



# CANARI Policy Brief

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## Spreading the Benefits of Tourism: Directions for Improving the Policy Development Process

### **"We're not developing tourism destinations; we're developing nations"**

The above quote comes from a participant at a recent seminar on policy requirements for community-based heritage tourism in the Windward Islands. The seminar, which was held in St. Lucia in November 2001, reviewed existing tourism policies in the region and explored how they could spread the benefits of tourism more widely to its stakeholders, in particular the rural sector. The meeting was timely given the dramatic changes presently being felt in the Windward Islands due to the economic and social impacts of globalisation. These changes have affected large numbers of rural people, particularly farmers, causing governments and development organisations to search for livelihood alternatives.

Participants came from each of the Windward Islands, Barbados, Jamaica and Trinidad and Tobago and represented a wide cross-section of tourism stakeholders from the private sector, government and civil society.

This policy brief summarises and presents the main conclusions of the seminar, in order to provide direction for policy makers and tourism stakeholders on ways in which tourism processes and policies can deliver greater opportunities for livelihood benefits, economic gain and ownership by all stakeholders, including the poor and marginalised.

### **The current situation, and why a new approach is needed**

Government policy statements and actions over the past several years reflect a general concern that the benefits from tourism in the Caribbean are not reaching those who need them the most. The demise of primary export markets, notably bananas, and other economic and social impacts of financial, commercial and cultural globalisation, point to the need for new development directions, and the hopes of many countries of the region are pinned on tourism. There is no doubt that tourism must be a key element of any national strategy to defeat poverty and build resilience and sustainability into the fibre of rural and urban communities.

To date, the main response to the need to spread the benefits of tourism has been the promotion and development of niche products, such as ecotourism and heritage tourism, that appear to have the potential to increase returns at the community level. Experience however indicates that while these new marketing strategies may have changed the image of tourism in the Caribbean to a limited extent, they have not brought the expected local benefits, largely because they have been absorbed into the industry's vertically integrated structure, which provides few opportunities for new entrants. So far, only a few small entrepreneurs with the resources and skills to develop and market a unique and quality product have been able to break through the barriers, often with substantial technical and financial assistance.

## The policy challenge

The Caribbean is already the most tourism dependent region in the world, with the industry's upturns and downturns affecting nearly all segments of society. Yet, despite its economic importance and vulnerability to external forces, tourism planning currently takes place largely in isolation from other aspects of national development planning. In recent years, the policy guidance in a number of countries has called for tourism to play an increased role in rural development, but mechanisms to implement these policies have been generally weak, poorly conceived, or non-existent.

Of the broad spectrum of society affected by tourism, few are involved at the policy level. Existing policies and plans have been skewed in favour of large, often foreign-based, operators. Concessions and incentives have ignored the needs of small local entrepreneurs and the informal sector. There is continued reliance on external inputs, resulting in high economic leakages from the region, while the goods and services produced locally by rural and urban communities are not developed to service the tourism industry.

The immediate losers are poor and marginalised sectors of society whose livelihoods suffer. The longer-term losers are nations and the Caribbean as a whole, which are missing opportunities to utilise their tourism assets to their optimal potential.

Over the last ten years, an increasing number of individuals and groups, especially in rural communities, have been attempting to enter the industry by developing sites and attractions such as trails and waterfalls and receiving training as tour guides. However, the majority of these initiatives have remained marginal. Community and rural tourism actors, frustrated by their inability to make significant economic gains, have become increasingly vocal about the need for effective policies and actions to increase direct benefits to rural and marginalised people from tourism.

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The challenge now is to build on these experiences and indications of interest, by engaging stakeholders in a process of developing tourism policies that spread the benefits of tourism to a wider cross-section of society.

This policy challenge requires a vision of tourism as an avenue, not just for economic development, but also for social development, rural transformation, sustainability and conservation. Rather than simply creating new niches, it requires a change in the overall approach.

## Evolution of tourism policies in the region

In the 1970s and 80s, public policies and institutions were established to guide the growth of the Caribbean tourism industry. Policies were designed to attract external investment in the hotel sector. Emphasis was placed on job creation in construction and hotels, rather than on developing a sustainable industry. In the 1990s, there was a shift towards a project approach to tourism development, often led by international development agencies. Projects tended to include ready-made packages of activities, resources, institutional arrangements and legislation.

While the project approach has broadened tourism policies a little through consultation with a few stakeholders, there has been no real process of involving people in the development of policies. Often, the policies and institutional arrangements have been predetermined by the funding agencies. Frequently, the outputs of various projects overlap, are ill informed about requirements for effective local impact and fail to address the issue of economic leakages. Without the involvement of small-scale, local tourism stakeholders in policy development, there has been no real way for policies to incorporate their needs and priorities.

Local and international conditions and expectations for tourism have changed significantly since the industry's early days. However, there appears to be an inability at the governmental level to interpret and translate these changes into increased local benefits.

## A Vision for the Future of Tourism in the Caribbean

Elements of a vision for a new approach to tourism were developed by participants at the regional seminar on policy requirements for community-based heritage tourism in the Windwards. They included:

- ~ Development of products that spread benefits while conserving natural and cultural resources
- ~ Creation of spaces and avenues for broader participation in and ownership of the industry
- ~ Increased local benefits and returns from tourism
- ~ Greater equity in the distribution of impacts, both positive and negative, with systems for measurement
- ~ Identification and removal of attitudinal and structural obstacles to change
- ~ Creation of linkages with other engines of economic and social development

## Implications for Tourism Policy

Tourism policies in the Caribbean need to be placed squarely within a national policy framework of social and economic development, poverty alleviation, sustainability and conservation of the national patrimony. Attitudes and perceptions need to be reoriented to reflect such a policy shift. The overall tourism product and its promotion in the global market must be constantly refined and improved to ensure competitiveness, quality and sustainability. Some of the issues to be addressed in the policy process include:

### **Identifying the stakeholders**

In order to develop measures to spread the benefits of tourism more widely, it is necessary to know who the stakeholders are, how they are now affected by the industry both positively and negatively, the ways in which it might contribute to their livelihoods and how they can help make it happen. A thorough analysis will also reveal the relationships among stakeholders and the ways in which the actions of each group impact on the lives and activities of others.

### **Restructuring the industry**

Leaders must promote a new vision and way of thinking. The improvements needed for co-ordination at the government level will require a complete restructuring of the agencies responsible for tourism, and of their linkages with those responsible for rural and community development, agriculture, public works, natural resource management, planning and finance. Finally, strategic partnerships between government, the private sector, NGOs and community organisations, locally, nationally and regionally, will be required to support this new agenda.

### **Local incentives and facilitating investment**

Given the current high rate of leakage in the industry, even relatively modest increases in revenue retention could counteract the impact of expected market declines over the next few years. Response packages are called for that include increased local incentives and concessions, as well as technical and financial support to the development of locally owned and operated tourism enterprises and supporting industries.

### **Using and improving local industries**

Traditional small-scale industries, such as agriculture and handicraft, and assets, such as natural attractions, music and cultural traditions, need to be developed and promoted as valuable inputs to the tourism industry. Many of these industries are also likely to show some resilience in times of economic downturn. This will require programmes aimed at:

- Identifying products that add value to the existing tourism package,
- Developing them to a standard of quality that maximises their market value, and using these standards as instruments of marketing and promotion,
- Protecting them from foreign or large-scale national or regional competition,
- Securing community ownership, whenever appropriate, and local participation in the management of tourism assets,
- Marketing them aggressively, both at home and abroad, as part of the national tourism product.

### **Private sector involvement**

The established tourism businesses in the region and the organisations that represent them have much to offer in terms of expertise, technical assistance and market access. They need actions and arguments to convince them that a policy shift towards a more equitable and integrated approach to tourism offers opportunities and growth potential for them as well as for communities and small entrepreneurs.

### **Capacity building needs**

In order for a broader spectrum of society to take advantage of the proposed policy shifts, incentives and technical assistance, there is a need for programmes of capacity building, both in terms of specific vocational skills and to address broader needs such as organisational management, product development, planning and leadership training.

## Lessons from Experience

The development of policies and selection of measures to spread the benefits from tourism should be based on solid research on issues such as:

- Incentives and concessions: What measures are most likely to increase benefits and opportunities at the local level?
- Institutional arrangements: Where should responsibility for decisions related to local involvement in tourism lie? What agencies, organisations and stakeholders need to be involved?
- Marketing: Are some markets more amenable to community tourism and the use of local products and services than others? (There seems to be some evidence that intra-regional tourists may be.) What are the mechanisms available to enhance access to markets by small businesses and locally managed attractions?
- Import-substitution inputs: What are the inputs to the industry, from food products to furniture to guide services, that are now coming from outside the region but could be provided locally? What is needed to develop these goods and services to make them competitive? How can business and employment opportunities be increased?
- Distributional impacts of tourism: What are the costs and benefits of tourism to different sectors of society? What could be done to achieve more equitable distribution, in both social and geographic terms?

Participatory approaches to policy development are relatively new, but there are a handful of recent examples of such processes in the Caribbean. The participatory development of national policies on culture, forest management, and – in St. Lucia – heritage tourism, yield the following lessons.

1. Effective policy development takes years, and encompasses a development – implementation – review – refinement cycle
2. Commitment of institutions and individuals to the process is an absolute prerequisite
3. Leadership in the development of policy must be non-partisan
4. It helps to have a starting point for discussions, e.g., a draft policy
5. Policies are only pieces of paper; the policy really resides in its implementation, and the mechanisms for implementation must have accountability.

### Definitions

**Policy process:** process of decision-making, sometimes leading to the making of policy. Method of putting issues on the agenda as matters of public concern and influencing the way the issues are perceived.

**Policy:** a course or principle of action adopted or proposed by government, an organisation or individual.

**Plan:** a detailed proposal for doing or achieving something.

**Strategy:** a plan designed to achieve a particular long-term aim.

**Project:** an enterprise or course of activities carefully planned to achieve a particular aim.

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