The Three Cs of Caribbean Tourism: Contexts, Characteristics, and Consequences*

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Abstract

The metaphor of the “Three Cs” (context, characteristics, and consequences) is employed to derive a framework around which to view the phenomenon of tourism. Each element is closely related to the others, and each is affected by and embedded within the others. As an ensemble, the Three Cs determine the configuration of tourism at particular destinations. It is a simple yet analytically powerful mechanism that brings a multi-disciplinary approach to the analysis of tourism problems, enabling a more nuanced understanding of international tourism issues and challenges. The paper attempts to make two points. First, the tourism style or character in a given destination is a function of a complex interrelated set of macro socio-economic and historical forces -the contexts- that differ from destination to destination (or island to island). Second, the interplay between the contexts and characteristics largely defines the consequences or results that are observed, both positive and negative. To illustrate the Three Cs approach, contrasting analyses were made between the Dominican Republic and the Turks and Caicos, with extensions to Cuba. We suggest the Three Cs model is sufficiently broad to fit a variety of destinations and can result in better regional policy conclusions.

Key words:
Multi-disciplinary, Three Cs model, Caribbean tourism, Cuba, Dominican Republic, Turks and Caicos.

Resumen

La metáfora de las “Tres C” (contexto, características y consecuencias) se emplea para obtener un marco alrededor del cual visualizar el fenómeno del turismo. Cada elemento está estrechamente relacionado con los otros, y cada uno se ve afectado por e insertado en los otros. En conjunto, las Tres C determinan la configuración del turismo en destinos específicos. Es un mecanismo simple pero potente analíticamente que aporta un enfoque multidisciplinario al análisis de los problemas del turismo, lo que permite una comprensión más matizada de las temáticas y los desafíos del turismo internacional. El trabajo intenta destacar dos aspectos. En primer lugar, el estilo o carácter del turismo en un determinado destino resulta de un complejo conjunto interrelacionado de macro fuerzas socio-económicas e históricas -los contextos- que difieren de destino a destino (o de isla a isla). En segundo lugar, la interacción entre el contexto y las características define en gran medida las consecuencias o resultados que se observan, tanto positivos como negativos. Para ilustrar el enfoque de las Tres C, se realizaron análisis contrastados entre la República Dominicana y las Islas Turcas y Caicos, con extensiones a Cuba. Sugerimos el modelo de Tres C es lo suficientemente amplio para adaptarse a una variedad de destinos y puede dar lugar a mejores conclusiones de política regional.

Palabras clave:
multidisciplinario, Modelo Tres Cs, turismo caribeño, Cuba, República Dominicana, Islas Turcas y Caicos

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Introduction

Within a generation, tourism has come to occupy a central place in the economies of Caribbean nations previously reserved only for sugar, tobacco, and coffee. Tourism now accounts for 15% of GDP, 12% of employment, 19% of region-wide exports, and 22% of all capital formation (WTTC, 2009). It is the fastest growing source of foreign currency at each of the 30 or so Caribbean destinations and dominates the economies of the smaller islands contributing routinely over 50% of all activity. In only four countries or destinations is tourism’s GDP contribution less than 10 percent (Curaçao, Haiti, Martinique, and Puerto Rico).

Good hotel rooms and satellite TVs are found in all parts of the world. What the Caribbean “sells” is its amazingly fragile and bio-diverse environment: clear and unspoiled beaches, healthy coral reefs, remarkable flora and fauna, all in attractive and safe surroundings for its visitors. The explosion of mass tourism in the Caribbean over the last two decades increasingly threatens these sources of comparative advantage. Tourism development is welcomed by local politicians and decision-makers because it brings foreign currency and jobs to poor areas in dire need of economic opportunity. But research has not grappled with the simultaneous (and to an extent, mutually exclusive) challenges of explosive growth and long-term sustainability in a credible manner.

Regrettably, the recent Caribbean explosion has not been comprehensively studied in terms of its broader effects on society, culture, business, and politics. Studies tend to generate narrow policy outcomes that predictably conflict with pressing social needs of destinations challenged by poverty, population growth, and political corruption. A sampling of recent literature on sustainable tourism in the Caribbean is illustrative of a narrow economic focus (e.g., Mycor, 2006; Johnson, 2006; te Velde & Nair, 2006; Marshall, 2002). Development strategies for tourism in fragile cultures and bio-diverse ecosystems interface among economic, business, political, societal, and environmental concerns. As a result, tourism in the Caribbean confronts the twin challenges of sustainability and development. The “sustainable” side affects not only the environment, but also the culture and sociology of the region. The “development” side deals with the capacity of low-income countries to achieve higher levels of well being. As a consequence, there is a notable dissonance between policy conclusions of scholarly experts on the one hand and the behaviors and actions of the politicians and other policy-makers with responsibility for tourism in Caribbean destinations on the other. A more comprehensive approach is needed to assist decision-makers responsible for shaping the region’s tourism experience.

Scope

This paper represents a beginning toward a multi-disciplinary approach to analyze and examine the anatomy of tourism in the Caribbean. It is a conceptualization focusing on interconnections among various elements of the island system. Since such general approaches run the risk of not being entirely suitable for specific situations or locations, the present effort is offered as a beginning toward a more general theory. It allows for the interplay of various approaches that ultimately might lead to a more useful understanding of threats and opportunities confronting Caribbean tourism. The metaphor of the Three Cs — context, characteristics, and consequences — is employed to derive a general framework around which to view the phenomenon of tourism (See Figure 1). Each of the three aspects is closely related to the others, and each is affected by and embedded within the others. As an ensemble, the three Cs determine the configuration of tourism at a particular destination.

Figure 1. Macro-environmental contexts

<table>
<thead>
<tr>
<th>ECONOMIC</th>
<th>POLITICAL / LEGAL</th>
<th>SOCIAL / CULTURAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Economy’s growth and versatility</td>
<td>- Local civic self-government</td>
<td>- Emerging social and demographic issues</td>
</tr>
<tr>
<td>- Trading partners</td>
<td>- Levels of corruption</td>
<td>- Strength of local culture and national traditions</td>
</tr>
<tr>
<td>- Income distribution</td>
<td>- Political systems and dispersion of governmental authority</td>
<td>- Acceptance of tourism</td>
</tr>
<tr>
<td>- Stability of prices and exchange rates</td>
<td>- Strength of legal and regulatory institutions</td>
<td>- Crime trends</td>
</tr>
<tr>
<td>- National wealth</td>
<td>- Impacts of global trade</td>
<td>- Labor force preparation</td>
</tr>
<tr>
<td>- Unemployment levels</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENVIRONMENTAL / GEOGRAPHIC</th>
<th>HISTORICAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Pollution levels</td>
<td>- Patterns of development and colonization</td>
</tr>
<tr>
<td>- Water quality and availability</td>
<td>- Traditional economic industries</td>
</tr>
<tr>
<td>- Public health infrastructure</td>
<td>- Historical patterns of population distribution</td>
</tr>
<tr>
<td>- Environmental infrastructure</td>
<td></td>
</tr>
<tr>
<td>- Environmental fragility</td>
<td></td>
</tr>
<tr>
<td>- Topographical characteristics</td>
<td></td>
</tr>
</tbody>
</table>
Contexts in this broad framework represent the macro-environment around which tourism takes place; they include economic, political, social, environmental, and historical elements that influence tourism development at a particular destination.

Characteristics define the types of tourism that prevail in, or characterize, a particular destination. Examples would be all-inclusive 3-S resorts, cruise ship tourism, and smaller forms of ecotourism (heritage, cultural, nature). Following Weaver (2004), it is assumed for expository purposes here that a destination can be broadly characterized by a single tourism style that either dominates the landscape or generates the most significant economic impact.

Consequences summarize the results, both positive and negative, that obtain from the interaction and combination of the first two elements or Cs. In developing this general anatomy, the Dominican Republic and the Turks and Caicos will be used as contrasting illustrations, followed by an extension to the Cuban case, both in the present situation and speculatively, in a post-Castro scenario.

### Contexts

- The context reflects the macro-environment within and around which tourism takes place. It includes five important categories: (1) economic forces and conditions; (2) political, legal, and regulatory; (3) social and cultural; (4) environmental, geographic, and topological; and (5) historical. Each of these dimensions can have determinative effects on tourism strategies and possibilities, but most are largely outside the immediate policy control because they either reflect a long history of development or are determined by external forces and events.

### Economic factors

- The major economic forces that condition tourism performance include the economy's size, structure and growth rate, the degree of diversification, and the characteristics of the workforce. Of particular significance for small, resource-poor, export-propelled islands are the following four elements:
  - health of the international economy,
  - strength of global tourism
  - viability of local sectors (agriculture, handicrafts, food/beverages) with forward linkages to tourism
  - effectiveness of local governments and civic institutions

### Political and legal elements

- Until fairly recently, democracy was rare in developing nations, but now “bare bones” democracies in Europe and Central and South America confront real economic and political challenges (Aron, 2001). Several Caribbean destinations fit this category where citizens enjoy freedom of speech, assembly, press, travel abroad, and elections but lack a highly developed and widespread culture of governance and locally effective civic institutions. Such fragile democracies struggle to strengthen the middle class, the base of democracy, atop often unstable economies in nations characterized by the combustible combination of high illiteracy, youth unemployment, and income inequality (Richardson, 1992). Limited democratic traditions (including highly centralized decision-making with little input from local communities) and growing corruption (Maingot, 2004), affect tourism in two ways. First, there is a declining capacity to curb rising serious crime rates and second, there is a significantly higher drug-transit trade (Deosaran, 2004).

### Social and cultural aspects

- Nascent governments struggle to control negative socio-cultural impacts of tourism. Caribbean destinations, given their small size, proximity to North America, and extensive history of metropolitan migration (Richardson, 1983) are vulnerable to the effects of mass tourism as practiced in the region. The “all-inclusive,” “garrison” style of tourism (in Cuba, it’s known as “apartheid” tourism since local citizens are not allowed to go to
tourist resorts) currently in vogue may mitigate host-guest interactions and visitor harassment (de Albuquerque & McElroy, 2001), but they also curtail the amount of revenues circulating through the local economy and the growth of local talent, capital, and decision-making (McElroy & de Albuquerque, 1994).

Environmental and geographic considerations

Before postwar diversification toward tourism, offshore banking, and light manufacturing, the Caribbean endured three centuries of intense sugar culture, widespread deforestation, erosion, and mangrove destruction. Richardson (1992:30) refers to the early rapid growth of the plantation system fed by West African slaves as “the great clearing,” which in most islands was followed by environmental neglect. As the most visitor-penetrated insular region in the world, the advent of mass tourism has left its mark: delicate coastlines heavily colonized by capital-intensive facility and infrastructure construction (McElroy & de Albuquerque, 1998). According to Weaver (1998:189), tourism is considered “a primary culprit in the deterioration of the region’s coral reefs, due to the direct effects of diving and the indirect effects of boat activity and hotel effluents.”

Every destination experiences some form of impact, depending on existing governmental standards and the professional infrastructures. Most impacts are significant enough to warrant implementation of major rehabilitation projects (e.g., Osaka River harbor in the Dominican Republic, Havana harbor in Cuba, or Kingston Bay in Jamaica). But nascent democracies typified by highly centralized governments operate with weak regulations and planning guidelines, a situation exacerbated by inadequate legislation, under-funded monitoring systems, and thin institutional capacity and public environmental awareness (Pattullo, 1996). For example, the Dominican Republic did not have a Ministry of the Environment until 2000; it operates now with limited resources and high, politically-inspired turnover in its staff. In contrast, some nations, such as Costa Rica and Dominica, have developed expertise in certain kinds of environmental tourism and have a fairly well developed professional expertise that serves as advocates and monitors. Finally, every destination has its own particular history and geomorphology that inform how tourism has developed and grown there. Specifically, this configuration sets parameters on the type of attractions developed, the location of facilities and infrastructure, the extent of land dedication and alteration, and the kinds of touristic investments that are attracted and made.

Historical legacies

Legacies of history are important and highly specific to various Caribbean nations. The Caribbean Sea is home to the world’s largest assemblage of small and mini-states, a mixture of large to small islands with a wide fusion of languages, religions, ethnic groups, and customs (Thomas, 1988). The pattern of development reflects influences of colonization and settlement: four European empires, as well as the United States and the former Soviet Union, historically have operated in the region. The Caribbean’s economic development, including its traditional industries and its workforce, reflect the import needs of colonial powers as well as the particular resource endowments of the nations. Refined sugar, for example, was highly prized in Europe in the 1600s and 1700s; a spoonful sold in Paris for a fortune during the 16th century. Sugar was known as “white gold;” wealthy people stored sugar as a form of savings (Deere, 1950). By the mid-16th century a nascent sugar industry dependent on African slave labor had emerged in the Spanish Caribbean. (The extraordinary prominence of the Dominican Republic in the sport of American baseball might be traced to the presence of baseball “leagues,” or day camps, for the children of African-Dominican sugar cane workers). Population patterns and densities are easily explained by historical contours of development, agricultural crop land requirements, and general patterns of economic growth.

Characteristics

Given the macro-environmental contexts prevailing at a given destination, tourism will display different characteristics. (See Figure 2). The characteristics range from a heavy concentration of “all inclusive” tourism, such as exists in the Dominican Republic, to primarily boutique, upscale resorts such as those found in Nevis, Bermuda or in parts of the Turks and Caicos and to some extent Barbados.

The interaction between the contexts and the characteristics is quite real and seldom simple. Both capital scarcity and pressures to create additional jobs create
a heavy dependence on large-scale, foreign-owned “all inclusives” in many islands. These dependence challenges for host island nations are magnified due to ineffective local governments. Typically, the European all-inclusive operations are heavily vertically integrated with their own management structures, architects, hotels, and airlines. The tour operators from the origin markets are extremely powerful vis-a-vis a small Caribbean destination; tour operators tend to set the rules regarding occupancy and pricing. In fact, just a few conglomerates control nearly 80 percent of the tourism business in Europe, and they have great influence over pricing. Touristik Union Internationale (TUI) from Germany, the largest tourism conglomerate in Europe, included as of 2004 over 3,600 travel agencies, 104 aircraft, and 285 hotels (including brands like Iberotels, Sol y Mar, and RJJ) with over 157,000 beds in 25 countries. Around 12,000 business travel professionals in over 70 countries also look after the TUI’s business customers. (See the company’s web site at http://www.tui.com). A small locality in the Caribbean is overwhelmed by the power and influence of such a global force.

The terrorist attacks of September 11, 2001, altered the industry on the supply and demand sides. On the supply side, there has been industry consolidation and a heavy focus on cost controls. Thompson UK, for example, was taken over by TUI; Thomas Cook UK was acquired by C & N from Germany; and Appollo in Sweden was taken over by Kuoni of Switzerland. On the demand side, to make matters worse on Caribbean destinations dependent on foreign tourism, consumers have been making more last-minute travel plans. Over half of the bookings in Germany during 2003 were made within two months of the date of travel, compared to more usual six months to a year before. Most of Italy’s travel plans are being made even closer to the date of travel. Bookings on the Internet increases pressure for additional cost savings as consumers shop for the best prices. If hotels want high occupancy rates, the giant conglomerates might demand lower prices or cheaper packages on shorter notice, leaving even less for the local economies that depend on tourism. As prices fall, local maintenance and repair budgets decline, including those for water treatment plants, if they exist, and for aqueducts. These trends have significant impacts on the class of tourist attracted and the overall net economic impact.

Consequences

The consequences emanating from the first two Cs result in both negative and positive impacts, particularly in the local and national economy, environment, infrastructure, and cultural and social activities (see Figure 3). Butler’s (1980 and 1993) well-known lifecycle model suggests that as tourism destinations develop, they pass through predictable stages that involve increasing facility scale, capital intensity, and socio-environmental encroachment. Butler’s lifecycle stages would be subsumed under the scope of this more general frame-work. Among the positive outcomes, of course, are net inflows of foreign currency, the expansion of labor-intensive employment and entrepreneurship, the generation of local taxes, the improvements in transport and other infrastructure (better roads, airports with a greater number of flights, police enforcement), and enhanced international reputation and publicity for the country. These represent the visible economic benefits touted in the postwar literature (Jafari, 2002) that dominate the initial stages of tourism development.

Figure 2. Tourism Characteristics

| Type: | “All inclusive” multinational; foreign-owned chain; nationally owned; middle- and low-cost vs. upscale focus |
| Scope: | Widely distributed; heavy local concentration |
| Source of visitors: | Multi-national; regional; local |
| Local impacts: | Extensive; moderate; minimal |
| Extensiveness of outside control: | Extensive; moderate; minimal |

Figure 3. Positive and Negative Consequences of Tourism Activities

| Economic: | Foreign currency, economy’s diversity, infrastructure impacts, labor force development, taxes, real estate impacts |
| Environmental: | Water, air, coastal, forests, marine, pollution/environmental |
| Political: | Local self-government impacts, corruption, government agency professional expertise development, regulations, regional collaborations |
| Social/Cultural: | Local cultural impacts, crime and crime abatement, international recognition |
On the other hand, during the later stages of the resort cycle, many of the negative externalities appear. At the economic level, the tendency is for declines in visitor stay, per trip real spending, and holiday (versus business) travel accompanied by rising realty inflation (McElroy, 2003). At the ecosystem level, because of the dominant “sunlust” character of the region’s tourism, the location of large-scale resorts, marinas and access infrastructure on scenic mountain slopes and fragile coastlines damages watersheds, mangroves, beaches, and reef systems (Apostolopoulos & Gayle, 2002). At the social level, increased seasonal crowding and rising crime are associated with deterioration in the pace of island life. In most developed destinations, to retain market share there is a tendency to replace lost natural amenities with man-made attractions (golf, conventions, etc.) and to promote duty-free shopping by promoting cruise activity. While tourism brings important benefits to small island nations with few or no other options (Wilkinson, 1989), it also brings negative consequences that partially offset positive ones and that flow directly from the contexts and characteristics of that destination.

Case applications

- The Dominican Republic and the Turks and Caicos represent rather extreme examples of Caribbean tourism: one with explosive growth, primarily in the all-inclusive mode, an example of one of the “bare bones” democracies, developing slowly a better understanding of tourism and its effects and how to control them, moving toward less dependency on all-inclusives, and another a British overseas territory, emerging initially in the “boutique” and upscale markets, but now facing economic and environmental pressures as it moves toward a greater emphasis on mass tourism, but with a greater reservoir of planning experience and more competent “civic” or local governments compared to the Dominican Republic.

Dominican Republic

- Several context elements help explain the Dominican Republic’s (DR) emphasis on mass tourism. First, more than most Caribbean nations, the DR on the eastern part of Hispaniola, has suffered a number of postwar macroeconomic shocks that have weakened traditional sectors. These include the declining terms of trade for sugar and tobacco and the wholesale loss of thousands of textile/assembly jobs to Mexico through NAFTA and to China, through globalization. Second, the country suffers from marked income inequality. It is estimated that the top 10 percent of the population enjoys over 40 percent of GNP while the poorest half receives less than a fifth of national income (CIA, 2009). These contrasts are evidenced by extremely high infant mortality (26 deaths per 1,000 live births) and relatively low adult literacy (87%) for the region (See Table 1). Third, population pressure has been severe with the rate of natural increase approaching two percent per annum with decision-makers facing significant momentum in the future since roughly one of every three of the islanders is under 15 years of age. These economic and social challenges were greatly magnified by a major financial scandal resulting in the failure of the nation’s three largest banks in 2003. As a result of declining employment opportunities, rapid demographic growth, and relatively high population density (198/km2), the DR has experienced chronically high unemployment (15.4%) and emigration (2.2/1,000).

The absence of local capital and the attractiveness of Caribbean weather and beaches prompted the DR government to pursue mass tourism by luring large-scale foreign investments with tax holidays, land incentives, and other guarantees. As a result, the DR has become the largest island destination in the Caribbean with four major tourist zones served by their own international airports: Santo Domingo (the capital), Puerto Plata in the north, San Pedro and La Romana in the southeast, and Punta Cana/Bavaro in the east. This has been accomplished extremely rapidly during the past two decades. Some of the resorts/infrastructure have been poorly planned, a result of the pace of development and DR’s “newcomer to democracy” status. Weak local government in general and agencies with environmental and planning oversight in particular are not adequately staffed and suffer from the lack of continuity due to frequent civil service turnover when new presidents are elected. In addition, the nation’s infrastructure and education system are significantly below standards. A final contributing factor has been a traditional policy of heavy national resource use (monoculture and mining-nickel, gold, silver) and environmental neglect.

Tourism began in the Puerto Plata region, boosted initially by U.S. and, to a lesser extent, Canadian visitors. Consistent with Butler’s theory of rise and fall of tourist destinations, weak governmental oversight and corruption led to a decline in the infrastructure of the region and in the overall quality of the resorts (with some exceptions), and this in turn led to heavy discounts and a different class of tourist. Crime also increased over the last twenty-five years partly resulting from increasing cocaine trafficking into Haiti (DEA, 2001). As Puerto Plata matured and declined, the other areas developed and flourished (Padilla & McElroy, 2005). Foreign investors developed various resorts and
golf courses in La Romana and then more recently, an explosion of “all inclusive,” foreign-owned hotels opened in the previously-uninhabited region of Punta Cana and Bávaro on the eastern-most tip of Hispaniola. Even though the Punta Cana region boasts several relatively “upscale” resorts, there are increasing signs of over-development in the area today, though it remains the fastest growing tourism region in the Caribbean.

Today the DR has over 4 million visitors annually who spend close to $4 billion. Over 90 percent are tourists (stopovers) almost exclusively on holiday (93%) who stay an average of 10 days (9.3 nights) largely because of the heavy package traffic from Europe that comprises over 40 percent of the market (see Table 1). These features plus low per resident visitor spending ($386), a low visitor/population ratio (0.44) and a profitable hotel occupancy rate (73%) reflect -on an all-island basis- behaviors associated with the expansion stage of the destination lifecycle. However, because of the heavily concentrated nature of tourism activity, two of the tourism zones resemble highly developed, tourist-driven small-islands. For example, in per resident visitor spending ($7,941), daily visitor density per 1,000 population (204), and rooms per square kilometer (5.7), Punta Cana ranks with the most tourist penetrated island destinations in the world; and Puerto Plata ranks with the intermediate group that includes Antigua, Bahamas, Barbados and others (Padilla & McElroy, 2005: Table 3).

Table 1. Selected Tourism and Other Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Dominican Republic</th>
<th>Turks and Caicos</th>
<th>Cuba*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitor growth(^1)</td>
<td>58%</td>
<td>123%</td>
<td>57%</td>
</tr>
<tr>
<td>Room growth(^1)</td>
<td>42%</td>
<td>86%</td>
<td>36%</td>
</tr>
<tr>
<td>Occupancy(^1)</td>
<td>73%</td>
<td>73.0%</td>
<td>61.0</td>
</tr>
<tr>
<td>Percent No. America</td>
<td>58%</td>
<td>90%</td>
<td>52%</td>
</tr>
<tr>
<td>Percent European</td>
<td>42%</td>
<td>10%</td>
<td>46%</td>
</tr>
<tr>
<td>Holiday Purpose</td>
<td>93%</td>
<td>59%</td>
<td>90%</td>
</tr>
<tr>
<td>Average Stay</td>
<td>9.3</td>
<td>7.0</td>
<td>10.5</td>
</tr>
<tr>
<td>Spending ($millions)</td>
<td>$8,729</td>
<td>$392</td>
<td>$2,404</td>
</tr>
<tr>
<td>Avg. Spend/Trip</td>
<td>$897</td>
<td>$1,581</td>
<td>$1,082</td>
</tr>
<tr>
<td>Avg. Spend/Day</td>
<td>$96</td>
<td>$225</td>
<td>$103</td>
</tr>
<tr>
<td>Spend/Population</td>
<td>$386</td>
<td>$17,087</td>
<td>$210</td>
</tr>
<tr>
<td>Tourists/Population</td>
<td>0.44</td>
<td>10.80</td>
<td>0.19</td>
</tr>
<tr>
<td>Percent 0-14 yrs</td>
<td>31.4</td>
<td>30.2</td>
<td>18.3</td>
</tr>
<tr>
<td>Median Age (yrs.)</td>
<td>24.9</td>
<td>27.9</td>
<td>37.3</td>
</tr>
<tr>
<td>Pop. Density (km2)</td>
<td>198</td>
<td>24</td>
<td>103</td>
</tr>
<tr>
<td>Crude Birth Rate</td>
<td>22.4</td>
<td>20.8</td>
<td>11.1</td>
</tr>
<tr>
<td>Crude Death Rate</td>
<td>5.3</td>
<td>4.2</td>
<td>7.2</td>
</tr>
<tr>
<td>Net Migration Rate</td>
<td>-2.22</td>
<td>9.0</td>
<td>-160</td>
</tr>
<tr>
<td>Infant Mortality</td>
<td>26.0</td>
<td>13.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Life Expectancy (yrs.)</td>
<td>73.7</td>
<td>75.4</td>
<td>77.5</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>87.0</td>
<td>98.0</td>
<td>99.8</td>
</tr>
<tr>
<td>Per capita GDP</td>
<td>$8,100</td>
<td>$11,500</td>
<td>$9,500</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>15.4</td>
<td>10.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Phones/Population(^2)</td>
<td>665</td>
<td>322</td>
<td>108</td>
</tr>
</tbody>
</table>

*Data on GDP, unemployment, and infant mortality for Cuba is from official Cuban government sources*

*Datos de PIB, desempleo, mortalidad infantil proceden de fuentes oficiales del gobierno cubano*
The Turks and Caicos (TCI), an "overseas territory" of Britain with a local ministerial government, comprise a 40-island archipelago of low-lying coraline limestone islands 150 miles southeast of the Bahamas. Only eight are inhabited and over 80 percent of the population is concentrated on Grand Turk and Providenciales. In addition to their small size -they represent less than one percent of the population and area of the DR- extremely limited rainfall (29 inches/yr.) and arable land (less than 5% of the total) hindered intensive development of plantation agriculture. The extensive reef system, shallow salt flats, and prevailing winds (for evaporation) provided for a viable fishing industry and salt exports for fish preservation during the colonial era. In the 1960s, however, the salt industry collapsed with the introduction of new canning preservatives and freezing methods (Royle, 2001). The economy remained weak and dependent on two U.S. military bases until they closed in 1970. The modern era began with the deliberate attempt to diversify along Bermudian lines into offshore finance and tourism. Initial success in the insurance business was followed by scandals in the late 1980s later corrected by British oversight (Aldrich & Connell, 1998). Since then the offshore finance industry has rebounded and represents a second major source of foreign exchange behind tourism but ahead of fishing, which remains a source of island protein.

The high-end visitor industry was created by a confluence of favorable context factors. First, it was fostered by a relatively enlightened civil service with a long period of stable democratic practice under the British Crown. As a relative tourism newcomer, decision makers may also have been aware of the ecosystem damage experienced by other nearby destinations that had entered the resort cycle decades earlier. Second, since it is only a 75-minute flight from Miami to Providenciales, geographic proximity to the lucrative North American origin market -which accounts for nine of ten tourists (see Table 1)- facilitated development. Third, the TCI has extraordinary environmental assets, including pristine white beaches, healthy and easily accessible reef systems. and abundant wildlife: flamingos, iguanas, turtles, and dolphins. These resources provide a base for ecotourism opportunities like birding, whale watching, diving, and sport fishing in a territory that had historically escaped the environmental ravages of plantation monoculture. Fourth, a combination of three interrelated socio-economic conditions reduced pressure to pursue the high-density, middle-to-low end of the mass market. These included the relatively buoyant alternative export sectors of offshore finance (only 59% of visitors arrive for holiday purposes) and fishing (lobster and conch); relatively low population density (24 persons/km2); and relatively rapid labor-absorbing visitor and construction growth. The pace has been particularly brisk most recently with very sharp increases in tourist arrivals and hotel rooms since 1998 (Table 1). Finally, the Islands’ tourism trajectory has been supported by externally subsidized transport infrastructure improvements (three international airports) partly the result of its dependent status as a British overseas territory.

After two decades of rapid growth, the economic axis has shifted from the administrative capital of Grand Turk to the tourism center in Providenciales. Today the TCI is one of the more affluent small island tourist economies in the region with multiple times the level of per resident visitor spending ($17,087 vs. $386) of the DR. As evidence of progress, the territory enjoys high life expectancy (75 yrs.) and literacy (98%) and relatively low infant mortality (14/1,000) and has become independent of budgetary aid (not capital grants) from Great Britain since 1989 (Connell, 2001:118). Much of this success has been due to the upscale tourism where some superlative beachfront hotel accommodations and other amenities (spas, cuisine) routinely cost above $500 per night (double occupancy) (West Indies online, 2005). This explains the TCI’s very high rate of repeat visitation (60%), the high average hotel occupancy (73%) as well as its average per trip and per day visitor spending more than double the DR values (Table 1). In fact, according to Duval (2004:15), the TCI recorded the highest average per trip tourist spending ($1,879) for 2000 in the Caribbean. The British Virgin Islands ($1,262) and Barbados ($1,205) were distant seconds.

However, the pace of development is accelerating beyond the labor force’s capacity to serve recent growth. For example, net migration approaches ten persons per 1,000 population and fuels population growth close to three percent. Moreover, annual tourists exceed ten times the resident population making the TCI one of the most tourist-penetrated small-island destinations across the world. In fact, according to Parry and McElroy (2009), the average daily visitor density on Turks and Caicos
Caicos is 174 visitors per 1,000 population, equivalent to a 17 percent increase in the resident population year-round. As visitation and tourism dependence increase and as the growing number of travelers threatens the environment and the cultural traditions, pressure will mount to downscale towards the popular all-inclusives enclave developments to preserve an ever rising stream of foreign exchange. As an indication of this direction, recent plans have surfaced to convert East Caicos into a major cruise ship port to accommodate “up to 660 cruise liner visits per year. . . that would involve nearly half of the island going under the bulldozer” (Royle, 2001:173). Promoting large-scale cruise traffic is considered an appeal to the lower end of the market since such one-day visitors spend only an average of eight percent of what stayovers spend (Duval, 2004:15) and principally on liquor, gifts and jewelry which all have very high import content (low local value-added). While the current global financial recession will slow such plans, over the longer term the pressure to add more development will remain.

The explosion in tourism and investment has also been associated with increased crime and corruption. A major influx of legal and illegal immigrants, primarily from the DR and Haiti, attracted to the TCI by construction work and other economic opportunities, have reportedly been associated with a notable crime wave (Caribbean NetNews, April 24, 2009. http://www.caribbean-netnews.com/news-15964--37-37--.html). In addition, the British government in August, 2009, suspended for up to two years the Turks and Caicos local ministerial government amid allegations of corruption to protect the destination’s image and attractiveness abroad. The former minister was forced to resign after a Foreign Office inquiry found “a high probability of systemic corruption . . . [and] clear signs of political amorality and immaturity. . .” (BBC News, 2009).

**Figure 4. Comparison of the Three Cs: DR and Turks and Caicos**

<table>
<thead>
<tr>
<th>Dominican Republic</th>
<th>Turks and Caicos</th>
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<tbody>
<tr>
<td><strong>CONTEXTS</strong></td>
<td><strong>CHARACTERISTICS</strong></td>
</tr>
<tr>
<td>Second largest island in Caribbean, Spanish-speaking</td>
<td>Mostly English-speaking visitors U.S., Canada, and England</td>
</tr>
<tr>
<td>Amazing bio-diversity, great natural beauty</td>
<td>Largely middle-and-up tourism, with significant upscale sector. Recent “all inclusive” (Beaches) has increased tourist traffic to Providencias</td>
</tr>
<tr>
<td>Poor economy, few resources</td>
<td>No cruise ship traffic due to shallow harbors</td>
</tr>
<tr>
<td>High levels of poverty, high unemployment, fast population growth</td>
<td>Faster population growth, largely associated with immigration and mass tourism activities</td>
</tr>
<tr>
<td>Weak infrastructure</td>
<td>“Quiet” tourism centered around beautiful beaches and carefully guarded reefs</td>
</tr>
<tr>
<td>Good international access, airports</td>
<td></td>
</tr>
<tr>
<td>New democracy</td>
<td></td>
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<tr>
<td>Weak local self-government, very strong presidency</td>
<td></td>
</tr>
<tr>
<td>Poor institutionalization of agencies and civil service, low professionalism, high turnover from administration to administration</td>
<td></td>
</tr>
<tr>
<td>High levels of pollution and environmental degradation, crime in tourist zones</td>
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When the TCI see 25 percent of its GDP from tourism, it is not just the environmental and social effects that are at risk, but also the infrastructural requirements. While the island has invested in roads, airports, telecommunications, and utilities, it lags behind the other Caribbean islands, which can be attributed to its recent (1976) independence from the UK and the relative lack of investment from the UK. The Netherlands’s relatively smaller islands, Bonaire and Curacao, have long histories and stable political systems, which gives them a unique advantage over the Turks and Caicos, especially in terms of tourism.
Consequences

- “Turbo” growth in tourism, strong inflow of foreign currency initially
- Decline of Puerto Plata tourist pole in north, with subsequent rise in crime and pollution, followed by deep discounts and lower class of tourists
- Explosive growth of tourism in south and east of the country
- Heavy demands on infrastructure (roads, police protection, crime control, water and sewer, electrical services, schools for workers’ children)
- Diminishing net receipts from tourism but increasing reliance on tourism receipts to offset declining sectors in agriculture and manufacturing
- External pressures to expand development into protected, fragile coastal areas
- Increased pressures on already weak environmental and planning governmental structures

Tourism up sharply from 1980s, when it was virtually non-existent. Large fraction of economy, intense tourism relative to local population.
- Remoteness and smallness have hindered access and kept development down below what it has been elsewhere, particularly in outlying islands.
- Relatively strong, locally managed resorts catering to higher class tourists
- Increasing tensions between developers and locals
- Evidence of increasing impact on local real estate prices and environmental challenges
- Lagging development in more remote islands and locations, limited international access
- Highly dependent on continued international airline access and tour operators

Extensions to Cuba

Although Cuba was the dominant insular destination in the Caribbean in the late 1950s (Maribona, 1959), tourism became “a capitalistic vice” under Castro. It virtually disappeared in the early 1960s. In recent years, new context factors have surfaced for Cuban tourism. These include Cuba’s re-emergence as a “new” destination, its vast and semi-unexploited resources and biodiversity, its relative poverty of income, and a desperate need for capital. In addition, the collapse of the Soviet Union in the early 1990s and the subsequent loss of $6 billion in annual Russian subsidies contracted the economy by one third (Gonzalez, 2002). These factors contributed to the re-emergence of tourism in Cuba. Castro’s reluctant but aggressive pursuit of European and Canadian investors to develop large-scale beachside resorts (many all-inclusives) yielded rapid returns. Between 1996 and 2006, the number of visitors rose 120 percent and hotel rooms by 65 percent (WTO, 2008).

As a result, tourism has become the second foreign exchange earner behind remittances from Cuban-Americans. Currently, over two million tourists visit annually and spend approximately $2.5 billion. Cuba ranks second in the Caribbean behind DR in capacity (hotel rooms) and third in arrivals and total expenditure (WTO, 2008). However, the industry has not become the hoped-for solution, for several reasons. First, extreme dependence on vertically integrated foreign hotel chains has resulted in large income leakages estimated at over 80 percent and capital-intensive stresses on local utilities. For example, it is estimated that the average tourist uses ten times more water daily than the average resident (WTTG, 1995; Davies & Cahill, 2000). Strains on the infrastructure are magnified by the lack of funds available to improve it.

In addition, centralized control has reduced cost efficiencies in industry and allied services and limited the growth of local entrepreneurship and management. The government’s policy to practice “apartheid” tourism keeps local populations away from visitors to minimize cultural and domestic political impacts. Similarly, the placing of large-scale resorts on offshore keys and deserted islands further tends to mask local concerns or disagreements arising from mass tourism’s impact on the socio-economic structure. All such practices further reduce the local tourism income multiplier. As a result, Cuba typifies a middle-and-down, mass market Caribbean destination. There is heavy dependence on non-US tourists who stay roughly ten days and spend on average of $1,082 per trip and $103 per day. Overall, net tourism revenues, even when augmented by remittances from Cuban-American exiles, represent less than one-third of the peak Soviet assistance (Perez-Lopez, 2001).

It is more difficult to discuss the Three Cs model under conditions that might exist after the Castro brothers depart. A great deal depends on how much and how fast the economy and the political systems evolve during the post-Castro era. A rapid transition toward democracy and private property rights under a new or revised constitution would generate the most impact. This outcome, a relatively rapid turn toward democracy and capitalism, seems increasingly unlikely (Padilla & McElroy, 2007). However, even with a transformational political and social reform after the Castro brothers, there would be still need for major improvements in the quality, value, and diversity of the island’s tourism product (Sharpley & Knight, 2008). In addition, similar pressures and challenges highlighted above for the Dominican Republic and Turks and Caicos would likely obtain in Cuba, though perhaps with greater force. The
“forbidden” aspects of Cuba travel by US residents are likely to uncap an avalanche of interest in the island, at least for the near term (Padilla & McElroy, 2007). In such a case, a particular emphasis on two aspects might avoid some of the problems plaguing Caribbean destinations today: an international effort to “jump-start” the development of strong local governments and significant strengthening in the preparation of environmental scientists and regional planners with independence of action and support from government leaders.

Conclusions

The relatively simple but analytically powerful Three Cs framework brings a multi-disciplinary, general framework to the analysis of tourism problems, enabling a more sophisticated understanding of the issues and challenges. The model is broad enough to fit the wide variety of destinations and can therefore result in better regional policy conclusions. In summary, the model is a broad-based descriptive attempt to argue two points. First, the specific tourism style or character in a given destination is largely a function of a complex interrelated set of macro socio-economic and historical forces - the contexts - that differ from island to island. Second, the interplay between the contexts and characteristics largely conditions the consequences, both positive and negative.

In the model’s application, contrasting cases were drawn between the Dominican Republic and the Turks and Caicos. The former’s propensity to create large-scale, mass-market, environmentally intrusive, all-inclusive resorts reflects several factors: failing non-tourist sectors, widespread demographic and unemployment pressures, weak government planning oversight, and a legacy of ecosystem neglect. The Turks and Caicos preference for upscale or boutique tourism is predominantly a function of viable non-tourist sectors (fishing and finance), a cadre of civil service professionals, and a unique natural patrimony of reefs and wildlife conducive to high-end and high value-added ecotourism. The sense of civic government and local involvement in tourism issues (buttressed by the oversight and resources of Great Britain) are also more highly visible (or developed) in the Turks and Caicos.

Finally, in the case of Cuba, the Caribbean tourism leader in the pre-Castro era, the key context features in the rapid drive to create foreign exchange and employment through large-scale, all-inclusive, European investment have been the absence of local capital/entrepreneurship, an abundance of unexploited coastal and interior biodiversity assets and, most importantly, the massive loss of assistance after the collapse of the Soviet Union. In conclusion, the success of the model in highlighting the underlying determinants of tourism evolution in these three islands suggests further applications are warranted. These might include the contrasting profiles of upscale Bermuda with all-inclusive St. Lucia, and perhaps Nevis with its sister island of St. Kitts.

References


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