



Photo: Emmanuel Cléder

The commercial sector of Puerto Ayora and its relation to the environment

Pamela Villarreal¹ and Christophe Grenier^{2,3}

¹Universidad Andina Simón Bolívar, ²Charles Darwin Foundation,

³University of Nantes

Tourism is the principal economic activity of Galapagos, particularly in Puerto Ayora, the largest city in the archipelago. Increasing economic flows into Galapagos have generated new demands among the local population. The local commercial sector has grown to respond to those demands and has significantly increased the number of available products. The principal streets of Puerto Ayora are lined with shops selling artisan goods, t-shirts, computers, household appliances, as well as internet cafes, restaurants, laundromats, and even supermarkets where one can find a wide variety of national and international products. This proliferation of shops is transforming the urban landscape of Galapagos into one similar to those found on the continent.

One of the keys to long-term conservation of Galapagos is the collaboration and commitment of the archipelago's residents. It is important to understand how the local population views and values their surroundings. Although various surveys and studies have measured public opinion of the local population regarding its relation to Galapagos ecosystems, little attention has been focused on specific social sectors. Among these, one of the largest and least studied is the commercial sector, which is comprised of merchants and small shop owners.

There is a clear division in the commercial sector of Puerto Ayora between businesses serving tourists and those serving the local population. The highest concentration of businesses is found on Charles Darwin Avenue, which runs along the shoreline, and Baltra Avenue (Figure 1), with businesses targeted to tourists primarily on Charles Darwin Avenue and some on the first few blocks of Baltra Avenue (Photo 1). Businesses located farther up Baltra

Avenue and dispersed throughout the secondary streets of Puerto Ayora primarily serve the local population. Many homes have small shops offering a few products primarily to their nearest neighbors.

The commercial sector is quite dynamic. After the map for this study was completed, several businesses closed and others opened.

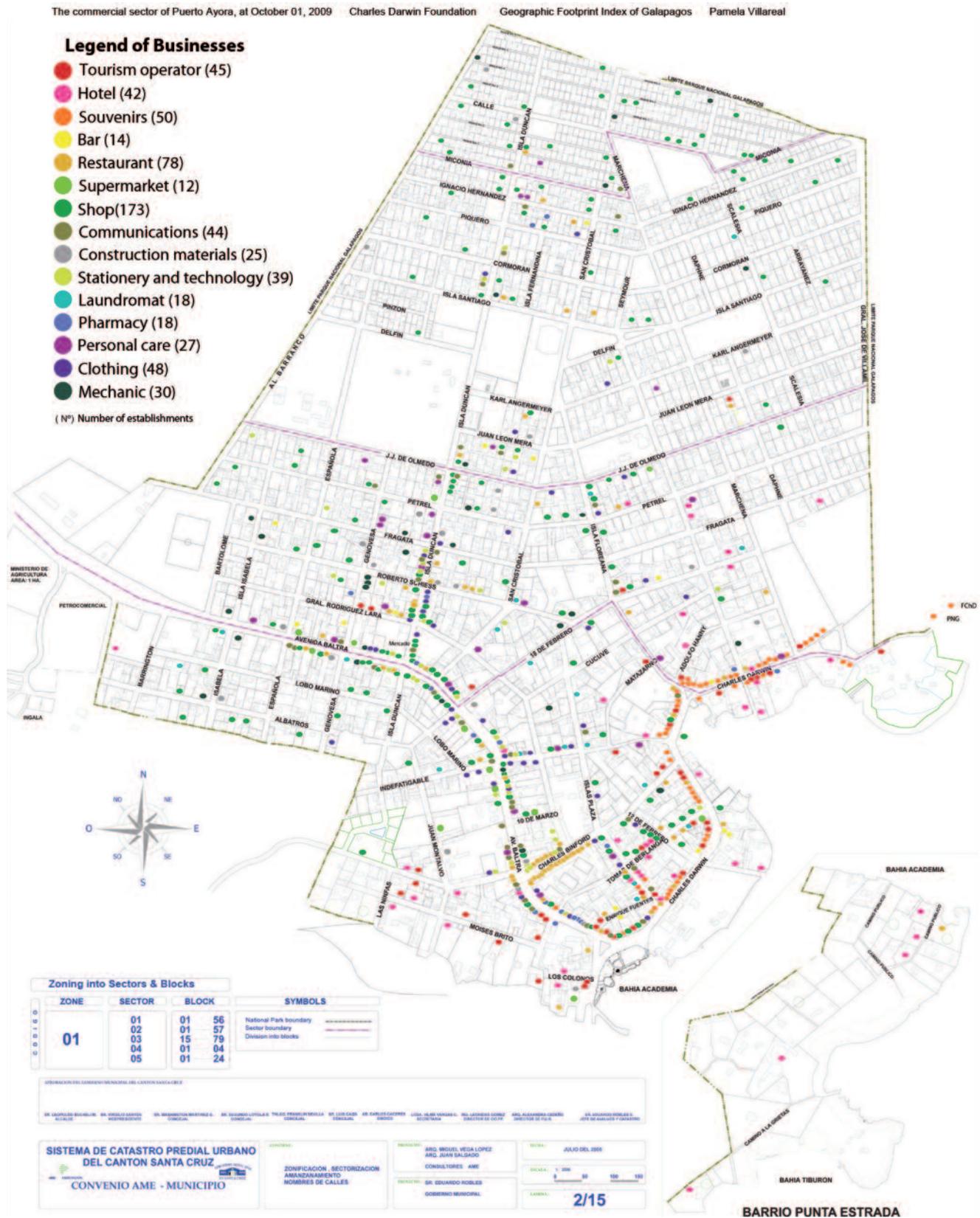


Figure 1. Map of the businesses in Puerto Ayora, October 2009.

This article is based on research carried out in October and November 2009 as part of the Geographic Footprint Project of the Charles Darwin Foundation. One hundred businesses in Puerto Ayora were surveyed to gain an understanding of the economics of this sector, the views of local merchants, their busi-

ness practices and travel within and outside the archipelago, and their relation to their environment. The analysis of these surveys attempts to identify the principal concerns of the commercial sector and how its members value the natural and social environment in which they live.



Photo 1. Souvenir shops along Charles Darwin Avenue, Puerto Ayora. Photo: Lenin Dávila.

Characterization of the commercial sector

More than half (52%) of the merchants and shop owners in Puerto Ayora’s commercial sector came from the Ecuadorian Andes, with the greatest percentage (23%) originally from the province of Tungurahua, while 32% came from coastal Ecuador and 4% from

other countries. The remaining 14% was born in Galapagos. The majority of those surveyed arrived in the islands between 1991 and 2000 (Figure 2). Nearly a fifth (18%) of those surveyed indicated that they arrived in the islands after the enactment of the Special Law of Galapagos in 1998, despite immigration restrictions included in the law.

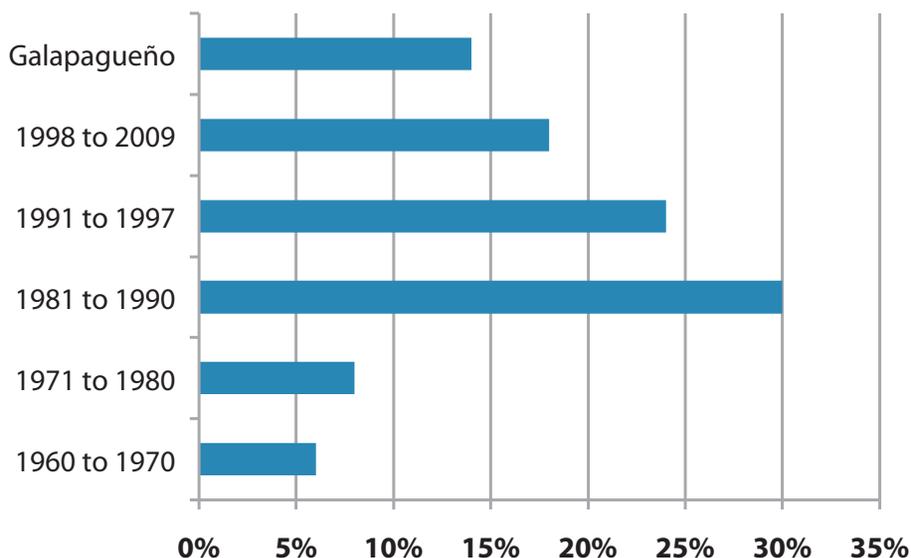


Figure 2. Year of arrival in Galapagos.

Source: Opinion Survey carried out in Puerto Ayora in October-November 2009 (N=100).

Forty-seven percent of the businesses in the study were established during the last decade, 29% between 1991 and 2000, and only 7% between 1970 and 1990. The remaining 17% of the businesses were acquired as functioning establishments. The vast majority of the businesses surveyed (76%) began operations in the last 20 years, which corresponds to the period of rapid growth of Galapagos tourism, the local population, and an increase in income of the inhabitants of Puerto Ayora.

In terms of employment offered by these businesses, nearly half (47%) are run by the owners or family members and do not contract any employees (Figure 3). According to those surveyed, these businesses do not generate sufficient income to be able to contract additional employees. Approximately a third of the businesses (32%) contract one employee and 11% have two salaried employees.

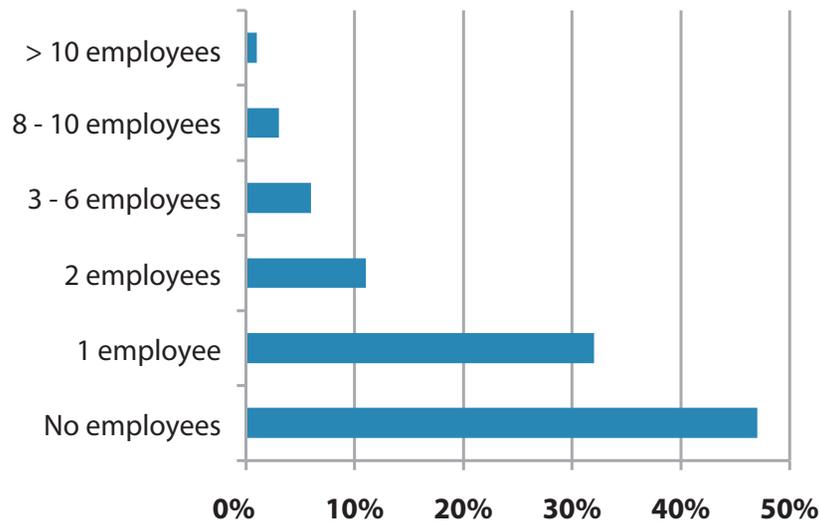


Figure 3. Number of salaried employees in the business.

Source: Opinion Survey carried out in Puerto Ayora in October-November 2009 (N=100).

Still, 9% of those surveyed plan to contract an employee soon; 6% said they would prefer an employee from the continent because "local workers charge more and don't work well." Bringing an employee from the continent creates a situation of dependence on the part of the employee. It is easier for an employer to manage someone who comes to a place where they don't know anyone and when their only objective is to work.

A number of businesses, generally the larger ones, chose not to share information regarding income and salaries. Twenty percent of the owners indicated they earned between US\$100 to US\$500 per month, which is minimal considering the high cost of living in Galapagos. Twenty-two percent earned between US\$501 to US\$1000; this group included many of the souvenir shops that serve Ecuadorian tourists. Fourteen percent reported income between US\$1001 and US\$2000; these businesses offer a wide assortment of supplies and liquor. Those reporting income between US\$2001 and US\$5000 (11%) include businesses that cater to international tourists. Nine employees were also asked about their salaries; seven reported salaries between US\$200-400, while two earn between US\$600-700.

The survey revealed that income and salaries range from relatively high to barely sufficient to keep a business in operation. The most successful businesses are souvenir shops located close to the shore where visitors pass on their way from the municipal docks to the Charles Darwin Research Station.

Under current conditions, 73% of business owners do not invest in their shops beyond maintaining merchandise. Of the 27% planning to make additional investments, most intend to diversity their product line (10%) or enlarge the physical space of their shop (7%) (Figure 4).

While many businesses do not serve tourists as their principal clients, all of the merchants surveyed, even those that specifically target the local population, indicated that they depend on economic flows generated by tourism. Business activity is closely tied to the income of those who live in Puerto Ayora, and those incomes are very closely related to tourism.

Migration

Twenty-five percent of merchants surveyed had a favorable opinion of immigration, while 53% said that it was harmful and 22% responded that it had both

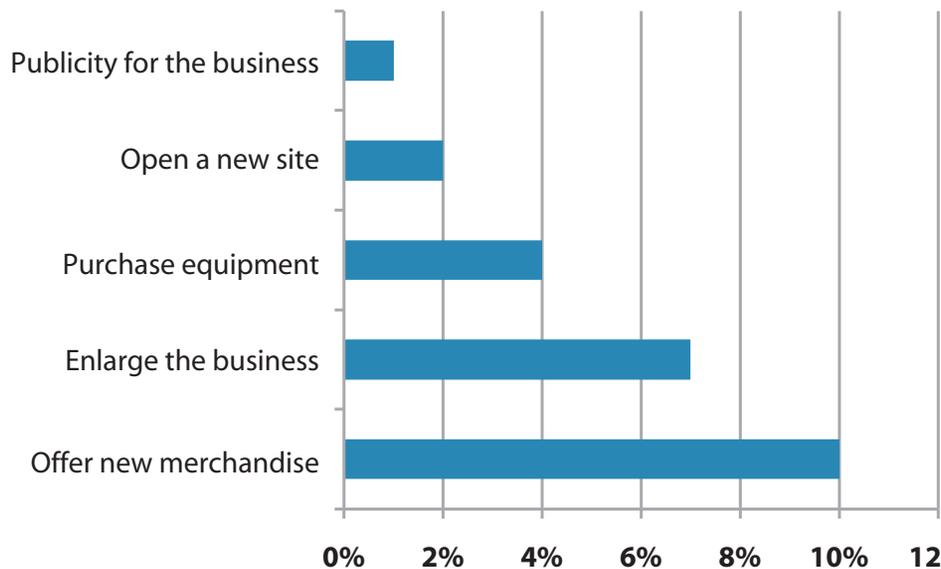


Figure 4. Areas in which the business owner plans to invest (73% of the respondents are not included as they had no plans for investment in their businesses).

Source: Opinion Survey carried out in Puerto Ayora in October-November 2009 (N=100).

positive and negative aspects. Some of those who considered immigration harmful indicated that those arriving from the continent “take jobs from permanent residents” (30%; Figure 5). Those with a positive view towards immigration highlighted the fact that the migrants “work better and charge less” (18%).

Twenty-three percent indicated that immigration brings with it problems including overpopulation and environmental degradation. It was generally agreed that newcomers to Galapagos do not understand conservation and consequently have a negative impact on the environment.

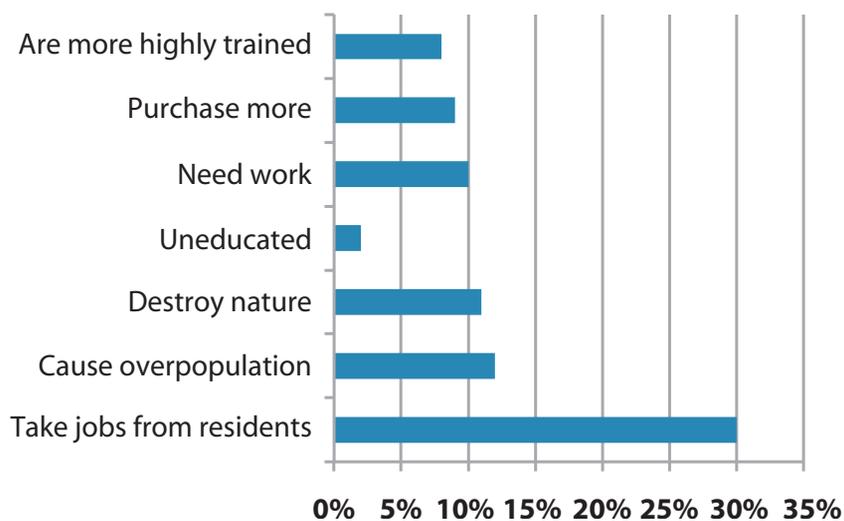


Figure 5. Opinions of merchants regarding immigrants to Galapagos.

Source: Opinion Survey carried out in Puerto Ayora in October-November 2009 (N=100).

The results of this survey differed from one carried out among the general population in 2006 (Barber and Ospina, 2008), in which 81% of the population agreed with the phrase “the more people that live in the islands, the greater the environmental damage,” and 86% agreed that “immigration increases crime.” Some of the variation in these perceptions could be

due to the fact that the principal concern of the commercial sector is the growth of competition, which means that the principal threat that immigration brings is the possibility that their business will fail. Still, approximately 10% showed their support for more immigrants, given that new residents will frequent their shops.

Mobility and travel

In terms of travel within Galapagos, 13% of those surveyed had never left Santa Cruz and 13% indicated

that they know most or all of the inhabited and uninhabited islands of the archipelago (Figure 6). The remaining 74% know only Santa Cruz and one other island.

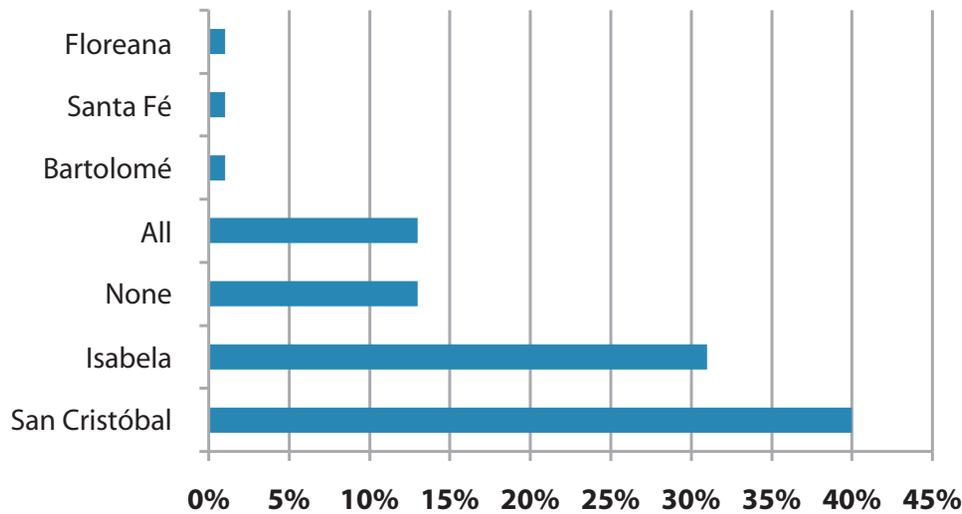


Figure 6. Islands visited by those surveyed; “all” was the response of those who had worked in tourism.

Source: Opinion Survey carried out in Puerto Ayora in October-November 2009 (N=100).

The island most frequently visited by members of the Santa Cruz commercial sector is San Cristóbal, with 40% of those surveyed reporting that they had been there: 75% traveled there for work and government-related business and 25% for personal reasons. Isabela had been visited by only 31% of the merchants surveyed, 58% for tourism (because of its tranquility and landscapes) and 42% for personal or business reasons. Those who visited Isabela agreed that it is a beautiful place but that they would not choose to live there because of its isolation, the lack of local activity, the small population, and the introverted behavior of its inhabitants. Those who indicated they had visited “all” of the islands had worked previously in the tourism sector.

In terms of transportation within Puerto Ayora, 38% indicated that they use bicycles, 33% prefer to walk, and 29% alternate between walking and motorized vehicles. In spite of the fact that nearly 70% indicated concern about the noise and pollution associated with the growth of the motorized fleet of Santa Cruz, 35% of those surveyed own a motorcycle, taxi, or truck.

Visits to the continent are common among the merchants of Puerto Ayora (77%): 35% make the trip once each year and 42% make trips two or more times per year. The most frequent destinations are Guayaquil (35%), Quito (30%), and Ambato (17%). The

23% that does not make planned annual trips tend to go to the continent when confronted with an emergency. When asked about their reasons for remaining in the islands, almost all agreed that they would like to go to the continent more frequently but could not due to the cost (about US\$120 for a Galapagos-Guayaquil-Galapagos ticket at resident rate). Reasons for trips to the continent include family visits (32%), vacation (23%), and medical services (22%). Most of those surveyed agreed that they do not trust doctors working in Galapagos, and that “any illness more serious than a cold should be treated on the mainland.” All agreed that health care in Galapagos is poor and more should be done to attract doctors and specialists to the islands.

When asked if they would be willing to move to the continent, 62% said no. They prefer to remain in the islands because they are accustomed to the lifestyle and have family ties. Also, they have work in the islands and are concerned about the level of crime that is common in big cities. Eighty-four percent of those surveyed indicated that tranquility—the security and peace offered by life in the islands—is one of the most important and valued aspects of Galapagos life.

One quarter of those surveyed, however, would like to return to their native city. Many miss family members left behind and the familiarity of their home



Photo: Christophe Grenier

town or city. Others are considering a return to the continent because “the situation in Galapagos is more and more difficult,” “everything is more expensive,” and “Galapagos isn’t like it was when we arrived.” Twelve percent of respondents are currently evaluating the possibility of returning to live on the continent permanently.

Leisure time

Forty-nine percent of those surveyed reported that they have little free time and that work demands their presence a minimum of six days a week. Any free time is dedicated to rest and taking care of the home. The other 51% divides their free time between taking walks, going out to eat, and visiting beaches or the highlands. The most well-known recreational site in Santa Cruz is Tortuga Bay (48%), followed by the Charles Darwin Research Station (10%), Garrapatero (9%), Las Grietas (6%), and the Playa de los Alemanes (6%). However, the area most visited by merchants is the highlands; more than 85% visit Bellavista at least one each month. Reasons for the visits include the opportunity to spend time with family, traditional food offered on Sundays, and the chance to play volleyball.

The ocean plays an important role in the lives of inhabitants of any island. Seventy-eight percent of the individuals surveyed in this study indicated that they like the ocean, while 22% responded that they prefer to stay away from the water or that they like to look at it but don’t like to swim. In terms of encounters with marine life, 15% had never seen a marine iguana, sea lion, or sea turtle while swimming. Approximately

60% responded that if they encountered one of these animals they would do nothing, while 15% would get out of the water or move away from the animal. Sharks and rays cause the greatest fear among those surveyed, although nearly 30% had never seen one. All of the respondents emphasized the importance of not disturbing native fauna. In this sense it appears that conservation principals—at least in a theoretical sense—have been assimilated by those surveyed. Even so, many respondents have not had the opportunity to experience nature close up and to develop a deeper understanding of their surroundings.

Development

Opinions of this sector are divided regarding development in Galapagos. Twenty-five percent believe that development is good and that the construction of major public works should continue because it results in better services, an improved quality of life, and greater ease in obtaining certain products (Figure 7). However, 31% think that development is occurring too rapidly. Those who have lived the longest in Galapagos have positive memories of the days when there was no public lighting in Puerto Ayora, electricity was available only until 11 PM, and there was very little crime. Even so, it is difficult for them to imagine life in Galapagos without current amenities and comfort. There exists a clear tension between “conservation” and the search for comfort. Increasingly the continental lifestyle is the point of reference for Galapagos residents when imagining the most attractive lifestyle for Galapagos.

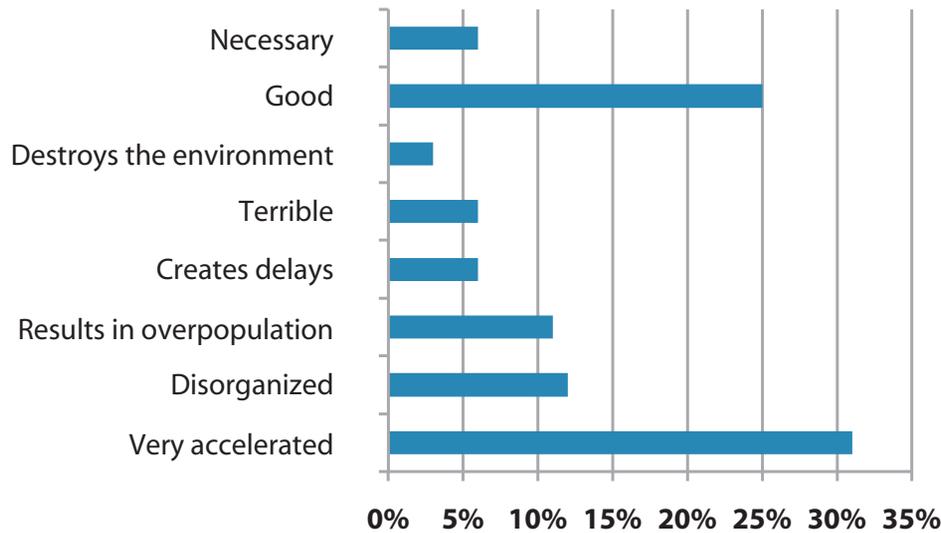


Figure 7. Opinions regarding development.

Source: Opinion Survey carried out in Puerto Ayora in October-November 2009 (N=100).

Conclusion

Responses from the survey questions posed by the authors revealed a growing economic sector in Galapagos with little connection to the unique environment of the archipelago. The commercial sector is a relatively new player in the Galapagos landscape, with most businesses having been established in the last twenty years. There appears to be no integration of the industry, its employees, and its economic trajectory into a long-term vision that values sustainable and island-appropriate development. While the tourism industry is flagged by respondents as a critical economic driver of the commercial sector (including tourists themselves and the growing local population that depends on tourism), the survey responses did not indicate that the businesses themselves take a proactive stance to protect the natural assets of Galapagos, which support and encourage tourism.

With this as background, and reflecting the upward trajectory of new and growing businesses evidenced in the data, there is a compelling rationale for working with local businesses to increase their appreciation and direct engagement in conservation management and sustainable practices. Business owners surveyed indicate that they are uncomfortable with the speed with which the sector is growing, but acknowledge that development provides an increasing level of comfort similar to that found on the continent. The surveys also indicate a

deep dependence on the part of the merchants of Puerto Ayora on mainland services, in particular for public health and a workforce, dependencies that could be reduced if these resources were improved and more available in Galapagos. The challenge posed by this and other responses will be to establish a uniquely Galapagos lifestyle to which businesses and individuals can align their interests and behavior – a lifestyle that ensures the protection of the very assets on which their livelihoods depend. The path to a singular and adapted Galapagos lifestyle, including the commercial sector of Puerto Ayora, can be attained through the reduction in the geographic opening of the archipelago.