

ECOTOURISM OPPORTUNITIES FOR HAWAII'S VISITOR INDUSTRY

**Prepared for the
Department of Business, Economic Development & Tourism
Office of Tourism
State of Hawaii
by the
Center for Tourism Policy Studies
School of Travel Industry Management
University of Hawaii at Manoa
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Executive Summary

Since statehood in 1959, Hawaii's mass tourism industry has benefited from the state's unique natural environment and culture. Yet in recent years, there has been a growing awareness that these resources have begun to suffer from overuse and lack of adequate revenues to sustain them. To address these concerns, the Department of Business, Economic Development & Tourism (DBEDT) held the first Hawaii State Conference on Ecotourism in October 1994 attended by over 600 business, community, and government participants. As a complementary undertaking, this study was prepared by the School of Travel Industry Management (TIM), University of Hawaii at Manoa for DBEDT to determine the feasibility of ecotourism for Hawaii. This study entailed: 1) the development of a working definition of ecotourism for Hawaii; 2) evaluating the potential ecotourism market; 3) conducting a survey of nature-based tourism providers in Hawaii to identify issues and concerns; and 4) assessing Hawaii's ability to attract ecotourism market segments based on present resources and competition elsewhere.

Defining Ecotourism for Hawaii

Since the 1980s, ecotourism has gained increased attention and worldwide interest as a means by which tourism can be used to help protect local environments and culture. The Ecotourism Society defines ecotourism as a form of nature-based travel which "creates an understanding of cultural and natural history while safeguarding the integrity of the ecosystem and producing economic benefits that encourage conservation." However, in Hawaii as elsewhere, there has been a lack of consensus among nature tourism operators and policy makers about what constitutes ecotourism activities and products.

To facilitate the further development of ecotourism for Hawaii, a verbal definition was developed for this study as follows:

Ecotourism is nature-based travel to Hawaii's natural attractions to experience and study Hawaii's unique flora, fauna, and culture in a manner which is ecologically responsible, sustains the well-being of the local community, and is infused with the spirit of aloha aina (love of the land).

To supplement this definition, a matrix was developed which compares five different physical settings and four different types of nature tourists to assist in the identification of ecotourism products.

Hawaii's Ecotourism Potential

Although information on Hawaii's potential ecotourism market is limited, global trends are encouraging. The North American ecotourism market consists of environmentally-conscious consumers who already provide a sizeable visitor base for

Hawaii's nature-based attractions. In 1994, Hawaii captured about 23 percent of the U.S. domestic share for winter pleasure travel, and this market segment provides a potential repeat visitors base for ecotourism development. Furthermore, HVB visitor profile studies indicate the lifestyles of a substantial proportion of current visitors are oriented toward active vacations which include experiencing Hawaii's outdoors and natural attractions. A number of factors favor the development of ecotourism in Hawaii:

- Ecotourism is environmentally friendly. It is low-impact and provides an economically sustainable means of preserving Hawaii's natural landscape including scenery and natural ecosystems.
- Ecotourism is community based. It affords opportunities for employment and economic development for local communities.
- Ecotourism is culturally sensitive. It enables Hawaii's indigenous culture to be integrated in an economic activity which brings benefits to both the resident and visitor.
- Ecotourism is economically viable. It requires relatively low investment while both directly and indirectly benefiting Hawaii's economy by increasing visitor lengths of stay and expenditures and by attracting: 1) first-time visitors who may not have previously considered Hawaii an ecotourism destination, 2) repeat visitors wishing to return and experience new attractions, and 3) those visitors and residents already in Hawaii wishing to have alternative experiences. Although specific figures for ecotourism are not available, annual nature-based expenditures were estimated at \$669 million, which represented about 7.7 percent of total visitor expenditures received in Hawaii for 1993.

Constraints

Although ecotourism appears to be a viable means for diversifying Hawaii's economy, there are a number of concerns:

- Hawaii's physical characteristics. Hawaii's isolation, limited size, and fragile natural environments create conditions which can lead to irreversible environmental harm from the overuse of its natural resources.
- Hawaii's culture and local lifestyles. Native Hawaiian issues and the preservation of community values have become increasingly sensitive to land use decision making.
- Hawaii's competition abroad. Hawaii faces competition from a number of well-established ecotourism destinations including countries in Central and Latin America, Africa, Asia, and the Pacific. Island destination areas include the Caribbean, Mexico, Galapagos, and the South Pacific.

- Hawaii's dependence on a mass tourism economy. Ecotourism's contribution to Hawaii's economy will be modest in comparison to Hawaii's mass tourism industry and should be viewed in terms of diversification, not substitution.
- Hawaii's popular image. As an ecotourist destination, Hawaii will have to overcome its sun, sand, and surf reputation and the impression that it is too overdeveloped to appeal to outdoor enthusiasts seeking back-to-nature experiences.
- Private sector investment. Due to the relatively low-return/high-risk nature of the ecotourism industry, venture capital and investment support for small business enterprise development are limited while liability costs (i.e., insurance) for landowners remain high.
- Public policy considerations. There is presently a lack of policy which formally addresses ecotourism issues resulting in inadequate support for the development and maintenance of ecotourism resources.

Conclusion and Recommendations

Based on the study's findings, ecotourism development in Hawaii appears to be both economically feasible and ecologically sustainable, and thus desirable for the long term; however, to achieve these goals ecotourism policy will need to: 1) adopt a "sustainable" tourism development and management philosophy that incorporates ecological, social and cultural, and economic principles; 2) be community based, adopted and developed through a consensus-building process; and 3) establish joint cooperation between private and public sectors.

Based on those concerns, recommendations call for:

- A state ecotourism development plan upon which to base policy decisions in a consistent and strategic manner.
- Increased government coordination and communication among federal, state and county agencies with regards to tourism activities, land use planning, natural resource management, and marketing.
- Sufficient funding allocations to support adequate maintenance, operation, and personnel for Hawaii's natural public use areas amid increased use and resource degradation.
- Dependable and equitable funding mechanisms (e.g., user fees and special funding programs) to decrease reliance on allocations from the state's general fund.

- A review of the regulatory process and reconsideration of the requirements for studies, permits, licenses, and fees necessary for ecotourism operators.
- Increased community awareness and involvement in the planning and decision-making processes in ecotourism development.
- Increased educational opportunities for users, operators, government officials and the local community so that they can be properly informed on the value of ecotourism.
- Support for research and data collection upon which to build a resource inventory and a baseline for establishing limits of acceptable change.