



**Tourism in the Caribbean**

*An engine of growth*

OR

*An engine of short term cash enhancement and long-term disaster*



**Economic Overview**

The Caribbean is the most tourism-intensive region in the world

Travel and tourism accounts for 14.8% of total GDP and is expected to increase its share to 16.5% by 2014

Tourism in the Caribbean generates 15.5% of total employment, forecast to rise to 17.1% by 2014



**Purchases by the Hotel Sub-sector From the Local Economy**

- **The Caribbean Accommodation Sector as a Consumer of Locally-Produced Goods and Services and Contributor to Government Revenues:**
  - 93% of their utilities
  - 84% of services
  - 74% of vegetables
  - 67% of dairy products
  - 63% of meats

**Purchases by the Hotel Sub-sector From the Local Economy**

- Just under one-half (47%) of requirements for light manufacturing
- 20% fish
- 16% fresh fruit
- 10% eggs



**Economic Benefits**

**Income**

- Wages and salaries
- Interest
- Rents
- Profits
- Tourism Income Multiplier



## Economic Benefits Employment

Bahamas



The Grenadines



## Economic Benefits

Balance of  
Payments

Investment and  
Development



## Conservation of Cultural Heritage

Bahamas



Tobago



## Cross cultural exchange in Tobago



## Negative Social Impacts

- Loss of potential economic benefits
- Economic and employment distortions
- Overcrowding and loss of amenities for residents
- Cultural issues
- Social problems

## Loss of Potential Economic Benefits

- Extensive ownership and management of tourist facilities by foreign concerns of by a small local elite
- Extensive importation of goods and services

## Economic and Employment Distortions

- Geographic concentration of tourism in a few areas of a country without corresponding development in other areas:
  - e.g. 90% of the investments in mainland St. Vincent, including almost all tourism-related infrastructure, are sited along the south west coast.



## Economic and Employment Distortions

- Significant difference in tourism salaries versus salaries in other sectors
- Attraction of workers away from other sectors because of salaries or working conditions
- Inflation of land prices
- Importation of migrant workers – potential for cultural conflicts

## Over-crowding and loss of amenities for residents

- Overcrowding at shopping and community facilities
- Congestion of transportation systems
- Fenced areas – e.g. beaches

## Cultural Impacts

- Over-commercialisation and loss of authenticity of traditional arts and crafts customs and ceremonies
- Cultural mis-understandings and conflicts

## Social problems

- Exacerbation of social problems:
  - Drugs
  - Alcoholism
  - Crime
  - Prostitution
  - Sexually transmitted diseases, e.g. HIV/AIDS

## Doxey's Irritation Index (1975):

- Euphoria (delight in the contact)
  - Apathy (increasing indifference with larger numbers)
  - Irritation (concern and annoyance over price rises, crime, rudeness, cultural rules being broken)
  - Antagonism (covert and overt aggression to visitors)

## Impact Control Measures

- Provide a legislative framework and financial incentives to foster local ownership, management and operation of tourism facilities:
  - Tourism Development Act, Barbados
- Training opportunities to allow residents to work at all levels of the sector:
  - E.g. programmes in Bahamas, Barbados

## Impact Control Measures

- Apply visitor use organisation and control measures to prevent overcrowding
- Educate residents about the concept, benefits and problems of tourism
- Design tourism facilities to reflect or compliment local architectural styles

## Impact Control Measures

- Apply strict controls on drugs, crime and prostitution
- Conserve sites of archaeological and cultural importance
- Maintain authenticity of local dance, music arts crafts through training programmes

## Michael Manley.....

- *"The vacation industry is clearly here to stay. But the question which we dare not ignore is whether we, the Caribbean people, are going to have **the wit and the will to make it the servant of our needs**. If we do not, it will become our master, dispensing pleasure on a curve of diminishing returns while it exacerbates social divisions and widens that legacy of colonialism: the gap between the small, comfortable minorities and large majorities barely surviving at the social margin."*

## Manley's Advice

- Do not base the industry solely on the all-inclusive resort, walled off from the surrounding countryside and importing its food and furniture, its designs and designers, its fabrics and fashions from the US mainland
- Proper planning and popular participation

## Manley's Advice

- The tourism sector should be a market for a great variety of products and activities, involving whole industries, professional groups and individuals
- It can be the primary target for our architects and builders, for our artists and crafts people, as well as our farmers

## Manley's Advice

- Tourism can provide a vital stimulus to regional production, the reason for enhanced regional trade with the transport to carry it, and a vital catalyst for a process of regional integration which can spread beyond the immediate scope of the hotels and their guests.

## Manley's Advice

- Hotel workers can be encouraged to become part of the shareholding structure while the industry itself sponsors local theatre groups and provides sports facilities for the youth.
- If all such goals are pursued, tourism could become an engine of self-sustaining growth for the whole region and a means towards the greater empowerment of all its people.

