

CASE STUDY

The challenge of introducing ecotourism

into China's protected area network

Of any major country, China has displayed the fastest growth of its protected area network, which consists almost entirely of two designations, nature reserves and scenic areas. The first of these was established in 1956, and by 2005 the network consisted of more than 2000 entities covering 11.3 per cent of the country's land (Earthtrends 2006). Ninety-seven per cent of these have been created since 1985 (Wildlife Conservation Society 2004), and China now ranks fourth, behind Brazil, USA and Russia, in terms of land area protected (see table 3.2). Of these protected areas, 145 are at least 100 000 hectares in size. From a supply-side perspective, China therefore appears to have an excellent basis for developing its ecotourism potential. From a demand-side perspective, both inbound and domestic tourism have expanded at an equally impressive rate. From just 303 foreign visitors in 1968, China now hosts in excess of 30 million visitors per year, and the number of domestic tourists has grown from almost nothing in the late 1960s to 878 million in 2002 (Weaver & Lawton 2006).

Both the supply and demand parts of the equation, however, reveal deep-seated problems that hinder the growth of a legitimate and viable ecotourism industry. The nature reserves, for example, account for more than 90 per cent of all protected land, but are all designated as category V under the IUCN classification system, which means that they accommodate a high level of human interaction with the natural environment (see table 3.3). Scenic areas all fall under even less restrictive category VI criteria. It has been estimated that more than 10 million people actually lived in China's protected area system in the early 2000s (IUCN 2006). As of 2005, China had no land falling under categories I, II or III (Earthtrends 2006). Additional problems arise from patterns of distribution and size. The western half of the country possesses a relatively small number of very large nature reserves in remote areas with low biodiversity whereas the more ecologically sensitive eastern half of the country contains a very large number of small protected areas. Because they are small and fragmented and because of their low order designation, they lack the critical mass to adequately protect the habitats they are intended to represent. The eastern protected areas are also embedded in one of the world's most densely populated rural landscapes, so that they are exceptionally vulnerable along their borders to environmentally harmful and unavoidable external influences, such as predation from dogs and cats, pesticide drift and competition from

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John Gray's Sea Canoe *Lessons from Thailand in success and failure*

Founded in 1989 by John Gray, an American environmentalist and kayak enthusiast, Sea Canoe is one of the oldest continuously operating ecotourism businesses in South-East Asia and a good illustration of the positive and negative impact of a complex operational environment. Sea Canoe's long tenure and financial success are attributable to a combination of factors, including the charisma, persistence and dedication of the founder, the establishment of good relationships and partnerships with local residents, proximity to unique natural resources and innovative technology that allowed the resource base to be exploited as an ecotourism attraction. The feature in question is the *hang*, or island lagoons in southern Thailand's Phangnga Bay, which are surrounded by limestone cliffs 100 metres high and are accessible only during high tide through cave-like tunnels. Not only are the hangs visually spectacular but also their isolation and inaccessibility has led to the development of unique ecosystems virtually unaffected by human activity. The innovation in question is a special inflatable kayak with a narrow, low profile designed to safely navigate these tunnels so that visitors can enter the lagoons (Buckley 2003a).

Aside from the focus on a unique ecological attraction, the ecotourism credentials of Sea Canoe derive from a policy of consistently limiting visitor numbers (64 per day for all sites and no more than 16 passengers per access vessel in the late 1990s) and exposure to the lagoons (for both environmental and safety reasons) and requiring visitors to discard no wastes or litter. Smoking and drinking were also forbidden. Interviews suggest that customers as well as employees became more environmentally aware as a result of the interpretation offered by Sea Canoe. In addition, the company, which was founded with local partners, has hired 45 to 60 full-time guides and other residents from local villages, who are paid wages that are up to 7.8 times higher than the national per capita average and are supplemented by an array of health and training benefits that are not normally available to workers in Thailand. Notably, most employees have been hired from in the region's traditionally marginalised Malay-Muslim minority, thereby contributing to their economic and psychological empowerment (Kontogeorgopolous 2005). Local residents have been encouraged to purchase shares in the company, and 90 per cent of the company's revenues have allegedly remained in Thailand (Shepherd 2003).

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Sea Canoe, as a result, has been the recipient of numerous international eco-tourism awards. Brisk market demand is sustained not only by the quality of the attraction but also by the proximity of Phangnga Bay to the island of Phuket, which is one of South-East Asia's primary mass 3S tourism resorts, receiving several million international and domestic visitors each year. The initial intent of Sea Canoe was to book hard ecotourists on multi-day excursions that would include deep exposure to local villages. However, it was decided (correctly in retrospect) that a better cash flow would result from 70-kilometre roundtrip day-only excursions promoted among the mass tourism resorts of nearby Phuket (Shepherd 2003). In general, the financial success of Sea Canoe has been closely linked to the company's ability to forge close relationships with the mass tourism industry (Kontageorgopoulos 2005).

Ironically, the financial success of Sea Canoe was largely responsible for the subsequent negative impact and other problems. The ownership of the islands where the lagoons occur is unclear, and some local residents have long exploited some island resources. Especially important is the presence of a bird species (the swiftlet) whose nests are extremely valuable as a Chinese soup ingredient. These nests are harvested by the Birds Nest Monopoly, which consists of certain local families who keep guards permanently stationed at some cave entrances to discourage other would-be gatherers. Once the profitability of the Sea Canoe operations became known to these families, they demanded payments that Gray refused to make. This led to death threats and the non-fatal shooting of a Thai employee of Sea Canoe.

An arguably greater threat from an ecological perspective has been the proliferation of lower-cost competitors, many of whom use close variants of the Sea Canoe appellation. These businesses use the same caves as Gray, but apparently most do not exercise the same restraints with regard to visitor numbers and behaviour, thereby contributing to the degradation of the caves and deterioration in the quality of the visitor experience. According to Shepherd (2003), entreaties by Sea Canoe to the Tourism Authority of Thailand (TAT) and the Forestry Department to address the situation have been ignored, with authorities preferring to have the sea kayaking businesses deal with the problems themselves. Despite the deteriorating environment and visitor experience, these competitors continue to attract a large customer flow (including a growing number of package tourists from Japan and Korea) by offering high commissions to charter holiday companies focused on the Phuket market and by cooperating with the Birds Nest Monopoly in order to gain privileged access to the best lagoons (Shepherd 2003). Kontageorgopoulos (2005) reports from his field research that many local residents resent the financial success enjoyed by the local employees of the 'foreign' company Sea Canoe and accordingly give their support instead to the Thai-owned competitors who are more likely to hire them.

This changing situation has forced Gray's company to change its name to 'John Gray's Sea Canoe', in order to differentiate itself from less responsible competitors and attract those customers wanting to have their holiday experience with the company that won the ecotourism best practice awards. More

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fundamentally, Gray also decided to become less reliant on the hongs and on Phangnga Bay following the refusal of the Birds Nest Monopoly to allow entry to his kayaks and the shooting of his employee. Since the late 1990s, Sea Canoe has expanded its operations to mangroves and other coastal ecosystems elsewhere in Thailand as well as in Vietnam, Fiji, Philippines and Hawai'i (John Gray's Sea Canoe 2005). Reflecting on his experiences in Phangnga Bay, Gray has expressed regret that his 'discovery' of the lagoons has unleashed a more insidious process of exploitation that could threaten their ecological integrity (Buckley 2003a). However, many local residents, perhaps grudgingly, might argue that Sea Canoe opened the way for many of them to become empow-ered as tourism entrepreneurs in their own right, either as competitors or employees, allowing them to personally benefit from the growing influx of Asian and other international tourists (Kontogeorgopolous 2005).

Questions

- 1 (a) From the perspective of the local community in the study area, what have been the advantages and disadvantages of having Sea Canoe controlled primarily by the actions of an expatriate entrepreneur?
(b) Is community-based ecotourism therefore always the preferred model from the standpoint of local residents?
- 2 What examples of successful and unsuccessful partnerships and relationship building emerge from this case study?
- 3 (a) What ecological, sociocultural and economic costs and benefits derive from the fact that the lagoons are located near the major resort destination of Phuket?
(b) What could be done to minimise these costs and maximise these benefits?