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CARIBBEAN TOURISM: IGNITING THE ENGINES OF SUSTAINABLE GROWTH

Anthony T. Bryan

Most tourists to the Caribbean are pleasure seekers who are victims of illusions. They experience the idleness of beach vacation days, enjoy gastronomic delights, and live out hedonistic excesses. Marketing experts and tourism industry stakeholders help to package and promote fabricated “folk culture” and “authentic” adventures. However, the illusions conflict with reality. Residents of tourism destinations, ordinary people pursuing everyday business and labor activities, discover that the tourist industry changes work patterns as well as interpersonal relationships and expectations and that the social costs are often high. Many feel excluded from a fair share of tourism’s financial rewards and experience only the exploitation of natural resources, environmental problems, and social downsides, such as prostitution, hustling, and high prices. In some cases, the result is public skepticism and indignation about tourism. The viability of the industry over the next 20 years must be looked at not only with respect to the goal of revenue retention, but also in the context of social costs, environmental risks, and the goal of sustainable growth. Otherwise, as one Caribbean analyst puts it, “to hell with paradise.”

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The mission of The Dante B. Fascell North-South Center is to promote better relations and serve as a catalyst for change among the United States, Canada, and the nations of Latin America and the Caribbean by advancing knowledge and understanding of the major political, social, economic, and cultural issues affecting the nations and peoples of the Western Hemisphere.

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CARIBBEAN TOURISM: IGNITING THE ENGINES OF SUSTAINABLE GROWTH

Anthony T. Bryan

Foreword

Even before the terrorist attacks on New York and Washington, D.C., on September 11, 2001, tourism, which by some estimates directly or indirectly employs one in four Caribbean citizens and generates income for the region in excess of US\$2 billion per year, had been in obvious decline in the Caribbean region. This was primarily the result of a downturn in the global economy. One month after the events of September 11, as international leisure passengers cancel flights, air carriers reduce their services, cruise ships shift their destinations, hotel staff are retrenched, and the negative multiplier effect on businesses or investments that depend indirectly on the hospitality industry takes hold, the short-term outlook for Caribbean tourism is liable to become worse before it becomes better.

Tourism is the single largest earner of foreign exchange in 16 of 28 countries in the Wider Caribbean region. Hotels are reporting steep falls in occupancy rates and are planning retrenchment. The region's airlines were badly hit in the five-day period following the attack. Air Jamaica lost US\$11 million, BWIA US\$2.5 million, and Aeromexico and Mexicana together lost US\$16 million. The costs of service disruptions, cancellations, air and cruise-ship traffic decline, increased security, higher insurance rates, and reluctance by leisure passengers to pay higher airfares are yet to be calculated. Because of the unknown repercussions of the war on terrorism and the possibility of a global recession, the outlook for the 2001-2002 winter season is bleak.

Tourism-dependent Caribbean countries responded quickly to the crisis. For example, in Jamaica, which earns an estimated gross US\$1.2 billion per year and directly employs more than 30,000 people in the industry, the government plans to spend an additional US\$4.7 million on

advertising during October and November 2001 and is considering a moratorium on debt owed by small hotels to state-owned financial institutions on a case-by-case basis. In Barbados — where tourism contributes approximately US\$1 billion to the economy and where it is anticipated that there will be a US\$30.3 million fall-off in receipts, with a 30 to 35 percent drop in the cruise business — the government has committed additional financial resources of US\$10 to 12 million to the tourism industry. In essence, the response of these two Caribbean countries and others is to make the taxpayers provide funds to the stakeholders and to accelerate advertising and marketing efforts.

There is room for optimism in the industry. Cruise lines are reporting that while occupancies were originally hit by lack of airline seats, they steadily increased as air services returned. In addition, the major cruise lines are shifting a number of ships now operating elsewhere back to the Caribbean, as demand for cruises in the Indian Ocean, Middle East, and Africa has fallen. Indeed, past experience has shown that in periods of global turbulence, the Caribbean is seen as a zone of peace and tranquillity.

The failure of the Caribbean to respond as a region to the crisis is noteworthy. Individual countries are probably now more vulnerable to the airlines and cruise-ship operators, as the latter try to extort major concessions by threatening to reduce traffic. It seems obvious now that, as a strong regional entity with attractive assets, the Caribbean should place greater emphasis on the tourism industry as an element in the region's collective international negotiations.

Despite the events of September 11 and the expected short-term deficit from tourism revenues, the priority areas of concern for the advancement of sustainable tourism that are argued in this paper remain intact.

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Introduction

Tourists travel long distances to save sea turtles, seek sexual partners, shop, hike, bike, study; they hope to be awed by human achievement, moved by breathtaking scenery, titillated by oddities. They often are lured to their destination by imaginative entrepreneurs and marketing professionals.

— *Rosalie Schwartz, 1997, Pleasure Island: Tourism and Temptation in Cuba.*

Tourism drives economic growth in ways that make it one of the best engines for job creation and development for poor countries that possess natural beauty and relevant infrastructure. The industry is highly labor intensive and encourages entrepreneurship. Under its ambit, property owners, restaurants, and local suppliers of goods and services, among others, develop the habits of risk taking without which no economy can realize its full potential. Tourism holds out the prospect of a better life for those stakeholders who make money from it. Not unlike trade, it improves an economy's competitiveness. Trade does so because it stimulates local suppliers to match the quality and variety of imported goods. Tourism does so because returning travelers to a destination demand the goods and services they have seen in other countries (Elliott 2001).

While the tourism industry in North America, Europe, and some countries in Asia may simply represent added value for their economic development, the same is not true for many of the world's smaller economies. As the latter's trade preferences in the developed world are eroded and profitable sectors such as the offshore financial services industry (in the Caribbean and elsewhere) come under attack from agencies in developed countries, there is nothing left but tourism. It is the future. Consequently, there is heightened concern among industry stakeholders in smaller economies about the need for the sustainable development and growth of tourism — the major currency and foreign exchange earner.

During the mid-1980s, the notion of sustainable development arose out of the Brundtland Report, written by the United Nations' World Commission on the Environment and Development (UNWCED). The report, entitled *Our Common Future*, alerted the world to the urgency of making progress toward economic development that could be sustained without depleting

natural resources or harming the environment. Its thesis is that the world's natural and cultural resources should be conserved for the use of future generations. Sustainable development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Goodman et al 1991). Sustainable development can be achieved if the rate at which renewable resources are being used today does not exceed the rate at which they are being generated. Neither should the rate at which nonrenewable resources are being used far outweigh the rate at which substitutes are being created. Furthermore, the rate of pollution that we create today should not exceed the capacity of the environment to assimilate it. All of this is necessary if sustainable development is to be achieved and the resources that are being used for development today are to be preserved for the use of future generations.

The importance of the global tourism industry in the development of the economies of small countries is a critical aspect of sustainable development. Small island developing states (SIDS), such as those in the Caribbean region, often depend on their natural resources to attract tourist investment and much-needed foreign exchange. The tourism industry has played a vital role in the development of their economies, and today the sector has expanded to include many tourist-related services and activities. Consequently, the proper use of natural resources in the Caribbean's tourism industry is fundamental.

In the Caribbean, exploitation of abundant natural, historical, and cultural resources for economic development goes even further. With the exception of only a few countries in the region, traditional economic activities include exports of primary agricultural products, such as sugar, coffee, bananas, and spices. Today, agriculture ranks third in the economies of many Caribbean countries. Some governments of the region's islands in particular have encountered difficulties in carrying out industrial and agricultural activities because of infrastructural development, inability to attract investment, the scarcity of technology, and limited human and financial resources. The debt crisis of the 1980s, which affected countries in Latin America and the Caribbean, led to a severe liquidity problem and a shortage of foreign exchange. The foreign exchange crisis caused a shift away from traditional industries to the services sector, which was better able to attract foreign exchange.

Some traditional markets disappeared, and there was greater recognition of the need for diversity. In the past few years, the loss of preferential markets for many agricultural products has increased the economic vulnerability of Caribbean states.

This combination of factors has affected individual Caribbean countries in different ways. For example, some Commonwealth Caribbean islands have developed tourism as a core industry in their economies since their independence during the 1960s and 1970s. For others, tourism became even more necessary with the breakdown of traditional export activities, such as tobacco, or the sugar industry, as in the Dominican Republic in the 1980s (Hatton 1998).

World Tourism and the Caribbean

Promoting and advertising the natural environment of “sun, sand, and sea” is still an integral part of the Caribbean’s tourism industry. Tourism is the largest industry in the world and the only sector of international trade in services where poor countries consistently have been able to post a surplus (Gortazar and Marin 1999). One of the shared elements of the development of tourism in the Caribbean has been its ability to generate foreign exchange and create jobs. This has made the expansion of the services sector and use of the natural resources already available more attractive. The structural transformation of many Caribbean economies has been apparent since the services sector, of which tourism is a large part, has now increased its share of gross domestic product (GDP) relative to agriculture and industry. Apart from a few exceptions (such as Trinidad and Tobago and the Dominican Republic), the manufacturing sector in the Caribbean remains relatively small, while services is now the dominant sector, and within this sector, tourism is predominant. In The Bahamas, the U.S. Virgin Islands, the Cayman Islands, and St. Lucia, for example, the share of tourism in GDP is 60 percent or more (CGCED 2000). In many cases, tourism is growing at a faster rate than GDP in general.

The Caribbean region is much more dependent on tourism than any other region of the world. One in every four persons is employed in the tourism sector. Caribbean governments and the private sector recognize that, as economies seek to diversify their product base, tourism can play an integral role in economic and social development. The expansion of the tourism industry

generates employment. In land-based tourism, the total number of persons employed is often more than the total number of hotel rooms, leaving, on average, a 1:3 employee/room ratio (see Table 4 at the end of the paper). However, the total number of persons in the wider community directly and indirectly dependent on tourism for a living is considerably larger than those employed in accommodation establishments. Taxi drivers; water sports operators; workers in bars, restaurants, casinos, souvenir and other retail shops; and those working in areas dependent on tourism also benefit. The available data on indirect dependence is extremely limited and is constrained largely by the absence of a clear definition of the specific elements that constitute the “tourism” sector, but some argue that the dependence on travel and tourism for employment ranges from 20 to 60 percent of the work force in individual islands of the Caribbean (Jessop 2000a). Over the years, however, national estimates of total employment (both direct and indirect) dependent on tourism have been made in a few countries and have placed the estimated total number of jobs generated by the Caribbean tourism sector at around 900,000 people.¹

Globally, the contribution of tourism to GDP and foreign exchange is also quite remarkable. The World Tourism Organization’s (WTO) annual report, *Tourism Highlights 2000*, shows that tourism is one of the five top export categories for 83 percent of countries and the main source of foreign currency for at least 38 percent of those. It also notes that in 1998, international tourism and international fare receipts (receipts related to passenger transport of residents of other countries) accounted for about 8 percent of total export earnings on goods and services worldwide. Total international tourism receipts, including those generated by international fares, amounted to an estimated US\$532 billion, surpassing all other international trade categories (WTO 2000, 13). Some industry analysts have projected that the sector will contribute some US\$7 trillion to the world economy by 2005. The Caribbean Tourism Organization (CTO) estimates that by the year 2005, some \$12 billion in investments in the accommodation sector will be needed to match the growth in demand for Caribbean destinations (Mitchell 2000, 19-20). Tourism often provides a

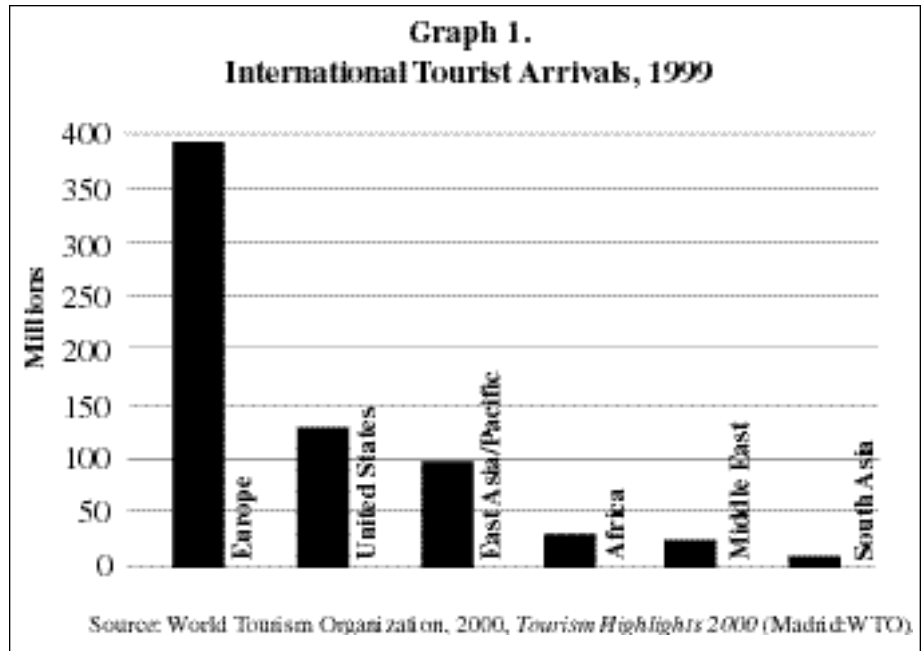
1. Information provided by Michael Spinks, statistical director of the Caribbean Tourism Organization, Bridgetown, Barbados. November 24, 2000.

satisfactory return on investors' capital and is usually a catalyst for the development of productivity in other sectors (Barbados Ministry of Tourism 1999).

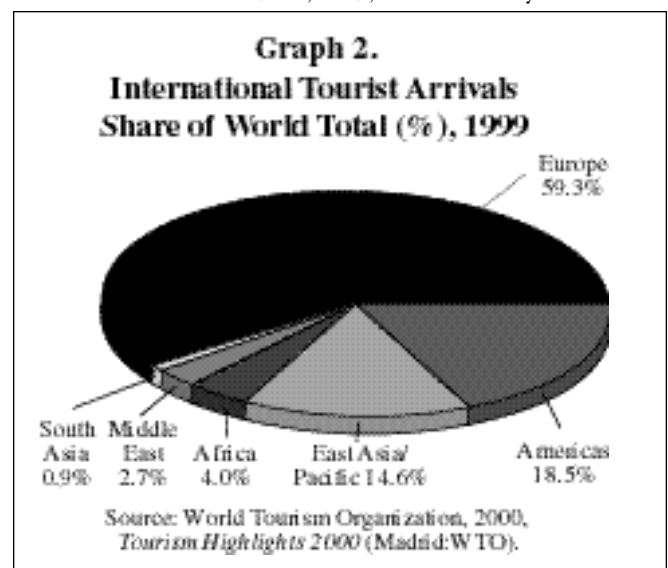
Given that all of these factors and apparent strengths of tourism are not new, what accounts for the sudden resurgence of tourism as an agenda item for sustainable development? The tourism industry is seen as one of the most remarkable economic and social phenomena of the last century and will undoubtedly keep this status in the twenty-first century. Despite periodic fluctuations worldwide, the industry is still in a state of growth, expansion, and transition. Between 1950 and 1999, the number of international tourist arrivals grew from 25 million to 664 million, which accounts for an average annual growth rate of 7 percent² (WTO 2000, 2). In addition to its strong overall expansion, the development of modern-day tourism is characterized by its continuing geographical spread. The WTO observes that many countries have been successful not only in attracting significant numbers of tourists, but also in turning tourism into a source of wealth. It sees a notable diversification in tourism destinations taking place, with those of Asia, North Africa, and Latin America and the Caribbean being the new emerging destinations. The WTO notes, however, that Europe and the Americas are still the main tourist-receiving regions (see Graph 1). The Americas as a region holds the second largest share of tourist arrivals, 18.5 percent of the world's total, behind Europe, which holds 59.3 percent of the world tourist arrivals (see Graph 2).

According to the CTO, the Caribbean enjoyed a 5.5 percent annual growth rate of tourist arrivals during the last decade. This rate was higher than the 4.2 percent growth rate worldwide (Jayawaderna 2000). In general, *international arrivals* on a worldwide scale have shown a total of 55.8 percent increase, compared with 64.1 percent for the Caribbean region between the period 1989-1999 (see Table 1). Specifically, within a

2. International tourist arrivals cover the number of arrivals of visitors to a country, not the number of persons.



recent four-year time frame, tourist arrivals to the Wider Caribbean region (excluding Central America) have grown consistently, moving from close to 17 million arrivals in 1995 to approximately 20.5 million in 1999 (see Table 2). Most estimates project that tourist arrivals (excluding cruise tourism) to the Wider Caribbean will grow by an average annual rate of 4.6 percent and that by the year 2010, the average number of visitors will be 28.4 million. Similarly, *intra-Caribbean tourism* is growing. This market increased by 34 percent during the 5-year period from 1994-1998, and in 1999 it registered 1.42 million tourists, representing a 5-percent increase over the previous year. Puerto Rico attracted the largest number of Caribbean tourists (288,100); followed by Cuba



(156,543); Trinidad and Tobago (101,455); and Barbados (85,689) (*Barbados Advocate* 2001).

The Caribbean has also been recognized as one of the most tourism-dependent regions in the world. Visitor expenditure holds a relatively high share of the regional GDP, which reached a high of 74.77 percent in 1998 in Anguilla (see Table 3). In 1999, the tourism and travel industry attracted 41 percent of all capital investment that entered the Caribbean. In Barbados, for example, 77 percent of all capital investment entering the country in 1999 was directed toward the tourism and travel industry. By contrast, in Trinidad and Tobago, where most capital investment was directed toward the energy and heavy manufacturing sectors, investment in the tourism and travel industry accounted for only 18.2 percent (Jessop 2000a). In terms of revenue, even though the Caribbean was ahead of other major tourist destinations, such as Germany, Austria, and China, it was sixth in the world's tourism league behind the United States, Italy, France, Spain, and the United Kingdom. Based on tourism receipts of 1998, the leaders in Caribbean tourism are Cancún, Mexico; the Dominican Republic; Puerto Rico; The Bahamas; Cuba; Venezuela; and Jamaica (Jayawaderna 2000).

The cruise industry is the fastest growing category in the worldwide leisure market. Since 1980, this sector has experienced an average annual growth rate of 7.6 percent. During some years in the 1990s, annual growth rates as high as 9.8 percent were recorded. The cruise industry runs at a capacity of more than 90 percent, surpassing land-based tourism, and its market potential is enormous. In the year 2002, approximately 7.7 million cruise passengers are expected to visit the region. The Wider Caribbean area (including The Bahamas and Mexico) maintains its position as the largest cruise destination in the world, representing 53 percent of the world's cruise market share. As the worldwide capacity for cruise tourism increases, the sector has emerged as the greatest competitive threat to the "all inclusive" land-based tourism market. In Jamaica, for example, the cruise ship industry has grown by an average of 15 percent per year compared with annual gains of 1 percent for land-based tourism.

The huge increase in cruise shipping comes as 65,000 new berths or cruise beds are expected to float the seas over the next three years, from 2001 through 2003, bringing into sharp focus growing concerns about the revenues generated from the

industry by local governments. The 65,000 new berths are more than the number of hotel rooms in Jamaica, The Bahamas, Barbados, Trinidad, St. Lucia, and Antigua combined. According to a recent report by the Florida Cruise Shipping Association (FCSA) on the state of the industry in the Caribbean, it is projecting huge growth in the next few years. Since 1993, the number of bed days — the number of days passengers spend on a cruise — has jumped from 12.8 million per year to 16.7 million, excluding The Bahamas, which accounts for 3 million on its own (*Jamaica Gleaner* 2000).

Cruise tourism has even been increasing rapidly in Trinidad and Tobago, a country that is not dependent on the industry. As tourist destinations go, Trinidad and Tobago does not rank with other Caribbean states, such as Jamaica, Barbados, Antigua and Barbuda, and St. Lucia, where the tourism industry is seen as the main contributor to those economies. However, quietly, oil-rich Trinidad and Tobago has been changing that perception to the point where it is recording its highest ever visitor arrivals, and the prognosis for the future, especially among cruise ship arrivals, augers well for the industry. The government's main investment and tourism marketing agency, The Tourism Industrial and Development Company (TIDCO), has announced that overall visitor arrivals to Trinidad and Tobago have been increasing at an average rate of 6.4 percent annually. In the year 2000, more than 360,000 tourists, mainly from the major European markets and North America, visited the country. In addition, visitors expenditures soared from \$70 million to \$162 million over the five-year period 1995-1999, representing growth of 186 percent (*Caribbean Reporter* 2001).

However, the cruise line industry to the Caribbean does not find favor with the stakeholders in land-based tourism. With on-board duty-free shopping, casinos, restaurants, and nightclubs, the revenue gains for local economies are quite negligible. In contrast, land-based hotels and their guests pay significant taxes to the governments, provide hundreds of thousands of well-paid jobs for Caribbean nationals, and create many more indirectly through an underestimated network.

A Reality Check

One of the reasons for growth in the entire tourism industry has been rising economic prosperity and rising consumer incomes in developed

countries. As incomes rise, so, too, does spending on discretionary travel, though this is not always the case. Higher incomes do not always equate with increased leisure time. Other factors that affect the destination plans of many travelers include the expansion of travel choices that have now become available to consumers, as well as the creation of a variety of new travel products. State-of-the-art cruise ships and all-inclusive resorts have become increasingly popular. Leisure, recreation, and holidays still represent the main purpose for trips and account for 62 percent of all journeys (WTO 2000, 3).

The shift in the demography of North America has also affected the travel industry. There is an increase in demand from older and more mature travelers. However, even with the expansion of the tourism industry, a disaggregated look at the picture illustrates that the Caribbean region is actually lagging behind destinations such as Walt Disney World, Las Vegas, and Europe for North American travelers. In some cases, competition from these North American destinations may be having an effect. The Central Statistical Office of the Dominican Republic noted that there was a declining trend in tourism arrivals during the year 2000. Stay-over arrivals to the country dropped from 53,378 to 52,245 visitors in the first nine months of 2000. Excursionists to the Dominican Republic also registered a decline of 10.2 percent, causing a resultant decline in export earnings by 8.77 percent (Caribbean News Agency — CANA 2001a).

Undoubtedly, over the medium term, tourism demand on a worldwide scale has grown, and the number of destinations has developed even faster. However, for countries in the Caribbean that depend so heavily on tourism, the increase in competition from other destinations with mega-resorts and mega-attractions will need to be confronted for the industry to remain viable in the region. Mexico, the Asia/Pacific, and the Indian Ocean regions are contesting the Caribbean's claim to be the world's premier warm-weather destination. The United States, formerly the Caribbean's biggest market, is now the region's biggest competitor. In 1997 alone, over 127,000 new hotel rooms were built in the United States, almost as many as exist in the Caribbean.

Strengthening the Tourism Product

To remain competitive, the Caribbean must improve the quality of tourism by diversifying its

products and their markets. Inevitably, there will be changes in technology, infrastructure, and attitudes.

Electronic business or e-commerce is changing the nature of international business relations and the operation of companies and governments. Regions such as the insular Caribbean (where the markets are fragmented, there are no contiguous borders, and the domestic economy is relatively small) could experience economic marginalization if it does not encourage e-commerce. Borderless commerce also challenges the traditional concepts of state sovereignty where regional governments believe they should control and regulate most commercial activity (Nijkamp 2000).

The outlook for the use of e-commerce in Caribbean tourism is good. Access to the Internet and e-mail and having 800 numbers that can be answered anywhere in the world encourage the replacement of expensive overseas offices with more sales personnel and administrative support that can remain in the country of origin. The St. Lucia Tourist Board (SLTB), for example, now sends representatives to travel agencies in its best market areas several times per month instead of twice per year (CANA 2000a). The CTO has also recognized the utility of rapid communications and the impacts that the Internet and e-commerce are having on tourism. The CTO has developed a Global Gateway Station designed to be a state-of-the-art search engine-driven website. Eventually, it is expected to use several languages and go to general and niche markets in the Caribbean (CANA 2000b). At a micro level, in Trinidad and Tobago, where the nation's world famous Carnival is the largest tourism dollar earner, one of the largest carnival bands (10,000 members) and several smaller ones register more than 40 percent of their revelers domestically and from abroad via the Internet. Similarly, small hoteliers in the Caribbean islands have begun to establish websites, which allow for easy bookings and confirmation of reservations, while cutting out intermediaries and related transaction costs (Mitchell 2000).

With profound changes taking place in technology and communications and with demographic shifts in populations' interests and needs, the challenge for countries in the Caribbean is to change the tourism industry to meet the shifting demands. Some Caribbean governments and businesses may not necessarily be prepared for this. A recent study of regional websites revealed an

uneven development and an inability to manage the sites consistently or to provide accurate and updated information (CANA 2000b). The president of the CTO notes that in order to improve on this, those who are able to manage change in the tourism industry must admit to the complexity of tourism and must have a clear vision of where they wish to go. Additional human and financial resources need to be provided to activate change and effective leaders who can drive such change and turn vision into action (CANA 2000c).

Cuban Tourism

In Cuba, there are extensive plans to develop and promote the tourism industry. In 1990, Cuba had 340,300 tourists. In 2000, Cuba attracted 1.774 million visitors, up from 1.5 million visitors in 1999. That figure is expected to top the 2-million mark in 2001 and to rise to 7 million visitors by the year 2010 (not including U.S. tourists). If U.S. restrictions barring U.S. visitors to Cuba were lifted, the number could reach 12 million visitors. At the end of 1999, there were more than 30,000 available rooms in Cuba for tourists. However, in order to accommodate the increase in the number of arrivals by 2010, Cuban officials estimate that the island would need 185,500 hotel rooms — almost 6 times the number that were needed at the end of 1999. The investment that is required to increase room capacity and develop the tourism sector would require more than \$22 billion (*Caribbean Business* 2001).

After 1989 and the opening of the Cuban tourism sector to foreign investment and management, international hotel chains, such as Sol Meliá of Spain, Accor of France, and Sandals of Jamaica, have expanded their interests and now run 50 out of 189 hotels on the island. About 24 hotel joint ventures exist to establish 13,320 more hotel rooms, and already 3,700 of them are in operation. This will involve investment capital of about \$900 million. The current boom in the Cuban cays is due to improvements in transport infrastructure and a new international airport built on Cayo Coco by Spain's airport authority. Another cay now has a completed tarmac landing strip, which is expected to be upgraded to an international airport by the year 2002 (Fletcher 2000). Tourism brought Cuba gross revenues of \$1.9 billion in 1999, putting that sector ahead of traditional exports such as sugar and nickel. The number of visitors to the island has increased by about 19 percent per year over the past decades. Once

improvements are made to the quality of hotel food and accommodations, and long flight delays or extensive airport searches are reduced, it is expected that the Cuban tourism industry will attract even more tourist arrivals in the coming decade. The government directs a large proportion of resources toward the tourist sector, trains a considerable cadre of citizens to be tourist employees, and promotes cultural programs of tourist value (Schwartz 1999, 204).

While there might be optimism in the long term about the growth of tourism in Cuba, there are some contradictions this time. Though the number of tourists visiting Cuba rose in 2000, the growth in profits from the sector slowed considerably. Cuban officials record that total revenues in 2000 went to \$1.917 billion, just \$16 million more than in 1999, representing an increase of only 0.8 percent over the total in 1999. Costs in the industry remain high. Overhead and other operating expenses account for \$0.78 of each dollar of tourist revenue. Total profits last year were \$421 million, about 50 percent of which went to foreign partners in joint ventures. In terms of *profitability*, tourism is still well behind the nickel industry and remittances from abroad, although it is the country's largest earner of hard currency. Cuban officials blame the decline in profitability on the devaluation of the Euro against the dollar and higher airfares on increased fuel costs. But the reality is that tourist expenditures have been dropping for some time. In 2000, per capita expenditures were \$1,080, down from \$1,186 in 1999, and since 1995, there has been a 27 percent decrease in per capita visitor expenditures. While explanations for the phenomenon range from concentration on low-cost packages for tourists to government mandated reduction in prices for some entertainment and services in order to make the industry competitive, the fault may lie with the quality of the Cuban tourism product itself. There is a very low rate of return visitors, and many visitors complain about poor service and the high cost of basics such as drinks and gasoline. Tourists may put up with such inconveniences if the destination is inexpensive, but Cuba is not that much cheaper than other Caribbean vacation areas. While the basic cost of Cuba packages (airfare, room, and breakfast) may be low, the industry stakeholders try to compensate by charging high prices for food, drinks, and entertainment (Feer 2001).

Regional Problems

Though Cuba may represent a somewhat contradictory rise of the phoenix in Caribbean tourism, the region as a whole needs to deal with several factors that could hamper the development of strong competitive services and a sustainable tourism industry. These include short-term and uncoordinated planning of the tourism sector, limited infrastructure, difficulties in access to basic services, high industry costs, insufficient transportation services, and unprofitable returns. The lack of internal investment in some countries, rudimentary technologies, limited knowledge of business management, insufficiently qualified personnel, and poor human resource development could also inhibit the growth of the tourism sector (European Development Fund, 1999).

Additionally, there are infrastructure problems, such as limited air access to some countries, outmoded airports, and dependence on single air carriers from North America or Europe. Specifically, many Caribbean countries still allow telephone monopolies, and telephone costs can be exceedingly high. Electricity may be unreliable, and hurricanes and other natural disasters add to the difficulties. Limited security for tourists and citizens alike, social imbalances, and little or no vertical or horizontal integration of tourism with the rest of the country all create competitive difficulties for some Caribbean destinations. Recently, analysts have noted an increase in the destruction of the cultural heritage and the disappearance of local cultural values. All of these factors have an impact on sustainable tourism for the region.

One fundamental problem that has affected the development of the tourism sector is that it has been approached and treated as a series of loosely linked sub-sectors, including hotels and restaurants, tour operators, and local attractions. This approach is also mirrored in the General Agreement on Trade in Services (GATS) negotiations to define the tourism sector. In order for the Caribbean region to maintain competitiveness, its end products need to be upgraded to meet rising expectations. While upgrading the products offered by the tourism industry could create increased opportunities and profitability, the impacts of such developments may also carry tremendous costs. In reality, the expansion and sustainable development of the tourism sector require a holistic approach to tourism planning and development.

Sustainable Tourism and the Caribbean

The significance of tourism and trade in services for economic development is not unusual. What is novel, however, is the idea of “sustainable tourism.” This concept, in harmony with the ideas of sustainable development, has to ensure current financial viability as well as the survival of the physical and socio-cultural environment in the long term. In order to achieve sustainable tourism, there must be synergy among economic systems, social systems, and eco-systems. Sustainable tourism involves the use of the natural, social, cultural, and financial resources for national development on an equitable and self-sustaining basis. While tourism provides visitors with unique experiences, it should at the same time provide locals with an improved quality of life. This can be accomplished through partnerships involving the government, the private sector, and local communities. Sustainable tourism is also seen as essential to the development of SIDS and other areas that are environmentally sensitive.

As outlined in a recent study for the CTO, “Regional Sustainable Tourism Policy Framework,” by Pauline McHardy, sponsored by the Caribbean Tourism Association, the main areas of concern in the Caribbean for sustainable development include waste minimization, energy efficiency, conservation, management of fresh water resources, wastewater management, hazardous substance transport, and land-use planning and management. Other ingredients include the need to involve tourism staff, customers, and communities in environmental issues, the formulation of a clear plan of action for sustainability, as well as the forging of partnerships for sustainable development. Sustainability is an important concept in the Caribbean because tourism in the region is in danger of destroying the resources base on which it depends. The CTO defines sustainable tourism as “the optimal use of social, natural, cultural and financial resources for national development on an equitable and self-sustaining basis to provide a unique visitor experience and an improved quality of life through partnerships among government, the private sector and communities.” The CTO also takes into account the region’s ability to maintain product quality, increase profitability, and promote the region effectively. Consequently, it is necessary to strengthen the linkages between tourism and other economic sectors while combining regional efforts toward creating a competitive product (McHardy 2000, 2).

The labor-intensive nature of the tourism industry makes it an important vehicle for the reduction of poverty through the creation of meaningful employment and entrepreneurial opportunities. The industry can also be a useful agent for regional cooperation and sector integration. The Caribbean cannot afford to miss the next wave of growth in international tourism, and the industry must prepare to compete for an increasing share of global revenues in the sector. With the increase in competition among vacation destinations, effective regional marketing becomes a priority to secure the future of the industry. Similarly, more collaborative efforts are needed to develop, market, and brand the internationally recognized products of the Caribbean in the hotel and leisure attractions sectors.

Tourism and the Physical Environment

Tourism and the environment are interdependent, since it is the physical environment that provides many tourist attractions. Islands are particularly sensitive to environmental concerns because of their dependence on the fragile natural resources base for development. Since tourism services are tied to the physical environment, sustainable development demands that the use of physical resources should generate as much income in the future as they do now. Caribbean islands characteristically tend to shelter large portions of plant biodiversity, are hosts to numerous marine-terrestrial habitats, and are the cradle of island cultures. Most small islands are also ecologically fragile, with increased vulnerability, due in large part to their size and limited resources as well as geographical dispersion and isolation.

The emergence of the tourism industry as an engine of growth for SIDS may have very positive implications for development; however, there are also challenges that will have to be faced if its benefits are to be long term. The expansion of the tourism industry can result in a large number of harmful effects to the environment that, if not properly controlled, may jeopardize the industry itself. Since tourism is actually one of the few export industries common to all of the countries in the Caribbean Basin, approaches to its further development must have both national and regional components.

Meeting Challenges to the Physical Environment

Given increased environmental awareness worldwide, "eco-tourism" is now the fastest-growing niche market in the industry. The Eco-Tourism Society estimates that about 40 to 60 percent of all international tourists are nature tourists, and 20 to 40 percent are wildlife-related tourists. A dramatic growth occurred between 1988 and 1994, when nature tourist arrivals increased from 263 million to 317 million and the estimated economic impact of the sector increased from \$233 billion in 1988 to \$250 billion in 1994 (Tewarie 1997, 17). Such growth has driven more countries in the Wider Caribbean to offer "nature products" as part of their attractions, and eco-tourism is now the primary tourism product in Costa Rica, Belize, Nicaragua, and Guatemala.

Concomitantly, one of the best documented ill effects of tourism has been its impact on the physical environment. Such effects include the pollution of coastal waters and other marine resources, coastal erosion, land erosion, deforestation to accommodate tourist-related services, and the increase in waste production, including sewage and solid waste. Tourists tend to generate substantial amounts of solid waste, and surprisingly in the Caribbean, this has been estimated to be twice as much solid waste per capita as produced by local residents. The effects can be profound. In Barbados, for example, the main tourism facilities are located along the urban corridor (the south and west coasts of the island), and almost 123 out of 135 hotels are situated in these areas. Most of these facilities are also in very close proximity to the beaches. While the urban corridor was being developed, many mangrove areas were destroyed, and natural watercourses were obstructed. Most of the facilities are also lacking in efficient sewage treatment. The discharge of poorly treated sewage into the marine environment is extremely damaging, causing long-term destruction to the coral reefs and accelerating subsequent beach erosion (Barbados Ministry of Tourism 1999, 3). Notably, as much as 75 percent of wastewater treatment plants operated by hotels and resorts in the Caribbean did not comply with basic effluent discharge criteria in 1996. This poses another threat, as throughout the region most tourist facilities are built in environmentally sensitive areas (within 800 meters of the high-water mark), and most tourist activities occur between the back bays and the fronting reefs (CGCED 2000, 5).

Tourism brings increased competition for limited resources such as water and land. Tourist establishments tend to place a higher demand on energy and freshwater resources and typically use much higher amounts than local residents. As in other Caribbean islands, local residents in Barbados face the challenge of water shortages during the dry season resulting from the need to sustain the normal flow of water to the hotel sector (Barbados Ministry of Tourism 1999, 3-4).

While some effects are easily measurable, tourism may create indirect environmental threats. One such threat comes from the effects of induced settlements. In the Caribbean, tourist areas often attract a large number of settlers who provide support services, but the basic infrastructure of such settlements is usually inadequate. The result is additional and very significant problems of solid and liquid waste disposal and sanitation.

Tourism may also threaten specific physical resources, such as beaches and the sea, coral reefs, and the landscape. The main threats to the beaches and seas of Caribbean islands include congestion, pollution, and land erosion. The overuse or inappropriate use of coral reefs can also cause severe and almost irreparable damage to the reefs. Snorkelers and scuba divers who step on the reefs or throw garbage overboard from ships, boats, and canoes onto them, and individuals who remove corals from the reefs to sell to visitors abuse the fragile reefs. In Belize, for example, the destruction of many of its reefs has coincided with the tenure of the recent boom in its tourist industry. Some of the most famous reefs in Tobago have also suffered the same fate.

Sometimes the environmental damage caused by tourism is so severe that entire classes of resources become unusable. This is the case in Negril, Jamaica, where at times the disposal of untreated sewage and wastewater into the sea has caused diving to be curtailed, with a subsequent logical reduction in this category of visitors (CGCED 2000, 8). Throughout the Caribbean in many coastal tourism areas, there is extensive damage to sand dunes, lagoons, marshes, and mangroves, with the consequent extinction of varying species of animals and fish. Today in Cuba, causeways are being built across the sea into a maze of cays and islets to open up a greater number of virgin beaches, coral reefs, and mangrove forests. This provides great potential for the development of the tourism industry in Cuba, but if it is not done in a sustainable manner, then

the potential for destroying the physical environment will be even greater (Fletcher 2000).

The Caribbean Sea itself is under increased threat from a range of environmental problems brought about by activities related to cruise tourism, shipping, and recreational boating activities. Reefs, sea grass beds, and wildlife are being destroyed not only by filling, dredging, and bulldozing from the construction of marinas and mooring of vessels, but also by pollution from dumping, sewage disposal, and waste oil disposal. Rectifying these problems will involve more stringent water pollution management measures, such as refueling and waste oil disposal; adequate facilities for the reception, treatment, and disposal of sewage and solid waste; appropriate designs for marina flushing; and runoff control from the marinas including bilge effluents. These measures should be enforced for all marinas and recreational boating (McHardy 2000, 17).

Social and Cultural Impacts

The social and cultural impacts of tourism relate to the ways in which tourism contributes to the changes in the norms and value systems of people in the host countries, of their individual behavior and family relationships. It also reflects changes that may occur to their collective lifestyles, creative expressions, traditional ceremonies, and communities. The boom in the tourism industry and the increase in visitors seeking exotic island cultures and lifestyles have had socio-cultural impacts of varying degrees.

Success in the tourism industry should depend on a positive relationship between the host community and the visitors. In the ideal situation, it is fascinating for visitors to meet the local or indigenous peoples of a specific destination. Unfortunately, this fascination is exploited when some visitors are willing to pay high prices for what, to them, are "authentic cultural experiences." In reality, the authenticity of such experiences may be questionable. Locals may provide visitors with a condensed or modified experience. In some cases, the experience is so modified or sanitized that it bears little or no resemblance to the original culture.

In other instances, hotels are purposefully located away from local or indigenous peoples, as in the case of "all-inclusive" resorts. These tend to be tourist enclaves where there is little or no interaction between visitors and host populations other than that of hotel guest and employee. In such

cases, the perception of both the host and the visitor may be seriously distorted. For example, locals may perceive visitors as wealthy because of their spending habits, while tourists may view locals as poor, exotic, and “different.” Locals may then respond by exploiting the perceived wealth of the visitors, while the tourists (particularly in the case of sex tourism) exploit what they perceive to be the exotic differences of the locals.

In the past, industry stakeholders paid little attention to the impact of tourism on the social and cultural resources of local communities. Even today, in many Caribbean countries, although residential areas exist in close proximity to tourist development areas, little thought is given to the interaction between such communities and the tourist zone. This disregard of small communities can, in turn, lead to local host communities’ resentment of the encroachment of tourist activities on their daily lifestyle. Competition for limited space in some communities leads to pedestrian and traffic congestion, placing additional stress on infrastructures that are weak to begin with. Conversely, local communities in close proximity to tourism development areas may receive positive benefits, such as increased job and entrepreneurial opportunities, improved standards of living, and greater access to better physical infrastructure, particularly roads, utilities, medical centers, and shopping facilities.

One of the unfortunate by-products of land-based tourism is local communities’ loss of traditional values and customs. This can stem from the imitation or mimicking of visitor behavior or through cultural diffusion resulting from normal, everyday exchanges and interactions. Serious problems may arise, however, when there is tension between the two groups, for example, the harassment of visitors perceived to be wealthy and uncaring or the perpetuation of violent crimes against both locals and visitors. Because of the increasing levels of crime and harassment facing tourists on many Caribbean islands, hotels increasingly tend to herd their guests into all-inclusive hotels located on private beaches. Unfortunately, as a result, the coastlines of many Caribbean islands are quickly becoming enclosed and, unless strict laws prevail to the contrary, locals increasingly will be prevented from free and easy access to their own once-public beaches. Resentment of tourists and tourist enclaves by local residents is not uncommon.

While visitors to the Caribbean are not necessarily at increased risk of being killed, they consistently report high levels of harassment by souvenir salesmen, drug pushers, and people offering sexual favors. Local governments, private tourism promoters, and other industry stakeholders recognize that such harassment is counterproductive and may ultimately constrain the growth of the tourism industry. Local hostility and official ambivalence toward hotel enclaves, however, only make it harder for governments to address these problems. To ensure that tourism is sustainable, there must be a coordinated effort by local governments, the tourism industry, and local communities to meet the desires of locals and visitors alike.

A recent survey in Jamaica by PriceWaterhouseCoopers (PWC) noted that more than two-thirds of the Jamaican respondents felt that reducing visitor harassment was the single greatest priority for the tourist season and the most important measure to secure long-term prospects for the business. Over 67 percent of the respondents felt that the reduction of crime and harassment was the most important action that should be taken in order to boost tourist arrivals and earnings in the country. Curiously, some of the respondents in the survey felt that legalizing casinos should be the second-highest priority for the medium-term success of the hospitality trade. Although the Jamaican government has never clearly stated any reason for its opposition to casinos, powerful church and civic groups have argued that gaming operations would be a magnet for further crime, including money laundering and prostitution rackets. Despite casinos’ lucrative potential for income from taxes, their grave social and cultural impacts are regarded by the citizenry as too high a cost to bear (*Jamaica Observer* 2001).

Tourism officials and police authorities in the Caribbean also recognize that crime is an increasing problem (*Washington Post* 2001). A violent occurrence in one country can have a negative impact on visitors’ perceptions of the region as a whole. On some of the islands, the incidents of crimes, including rapes, against tourists have occurred against a backdrop of rising crime against locals. In some countries, over-aggressiveness on the part of street vendors is one of the major problems. Because of the incidents of crime against tourists, the issue of violent crime in the Caribbean has been placed in the spotlight and raises troubling questions for travelers. The ability of travelers to obtain reliable information about

crime statistics and potentially dangerous areas has become very significant (*Washington Post* 2001; *Miami Herald* 2001). In tourism-dependent countries, incidents involving visitors tend to be downplayed because of fears of putting a damper on the industry. Few guidebooks or travel agencies provide adequate information on areas that are potentially dangerous. The safety of visitors and locals alike is one of the key areas that needs to be considered in the strategic plans for sustainable tourism.

Sex Tourism in the Caribbean

One of the most serious yet inconspicuous activities causing far-reaching and sometimes irreversible damage to the social and cultural fabric of local societies is that of sex tourism. Sex tourism includes typical prostitution; the trafficking of women, men, and young girls; and child prostitution, prostitution, catering to a diverse group of heterosexuals, homosexuals, and pedophiles. Many economically underdeveloped holiday destinations market themselves as culturally “different” and “exotic.” These words often provide subtle hints that sex can be part of a holiday package to be sold and consumed.

As the literature of sociology describes it, traditionally, the sex tourist has been a Western, white male who travels to Third World countries for the sexual exploitation of local women. Two sociologists at Leicester University, Jacqueline Sánchez-Taylor and Julia O’Connell, in a survey of 250 sex tourists in eight different countries, provide valuable insights into the motivations and explanations of sex tourists and reveal how preconceptions of race and gender affect them. The idea of “difference” is quite frequently used to justify the sexual exploitation of women in those countries. Such differences revolve around “native” versus “civilized,” leisure versus work, exotic versus mundane, poor versus rich, sexual versus repressive, and powerless versus powerful. One of the justifications often heard is that prostitution does not have the same meaning in the developing world as it does in the developed countries. For example, sex guides on the subject often convey the idea that Caribbean women are not prostitutes, but rather “nice” girls who simply like to have a good time (Sánchez-Taylor and O’Connell 1998/1999, 1).

Today, sex tourists are not a homogenous group of white males. They may vary by gender, race, and class. There is also diversity in sexual

preferences and attitudes toward the use of prostitution. However, one main theme in the sociology is the classification of a sexualized and racialized “other.” The racist stereotype of the exotic and erotic black or mixed-race woman or man is part of the commodity that sex tourists are pursuing. Today, in places such as the Dominican Republic, Cuba, and some coastal regions of Central America this stereotype is used to market sex tourism. In a developing country, some male sex tourists may find their masculinity and racialized power affirmed in ways that are not possible at home. Others believe that their sexual relations with locals (prostitutes or otherwise) are a way to learn about the “real culture” of the country. Still others even defend sex tourism as a way to promote racial harmony instead of race conflict, by getting close to the “others” and helping to bridge racial differences. The question of gender differences may also play as large a role as the issue of racialized power. Some sociologists suggest that male sex tourists from developed countries are usually resentful of women’s perceived power in their home countries and by female demands for equality. Female prostitutes in the Caribbean, in contrast, typically neither challenge nor demand anything much from male sex tourists. In the Dominican Republic, two Yorkshire miners surveyed enthusiastically described how the girls they spent time with not only had sex with them, but also washed their feet, put suntan lotion on their backs, cleaned their rooms, and fought over them, all for only \$25 per day (Sánchez-Taylor and O’Connell 1998/1999, 18).

In the same vein of gender equality, some women sex tourists travel to developing countries to challenge traditional male domains. Such female sex tourists affirm their sense of womanliness by being sexually desired by other men. One American sociologist, Klaus de Albuquerque, describes these phallic sojourns to the Caribbean as a search for “the big bamboo.” In their home countries, these women may be stigmatized for having either illegitimate or casual relations with black men or younger men, or for having many sexual partners. In holiday resorts such as Negril, Jamaica, white women are allowed anonymity to enjoy liaisons with black males, younger boys, or as many men as they desire, out of view of neighbors and friends in their home countries. This sense of sexual freedom, coupled with their economic power, may place them on an emotionally competitive level with white men (Taylor 2001, 1-3). As long as it remains acceptable to use “differ-

ence” and “exotic” as unique selling points in Caribbean tourism, then the tourist industry indirectly continues to provide a framework that permits and promotes sex tourism. This perpetuates the inequalities between developed and developing countries and reaffirms racism and sexism.

The sex trade is increasingly linked to tourism and is increasingly a serious concern of tourism leaders such as Cuba, Barbados, Jamaica, and the Dominican Republic. While there is little empirical information about sex tourism in the Caribbean, the nature of sex tourism is debated on different levels. Some argue that sex tourism provides an economic opportunity for marginalized subgroups of the population. A reality check would also characterize it as one of the contributing factors to HIV/AIDS epidemics, Hepatitis B and C, and other diseases.

HIV/AIDS in the Caribbean

The Caribbean is now second in the world after sub-Saharan Africa for the number of cases per capita of HIV/AIDS. The region is facing an accelerated epidemic and is ranked as the most affected subregion in the Americas. Nine of the 12 countries with the highest prevalence of HIV infection in the Americas are in the Caribbean. Approximately 2 percent of the region’s population (more than 500,000 people) are infected. This number is increasing sharply; AIDS cases are growing rapidly in the most productive age groups of the population.

The situation is even more ominous because of the high level of underreporting of HIV/AIDS in the region. In Haiti, one government report estimated that about 12 percent of the urban and 5 percent of the rural population are living with HIV/AIDS. During the year 2000, estimates are that 100 people died each day due to AIDS, and by the end of the year, approximately 240,000 to 330,000 Haitians (out of a population of 7 million) were living with HIV/AIDS. Haiti is the most affected country in the world outside of those in sub-Saharan Africa. The HIV prevalence in the Dominican Republic is estimated at just less than 2 percent in the urban areas. Therefore, about 150,000 people (out of a population of 8 million) are living with HIV/AIDS. A recent survey among pregnant women in one town estimated that 8 percent were HIV positive. In Guyana (population 850,000), the HIV epidemic has spread throughout the general population, and about 13 percent of patients seeking treatment for sexually transmitted

diseases (STDs) were found to be HIV infected in 1998. In Guyana, a study among urban sex workers in 1997 showed a 46-percent HIV infection rate. HIV/AIDS is the main cause of death for persons 20 to 45 years old in the French, British, and Dutch-speaking Caribbean countries. While Cuba (population 11 million) still has the lowest rate among the general population (0.02 percent), this figure is increasing. At the beginning of 2000, the estimated number of people infected with HIV in the Caribbean was between 500,000 and 700,000 (UNAIDS 2000, 2-11; *Detroit News*2000).

In Haiti and the Dominican Republic, HIV infection is affecting both men and women equally on a 1 to 1, male to female ratio. In other countries, the male to female ratio is above 2 to 1. In Dominica it is 3.6 to 1; in Barbados, 2.8 to 1; and in Trinidad 2.4 to 1. As the number of infected women grows, there is also an increase in the number of cases of children born with HIV (UNAIDS 2000, 4). The hidden reality is that most of the data on HIV/AIDS in the Caribbean is based on the *reporting* of AIDS cases in the region. The exact number of persons with HIV infection is probably not known; therefore, it is difficult to estimate the real size of the problem. Similarly, the problem is also not well defined because the definition of AIDS is not standardized in the Caribbean. Thus, consistent diagnoses and uniform reporting of the problem across the region are difficult.

HIV/AIDS, Sustainable Development, and Tourism

The epidemic of HIV/AIDS in the Caribbean is not only a public health problem. It is also a sustainable development issue. Such an epidemic will ultimately take its toll on the productive human resources in the region. So far, few attempts have been made to quantify the cost of an effective response, but this will have to be done if the negative effect on Caribbean development is to be curtailed. The epidemic is already a major problem. In St. Vincent and the Grenadines (population 121,000) in 1999, nearly 40 percent of young men’s deaths were connected to AIDS. The disease is already the largest single cause of death among young men and women in the English-speaking Caribbean. The United Nations estimates that by the year 2020, three-fourths of all such deaths will be as a result of AIDS. The World Bank has noted that the cost of AIDS to Caribbean countries is already 6 percent of their wealth, due

to loss of workers, the reduction on savings, and the cost of medical care (UNAIDS 2000, 7).

One of the main risk factors of HIV/AIDS in the Caribbean is poverty. Others include unemployment, inadequate access to basic services, and social inequities. Another factor is the gender bias in education detected in many Caribbean states. There is a much higher level of female participation in schools at the secondary level, and by the tertiary level, the disparity is even greater. This places some young men at risk of other pursuits, including involvement in the illegal drug trade, unstable employment, and involvement in the sex trade. However, even though females may outperform males in education, males still hold power over sexual relations and often decide on the use or avoidance of protection during intercourse.

There are some social and cultural factors characteristic of the Caribbean lifestyle that increase vulnerability to contracting HIV. These include multiple sex partners, poor communication among partners on sexual needs and concerns, as well as the emotional and socioeconomic dependence of women on men. For some of the countries in the region, there is still little discussion of HIV in the school curricula and little public education about the disease. The stigma attached to homosexuality in some countries makes that sector of the population an easy scapegoat for the cause of the epidemic and prevents wide public acknowledgment that the epidemic is affecting heterosexual couples, women, young girls, and children.

The HIV/AIDS epidemic is also a sustainable tourism issue. The tourism sex trade in the Caribbean has placed young men and women (visitors and locals alike) who are involved in it at greater risk of contracting the HIV virus. For example, in Jamaica, which has a growing tourist industry but declining economic conditions, the growth in both male and female prostitution is centered on tourism. "Beach boys" or "rent-a-dread" are some of the terms used to describe such young men who are part of the trade throughout the Caribbean. Sex work tends to be marginalized in society, and because of the illegal nature of such work, the marginalized members of the trade are less likely to seek help in the case of physical abuse or other problems (UNAIDS 2000, 11-13). The HIV/AIDS epidemic places a growing burden on the health sector. To compensate, public funds may eventually have to be redirected away from the services sector and the tourism industry.

There has been some action at the regional and global levels to combat the problem and its potential impact on tourism. As a follow-up to the pan-Caribbean consultation on HIV/AIDS in June 1998, the Caribbean Task Force on HIV/AIDS was established, comprised of regional institutions and national experts in key programmatic areas. It has developed a Regional Strategic Plan of Action for the Caribbean. The overall goal of the plan is to reduce the spread and impact of HIV/AIDS in the Caribbean, while the specific goals are to promote an effective and coordinated regional response to the epidemic and to expand the multi-sectoral response at the national level. The World Health Organization and the World Tourism Organization have both agreed to place a similar strategic focus on health issues arising out of the increase in international tourism. This strategy places great importance on the physical, social, economic, and environmental dimensions of health. Both organizations recognize that there are a variety of risks factors that can affect health, and they see a fundamental need to promote healthy environments, healthy market places, and healthy schools. They are attempting to make a constructive impact on tourism by promoting health among travelers and tourists and by those affected by or associated with tourism in the host countries. Their program aims to define the priorities for action, select specific pilot initiatives, and establish health as an important factor in tourism (UNAIDS 2000, 16-18).

A recent conference of the World Bank, the Caribbean Common Market (CARICOM), the United Nations Programme on HIV/AIDS (UNAIDS), and the Pan American Health Organization/World Health Organization (PAHO/WHO), held in Bridgetown, Barbados, in September 2000, endorsed a regional strategic plan to deal with the HIV/AIDS epidemic. The World Bank proposed a conditional loan package of up to \$100 million to help fight the disease. The Netherlands government also agreed to provide \$2.5 million for HIV/AIDS activities in the Caribbean. The funds donated will be used to address the priorities that are outlined in a regional plan of action that will include raising the quality as well as the coverage of care, reducing the rate of new infections, and building the institutional strengths necessary to sustain improvements over the long term. The delegates at the meeting estimate that it will take approximately \$260 million per year to provide a comprehensive response to the HIV/AIDS epidemic, dealing with its social and economic impact on development on the Caribbean (CANA 2000d).

In April 2001, at the Summit of the Americas in Quebec, World Bank President James Wolfensohn presented plans to devote up to \$150 million to fight HIV/AIDS in the Caribbean. He announced a new five-year program, which will follow the Caribbean Regional Strategic Plan of Action for HIV/AIDS for CARICOM countries and the Dominican Republic. The new program is in addition to more than \$1 billion that the Bank has already devoted to HIV/AIDS projects in 56 countries. In addition, President George Bush announced that \$20 million in HIV/AIDS funding would be made available to Caribbean nations in fiscal year 2002 for prevention and educational outreach (Washington File 2001).

More research is needed to understand the connections among sex tourism, HIV/AIDS, and the tourism industry itself. Such an understanding will be an invaluable tool for public policy in dealing with the HIV/AIDS epidemic and the building of a sustainable tourism industry. Concurrently, there are also efforts to make international tourists aware of proper and responsible conduct. The *Healthy Tourist Information Campaign* focuses on the dissemination of information with respect to food hygiene, sanitation, accidents, and sexually transmitted diseases (Valayer 1999).

Building Sustainable Tourism

How do Caribbean countries create an integrated product that is rooted in the ecological yet incorporates the economic, social, and human approaches to development? The WTO notes that tourism is a part of the process of sustainable development. Sustainable tourism cannot be built on traditional models of development pertaining to the industry. It involves a more holistic and comprehensive approach to development than the traditional economic development models.

Until recently, the concept of mass tourism dominated the traditional way of building the tourism industry. The idea was to get as many tourists as possible to come to a country and to spend as much as possible. The industry in the Caribbean was built around the “sun, sand, and sea” attractions, and little interaction was expected or encouraged between the tourists and local people or the environment (Bryan 1991). Today, much has changed. The new tourists may be older, better informed, more interested in the authentic and the local, and inclined to interact

more with the environment and with local communities. But the tourism industry itself also increases the risks of negative environmental and sociocultural impacts. The challenge, then, is to devise sound environmental policies and sound planning policies in order to minimize the sociocultural and environmental impacts of tourism.

A large portion of the land-based tourism industry in the Caribbean consists of small and mainly locally owned or managed hotels that sometimes use international names for marketing purposes. The industry is economically fragile and subject to a wide range of taxes, which can render it less competitive with other destinations around the world or with cruise tourism. Governments will use taxes to meet their broader objectives, but they will not always reinvest them in the industry from which they are levied. Countries in the Caribbean also tend to compete against each other to gain tourism investment. Some of the other threats to the industry include the lack of destination advertising; heavy advertising by other global competitors; reduced passenger loads from Europe, given the withdrawal of some charter carriers; and the fluctuation of major currencies, including the yen and the euro. In order for Caribbean tourism to be sustainable, there must also be less harassment of visitors, improved infrastructure, and more airline routes to the region.

Tourism should also provide a significant contribution to the economic development of the country in general, even while it provides a satisfactory return on investor's capital and a satisfactory experience for the tourist. There must be complete and clear development strategies, public and private sector collaboration, regional cooperation, and the creation of a network for future activities. There is also a definite need for public sector intervention in order to provide incentives for the development of tourism, to generate other sources of income, and to ensure that the development of the tourism industry is compatible with the needs of local communities.

Regional cooperation already exists in the Wider Caribbean in areas related to sustainable development and sustainable tourism. One example is in the area of water resources management, involving significant collaboration between Costa Rica and Nicaragua. Other areas of cooperation between these two countries include biodiversity, education, and health and forest management. The Association of Caribbean States (ACS), a grouping of 37 member countries in the Wider

Caribbean region, has declared a Caribbean Sustainable Tourism Zone (CSTZ), with the objective of incorporating the criteria for sustainable development into tourism activities. Further regional cooperation envisions the promotion of tourism as an industry, the expansion of intra-regional tourism, a common tourist card, and other cooperative agreements (SELA 1999). A number of regional organizations are working toward the development of environmentally sustainable tourism. This includes the Caribbean Alliance for Sustainable Tourism (CAST), which is an initiative of the Caribbean Hotel Association, as well as the CTO's Sustainable Tourism Strategy and Plan of Action. At the national level, some Caribbean countries are preparing or have already prepared their own plans for the sustainability of their tourism industry (McHardy 2000, 3). More global institutions that indirectly have an impact on the development of sustainable tourism in the Caribbean include the World Tourism Organization and the Cotonou Agreement between the European Union (EU) and the African, Caribbean, and Pacific States (ACP).

An increase in human resource development and adequate training in all sectors, whether they relate directly or indirectly to tourism, is another critical element. Local communities need to become greater beneficiaries of visitor spending, and their participation can help to strengthen the tourism products. Eventually, the tourism product will benefit. In this context, the single biggest obstacle affecting investment in the tourism sector is the lack of affordable financing. This is particularly significant because the bulk of the operators are small, locally owned businesses, and the majority usually lack the financial resources to undertake measures such as human resources development, skilled training, plant refurbishment, effective marketing, and the improvement of operational and service standards. In most instances, suitable financing provided by government agencies or banks is necessary.

As stated previously, for tourism to be sustainable, there has to be a balance between economic gains and the impact on the environment. Public sector involvement, business development, marketing programs, more computerized information, and greater capacity-building overall should be a part of this mix. Global standards to maintain greater self-regulation by the industry, including certification schemes such as Green Globe and Blue Flag, are important.

The Green Globe certification program is designed to provide independent verification of environmental improvements within the Agenda 21 principles that emerged at the 1992 Rio de Janeiro conference on sustainable development. By earning a Green Globe Caribbean Certificate, a hotel demonstrates that it is addressing the issues of environmental, social, and cultural responsibility that were raised in Agenda 21. Benefits of this program include reduction in operating costs through the systematic management of resources, an improved company image, and maintenance and improvement of the environmental quality of the hotel. The Blue Flag program is a form of environmental management for beaches and marinas. It is a voluntary certification scheme that has been operating in Europe since 1987 and uses criteria such as the quality of the bathing water site, cleanliness, and public safety measures (McHardy 2000, 18).

The role of information technology in sustainable tourism is fundamental. Tourism has been influenced by the technological revolution, and there is now an increasingly important role for data processing, marketing, distribution, coordination, and promotion within the tourism industry. Information technologies are a key partner for the tourism sector. Such information systems and networks provide immediate confirmation and quick documentation of reservations and other details, which increases flexibility of the industry and allows for greater "last minute" bookings. Sharing information systems and networks are equally important elements for the coordination of intra-regional cooperation in the Caribbean. Improving information technology will reduce communication costs, and there will be greater advantages in the collection and assessment of information on both the supply and demand sides of tourism.

Initiatives

Some important initiatives in the Caribbean that could have an impact on the development of sustainable tourism are already underway. In Barbados, there are plans with multiple components aimed at diversifying the Barbados tourism product and developing agencies that are responsible for the delivery of training to the country's tourism work force.³ For example, a US\$15-million Tourism Loan Fund was launched in January 2001 to provide loans for the refurbishment and upgrading of small and medium-sized hotels in

Barbados. The fund will also be used for the upgrading of facilities in the areas of historical, cultural, and natural heritage attractions. While the initial loan serves as an important stimulus for this sector of the economy, additional funds will soon be required to supplement the initial allocation (CANA 2001b; CANA 2000e).

In other areas of the Caribbean, several initiatives have moved beyond planning to implementation. The ACS is starting to work in the following areas: tourism planning, environmental sustainability, visitor safety, regional marketing, profitability, human resources, and financing. It has also established Sustainable Tourism Zones (STZs) in the region, designed to facilitate actions of the public and private sectors and regional cooperation within a planning framework. The overall declaration of the regional CSTZ promotes the basic strategies of consolidating the Caribbean identity and protecting cultural values by forming a unified yet diversified self-perception of the region as a tourist destination. The objectives of this strategy are to enhance the participation of the community in decisionmaking, planning, development, and benefits from tourism; to develop and apply models of sustainable preservation of the environment; and to develop and disseminate appropriate technologies for sustainable tourism development. Other components of the CSTZ strategy include the promotion of multi-destination tourism in the Caribbean; the preparation, adaptation, and ratification of local, regional, and international regulatory frameworks for the consolidation of the CSTZ; and the development of mechanisms for Caribbean community participation. Finally, the CSTZ plans to help develop air and sea transport services to strengthen the regional interconnection of the Caribbean and to engage the region's private sector in the design and application of joint programs for consolidating sustainable tourism development (Hatton 1998, 17-18).

In the Jamaican Hotel Industry, the Environmental Audits for Sustainable Tourism (EAST) has been defining the "greening" of the Jamaican hotel industry for the past three years. Along with several local manufacturers, its aims

are to make hotel operations more environmentally friendly and cost efficient. In attempting to create linkages among industries, EAST has been consolidating and expanding the application of environmental management into the manufacturing sector in symmetry with the hospitality and tourism industry (*Jamaica Observer* 2001).

There are many cases of functional cooperation between the public and private sectors, but these are confined mainly to the areas of marketing and promotion of destinations. As in any industry, more reliable data is required, and the Organization of American States (OAS) in recent years has begun to strengthen its research and data collection capabilities for tourism. The effort is long term. In addition, the OAS emphasizes the need for governments to recognize that sustained development of the tourism industry is essential because in some countries it is the main engine of growth, employment, exports, investment, trade, and economic development. It has called for efforts to harmonize foreign investment legislation, for the elimination of tariff and non-tariff barriers that directly or indirectly prevent the circulation of tourism-related goods and services, and for strong government support of an "open skies" policy to all airlines that comply with security regulations. The OAS has encouraged the private sector to enter into mutually reinforcing agreements with governments to ensure that natural and heritage resources are sustainably managed. Most important, the organization has pushed for the enforcement of environmental regulations by governments and recommends incentives for those businesses that comply with the regulations (OAS 1996).

In a very recent initiative, the CTO and USAID have prepared a draft document entitled *Policy and Regulatory Framework for Sustainable Tourism in the Caribbean*, which discusses various topic areas, including environmental conservation standards and controls, socio-cultural and economic issues, heritage tourism, education and training for tourism, tourism organization and planning, and tourism management. This regional policy framework is based on the outcome of Regional Roundtable discussions held in Barbados in February 2000, as well as on information about the status of development and implementation of policies and practices for development of sustainable tourism in CTO member countries. The framework also hopes to build regional sustainable tourism policy development through the

3. These plans are contained in the "Tourism" chapter of the *1993-2000 Barbados Development Plan* and the "Tourism" chapter of the 2000-2010 *Barbados National Strategic Plan*. Barbados has also published a *Green Paper on Policies, Proposals, and Programmes in the Tourism Sector*, which includes public discussions of the proposals.

implementation of the CSTZ as well as through intersectoral cooperation with the CHA, CTO, and Organization of Eastern Caribbean States (OECS). The framework is aimed at promoting a regional consensus on sustainable tourism policy and is intended to be a reference for the development of national tourism policies, which will help to establish the Caribbean as a sustainable tourism zone by harmonizing ongoing national and regional initiatives (see McHardy 2000).

With respect to cruise tourism, the 15-member cruise lines of the Florida-Caribbean Cruise Association (FCCA) in March 2000 signed a Memorandum of Understanding regarding its environmental practices and policies with the Florida Department of Environmental Protection (FDEP). The cruise industry, through the member lines of the FCCA and the International Council of Cruise Lines (ICCL), has developed a cruise industry policy concerning waste minimization, waste reuse and recycling, and waste management. Through these two associations, the industry has been engaged with the FDEP in a tripartite discussion involving a number of environmental management policy goals.

By putting this policy in place, the FCCA has adopted a “greener” approach that would minimize waste deposits in Caribbean ports. However, not all Caribbean countries have signed the International Convention for the Prevention of Pollution by Ships (the Marpol Convention). Most have not done so because it would mean that the collection facilities for garbage and polluted ballast and bilgewater in Caribbean ports would have to be brought up to standards as laid down in the convention, thus putting increasing pressure on their land-based facilities. By not signing it, countries are not obliged to provide waste-disposal facilities and can refuse to accept garbage from cruise ships. However, the OECS/World Bank project for dealing with ship-generated waste and the greener approach adopted by cruise liners with regard to waste may make it more acceptable for those countries to ratify the convention and adopt standard criteria for the entire region (McHardy 2000, 17).

Looking Ahead: The Regional Approach

Caribbean tourism is a competitive industry even within the region. Despite collective regional marketing for multi-destination tourism,

countries still compete with each other for tourist dollars and for investment capital. Most global tourism investments in the Caribbean are going into the mature tourist destinations: The Bahamas, the Dominican Republic, Cuba, Barbados, and Jamaica. With the potential recovery of the industry in Cuba, there may be an impact on investor interest in other Caribbean destinations. Nevertheless, this impact does not need to be negative. Although the competition for investors will be intensified, countries will find opportunities for mutually beneficial cooperation in attracting visitors to the region.

To improve the competitiveness of the region as a whole, an integrated strategy is needed both nationally and regionally to ensure that the Caribbean remains a “preferred destination” and that the benefits of tourism are shared with local populations. This could create a rationale for accelerated cooperation among national and regional organizations in the Caribbean and for improved planning and management of the entire industry. The management of an integrated coastal zone is another area of regional cooperation that could enhance the development of sound regional tourism policies. By sharing facilities, regional institutions could provide cost-effective services through reducing excess capacity and diffusion of overhead costs.

In order to make sustainable tourism a part of the fabric of regional development, citizen participation, increased accountability, and transparency of government activity are essential to building social capital. Regional governments must accept civil society as part of the governance process with respect to tourism. In land-based tourism, appropriate zoning laws and adequate land titling and management are better accomplished with the inclusion of civil society in the process.

The impact of cruise tourism on the economy of the region requires much better analysis from the perspective of the receiving countries to determine the extent to which cruise-ship tourism should be further facilitated. While cruise ships generate relatively little employment and net revenue for the receiving countries, they provide other sources of revenue for the countries that have not been adequately calculated. With respect to land-based tourism, particularly in the newer destinations, the creation of an environment for private sector enterprise development is critical. Governments also need to establish clear rules — stripped of unnecessary red tape — for business

and reduce the threats to life and property; so doing, they will ensure conditions for social harmony and private economic activity.

Looking ahead, another important measure for the development of sustainable tourism in the Caribbean is the strengthening of the economic and social infrastructures in the countries of the region. Site planning and building design must be sustainable. Energy management and liquid and solid waste management must be improved. Improvements are also necessary in the disposal of hazardous waste, and more control is needed over air pollution.

The socio-cultural issues must be addressed particularly with clear strategies for poverty reduction and job creation. Caribbean governments rarely set precise targets for the reduction of poverty or job creation because such concepts are just now being defined and measured. Statistics are not regularly compiled on poverty, but experts agree that in order to measure the success of interventions, countries need to set targets, collect the relevant data, and attempt to evaluate the initiatives that have taken place. Another by-product of poverty is the lack of proper health care, and governments and the private sector have to rise to the challenge to invest in health care as a part of the anti-poverty strategy. The rising incidence of HIV/AIDS in the Caribbean region exacerbates this concern.

Those countries most dependent on tourism in the Caribbean must be even more aggressive in combating HIV/AIDS. In order to achieve sustainable tourism development, there needs to be a regional, coordinated emphasis on fostering safe sex either through the wider use of condoms or limiting the number of sexual partners. Behavior modification through education and public awareness is essential, as the spread of HIV/AIDS in popular tourist destinations will compromise the future expansion of tourism. Although tourism may be a contributing factor to the spread of the disease, the answer to the problem does not lie in restraining tourism development. Instead, health budgets of the region need to reflect a higher priority on HIV/AIDS programs for the common public welfare.

The Caribbean is deficient in human capital both in quantity and in quality. This is reflected in the relative shortage of professional, technical, and skilled workers. The situation will become even more critical as the HIV/AIDS epidemic takes its toll among the youth. Training and in-service

education must be intensified. The empowerment of local communities is essential, and primary and secondary education must place greater emphasis on maintaining and sustaining the environment. Local communities and stakeholders have an integrated role in the development of sustainable tourism policies.

Extra-regional cooperation and assistance should be integrated into the overall plan of action for sustainable development of tourism in the Caribbean. Extra-regional cooperation can help by studying the problem of poverty and designing effective interventions. It can also help individual countries to design policies and institutional adjustments and to monitor, evaluate, update, and facilitate the implementation of realistic measures by providing technical assistance and financial support in the development of an integrated tourism development strategy (World Bank 2000). Bilateral donors could assist in training programs to rebuild the skills that have been lost through the emigration of nurses, doctors, and other essential health services personnel and other professionals. Increased support of the work of selected non-governmental organizations (NGOs) in community development and the expansion of teacher training capacity should also be viewed as essential building blocks for the growth of sustainable tourism development.

More broadly, the Caribbean also needs to undertake a wide range of policy adjustments if sustainable tourism is to be realized. This includes infrastructure projects, the management of information, identifying and negotiating with new investors, promoting tourism, and managing the logistics of increased numbers of tourism arrivals. All of this must be dealt with in the context of a fragile environment, while ensuring the protection of the social and cultural well-being of the population. In order to do this, there must be a willingness to discuss the issues openly and frankly, to change priorities, and to act decisively in order to achieve the development of sustainable tourism in the region.

Conclusion

In theory, governments may have the ability to make choices about tourism; however, the way that tourism policy fits into broader economic and social policies varies across countries. Tourism is perceived in varying ways. Developed countries see tourism primarily as a social activity with eco-

conomic spin-offs; in contrast, developing countries see tourism primarily as an economic activity with social consequences. As an international economic activity, tourism has tremendous importance for many states and, as a result, it is highly politicized. In this respect, tourism policy is no different from any other economic policy. The CTO notes that the Americas have been “relative laggards” in using regional organizations to coordinate tourism policies. The World Tourism Organization’s Commission for the Americas finds that tourism policy throughout the Americas, while generally similar, shows evidence of increasing differentiation over time, as a nation’s tourism sector becomes more highly developed. One source of similarity appears to be the diffusion of policy ideas, but there is a high level of variation among countries because of available resources and degrees of intra-regional competitiveness in the date of enactment of policies (Martin 2000).

As argued throughout the paper, one major key to the economic survival of Caribbean tourism clearly lies in regional cooperation and synergy, due in large part to economies of scale, relative homogeneity, and a heavy dependence on the industry throughout the region. Given the reality that tourism is one of the leading sectors in Caribbean development, the feasibility of the industry over the next 20 years must be assessed not only in the context of revenue retention, but also in the context of whether a sustainable approach can be devised. Given the special attributes of the physical environment in the Caribbean, there are substantial “economic rents” that are generated from its use. A portion of these should be captured to pay for the protection and maintenance of the environment. By aggregating the resources to tackle problems that are regional in scope in both the public and private sectors, the future of sustainable tourism in the Caribbean can be assured.

In summary, this paper maintains that there are several priority areas of concern regarding the advancement of sustainable tourism development in the Caribbean. First, it is necessary for governments to take a broader view of the nature of the environment upon which tourism depends, as well as to understand the incentives that different actors face in addressing different types of environmental threats. In this context, empirical assessments of the extent and origin of threats to the environmental resources that tourism depends on would be valuable for future planning. Second,

the link between tourism and local economies must be studied and planned more constructively to formulate and implement sustainable, long-term strategies for the growth of the industry, as well as strategies for poverty reduction and the creation of employment opportunities. Regionwide, public health and personal security issues must be addressed aggressively as vital parts of these strategies. At this time, governments provide infrastructure and services used in the tourism sector but receive only indirect taxes in return. If the net results of such a policy were simply government subsidies to the industry, then a broader economic analysis of the social benefits of tourism, or its positive and negative factors, would be an important matrix for planning long-term sustainable development. Third, the issues involved in optimizing tourism’s contribution to economic growth must be considered in conjunction with the enhancement of and contribution to social cohesion and cultural heritage. Developing a diversity of destinations, products, and attractions in order to continue to be competitive in this international industry is basic. However, research on the economic and environmental impacts of different types of tourism sectors (eco-tourism, small hotels, large hotels, all-inclusive hotels, cruise ships) will help to create a long-term vision of the benefits and costs of the industry.

Finally, an intellectual acceptance of the importance of tourism is not sufficient if the industry is to continue as the engine of sustainable growth for those Caribbean countries that depend on it. Stakeholders in the region must translate that intellectual comfort zone into a regional policy structure that enhances it or run the risk of being at the tail end of the consumer and investment links of the global tourism food chain. Tourism is not an alien enterprise, nor is it strictly for foreigners. The average citizen living in a Caribbean destination (who does not benefit directly from the industry) rarely gives the industry the respect it deserves or perhaps accepts its reputation as an ugly and unfortunate reality because the intellectual assessment of tourism is not included as a critical part of the larger educational system. As the chief executive officer of the Caribbean Hotel Association recently opined, “There has to be a major effort to make Caribbean communities feel a sense of ownership and responsibility” for the industry (Daily Nation 2001a). In essence, a basic overarching formula for the future success of sustainable tourism in the Caribbean may be improvement in teamwork, and

coordination among the public and private sectors and the academic institutions in the region.

The measures that have been proposed in this paper, though diverse, have the common objective of trying to resolve the possible trade-off between local natural environmental and socioeconomic conditions and a variety of activities connected

with tourism. Protection of the natural environment, as well as the sustainability of the tourism industry, are not mutually exclusive. Eventually, the achievements of sustainable growth in tourism will depend greatly on the definition of objectives, shared support for those objectives, and the implementation undertaken by stakeholders.

Table 1.
International and Caribbean Tourist Arrivals: 1970-1999 (millions)

Year	All Countries		Year	Caribbean	
	Tourists	% Change		Tourists	% Change
1970	159.7	-	1970	4.24	-
1971	172.2	7.8	1971	4.62	9.0
1972	181.9	5.6	1972	5.05	9.3
1973	190.6	4.8	1973	5.41	7.1
1974	197.1	3.4	1974	5.65	4.4
1975	214.4	8.8	1975	5.48	-3.0
1976	220.7	3.0	1976	5.77	5.3
1977	239.1	8.3	1977	6.22	7.8
1978	257.4	7.6	1978	6.57	5.6
1979	274.0	6.5	1979	6.79	3.3
1980	284.3	3.8	1980	6.88	1.3
1981	286.7	0.8	1981	6.67	-3.1
1982	286.6	0.0	1982	6.93	3.9
1983	289.9	1.2	1983	7.25	4.6
1984	317.1	9.4	1984	7.59	4.7
1985	329.6	3.9	1985	7.98	5.1
1986	340.6	3.3	1986	ⁿ 9.50	-
1987	366.9	7.7	1987	10.74	13.05
1988	394.3	7.5	1988	11.46	6.7
1989	426.5	8.2	1989	12.38	8.0
1990	457.2	7.2	1990	13.71	10.7
1991	464.0	1.5	1991	14.04	2.4
1992	^r 503.4	8.5	1992	14.61	4.1
1993	^r 519.0	3.1	1993	15.62	6.9
1994	^r 550.5	6.1	1994	16.46	5.4
1995	^r 565.4	2.7	1995	16.93	2.8
1996	^r 599.0	6.0	1996	17.52	3.5
1997	^r 618.2	3.2	1997	18.85	7.6
1998	^r 636.6	3.0	1998	^r 19.56	3.7
1999	664.4	4.4	1999	20.32	3.9
Period	Percentage Increase		Period	Percentage Increase	
	Total	Average		Total	Average
1989-1999	55.8	4.5	1989-1999	64.1	5.1
1994-1999	20.7	3.8	1994-1999	23.5	4.3

Notes: ⁿ new series (includes tourist arrivals in Cancún and Cozumel) ^r revised estimates

Sources: Provided to the author by the Caribbean Tourism Organization (CTO), Barbados.

Table 2.
Tourist Arrivals in the Caribbean (thousands)

Destination	1995	1996	1997	1998	1999	% ch. 1999/98	% sh. 1999
Commonwealth Caribbean	5,735.7	5,866.3	5,950.9	6,007.2	6,163.6	2.6	30.3
OECS Countries	1,035.6	1,067.3	1,111.1	1,158.6	1,193.8	3.0	5.9
Anguilla	38.5	37.5	43.2	43.9	46.8	6.6	0.2
Antigua and Barbuda	220.0	228.2	240.4	234.3	239.6	2.3	1.2
British Virgin Islands	219.5	243.7	244.3	279.1	285.9	2.4	1.4
Dominica	60.5	63.3	65.4	65.5	73.5	12.2	0.4
Grenada	108.0	108.2	110.7	115.8	125.3	8.2	0.0
Montserrat	17.7	8.7	5.1	7.5	9.9	32.4	0.0
St. Kitts and Nevis	78.9	84.2	88.3	93.2	84.0	-9.9	0.4
St. Lucia	232.3	235.7	248.4	252.2	260.6	3.3	1.3
St. Vincent and Grenadines	60.2	57.9	65.1	67.2	68.3	1.6	0.3
Other Commonwealth	4,700.2	4,799.0	4,839.8	4,848.5	4,969.8	2.5	24.5
Bahamas	1,598.1	1,633.1	1,617.6	r1,527.7	1,577.1	3.2	7.8
Barbados	442.1	447.1	472.3	512.4	517.9	1.1	2.5
Belize	320.8	349.1	304.6	288.1	326.6	13.4	1.6
Bermuda	387.5	389.7	379.7	368.7	354.0	-4.0	1.7
Cayman Islands	361.4	373.2	381.2	404.2	394.5	-2.4	1.9
Guyana	105.5	92.0	75.7	r 68.5	¢74.9	9.4	0.4
Jamaica	1,147.0	1,162.4	1,192.2	1,225.3	1,248.4	1.9	6.1
Trinidad and Tobago	259.8	265.9	324.3	347.7	358.8	3.2	1.8
Turks and Caicos Islands	77.8	86.5	92.3	105.9	117.6	11.0	0.6
Dutch West Indies	1,400.6	1,303.0	1,372.1	1,385.4	1,406.3	1.5	6.9
Aruba	618.9	640.8	646.0	647.4	683.3	5.5	3.4
Bonaire	59.4	65.1	62.8	61.7	61.5	-0.4	0.3
Curacao	223.8	214.3	205.0	198.6	198.3	-0.2	1.0
Saba	10.0	9.8	10.6	10.6	9.3	-12.4	0.0
St. Eustatius ¹	8.8	8.2	8.5	8.6	9.2	6.3	0.0
St. Maarten	479.7	364.7	439.2	458.5	444.8	-3.0	2.2
French West Indies	1,097.2	1,102.0	1,173.2	1,241.8	1,275.3	2.7	6.3
Guadeloupe	640.0	625.0	660.0	693.0	P711.0	2.6	3.5
Martinique	457.2	477.0	513.2	548.8	564.3	2.8	2.8
U.S. Territories	3,507.9	3,500.3	3,771.4	3,914.6	3,712.2	-5.2	18.3
Puerto Rico	3,053.9	3,127.7	3,378.5	¢3,492.3	¢3,228.4	-7.6	15.9
U.S. Virgin Islands	454.0	372.6	392.9	¢422.3	483.8	14.6	2.4
Other Countries	5,185.4	5,744.6	6,583.5	7,007.4	7,763.2	10.8	38.2
Cancún (Mexico)	2,195.1	2,311.6	2,621.3	2,664.2	2,818.3	5.8	13.9
Cozumel (Mexico)	262.9	299.7	370.6	416.8	486.8	16.8	2.4
Cuba	762.7	1,004.3	1,170.1	1,415.8	1,602.8	13.2	7.9
Dominican Republic	1,775.9	1,925.6	2,211.4	2,309.1	2,649.4	14.7	13.0
Haiti	145.4	150.1	148.7	146.8	143.4	-2.4	0.7
Suriname ²	43.4	53.2	61.4	54.6	62.5	14.5	0.3
TOTAL CARIBBEAN	16,926.8	17,516.2	18,851.1	19,556.4	20,320.6	3.9	100.0
CARICOM ^r	4,839.7	4,939.1	5,020.3	5,006.8	5,170.7	3.3	25.4

Notes: ¹excluding Antilleans ² non-resident air arrivals only [¢]CTO estimate ^rrevised ^Ppreliminary %ch.= % change
%sh.= % share of world total

Source: CTO member countries and CTO estimates, provided to the author by the CTO, Barbados.

Table 3.
Visitor Expenditures as a Percentage of Gross Domestic Product

Destination	1994	1995	1996	1997	1998
Anguilla	82.66	79.38	73.73	79.55	74.77
Antigua and Barbuda	69.25	59.47	57.08	55.28	49.13
Aruba	n.a	35.93	39.42	40.58	41.38
Bahamas	44.04	39.36	40.11	36.03	34.05
Barbados	40.92	39.01	37.42	36.80	35.79
Belize	15.38	15.71	16.43	16.83	18.62
Bermuda	32.72	27.60	25.26	23.80	n.a
British Virgin Islands	74.21	74.72	n.a	n.a	n.a
Cayman Islands	54.59	61.43	54.64	61.37	60.43
Cuba	6.61	8.34	9.71	9.28	11.02
Curaçao	n.a	n.a	n.a	n.a	n.a
Dominica	17.16	18.04	18.18	19.15	17.24
Dominican Republic	11.78	13.39	12.41	13.96	13.52
Grenada	31.34	29.90	29.66	28.41	28.35
Guyana	18.61	15.13	11.91	9.51	10.67
Haiti	8.48	19.31	21.58	21.36	n.a
Jamaica	24.84	24.88	22.54	22.75	24.99
Martinique	n.a	8.51	n.a	n.a	n.a
Montserrat	43.22	38.57	23.15	16.92	25.24
Puerto Rico	4.49	4.32	4.24	4.42	4.00
St. Kitts and Nevis	41.06	33.49	32.44	30.30	31.24
St. Lucia	51.08	57.14	56.31	57.08	54.89
St. Vincent and Grenadines	21.49	18.38	27.08	28.63	27.70
Suriname	4.36	6.98	5.68	9.35	6.72
Trinidad and Tobago	1.93	1.47	2.11	3.55	3.39
Turks and Caicos Islands	74.71	51.32	72.06	n.a	n.a
U.S. Virgin Islands	n.a	n.a	n.a	n.a	n.a
Venezuela	n.a	n.a	n.a	1.90	n.a

Source: Central Statistical Offices, International Bank for Reconstruction and Development (IBRD) and Caribbean Development Bank (CDB) Reports, provided to the author by the CTO, Barbados.

Table 4.
Employment in Accommodation
Establishments*

Country	Number of Rooms	Persons Employed	Employee/Room Ratio
Anguilla ⁵	978	1,064	1.09
Antigua and Barbuda ¹	3,317	3,649	1.10
Aruba ¹	6,150	7,995	1.30
Bahamas ¹	1,398	16,078	1.20
Barbados ¹	5,685	5,685	1.00
Belize	3,921	2,203	0.56
Bermuda ²	4,152	4,029	0.97
British Virgin Islands	1,594	2,847	1.79
Curaçao ¹	2,696	2,500	0.93
Dominica ²	764	415	0.54
Dominican Republic**	42,412	55,937	1.32
Grenada ⁶	1,085	1,200	1.11
Jamaica	22,715	30,131	1.33
Puerto Rico	11,828	15,000	1.27
St. Eustatius ³	77	41	0.53
St. Kitts & Nevis ⁴	1,593	1,599	1.00
St. Lucia ²	3,986	5,200	1.30
Trinidad and Tobago ²	3,536	4,160	1.18
U.S. Virgin Islands	4,929	3,570	0.72
Total (19 countries)	122,816	163,303	1.33

Notes: [°] CTO estimate *Caribbean Hotel Trends (CTO, 1994).

**La Industria Hotelera Dominicana, Asociación Nacional de Hoteles y Restaurantes (ASONAHORES).

¹1997 ²1996 ³1995 ⁴1994 ⁵1993 ⁶1991

Source: National Tourism and Statistical Offices, provided to the author by the CTO, Barbados.

Table 5.
World International Tourist Arrivals by Region (millions)

	1985	1990	1995	1997	1998	1999	Growth Rate (%)		Average Annual Growth (%)	
							1999/1998	1985-1999	1995-1999	
World	327.1	457.2	565.4	618.2	636.6	664.4	4.4	5.2	4.1	
Africa	9.7	15.0	20.2	23.2	24.9	26.9	7.8	7.5	7.5	
Americas	64.3	92.8	108.9	116.6	119.9	122.9	2.4	4.7	3.1	
East Asia/Pacific	31.1	54.6	81.4	88.3	87.4	97.2	11.1	8.5	4.5	
Europe	212.0	282.7	338.4	371.1	383.8	394.1	2.7	4.5	3.9	
Middle East	7.5	9.0	12.4	14.3	15.3	17.8	16.2	6.4	9.5	
South Asia	2.5	3.2	4.2	4.8	5.2	5.7	8.3	6.0	7.7	

	Market share						(%)
World	100	100	100	100	100	100	100
Africa	3.0	3.3	3.6	3.8	3.9	4.0	
Americas	19.7	20.3	19.3	18.9	18.8	18.5	
East Asia/Pacific	9.5	11.9	14.4	14.3	13.7	14.6	
Europe	64.8	61.8	59.8	60.0	60.3	59.3	
Middle East	2.3	2.0	2.2	2.3	2.4	2.7	
South Asia	0.8	0.7	0.7	0.8	0.8	0.9	

Source: World Tourism Organization (WTO). (Data as collected in WTO database August 2000).

Table 6.
Worldwide Export Earnings, 1998

	US\$ billion	%
Total worldwide export of services and goods	6,738	100.0
among which:		
1. Tourism	532	7.9
International Tourism Receipts	441	6.5
International Fare Receipts	91	1.3
2. Automotive products	525	7.8
3. Chemicals	503	7.5
4. Food	443	6.6
5. Fuels	344	5.1
6. Computer and office equipment	399	5.9
7. Textiles and clothing	331	4.9
8. Telecommunications equipment	283	4.2
9. Mining products other than fuels	158	2.3
10. Iron and steel	141	2.1

Source: World Tourism Organization, World Trade Organization, International Monetary Fund.

Table 7.
World International Tourist Receipts by Region (US\$billions)

	1985	1990	1995	1997	1998	1999	Growth Rate (%)		Average Annual Growth (%)	
							1998/1997	1985-1999	1995-1999	
World	118.1	263.6	405.8	439.7	441.0	454.6	3.1	10.7	2.8	
Africa	2.5	5.3	8.1	8.4	9.8		4.8	11.0	6.8	
Americas	33.3	69.2	100.5	116.9	118.0		0.9	10.2	5.5	
East Asia/Pacific	13.2	39.2	74.6	75.7	67.8		-10.4	13.4	-3.1	
Europe	63.5	143.5	211.7	224.5	232.5		3.6	10.5	3.2	
Middle East	4.2	4.4	7.5	9.2	8.6		-6.7	5.7	4.5	
South Asia	1.4	2.0	3.5	4.0	4.3		5.3	9.1	6.8	
	Market Share						(%)			
World	100	100	100	100	100					
Africa	2.2	2.0	2.0	2.1	2.2					
Americas	28.2	26.2	24.8	26.6	26.8					
East Asia/Pacific	11.2	14.9	18.4	17.2	15.4					
Europe	53.8	54.4	52.2	51.1	52.7					
Middle East	3.5	1.7	1.9	2.1	1.9					
South Asia	1.2	0.8	0.9	0.9	1.0					

Source: World Tourism Organization (WTO). (Data as collected in WTO database August 2000).

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