

# Galápagos Rebellion against Foreign Investment in Hotels, Golf Courses, Luxury Tourism. Fragile Ecology Threatened

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*Residents of Ecuador's Galápagos islands are mounting angry protests against government plans to open the World Heritage Site to foreign investment in luxury tourism and hotels, writes Jane Shaw. They fear for the fragile ecology of the islands, for water shortages caused by golf courses and swimming pools, and for their livelihoods which depend on current 'low intensity' tourism.*

It's not the human population demanding more services and concessions, to the detriment of the environment. It's the residents who are warning that the government is set to destroy the ecosystem.

If the Galápagos are on your bucket list, you may want to get there sharpish, before the still-tranquil Pacific islands change beyond all recognition.

A change in the law, allowing foreign investment in the islands, is being seen as the final act that gives the go ahead for nine-acre golf courses, spa hotels for the super-rich and construction in areas that have, until now, been protected.

Riot police with tear gas have been on the streets of the islands, with residents believing that the Ecuadorian government is more interested in exploiting the wealth of the islands than preserving them.

One of the protest leaders, former congressman Eduardo Veliz (*see photo*), has been arrested, with a warning that the police are searching for others. Meanwhile another big demonstration is planned for today.

Horrified locals have joined environmentalists from around the world to beg Greenpeace, the WWF and anyone else who will listen to help them convince UNESCO to reinstate the Galápagos Islands onto the list of World Heritage sites in danger.

Tensions between the needs of nature and the human population are not new on the islands that inspired Charles Darwin's theory of evolution. But what's different this time is that the roles are being reversed.

Residents stand up for the ecosystems on which they depend

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the ecosystem.

In 2007 UNESCO classed the Galápagos Islands as a world heritage site in danger, due to the threats of a huge population increase, increasing tourism and the invasive non-native species these visitors inevitably bring with them. The [‘in danger’ status was removed](#) in 2010, mainly due to the efforts of the National Park Service and the government of President Rafael Correa.

Attempts to control population and a moratorium on new tourist infrastructure were welcomed, but many expressed caution. Johannah Barry, the head of research group Galápagos Conservancy, said at the time: *“I believe the decision is premature and I hope it does not signal a relaxation of vigilant management and conservation efforts.”*

Eyebrows were raised in April 2014 when, with the moratorium still in place, financial consultants based in the Ecuadorian capital Quito launched a [prospectus for a hotel with a golf course](#) designed by Greg Norman, a stem cell therapy centre, rejuvenation clinic and spa.

On islands where fresh water is scarce and tourism is of the active variety – hiking volcanoes and getting up close with unique wildlife rather than lazing by a pool – this hardly seemed in keeping with the sustainable tourism the government has claimed to be committed to.

Legal changes to attract foreign investment

More intriguing was the fact that the prospectus was looking to foreign investors for the \$90m project. The Organic Law for the Special Regimen for the Conservation and Sustainable Development of Galápagos ([Loreg](#)) sets out laws that do not apply to the rest of Ecuador.

And until this month, the laws said that non-residents could only invest in property or tourism if development was led by a permanent resident with at least 51% of the capital needed. The number of Galápagueños with \$45.9m is assumed to be fairly small.

Five months later, Ecuador’s tourism minister, Sandra Naranja, announced that the moratorium on tourism development was to be lifted as the government aimed to *“strengthen tourism in the islands”* while *“encouraging responsible tourism”*.

However it soon became clear that this was not the full story when it emerged that [only 20 projects were to be released](#). These projects totalled 542 rooms – a huge amount in a small space – and campaigners claim that the three largest projects are either entirely or majority owned by non-Galápagos residents.

Among these was a [174-bed, 7.4 hectare hotel](#) at Punta Carola, an idyllic bay on the outskirts of the main town of San Crisobal island. The bay, home to nesting marine iguanas, sea lions, blue footed boobies, pelicans, green turtles and Darwin’s famous finches, is in an area the Galápagos national park designated for public and touristic recreation. Construction is restricted to *“the minimum required to support its function”* – for instance paths or toilets; not hotels.

The director of the national park, Dr Arturo Izurieta Valery, commissioned a study to

determine whether Punta Carola and its surroundings should be a protected area. The report has apparently been completed, but it has not been released and Dr Izurieta was replaced in April 2015.

In response to local outcry, the Governing Council of Galapagos announced that no new development could be bigger than 35 rooms or 70 guests. The campaigners did not view this as much of a victory, and some of those involved have commented that this may simply mean two smaller hotels are now built on the site.

Determined not to let the investment floodgates open

Many lost faith entirely when, in January 2015, the government launched [Investour](#) - a website aimed at attracting foreign investment into Ecuador's growing tourist economy. Whilst its own laws continued to state that foreign ownership was banned, the authors perhaps anticipated a change in circumstances.

Several Galápagos projects were added - [including a \\$7.5m investment in a luxury 'boutique' hotel](#) on San Cristobal, the 'Opuntia Galápagos EcoHotel'. This development had been rejected in 2012 as it did not meet the residency requirement, but is now of a \$7.5m fundraise.

This month's change in the law has been the final straw. Loreg has been amended to rule that local ownership is 'preferred' rather than essential. 'Carapachudos' - tortoise shells, the nickname Galápagueños give themselves - believe the flood gates have opened. They have lost confidence in their government, they feel helpless, and see intervention by Unesco as a last hope.

But do luxury hotels and extra rooms really matter? Former congressman Eduardo Veliz is one of the leaders of the protests. He was arrested on 12 June and almost immediately sentenced to 30 days in jail for "*inciting the public to paralyse a public service*". (Protestors took to the airport as riot police from the mainland were brought in.)

Veliz estimates the projects freed from the moratorium represent an increase of around 600-800 visitors a day. He says raw sewage already flows directly into the sea from San Cristóbal, and added that fresh water is already in short supply on the island - not ideal conditions for a golf course, swimming pools and spas.

World Heritage under threat?

Amid threats of further arrests, many Galápagueños are unwilling to talk openly. The owner of one travel agency confirmed: "*We can barely provide enough water for the small population already here*", also questioning the motives of the government in approving new projects:

The government is desperate for money to replace lost oil revenue. It is actively suppressing local efforts, with a moratorium on building and the threat of demolition if we go ahead. Meanwhile they are fast tracking major offshore-owned projects that give back no benefit to the islands - except for cleaning jobs. Like the cruise-ships, they exemplify elite tourism - the antithesis of ecotourism, to which the government gives lip service.

The businessman queries whether there is even demand for extra rooms. *“The room occupancy rate for existing hotels and lodgings across Galapagos is less than 50%, and even lower on San Cristóbal. The socially and ecologically responsible solution is to help residents improve what they have and the service they provide – not invite outsiders to profit while the residents inevitably go to the wall.”*

It has long been acknowledged that there are simply too many people on the islands. Conservationists were concerned in 1990 when there were 40,000 visitors. When the islands were placed on Unesco’s danger list it was partly due to the 145,000 visitors in 2006. In 2014 215,000 tourists passed through.

Oil spillages from cargo ships and tourist boats are becoming more frequent. An estimated [18,000 birds are killed](#) each year by vehicles – and there are only 1,000 mangrove finches left.

It’s not yet clear whether environmental groups like Greenpeace and WWF will respond to the pleas to help reinstate Galápagos on the list of heritage sites in danger.

But one thing is as clear as the waters surrounding San Cristobal. The Galápagos Islands are yet again at a crossroads – and this time the government is seen as the threat, not the solution.

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