

Center for Community-Based Resource Management (CBRM)

Natural Resources Institute, University of Manitoba

CBRM Database

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Case Study Name:	Assessing a voluntary environmental initiative in the developing world: The Costa Rican Certification for Sustainable Tourism		
Author:	Jorge Rivera		
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Region:	Central America		
Country:	Costa Rica		
Ecosystem Type:	Arid and/ or semi-arid, tropical shrub		
Social Characteristics:	Indigenous community, urban communities		
Scale of Study:	National, community		
Resource Type:	Wildlife, forestry		
Type of Initiative:	Research-driven project		
Community-Based Work:	Development planning, conservation, resource management		
Keywords:	Costa Rica, sustainability, conservation		

Summary:

The public policy literature has paid little attention to evaluating the ability of voluntary environmental programs to generate economic benefits for firms. Yet, given their voluntary nature, provision of economic benefits to firms is a necessary condition for these programs to become effective environmental policy instruments. Additionally, little is known about why firms operating in developing countries would participate in these initiatives. This paper provides some of the first cross-sectional empirical evidence about voluntary environmental programs established in developing countries. Specifically, the paper focuses on studying hotel participation in the Costa Rican Certification for Sustainable Tourism (CST program). The CST program is probably the first performance-based voluntary environmental program created by a developing country government. Results indicate that hotels with certified superior environmental performance show a positive relationship with differentiation advantages that yield price premiums. Participation in the CST program alone is not significantly related to higher prices and higher sales. The evidence also indicates that participation in the CST program was significantly related to government monitoring, trade association membership and hotels' focus on 'green' consumers.