

The Impact of Ecotourism on Regional Development: A Case Study of Monkey River Town, Belize

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Abstract

Ecotourism has been a focal point in recent years. For regions rich in natural resources but relatively economically underdeveloped, ecotourism can effectively drive economic growth and provide employment opportunities. However, how to rationally develop natural resources and address issues of equitable distribution pose significant challenges for such areas. This paper takes Monkey River Town in Belize as a case study to examine the impact of ecotourism on the development of small regions. The research finds that ecotourism plays a clear role in enhancing residents' income, providing employment, and promoting economic development. At the same time, it requires appropriate community management models and policy support to balance economic growth with social equity, thereby achieving sustainable development.

Keywords

Ecotourism; Economic Development; Poverty Reduction

1. Introduction

In many developing countries, particularly smaller ones, factors such as sparse populations, a less skilled workforce, weak industrial foundations, and relatively inadequate infrastructure prevent them from establishing a comprehensive industrial system like larger nations. However, precisely for these reasons, their domestic natural ecological resources are relatively well preserved, making them suitable for developing ecotourism. For these countries, natural ecological resources are often the most important yet hardest-to-monetize assets. Constrained by conditions such as insufficient capital, these countries and regions tend to have more primitive economic structures, with incomes highly dependent on natural conditions and subject to significant fluctuations, while their resilience to risks remains low. Therefore, how to achieve economic development while protecting their ecological environment has become one of the core issues in development economics and

environmental economics.

In recent years, with the gradual improvement of transportation and social development, ecotourism has become a popular choice. Many people travel long distances to ecotourism destinations specifically to experience the unique landscapes that cannot be found in cities. This has brought significant tourist traffic and income to local communities, while also creating a large number of employment opportunities. A series of upstream and downstream industries related to tourism have flourished as a result. Compared to large-scale commercial tourism, community-led ecotourism emphasizes the direct participation of local residents, the sustainable use of ecological assets, and the equitable distribution of benefits within the community, which represents a significant advantage for locals. However, the impact of ecotourism on local communities, particularly its effect on substantive poverty reduction, remains a subject of debate. On one hand, ecotourism may raise residents' income levels; on the other hand, uneven distribution of benefits and limited employment opportunities may make it difficult to achieve substantial poverty reduction and could even exacerbate local wealth disparities.

This article takes Belize, a small country in northeastern Central America, as an example to analyze how small countries and regions can develop tourism through their ecological assets and to assess the actual effectiveness of ecotourism in generating stable income and reducing poverty.

2. Literature Review

Scholars' explorations of ecotourism have varied in focus across different periods. Before 2009 was the preliminary exploration and development stage, during which research primarily centered on how tourism policies influenced the development of local tourism cultures. Governments implemented Tourism for Alleviating Poverty (TAP) policies to enhance the economic outcomes of impoverished areas and increase community participation. For instance, the "farmhouse tourism" model encouraged locals to engage in the tourism industry, addressing both labor employment needs and the high demand for labor in regional tourism development. After 2010, as the industry advanced, tensions between policies and cultural dynamics gradually became more apparent. The theory of Community-Based Tourism (CBT) posits that local residents should play a leading role in managing tourism resources, making operational decisions, and distributing benefits, which is considered essential for the sustainable development of ecotourism. The rationale is twofold: first, it maximizes their proactive engagement and drives greater benefits; second, as residents, they are more likely to protect natural resources and prevent overexploitation. CBT effectively balances economic objectives with community autonomy, whereas leasing operation models (LOT) are more prone to sparking community conflicts over benefit distribution, ultimately harming the interests of all parties involved.

Regarding the economic impact of ecotourism, existing research also presents differing perspectives. Some literature emphasizes its income-boosting effects. Studies indicate that ecotourism can create non-agricultural employment opportunities in remote areas, thereby reducing reliance on traditional natural resource exploitation (Honey, 2008). For many ecotourism destinations, the local economic structure is often singular, with agriculture primarily centered on crop cultivation and fishing, handicrafts underdeveloped, and industry virtually absent. Consequently, the flourishing tourism industry can diversify the local economy, elevate economic standards, increase household income diversity, and enhance resilience to risks. However, other studies argue that a minority of families with capital or skill advantages can leverage and amplify their strengths in the development of tourism, gaining dominant or even monopolistic positions in the market. This may lead to the concentration of ecotourism benefits among a small segment of the population, while the majority of ordinary residents receive limited gains, thereby constraining the poverty reduction effects (Scheyvens, 1999). Therefore, according to Ostrom's (1990) theory of public resource governance, a mature ecotourism industry should establish clear property rights arrangements, community regulations, and joint monitoring mechanisms. This helps internalize ecological externalities and achieve long-term benefits and sustainable development. Thus, overall, the impact of ecotourism on economic development and poverty reduction depends not only on the growth of tourism itself but also on the model of tourism, as well as the governance structure and management approaches of the community.

3. Analysis of Theoretical Mechanisms

3.1. Coase's Property Rights Theory

Ecological products are public goods characterized by externalities. Goods with externalities can lead to market failures in resource allocation. Therefore, Coase argued that clearly defined property rights are essential. Under the condition of zero or minimal transaction costs, as long as property rights are well-defined, the issue of market mechanism failure can be effectively mitigated. This enables the achievement of Pareto optimality in resource allocation and helps avoid the "tragedy of the commons."

3.2. Welfare Economics' "Compensation Principle"

The "compensation principle" refers to addressing the relatively underdeveloped economic conditions in ecotourism areas through economic measures (such as fiscal transfers, special grants, tax reductions, or exemptions) or political means (such as providing relevant policy support). The goal is to rationally allocate resources, promote economic development, and ensure social equity. In essence, it approaches

the issue from a fairness perspective, employing institutionalized methods to compensate regions and people who have sacrificed agricultural or industrial development opportunities to preserve the landscapes of ecotourism areas, thereby achieving sustainable development.

Additionally, theories such as Marx's Labor Theory of Value and product exchange theory are also relevant.

4. Background

The town was established in the early 19th century (around 1810–1820), originally serving as a timber harvesting and river transport port during the British colonial period. After the 20th century, it gradually developed into a mature hub for exporting mahogany and cedar. In 1961, the port's functions declined due to the impact of Hurricane Hattie, leading to population outflows and a gradual shift in industry toward fishing and agriculture. The community's economy fell into a prolonged period of decline. Entering the 21st century, with the rise of ecotourism, the town gained new development opportunities and has since become a well-known distinctive tourism destination. It now focuses on ecotourism activities centered around monkey watching, river tours, and birdwatching. Currently, tourism offerings such as "Monkey River Totally Wild Tours" have been developed, forming a comprehensive industrial model. Online services have also been introduced, allowing visitors to learn about and book related tours in advance through the internet, with trips lasting up to one week. Based on available information, 50% of tourists come from the United States, and 15% from Canada. The local tourism industry is characterized by "high-end ecotourism + North American clientele," primarily adopting a community-led tourism model. Guides, boat crew, catering staff, and other service providers are largely sourced from within the community itself.

5. Descriptive Analysis and Mechanism Analysis

This study employs a combination of descriptive analysis and mechanism analysis. The data used in the research process primarily come from the following sources: (1) data published on the official website of the Belize Statistical Institute, including annual reports and statistical summaries; (2) data published on the official website of the Belize Tourism Board to outline the overall development context of Monkey River Town; (3) the official website of the "Monkey River Totally Wild Tours" tourism project to describe the specific details of the project. Additionally, relevant databases from the World Bank and case studies published by non-governmental organizations were referenced to describe regional information such as population, income, employment, and education.

In terms of methodology, since towns generally do not independently calculate GDP, no official GDP data for the town over the past five years was available. Drawing on previous research methods and experience, this study uses a GDP estimation model

to estimate the town's economic situation. The calculation formula is as follows:

$$GDP_{year} = P_{year} * GDP_{pc} * \alpha \quad (1)$$

In Equation (1), GDP is the national GDP, year is the calculation year, P is for population, pc is per capita GDP, and α is the adjustment coefficient. For non-capital regions primarily reliant on agriculture and tourism, this coefficient typically ranges between 0.55 and 0.65. In this paper, a value of 0.6 is adopted. According to the model and collected data, the town's GDP growth rate over the five years is approximately 60%. Considering that tourism and related services account for about 45% of the economy, it is evident that the town has experienced rapid development in recent years, showing a trend of high growth, with a significant increase in the proportion of non-agricultural industries.

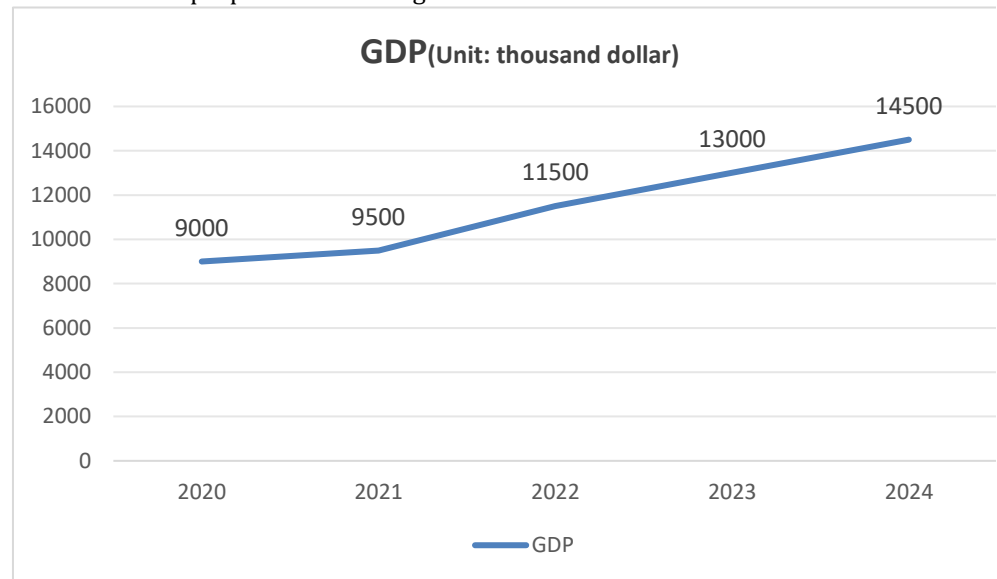


Figure 1. Estimated GDP Data for the Past Five Years

Through research and analysis, the impact pathways of ecotourism on community income are identified as follows: (1) Town residents directly participate in tourism projects, providing services such as guiding, transportation, catering, and accommodation to earn income; (2) ecological resources are transformed into tourism products, such as wildlife and mangrove landscapes, which become part of the tourism experience and generate revenue; (3) indirect income is generated through cultural and promotional products.

Through these pathways, ecotourism has indeed provided some residents with relatively substantial and stable sources of income, increasing income diversity and reducing reliance on fishing and agriculture. However, residents with capital, production materials and tools, or specialized skills (such as owning boats, driving expertise, or proficiency in multiple foreign languages) hold a greater advantage in the market, enabling them to earn higher incomes. As a result, while average income

has increased, income inequality has also widened. Furthermore, the ecotourism industry itself is subject to fluctuations due to seasonal variations (peak and off-peak seasons) and influences from international circumstances and policies, leading to a certain degree of volatility.

6. Discussion and Conclusions

By analyzing the case of Monkey River Town as a sample, this paper argues that ecotourism plays a significant positive role in providing regional income and enhancing income diversity. However, its poverty reduction effects require a dialectical analysis. Under the premise of fully leveraging community roles to mobilize residents' enthusiasm while reasonably regulating distribution mechanisms and methods, ecotourism can achieve sustainable development, promote economic growth, and foster social equity.

Additionally, attention should be given to improving the quality of the labor force by enhancing residents' education levels. Skill training and service awareness cultivation should be provided to residents participating in tourism projects to better meet the demands of industrial development. Infrastructure development should also be strengthened to enhance the overall experience for tourists. Finally, local governments should fully utilize regional advantages, using ecotourism as a leverage point to provide policy support and financial assistance, thereby driving comprehensive regional development.

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