided with cultural, historic and ecological information about the area where hotel is located.
Weight: 1 [ ]yes [ ]no

12.2 The hotel has an information program for the guests which provide details of its sustainability goals as establish by the STC.
Weight: 2 [ ]yes [ ]no

12.3 The hotel declares under oath that all the information contained on its publicity materials is strictly true.
Weight: 1 [ ]yes [ ]no

12.4 The publicity material of the hotel contains information and promotes the goals of the STC.
Weight: 1 [ ]yes [ ]no

12.5 The consumers are informed and encouraged to participate on the different STC programs implemented by the hotel.
Weight: 2 [ ]yes [ ]no

12.6 The hotel provides the customers with information about the environmental protection actions developed in the region.
Weight: 2 [ ]yes [ ]no

12.7 Information about the socio-cultural activities developed in the region is provided
to the customer by the hotel.
Weight: 2 [ ]yes [ ]no

13. Room conditioning (management).

13.1 The rooms have information and necessary facilities to allow the appropriate
separation of solid wastes by the guests.
Weight: 3 [ ]yes [ ]no

13.2 The rooms have information and necessary facilities to allow water and energy
savings by the guests.
Weight: 1 [ ]yes [ ]no

13.3 The hotel has a program to promote non-daily washing or towels, sheets and
others.
Weight: 3 [ ]yes [ ]no

13.4 Non-smoking areas and rooms are clearly established by the hotel in order to
reduce air contamination.
Weight: 1 [ ]yes [ ]no

14. Management of guest groups

14.1 The customers are encouraged and oriented to visit protected areas and other
natural attractions.
Weight: 1 [ ]yes [ ]no

14.2 The hotel has specialized tourist guides to provide detailed information to the
customers about these natural areas.
Weight: 1 [ ]yes [ ]no

14.3 The hotel has designed an effective program to encourage the guest to keep clean
and undamaged the natural areas they visit.
Weight: 2 [ ]yes [ ]no

14.4 The guests are provided with information about proper ways of behavior and their
responsibilities when visiting natural areas.
Weight: 2 [ ]yes [ ]no

14.5 The tours and other related activities sold by the hotel promote a constructive
interaction between the guest and nature.
15. Customer feedback measurement.

15.1 The hotel analyzes the opinions of the guests about the STC on a survey questionnaire specifically design for this purpose.

Weight: 2  [ ]yes  [ ]no  [ ]n/a

15.2 The results of this survey are reported at least every 6 months to the Ministry of Tourism and the STC Commission.

Weight: 1  [ ]yes  [ ]no  [ ]n/a

15.3 The guests have access to a paper form where they can state their complaints about the STC and the operation of the hotel in general.

Weight: 2  [ ]yes  [ ]no

15.4 In relation to the STC results and the hotel services, the hotel has design and established some kind of guarantee for the guests. This guarantee is easy to implement or obtain.

Weight: 3  [ ]yes  [ ]no

Socio-economic environment

16. Direct economic benefits

16.1 60% of the hotel's employees are people from the local community.

Weight: 3  [ ]yes  [ ]no

16.2 The hotel provides training to local people so that they can effectively work at the hotel.

Weight: 2  [ ]yes  [ ]no

16.3 The administrative employees of the hotel are Costa Ricans.

Weight: 1  [ ]yes  [ ]no

16.4 The hotel contributes and supports the training of human resources for complementary tourism activities.

Weight: 1  [ ]yes  [ ]no

16.5 The hotel hires the human resources trained on complementary tourism activities.
16.6 The hotel does not hire anybody illegally. It also does not hire anybody below the minimum conditions (salary, benefits, etc.).

Weight: 2 [ ]yes [ ]no

16.7 The job opportunities offered by the hotel are not creating undesirable situations on the local community.

Weight: 2 [ ]yes [ ]no

17. **Indirect economic benefits**

17.1 The publicity material of the hotel informs about leisure activities organized by the local community or local enterprises.

Weight: 1 [ ]yes [ ]no

17.2 The publicity material of the hotel informs about beneficence activities develop in the local community.

Weight: 1 [ ]yes [ ]no

17.3 The hotel actively participates supporting the development of cultural, artistic and sport activities.

Weight: 2 [ ]yes [ ]no

17.4 The hotel takes advantage and promotes the consumption of inputs produced locally.

Weight: 2 [ ]yes [ ]no

17.5 The hotel's store sales handicrafts and other products from the local region. Local people and businesses produce these products.

Weight: 3 [ ]yes [ ]no [ ]n/a

17.6 Handicrafts and other artistic adornments produced in Costa Rica are used to decorate the rooms and other hotel facilities.

Weight: 3 [ ]yes [ ]no

17.7 The hotel has specific programs that promote national tourism. It offers reduced rates for Costa Ricans.

Weight: 1 [ ]yes [ ]no

17.8 The hotel supports or has permanent commercial relation with at least one national micro-entreprise.
17.9 The technology, materials and equipment used by the hotel are produced locally or have an important national component.
Weight: 1 [ ]yes [ ]no

17.10 The hotel facilitates maritime or terrestrial transport to people from the community on frequent basis or in emergency cases.
Weight: 1 [ ]yes [ ]no [ ]n/a

18. Contribution to cultural development

18.1 The promotion of the hotel integrates cultural elements from the local region and communities.
Weight: 1 [ ]yes [ ]no

18.2 The hotel has a designated area where local organizations, previously obtaining the hotel authorization, can expose their tourism projects and initiatives.
Weight: 2 [ ]yes [ ]no

18.3 The hotel allows the use of its facilities for important community reunions.
Weight: 2 [ ]yes [ ]no

18.4 The hotel publicizes and promotes cultural activities and expressions.
Weight: 1 [ ]yes [ ]no

18.5 The hotel prohibits the use and promotion of sexual commerce activities, prostitution, and drug dealing or other social problems.
Weight: 3 [ ]yes [ ]no

18.6 The hotel has established practical actions against sexual harassment and promotes equal opportunity for both genders.
Weight: 1 [ ]yes [ ]no

18.7 The hotel promotional and guiding signs do not interfere with the cultural, social, and natural environment.
Weight: 1 [ ]yes [ ]no

19. Contribution the public health

19.1 The demand of basic services (water, electricity, roads) is not competing with those
of the local communities.
Weight: 2 [ ]yes [ ]no [ ]n/a

19.2 The hotel participates as facilitator of the preventive public health programs.
Weight: 1 [ ]yes [ ]no

19.3 The control of plagues is done with substances and procedures that do not affect customers, employees, local people, wildlife animals and environment.
Weight: 1 [ ]yes [ ]no

20. Infrastructure and security

20.1 The hotel has contributed with the community to the maintenance or construction of infrastructure.
Weight: 3 [ ]yes [ ]no

20.2 The hotel uses its influence and knowledge to help solving the infrastructure problems of the local communities.
Weight: 1 [ ]yes [ ]no

20.3 The hotel is involved in associations or committees that work to improve the condition of the local community.
Weight: 2 [ ]yes [ ]no

20.4 The hotel support of the tourist security programs being developed.
Weight: 2 [ ]yes [ ]no

20.5 The hotel has and enforces an ethical code that benefits morality and security.
Weight: 3 [ ]yes [ ]no

20.6 The hotel implements practical actions to guarantee the security of its customers and employees.
Weight: 1 [ ]yes [ ]no

20.7 The hotel has contingency plan to deal with natural disasters or emergencies.
Weight: 2 [ ]yes [ ]no
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Habitat For Humanity. 2007 http://www.habitat.org


International Living. 10 April 2006 “Foreigners who Live in Nicaragua Enjoy Its Low Cost of Living and Countless Other Benefits” http://www.internationalliving.com

INTUR. Nicaraguan Ministry of Tourism http://www.intu.gob.ni

Mexican Tourism Board. 3 April 2006 http://www.visitmexico.com

National Trust for Tourism Development (FONATUR). 3 April 2006 http://www.fonatur.gob.mx

One World One Nation Online. 3 April 2006 http://www.nationsonline.org/oneworld/nicaragua.htm (listing of Nicaraguan online resources).


Sister Community of San Ramon, Nicaragua. 2006 & 2007 http://www.san-ramon.org


Interviews

Finca Esperenza Verde

Hayes-Bohana PHD, James (Professor). Personal Interview. January 2007
Alberta Lina (Receptionist). Personal interview. January 2007
Henry (Receptionist). Personal interview. January 2007
Rene (San Ramon Taxi driver). Personal interview. January 2007
Richard Hankrader. E-mail interview. 16 March 2007
Lonna Hankrader, Telephone interview. 12 March 2007
Melvin Castrillo, E-mail interview. 8 March 2007

**Pelican Eyes**

Waiter and vet staff (no names). Personal interviews. January 2007

**Medical Mission**

Scarlet. Personal interview. January 2007
Lawyer (no name). Personal interview. January 2007

**Methodology Sources**


### Other useful Sources and Contacts in Nicaragua

In response to Hurricanes Mitch in 2000 and Georges in 1998, the U.S. HUD Office of International Affairs worked with APA (American Planning Association) to develop training programs for planners and those involved in rebuilding. This is a list of contacts provided by APA.

- Francisco Medoza and Ninette Morales at HABITAR (habitar@ibw.com.ni)
- National University for Engineers, UNI/ Programa de Estudios Ambientales Urbanos Territoriales/PEAUT Francisco Mendoza - peaut@cablenet.com.ni 505-274-5124
- Gerald Penske at Planificacion para el Desarollo de Managua (no contact info available)
- Organizacion Internacional para las Migraciones (OIM) (IOM) 505-268-3646 omanaguna@iom.int

Currently they work in development projects providing attention and prevention of negative flows of migrants. They have accompanied the post-Mitch emergency and reconstruction phases with support for the municipalities in the coordination of contingency attention plans to affected populations. Currently among other projects they are working on the development of integral development planning of two municipalities from the central part of the country: Dario City and Sebaco. Due to their tie with this training project, possible participants in the workshop could include members of their technical staff.

- Mayor's Office of Managua- Urban Planning Department, Alina Soloman, Director
- CEPRODEL- Center for the Promotion of Local Development 505-265-3527=20 Carolina Arnoliga 505-265-3527 Miguel Gonzalez 505-228-1470

This institution promotes community development projects in six
Municipalities of Managua, Leon, and Chontales. They support the development of small enterprise and attend to social housing projects. They develop housing projects that include site design. They select geographic sectors in which to provide attention, involving themselves in site planning. Possible participants in the workshop could include members of their technical staff.

- Centro de Diseño, Arquitectura y Construcción (CEDAC) 504-232-4195 Cedac@sdnhon.org.hn CEDAC is a private university in Tegucigalpa, Honduras that does work in Nicaragua, and that has a strong research and training component. They have collaborated extensively with Cal Poly on land use planning and are actively involved in teaching students the design components. Regularly work with international organizations. Are completely bilingual.

- Managua Development Planning- Nicaragua-ALMA
One of the mandates of ALMA is to regulate the use of soil of the municipality. It is divided into six districts, each one with delegations which provide follow-through and control of soil use. They also attend to the needs of different communities. Recently the leadership of Urbanization has created an office to provide attention to Housing. After Mitch they have begun to promote housing projects. They have defined a program of Urban Renovation to re-order poor neighborhoods. This project is financed by the IDB. In the future they plan to train personnel to expand this project and thereby attend to a higher quantity of poor neighborhoods. They consider important to anticipate the participation of leaders from Urban Planning, Housing, Strategic Projects and District Coordination. The Director of Urban Planning is Architect Gerald Pentzke: Tel (505) 265-0048.

- Universidad Americana - UAM 505-278-3800 Eduardo Chomorro, Dean of School of Architecture 505-268-5981 This is a private university with an undergraduate level Architecture program.

- CECSA- Consultoría Gerencial y Ambiental, Auditorías Externas CECSA is an environmental consulting group. 505-228-1206

- Municipal Association of Nicaragua- AMUNIC This is an association conformed of 151 mayor ships around the country. Its objective is to promote and strengthen municipal autonomy. AMUNIC provides technical assistance and training in diverse areas, particularly in administration and finance. AMUNIC is interested in supporting municipalities to implement law 309 that has to do with regulating disorderly human settlements. They show interest in participating in the workshop as an institution. The professional personnel of the office could be participants in the workshop, as they would contribute to the understanding of the processes of soil occupation and would support the municipalities to improve their handling of this area. They would encourage the
participation of the municipalities in the workshop due to the direct relationship they maintain with them. Contact information for the Director of Planning and Investigation is the following: Tel (505) 266-2556 or 9095

- INIFOM- Nicaraguan Institute of Municipal Strengthening
  This is a central government institution with ministerial rank. It works with the theme of local development planning, and with site planning within this theme. It is associated with diverse international cooperating agencies toward these goals. It has a technical staff that provides project and program follow-up in the areas of urban and territorial development. It has delegates in six regions of the country. Its personnel from the central and regional levels are comprised of diverse professionals, including the fields of engineering and architecture who would be potential participants for the training workshop.