

## Small Business, Big Impact: The Role of SMEs in Galápagos Conservation

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### Abstract

*The Galápagos Islands, a UNESCO World Heritage Site since 1978, face increasing ecological pressure from tourism development and the consequences of its growth. This study explores SMEs' perspectives on ecohumanism, sustainability, and environmental responsibility through thematic analysis of in-depth interviews with several owners and managers. Key findings include: a growing awareness of the environmental degradation caused by tourism; efforts by SMEs to implement sustainable practices in their businesses, such as reducing waste, using local products, and engaging tourists in conservation activities; recognition of the need for stronger government regulations and community involvement in sustainable tourism; and a tension between economic growth and environmental protection. SMEs can play a crucial role in fostering better environmental stewardship through providing residents with tourist-like experiences. Collaborative efforts among businesses, governments, and communities are essential for balancing economic benefits with long-term conservation.*

**Keywords:** *Sustainable Tourism, Conservation, Degradation, Carrying Capacity, Corporate Social Responsibility, Tourism Development.*

### Introduction

The Galápagos Islands are unique in their biodiversity and host to a wide variety of ecosystems, including cloud forests, arid zones, and white sandy beaches (Burbano et al., 2022). These habitats are home to over 2,000 endemic species that cannot be found anywhere else on the planet. In 1978, the Galápagos Islands were declared a UNESCO World Heritage Site to protect and preserve this natural heritage for future generations. Humans from continental Ecuador arrived on the islands over 400 years ago and since benefitted from the riches of the marine and terrestrial ecosystems. To date, few studies have focused on island residents' behaviors and daily activities. Some of the consequences of human habitation in this previously undisturbed and pristine environment include habitat destruction due to the construction of homes and businesses, damage to the health of local fauna and flora due to the introduction of alien and invasive species, and pets that predate on the local wildlife and compete for resources (Ardoin, 2014; Self et al., 2010).

The Galápagos archipelago is unique in the world and attracts over 300,000 tourists every year who want to experience its pristine ecosystems and explore unique wildlife. According to the 2023 Annual Report of Visitors to the Galápagos Protected Areas, there were 329,475 national and foreign tourists who entered the Galápagos National Park, which represents a 23% increase compared to 2022 (Galápagos National Park Directorate, 2024). To meet the needs of the mounting volume of visitors, an adequate infrastructure to provide basic services is required, as well as hospitality facilities that provide accommodation, food, and land and sea excursions with properly trained guides. The economic incentives created by the influx of visitors has led a substantial segment of the population to shift from primary sector jobs, such as fishing and agriculture, to the tertiary sector, particularly tourism. Many of these companies are SMEs and were created expressly to cater to tourists (e.g., restaurants, cafés, hotels, dive shops, boat cruises, land tour operators, etc.) (Burbano et al., 2022). But the conservation of the fragile ecosystems is at odds with the sprawling businesses and the growing resident population fueled by tourism income. If not managed

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sustainably, the economic boon brought about by international tourism, may be short-lived (Mejía & Brandt, 2015).

Symbolizing untouched nature and unique wildlife, the Galápagos Islands are unmatched in their global tourism appeal. These features constitute the foundation of its tourism industry, but they are suffering under the increasing pressures resulting from tourism. Many SMEs, often family businesses, that operate in the Galápagos Islands put eco-labels and ecotourism certifications front and center in their advertising, but the commitment to the proclaimed positive environmental impact of such claims is difficult to verify or measure for the casual island visitor. Ironically, SMEs, when compared to larger firms, are generally considered as lacking in their efforts to implement sustainable business practices (Battisti & Perry, 2011). However, SME's low engagement in environmental initiatives does not necessarily indicate a lack of interest in sustainable practices, but rather due to limited resources, low levels of eco-literacy, and difficulties to financially justify sustainable practices (Battisti & Perry, 2011).

Building on this research, this qualitative study seeks to deepen understanding as to how managers, owners and administrators of tourism SMEs negotiate and balance the tensions that result from the conflict between the economic benefits of increasing tourism and the resulting environmental damage. Local business actors on San Cristóbal island were invited to participate in semi-structured interviews to gain a more in-depth understanding of the following issues: a) their perception of the unique UNESCO conservation status of the islands, b) their own understanding of and commitment to environmental responsibility, c) the value and the importance of conservation in general, d) if and how they act on these identified challenges by implementing sustainable business practices, and, e) what their forecasts and expectations are for the future of the islands.

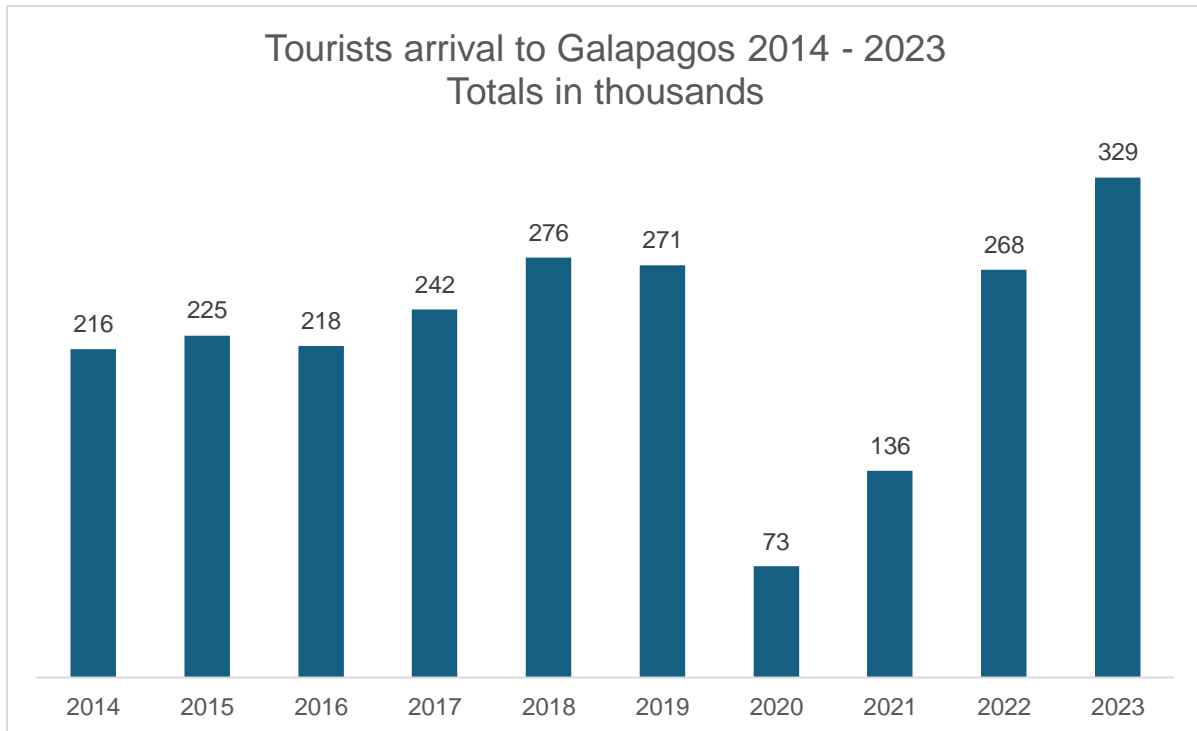
#### *Uniqueness in Need of Protection*

Human arrival in the Galápagos Archipelago in 1535 (Civallero, 2022) integrated humans into the ecosystem, influencing and affecting the endemic species that previously inhabited the islands without invasive ones. To protect the endemic flora and fauna, numerous environmental protection laws have been in place in the Galápagos. For example, today, 97.5% of the land territory and 100% of the marine area are protected as part of the Galápagos National Park and the Marine Reserve. Only the remaining 3% of the territory is home to human habitation for a population of approximately 33,000 individuals across all the islands. Due to the strict protection of the Galápagos National Park, visitors can only enter the park with temporary permits and only participate in excursions when accompanied by specially trained park guides (Burbano et al., 2022). Furthermore, as part of government policy to promote sustainable development, for over fifteen years, San Cristóbal Island has implemented a strict waste management program regulated by the Decentralized Autonomous Government (GAD) of San Cristóbal and its Environmental Management Directorate (DGA, 2024). A special responsibility is attributed to the residents of the Galápagos Islands, who are the stewards of this vulnerable ecosystem (Brewington, 2012).

#### *International Tourism Appeal*

The Galápagos Islands, also known as the Enchanted Islands, hold a unique value that the entire world recognizes and a large part of this value, lies in the endemic species of flora and fauna that inhabit its territory. It is precisely these unique characteristics of the islands that have led to their incorporation into the global economy and the international tourism market (Walsh & Mena, 2012). The endemic species and volcanic formations of the archipelago are the reason why hundreds of thousands of visitors are attracted year after year to this vulnerable ecosystem. The growth in the number of tourists arriving annually in the Galápagos Islands is rapid, and has become even more evident since COVID-19, according to official figures from the Galápagos National Park Directorate and its Annual Report of Visitors to the Galápagos Protected Areas (2024). The organization's data consistently shows an increasing trend in tourist arrivals at San Cristóbal and Baltra airports from 2014 to 2023, with only specific deviations in 2016, 2019, and 2020.

Figure 1: Tourist Arrivals to Galápagos Islands



\*Source: Informe Anual de Visitantes a las áreas protegidas de Galápagos (2024)

### *The Galápagos Paradox*

The very features that make the islands such a symbol of untouched nature and an alluring place to visit, thus creating employment opportunities in the tourism sector and attracting more people and urban development put pressure on its most vulnerable sites, essentially eroding the foundation that makes it so attractive for tourism in the first place; contradicting the core idea of long-term sustainability (Walsh & Mena, 2012, 50). According to the World Commission on Environment and Development (1987), sustainability is defined as the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs, while preserving the ecological integrity of the archipelago. However, job opportunities in the Galápagos Islands related to the tourism service industry have motivated large-scale migrations of entrepreneurs who want to invest in hotels, restaurants, and tour operations (World Wildlife 2003). These population movements to the Galápagos have highlighted problems that demonstrate the islands are no longer sustainable with increased population or visitors, given the limited infrastructure for education, scarcity of basic services, high rates of violence against women, and relatively high prices for basic goods and services (Villacís & Carrillo, 2012, 75). To curb unchecked immigration from continental Ecuador, the Organic Law of the Special Regime of the Galápagos Province, Article 45 states that only "permanent residents and/or their spouse or cohabitant may work as employees, workers, public servants, or engage in productive or service activities in the Galápagos Province" (Ministry of Tourism, 2015), the vast majority of businesses constitute the entire livelihood and only source of income for many local families.

The current dilemma arises because, due to economic growth and the proliferation of new businesses, the islands' environmental situation has become challenging (Benitez-Capistros et al., 2014; Gardener & Grenier, 2011; Watkins & Cruz, 2007). While environmental protection laws are put in place specifically for businesses operating on the islands, the perception of residents and businesses regarding their effectiveness has not been studied. To date, few scientific studies have been conducted on business-related topics in the Galápagos Islands, compared to the amount of research on environmental and conservation topics. This lack of information has contributed to a poor understanding of the existing links between

people, businesses, and ecosystems (Villacís & Carrillo, 2012, 69). A better understanding of this disconnect can inform and support policy decisions to implement sustainable business practices.

### *Sustainable Practices of Galápagos SMEs*

To gain a better understanding of SMEs role in Galápagos conservation, data about the perceptions, motivations, perspectives, and practices of their owners and managers were collected. This inquiry entails examining their perceived environmental responsibility and identifying the specific measures they undertake to contribute to the archipelago's preservation, whether through individual initiatives or collaborative efforts. Typically, the environmental efforts of SMEs have been neglected in environmental accounting because individually their environmental footprint is not considered significant enough, they do not have sufficient resources, or their managers and administrators have little information on the subject (Battisti, & Perry, 2011). Most businesses in the Galápagos are managed by their owners. It ranges from a one-man fishing tour boat operation, for instance, to a comparatively larger family business where some members do sales in the office, while other family members do the tour operations. Usually, when the owner and the manager are the same individual, the business practices that are implemented, are usually a direct reflection of their personal values, beliefs and motivations (Battisti, & Perry, 2011).

To better understand this disconnect between the inherited environmental responsibility for Galápagos businesses and the alleged failure of SMEs in implementing sustainable practices, qualitative research was conducted through in-depth interviews with managers and stakeholders in the island's tourism industry.

## Methodology

Given the research goal of exploring conservation strategies and the underlying factors influencing SME behavior in the tourism industry in San Cristóbal, Galápagos, a qualitative methodology is ideal. Numerous articles and books recommend and suggest that a sample size of between 5 and 50 individuals is adequate for a qualitative study based on in-depth interviews (Dworkin, 2012).

Data were collected through in-depth interviews with managers, owners, and administrators of restaurants, hotels, specialty stores, gyms, goods producers, coffee plantation owners, and tour operators located in San Cristóbal Island, the capital city of Puerto Baquerizo Moreno. The sample was randomly drawn from a business database maintained by the Galápagos Science Center of the Universidad San Francisco de Quito. Through telephone calls, contact was established with business representatives, and meeting days and times were set during the month of June 2024. A total of 16 business representatives participated in interviews that amounted to over 10 hours of recorded audio. The sample ranged from start-ups that have been operating for less than a year to established family businesses established 75 years ago. Participation in the research was voluntary, and participants were informed that the interviews would be recorded, their names anonymized, and the information used exclusively for academic purposes.

**Table 1: Table of Research Participants**

	<b>Position</b>	<b>Business Type</b>	<b>Time in business</b>	<b># of employees</b>
Ana	Owner-Manager	Artisanal Drinks Store	7 months	2
Anabel	Manager	Restaurant	1 year	7
Ernesto	Manager	Hotel	16 years	5
Galo	Owner-Manager	Restaurant	7 years	4
Ivone	Manager	Restaurant	7 months	15
Jenny	Owner-Manager	Restaurant	40 years	4
José	Manager	Coffee Plantation/Visitor Tours	5 years	5
Martín	Owner-Manager	Cafeteria	5 years	5
María	Owner-Manager	Tours Operator	5 years	3
Micaela	Owner-Manager	Restaurant/Hotel	7 years	3

Patricia	Owner-Manager	Fruit Pulp Producer	6 years	5
Santiago	Owner-Manager	Restaurant/Souvenir Store	8 years	5
Sara	Manager	Restaurant	75 years	6
Tania	Manager	Hotel	15 years	12
Victoria	Owner-Manager	Gym	6 years	1

### *Data Collection*

During the interviews, participants consistently provided additional insights and perceptions beyond the specific interview questions, indicating an intuitive understanding of the challenges in the Galápagos Islands that are resulting from population influx. For example, a restaurant owner-manager expressed his environmental concerns this way

“I always say, 'They're still dumping garbage in the sea.' We're already overpopulated, and our sewage system is more than 10 years past its prime and collapsing. We don't know how we managed it, but it's completely overflowed since it was designed for 6,000 people, and now we have more than 10,000 on the island -- plus tourists! There's no more energy, you know. If you look around, everyone's installing new energy generators.” (Galo. Interview, June 2024)

The interview guide was developed by all the authors after a comprehensive literature review, focusing on the unparalleled ecological value of Galápagos and the essential role of residents in its conservation and, although less directly, its degradation (Calado et al., 2016; Mathis & Rose, 2016; Queiroz et al., 2014; Walsh & Mena, 2012). Additionally, information about the escalating impact of tourism over the past decade, exploring the paradox between ecosystem preservation and economic development, general knowledge about ecosystem value, and Galápagos' global visibility was analyzed and included. Participants were introduced to the research process through initial questions designed to explore their perceptions of conservation's importance and implication. The study progressively explores participants' attitudes towards personal responsibility for waste management, their role in ecosystem conservation, and their vision for Galápagos' future. This approach aimed to construct an overarching collective narrative, to portray participants' genuine perspectives on the islands' conservation challenges, and to identify decisive initial steps for businesses managers and owners to mitigate environmental degradation. While interviews were expected to last approximately 30 minutes, many could be extended to 45–60 minutes to allow for more comprehensive exploration of participants' thoughts, perspectives, criticisms, and ideas for potential solutions. All sixteen interviews were conducted in participants' natural work environments to foster a comfortable setting that is conducive to relevant and authentic responses. All interviews were conducted in Spanish, the native language of both the researcher and the interviewees, except for two participants who were bilingual (English-Spanish and Portuguese-Spanish). Audio was recorded using Google Voice Recorder and subsequently transcribed by the same program, totaling approximately 74,000 words. Participant names were anonymized through pseudonymization, and direct quotations were minimally edited to ensure both clarity and contextual accuracy. All recordings and transcripts will be available upon reasonable request.

### *Thematic Analysis*

To systematically analyze interview transcripts, the thematic analysis method was used (Braun & Clarke, 2006). Using this method, the authors identify and report emerging patterns within data. The analysis groups thematically similar areas of concern and highlights their interconnections. Drawing on work by Goicolea et al. (2014) with Ecuadorian participants, a three-phase organizational framework was used to categorize comments into diagnostic, prognostic, and motivational frames.

*Diagnostic: Acknowledging the Degradation of the Galápagos Islands*

Business owners and managers expressing concern for the Galápagos Islands' environmental condition constitute the initial stage of framing. Problem identification and attribution are core components of diagnostic framing, as outlined by Snow and Benford (1988).

One participant shared her insights about how, despite local and international organizations intervening in resident education, to educate about and promote good waste management practices. Apparently, the initial overall commitment to reducing plastic waste, for instance, has gradually declined, causing waste management to become a serious and almost uncontrollable problem today. She stated:

"About 15 years ago, in conjunction with the Spanish foundation Araucaria, we started working on waste classification, organic waste, recyclable waste, and other types of waste. It all started out quite well but has gradually declined. The good practice, the good habit, has been lost, and now it's just daily garbage collection by the municipality. I hope the situation improves, as it's not good that waste isn't being classified [and sorted] correctly. Containers used to be washed, but people don't do it anymore. Glass is recycled in a single place, with a small box and a warning label to prevent accidents, but now it's completely different." – (Jenny. Interview, June 2024)

Despite most businesses and residents adhering to waste management laws and other government regulations, many managers and owners of businesses on San Cristóbal Island are aware of key concerns including sprawling urban population, inadequate infrastructure, uncontrolled visitor numbers, and a lack of commitment to conservation. Although UNESCO declared the Galápagos a World Natural Heritage Site in 1978 (Carrión et al., 2020), participants worried that eventually, due to a lack of commitment to conservation and better urban planning, the islands may no longer qualify for this status. This concern is substantiated by evidence provided on the UNESCO website, which indicates "If a site loses the characteristics which determined its inscription on the World Heritage List, the World Heritage Committee may decide to delete the property from both the List of World Heritage in Danger and the World Heritage List" (UNESCO, 2022). Aware of this caveat, Tania said:

"I believe the Galápagos destination deserves a conscious attitude towards the environment. I'm a bit disappointed by all these issues because I think there's a lot of talk but no action. I don't know, it seems to me there are too many tourists, the sewage system can't handle it anymore, the bay is full of garbage, the beaches are covered in fecal matter, and so on. I don't know how everyone says they're supporting conservation, but I don't see it in action. I see it in nice words in brochures, in videos on Instagram and things like that, but I don't see it in practice, honestly." – (Tania. Interview, June 2024)

Tania's descriptive intervention highlights a significant and emotional response to the noticeable ecological degradation of the Galápagos Islands, which she attributes primarily to factors such as overpopulation and insufficient sanitation systems. Across interviewees, their statements unambiguously indicated that the presence of humans and a disregard for the consequences of their actions were to blame for this degradation. For instance, in the following statement, Santiago attributes the irresponsible actions of residents, which have contributed to the environmental degradation of the Galápagos Islands, to a deficiency in education and cultural understanding:

"The problem is society, yes, it has a lot to do with it. The problem is that we are now part of this ecosystem, and the expansion of the human factor in farms, in urban development... a poor urban development, because it could have been managed differently. Also, poor education and culture, and various social (political) issues have led us to engage in non-environmental practices." – (Santiago. Interview, June 2024)

Once again, the perception of continuous environmental degradation is presented as alarming, and the irresponsibility of residents resurfaces as a theme. The lack of control over urban development is consistently observed, especially since there ought to be a shared commitment to conservation.

"Being a natural heritage of humanity, it doesn't represent its flora and fauna. They are being damaged more and more. People build in absurd ways, it's deplorable construction." – (Micaela. Interview, June 2024)

"With all these problems, if UNESCO knew, I think they would take away our category. I think they would do a thorough analysis, it wouldn't need to be deep, because all the problems are evident, because many people think that there are only animals and no people [that live on the islands]. They are surprised that it is said... there are people, of course, because they focused on publicizing its biodiversity, but they haven't taught us how to coexist, to live with them, to respect each other mutually." – (Jenny. Interview, June 2024)

This participant's observation reflects her concern about the lack of harmonious coexistence between humans and other species. Having witnessed environmental degradation firsthand, she is aware that UNESCO intervention could result in the islands losing their status, as they have degraded significantly.

"The population index has increased too much, and I tell you, because I follow the issue of wastewater here in Galápagos very closely. I've spoken with the mayor, well, not me personally, but the group. We are in a restaurant association and also a community that is very interested in what is happening right now. We are not at the level where we should have been... So UNESCO has full responsibility to categorize us as such, because we have not complied with the sustainable organization plan that was once supported. But it's the fault of the people in politics now, because this is a political issue." – (Santiago. Interview, June 2024)

Aware of the reality, research participants acknowledge a serious environmental conservation problem caused by a lack of urban planning, uncontrolled influx of people, both legal and illegal residents, as well as tourists, and all the resulting environmental consequences.

However, as business representatives who have observed and are aware of the archipelago's degradation, many research participants have taken proactive conservation measures by developing and implementing initiatives to contribute to the conservation of the Galápagos. This leads to the second category of framing: motivation.

#### *Motivational: Actions Committed to Conservation*

This stage of analysis focuses on participants' involvement in the conservation movement and their contributions to making a difference (Snow & Benford, 1988). Once the critical state of conservation in the Galápagos Islands was objectively identified and shared by all contributors, opinions on the measures to be taken to improve the situation varied, with some closer to complying with existing laws and others more focused on the businesses' own responsibility.

It was a common theme among interviewees to express their contribution to conservation by complying with the laws of the Islands' Decentralized Autonomous Governments (GAD). Galápagos' residents and businesses are legally bound to comply with waste classification regulations, ensuring proper disposal on designated collection days.

"We have classification. As you know, the municipality here in Galápagos, we handle what is garbage sorting, black bin, blue bin, and green bin, we as a restaurant, manage it the same way, so we classify before taking out our garbage." – (Ana. Interview, June 2024)

Other research participants believe that in addition to the measures that must be complied with by law to avoid fines, further-reaching action is paramount.

These necessary individual efforts encompass significant decisions about sustainability practices. For instance, the choice to use local products for daily operations is a recurring theme. Given the local cultivation of fruits like oranges, passion fruit, and guava, these companies have opted to offer fruit-based dishes on their menus or to substitute imports with local options, thereby avoiding associated environmental cost that would otherwise be incurred by transport from the continent.

"We handle daily seasonal products, so everything is fresh. I stock up daily, yes, it costs me more, it's true, it costs more, but it's better because you don't have waste, you don't have things that you contaminate, you don't have any of that, you don't have pests." – (Micaela. Interview, June 2024)

"We use a lot of fresh fish, locally sourced chicken, and local fruit pulps. So, I'd say that about 80% of the products we use are local." – (Santiago. Interview, June 2024)

Other measures highlighted the systematic conservation of freshwater, a scarce resource on the islands. The implementation of water-saving systems and the decision to minimize the quantity of ingredients and food offerings to reduce detergent use and water contamination were mentioned.

"The shower systems and faucets have a water-saving system, so you turn it on and at one point the water is reduced, and then it turns on again to save water." – (Ernesto. Interview, June 2024)

"We reduce our menu, and that means that we suddenly use fewer ingredients that could produce more complicated waste for nature. We need certain basic soaps that don't require strong chemicals unlike restaurants that use fried fats, so they have burnt oils, they will have to do deeper cleaning and require stronger cleaning products, and this is discarded and goes to the sea." – (Martín. Interview, June 2024)

Complementary to the preventive measures specified before, certain owner-managers have adopted practices that directly involve tourists in conservation efforts. This reflects the recognition that all tourism stakeholders, including visitors, should actively contribute to the sustainable management of the Galápagos.

"We do an activity 3 minutes after the Rosa Blanca activity ends (swimming and snorkeling), we encourage 3 minutes of collecting plastic in that area. What is done on the day that I work on this? The plastic is brought, weighed, classified, and discarded. That is the program called 'Leaving a Footprint Without Leaving a Trace.'" – (María. Interview, June 2024)

Regardless of the size or type of the business, their owner-managers clearly agree that additional actions must be taken due to the apparent environmental degradation of the Galápagos Islands. They understand that if drastic measures are not taken, the source of attraction of the place, the flora and fauna species, both marine and terrestrial, are at risk of disappearing and, as a consequence, the tourism industry will be significantly affected, ultimately resulting in economic hardship or falling back to extractive economies like fishing to make up for lost tourism income. During several conversations, it seemed that the measures imposed by local governments and their compliance controls were deemed insufficient. Occasionally, tone of voice and body language communicated a sense of powerlessness that pervades participants' life experiences. While they consider compliance with the law to be the bare minimum, they demand greater control, not only over the issuance of business permits but also for tourist entry requirements. They even express opinions on the price of admission to the Parque Nacional Galápagos to regulate demand. In the last section of the thematic analysis, the exploration of subjects will include expectations for more concrete and decisive actions to curb visitor numbers, even if these may lead to decreased business revenue.

#### *Prognostic: Demanding Autonomy, Sacrificing Revenue and Providing Inspiring Education*

The prognostic framing encompasses collaborative strategies that engage all tourism stakeholders in concrete actions to mitigate the environmental impact on the Galápagos Islands by reducing everyone's ecological footprint. The business owners and managers that were interviewed, have been residents of the Galápagos Islands for up to 40 years and have managed their businesses for decades, amounting to a breadth and depth of experience. They do expect a lot from the Galápagos GAD in terms of law enforcement and environmental responsibility. It is a collective perception that waste management laws have fallen short, if not failed entirely, and are no longer sufficient to safeguard the fragile ecosystem of the Galápagos Islands. That said, at the government responsibility level, some notable statements emerged:

"To be responsible, if I were the municipality, I would say, ok, you Indigo [upscale IHG hotel], are you growing? How much is your own energy, you have to figure out how you are going to dispose of your



garbage, don't use us [dump into the overtaxed municipal sewer system], how are you going to dispose your garbage?" – (Galo. Interview, June 2024)

In this instance, it can be inferred that multinational corporations, such as the IHG Indigo, are welcome in the sense that they increase tourism attractiveness, but they should be more strictly regulated. Discontent is expressed; local authorities should mandate greater environmental guidelines from these larger entities, acknowledging their disproportionate consumption of natural resources and production of waste. Considering the ever-increasing tourism numbers, there is a high probability of external investors pushing for the development of large-scale resort facilities, the approval of which, according to many, would ring the death-knell for some pristine areas and communities.

Furthermore, a participant suggested that multinational corporations should be the ones to propose concrete environmental conservation projects to the authorities. This viewpoint may stem from personal or anecdotal experiences where SME proposals were previously overlooked or ignored:

"Perhaps talk with real authorities where projects are carried out that have a real impact, that it is not a makeup, which is a lot of the "culture of appearance" [i.e., greenwashing] that I am feeling here and I think that the hotels, in their minimal expression, rather, the large people (hotels) have to go to authorities that have concrete projects. Of basic services infrastructure of that type of deficiencies." – (Tania. Interview, June 2024)

It should be mentioned in this context that the local governments of the Galápagos Islands do not have total autonomy over policy decisions. According to the National Plan for Good Living 2013-2017, the Galápagos province belongs to the Planning Zone No. 5 along with other Ecuadorian regions located on the continent, such as Guayas near the port town of Guayaquil with entirely different geography and economy (Galápagos Special Regime Government Council CGREG, 2017; also see Castrejón, M., et al., 2024). Although CGREG affirms that this zoning and inclusion of Galápagos is key to strengthening territorial planning and management, the lack of autonomy granted to Galápagos residents to determine independent measures or regulations severely restricts the ability of local authorities to effect changes. Some of the business owners and residents point out:

"Galápagos, as a special province, should be treated as such and be totally independent, make decisions locally and not be waiting for them to be made in mainland because they do not know what our reality is or what we are going through, what is happening. .... That is an endless bureaucracy." – (Jenny. Interview, June 2024)

"Decentralization is what is lacking on the part of public policy. I think that just by changing decentralization it will not solve anything yet, but it will give us a chance to be able to solve directly, we are close to the issue." – (Santiago. Interview, June 2024)

Due to the constraints on their operational sphere, SME owners and managers in the Galápagos are unable to depend exclusively on the local government for support and environmental actions.

"Almost bordering on selfishness, it seems to me that not so many people should come to the island because there is also no infrastructure, how can they bring more people, if there are not enough sewers for so many people already local, plus the tourists, so I think they should decrease or maintain the number that already arrived." – (Tania. Interview, June 2024)

This proposition is significant, as it implies regulating tourist influx to the islands. With eight years of hotel management experience as a non-resident, Tania is acutely aware of the privilege of working in the Galápagos and is committed to its preservation. Nevertheless, she may be overlooking the potential negative consequences for her own livelihood, as a decrease in tourism could result in reduced hotel operations, job loss, and eventual departure from the territory. However, her indignation at the state of the Galápagos and her determination to act suggests that she might be prepared to make this personal sacrifice.

Coincidentally, on Friday, June 21st, around 5:00 PM, an interview with Jenny was interrupted by a protest involving fishermen, transport workers, merchants, and other unions marching towards the municipal building. Jenny explained that the protest was a response to the recent increase in the Galápagos National Park entrance fee. The fee, which was approved by the Galápagos Special Regime Government Council on February 24, 2024, doubled for foreign tourists to \$200 and increased it from \$20 to \$30 for domestic visitors. This change has introduced a new dynamic into the tourism landscape, potentially impacting visitor numbers to the Galápagos Islands. The fee change has divided the resident population. While some groups protest and claim that this increase will demolish the tourism economy, other residents express differing opinions:

"I am not in the march because I don't agree with some things. For example, I agree that yes, they should raise it to \$200 for the entrance fee for foreign tourists because there is a lot of crowding in places that are so delicate, people are scaring the animals, so I think that yes, we have to reduce it. It is a place, as I mentioned a moment ago, very, very fragile and we have to be aware of that." – (Jenny. Interview, June 2024)

"I'm happy that they charge them \$200, \$300, \$400, \$500 for the entrance because that's what I pay to spend hours at the Louvre, I pay 80 euros. I really value Galápagos, and I think the local people who are fighting because the entrance fee went up \$200 do not value the unique treasure they have." – (Tania. Interview, June 2024)

Tania's statement centers on a comparison of the value offered by different tourist destinations. She points out the disparity between the entrance fee for a museum, which grants visitors nine hours of access, and the Galápagos' single-entry fee, allowing for stays of up to two months for tourists. The statements of both Jenny and Tania converge on the premise that the intrinsic value of the Galápagos Islands is undervalued. This observation underscores the significance of education, a factor that has been neglected in the past. By prioritizing education, it is possible to foster a paradigm shift among island residents, empowering them to become keepers of their environment and advocates for its conservation.

"If environmental education were prioritized from a young age in our school system, our schools would look very different. We would cultivate a deeper respect and appreciation for the place we call home" (Jenny. Interview, June 2024)

"A deep environmental consciousness has yet to be developed. Education, particularly in schools, must go beyond simple slogans like "care for animals." We must foster a comprehensive understanding of conservation, which includes caring for oneself and our environment" (Micaela. Interview, June 2024)

While formal education is a good starting point for encouraging more educated and conscious generations, elementary school and high school academic programs are still developed and controlled by central governments, which can lead to delays in implementing changes. Some companies are already pioneering interesting approaches:

"We've been working not only on conservation areas but also on the social aspect. For example, there are people living here who don't know their surroundings. So, when we have free spaces on our tours, we invite local people to join us and discover the places we visit. We offer 360-degree tours for locals so they can get to know the area, appreciate it, and learn to protect it" (María. Interview, June 2024)

"I took my team to Española, Lobos Island, Punta Pitt, and León Dormido. There were people over 30 who [grew up here, but] had never been to these places. That's why we need to start with the local people who work here, so they can learn to appreciate these places and understand why so many tourists come. Once they've seen it for themselves, they'll be more likely to protect it." (Tania. Interview, June 2024)

These two last novel approaches expressed by María and Tania to refocus the role of residents as stakeholders and stewards demonstrate the significant role agile SMEs can play in enhancing education through experiential learning. By enabling local people to experience the Galápagos firsthand, as if they

were tourists, these companies are helping individuals develop a profound appreciation for the islands' unique ecosystems and foster a deeper connection with it. It is astonishing to discover that even those who were born and raised on the islands may be unfamiliar with some of the most iconic sites. These experiences can foster a strong emotional connection to the environment, inspiring a sense of stewardship, a sense of place, and a commitment to conservation.

### *Limitations and Future Research*

While some SME have branches on different Galápagos Islands such as San Cristóbal, Isabela, and Santa Cruz, interviews were conducted exclusively on San Cristóbal Island. This may limit the generalizability of the findings to this specific island. Further in-depth interviews could be conducted on Santa Cruz, the most populated island in the archipelago, as well as on Isabela. Additionally, the effect of the recent increase of the Galápagos National Park entrance fee will not be known for at least another year. While sustainability and financial viability are often considered separate management areas in companies, recent research indicates (Dwianto et al., 2024) that considering the environment in financial analysis, is improving financial outcomes and firm value.

## Conclusion

The results obtained revealed that SMEs established in San Cristóbal, Galápagos, recognize their responsibility in the process of degrading the islands. The thematic analysis applied, showed patterns of criteria among research contributors (Braun & Clarke, 2006). As told by the participants, the increasing influx of visitors, the lack of control over new business constructions, and the scarce sanitary infrastructure have been identified as the most pressing issues. Furthermore, participants in this study revealed that, in addition to complying with the laws established by the autonomous governments of the islands, they have chosen to implement their own measures to pay their due to environmental conservation. This confirms Battisti's findings in 2011, since SMEs owners are consistent with their understanding of environmental responsibility (Battisti & Perry, 2011). In the short term, more decisive actions must be taken, on the one hand restricting the number of people entering the Galápagos National Park, which would imply an economic sacrifice on the part of SMEs, and, on the other hand promoting education among residents and providing them with affordable tourist-like experiences, since many of them do not know the islands and fostering a sense of belonging heightens personal commitment to the protection of a cherished home. Such measures are likely to strengthen calls for self-direction, autonomy, and political action. The Galápagos Islands exist as an entirely pristine, unique, and mostly uninhabited remote archipelago in the global imagination. The recently increased price of admission to the national park may further bolster this perception of precious scarcity and fragility, possibly resulting in even higher visitor numbers.

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## Credit Author Statement

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