THE IMPACT OF TOURISM DEVELOPMENT ON HUMAN DEVELOPMENT:

MIXED BLESSINGS OF A VITAL INDUSTRY

by

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(Under the Direction of Howard Wiarda)

ABSTRACT

Tourism development has been promoted as an engine of economic growth in the Caribbean region. Yet, in spite of the prosperity that the expansion of mass tourism has brought to many Caribbean countries, chronic poverty persists in other Caribbean communities. This thesis examines the impact that tourism development has had on human development in the Caribbean and maintains that local and national governments’ failure to plan adequately for the changes that occur in enclave tourism communities as a result of tourism development may have contributed to a decline in human development in some Caribbean countries. The paper theorizes that a development paradigm that uses tourism revenue to improve the lives of the most disadvantaged residents of enclave tourism communities may eventually reduce the inequalities in Caribbean tourism dependent countries.

INDEX WORDS: Human development, tourism development, enclave tourism communities
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A.B., Smith College, 2006

A Thesis Submitted to the Graduate Faculty of The University of Georgia in Partial Fulfillment

of the Requirements for the Degree

MASTER OF ARTS

ATHENS, GEORGIA

2010
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August, 2010
ACKNOWLEDGEMENTS

I would like to thank my major professor, Dr. Howard Wiarda, for his continued guidance, support and encouragement. I would also like to acknowledge the rest of my committee, Dr. Han Park and Dr. Douglas Stinnett for their guidance. I am grateful for friends and family members who helped to make writing this thesis possible, and I would especially like to thank my friend Garrison for his endless support during this difficult process.
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Chapter 1

Introduction

Development is ultimately not a matter of money, or physical capital, or foreign exchange, but the capacity of a society to tap the root of popular creativity, to free up and empower people to exercise their intelligence and collective wisdom.

--Kari Levitt, 2005

The Caribbean Tourism Organization (CTO 2008) estimates that in 2007 approximately twenty million tourists traveled to the Caribbean from various destinations around the world for leisure, business, and other purposes. The CTO review claims that tourism has “robustly held its own” (2008) despite shock events such as the 9/11 terrorist attacks in the United States and the wars in Afghanistan and Iraq. In the period following those events, tourism grew in the Caribbean by approximately 15% compared to the 10% growth worldwide (CTO 2008).

Tourism, however, is not a new phenomenon for the Caribbean. Since the 1960s wealthy Europeans and North Americans have traveled to the Caribbean in pursuit of warm weather and leisure activities, while Caribbean governments have always depended on the foreign exchange generated from tourism to boost their economies (Harrison 1992).

The mass-tourism that is prevalent in the Caribbean today is, however, the direct result of the neoliberal economic policies of the 1980s (Pantojas-Garcia 2001). These policies have transformed tourism from the business of catering to wealthy, usually aging, foreigners to the business of international mass-tourism as an engine of macro-economic development for poor countries (Torres and Momsen 2004; Brohman 1996). Pantonjas-Garcia postulates that packaged resort-based tourism has rapidly developed in the Caribbean as an alternative to the more
expensive destinations such as Hawaii, the Mediterranean, and the Greek Islands for North American tourists. Furthermore, transnational hoteliers and shipping companies such as the Hilton, Marriott, Holland America, and Club Med have important shares in this sector, which is fast becoming the leading industry in many Caribbean economies (Pantojas-Garcia 2001). Despite the massive expansion of tourism and the array of international investments that are taking place in the Caribbean, the literature on tourism does not show where mass-tourism has specifically improved the needs of the poor. In fact, in some tourism enclaves in the Caribbean there are declining social conditions and a general decline in human development. The research question of this paper is therefore the following: Has tourism development increased or decreased human development in the Caribbean?

The paper will examine the impact that tourism has had on human development and provide testable hypotheses for its failure to achieve social equality in tourism dependent Caribbean countries. The paper is divided into five chapters. Chapter 1 provides the background for tourism’s development as an engine of economic growth in the Caribbean and provides an overview of relevant literature on tourism development and human development. Chapters 2, 3, and 4 examine the impact that tourism development has had on Jamaica, the Dominican Republic, and the Bahamas respectively. These case studies produce the data to test this paper’s theory that a development paradigm which promotes human development along with tourism development may decrease the high rate of poverty that exists in the Caribbean. Chapter 5 summarizes and discusses how a new tourism development model could cause tourism development to impact human development more positively.
Tourism as a Development Strategy

For decades tourism has been promoted as a development strategy by international financial institutions such as the African, Asian, and Inter-American Development Banks as the panacea for developing countries facing huge balance of payment deficits (Hawkins and Mann 2007). For the developing world, tourism is viewed as an important industry because of its potential to create jobs, especially with the construction of new resorts (Lea 1988). Some scholars argue that tourism creates linkages with other industries. For example, local farmers can sell their produce to the tourist industry, thus creating trade relations between the tourist and agricultural industries (Momsen and University of Newcastle upon Tyne. Dept. of 1986). Other forms of linkages occur because tourism creates investment opportunities for multinational companies that have established airline routes, hotel chains and other industry-related businesses in tourist-dependent countries (Sinclair, Alizadeh, and Onunga 1992). Additionally, the income from tourism has also been known to increase exponentially the gross domestic product (GDP) for developing countries. In the Caribbean, tourism accounts for more than one-third of the region’s gross export receipts, directly employs more than one-half of the region’s labor force, and exceeds the traditional producing sectors as employer and foreign exchange earner (CTO 2009).

The World Tourism Organization (WTO) recognizes that tourism not only develops poor economies but also plays a vital role in reducing poverty, and in 2005 urged world leaders to use tourism to reduce poverty. The WTO Secretary General on the eve of the United Nations General Assembly called on governments to increase tourism in order to help realize the United Nations’ Millennium Development Goals (MDG). The leaders of the MDG highest priority is to halve the proportion of the population living in extreme poverty in developing countries by 2015 (WTO
The WTO leaders believe that tourism can contribute to the reduction of poverty in the developing world because most developing countries have a comparative advantage in climate and culture. Therefore, the sun and certain genres of music and art, for example, may be marketed internationally as products of the tourist industry.

The WTO also contends that tourism can reduce poverty in poor countries because it is labor intensive. The diversity of the tourist industry allows for the creation of a wide range of employment opportunities for both skilled and unskilled workers, especially for women and young people. As more jobs are generated from tourism, the rate of poverty in some developing countries should become less dire. The tourist industry also provides excellent opportunities for entrepreneurs because the cost to start small businesses, such as the selling of crafts and natural juices, are usually low with minimal barriers. The WTO further posits that in addition to the cultural pride that locals derive from being part and parcel of the industry, the infrastructure that tourism requires, such as transport, communications, water supply, sanitation and health services are also beneficial to poor communities (WTO 2004). Without these infrastructures, many rural and remote communities in tourist enclaves would not have access to essential services that improve their standard of living.

Similarly to the WTO, the United Nations Conference on Trade and Development (UNCTAD) posits that job creation, investments, tax revenues, and foreign exchange earnings are only some of the benefits that tourism brings to developing countries. UNCTAD’s position is that developing countries could use tourism to boost economic growth because it is the only major sector in international trade in services in which developing countries have consistently had surpluses. The income generated from tourism in the developing world accounts for nearly thirty percent of the world’s tourism receipts, with an annual growth rate of eight percent
UNCTAD 2007). According to UNCTAD, in the developing world the growth of traditional exports, such as textile, is hampered by excessive competition and market restrictions: therefore, with tourism as their only viable option, developing countries should exploit its potential to integrate into the international economy rather than following the traditional path of industrialization.

Yet, despite the positive effects of tourism, the benefits remain unevenly distributed among the social classes. Tej Vir Singh’s study on the alliance between tourism and development in the Indian ocean region finds that outside investors and local elites are usually the biggest recipients of the benefits of tourism (Singh 2003). For example, the Kulu valley in Himachal Pradesh was opened to tourism in the 1960s to serve as a destination resort that promoted rural and indigenous tourism, but within a generation the overload from mass-tourism transformed the valley into what Singh describes as a “tourism ghetto” as multi-storied hotels dominate native structures of slate and shingled roofs in addition to other social costs borne by locals such as soaring land prices, shrinking agricultural space, and pollution. In such situations, Singh contends that the locals receive few economic gains and suffer numerous non-economic losses (Singh 2003).

The tourism industry is inherently complex and John Donaldson’s study on tourism in Guizhou and Yunnan, China explores the paradoxical nature of this development strategy. Donaldson argues that “although the debate on tourism is often couched in nothing or all terms, the effect of tourism depends on whether or not the industry is designed to include or exclude the poor’s participation” (Donaldson 2007). Donaldson’s study on the two Chinese provinces found that in Yunnan, the large rural-based tourist industry did not encourage local participation, but contributed to rapid economic growth. Yunnan’s tourist industry, however, did not reduce rural
poverty as it was expected to. In contrast, the small-scale tourism that was practiced in Guizhou did not contribute significantly to economic growth, but it was more inclusive of the locals’ participation and its poverty rate declined faster than Yunnan’s (Donaldson 2007). Therefore, poor countries that rely on tourism as a development strategy are forced to choose either mass-tourism that increases economic growth or community-based tourism that reduces rural poverty but does not contribute significantly to the national growth. The complexity of tourism and development is made more salient by Regina Scheyvens and Janet Momsen’s position that the growth of tourism in many small island states is by no means synonymous with poverty reduction (Scheyvens and Momsen 2008). Scheyvens and Momsen contend that a broad approach that values social sustainability, environmental sustainability, and economic growth will be necessary for tourism to contribute significantly to poverty reduction (2008).

Even though tourism has brought improvement in the areas of increased foreign earnings, employment, and infrastructural development including the building of new highways, airports; the observation that mass-tourism has not reduced poverty as it was expected also tends to be true in the Caribbean. In spite of the income generated from tourism, the development of the industry oftentimes seems to be in conflict with the general welfare of the local population. Agricultural production is often threatened as land becomes prime property for tourism development. The erosion of the coastlines has resulted in numerous environmental perils, and poor infrastructural development has led to sewage and squatter-settlement problems (Pattullo 1996; Edwards 2009). In assessing the growth of tourism throughout the Caribbean, one might therefore assert that the human development of the poor has not been factored into the planning of tourism-development. This paper theorizes that an integration framework that promotes
human development along with tourism development may decrease the high rates of poverty that exists in tourism communities in the Caribbean.

**Perspectives on Tourism Development**

Much of the literature on tourism focuses on the economic value that tourism brings to the overall economy if pursued in a manner that is economically efficient, environmentally friendly, or socially mindful. Therefore, in the Caribbean, where high levels of poverty abound, the international demand for cash crops, such as sugar and coffee, has declined and industrialization has not achieved great success because of a lack of capital and demand—tourism is promoted as the most effective means of reducing poverty (Scheyvens 2007; Safan 1995). What the literature overlooks is the fact that private investors have routinely developed tourism throughout the Caribbean, but in spite of such increased capital from tourism, local and national governments fail to give proper planning to schools, healthcare facilities, waste management facilities, or other basic amenities, such as transportation in the local communities that become transformed into enclave tourism destinations. This paper will try to evaluate some of the reasons why economic development ostensibly takes priority over human development in Caribbean enclave tourism communities, and seeks to contribute to the existing literature on tourism by linking its development to the importance of human development.

Tourism as an export product was built primarily on the traditional demand theory, which was seen as the appropriate framework to estimate the international tourist demand that often occurs between two or several pairs of countries (Lim 1997; Witt, Witt, and Wilson 1994). The demand model primarily explains how income-changes or changes in relative price, transportation cost and exchange rates between the origin and destination countries affect tourist flows to destination countries. These changes are usually measured by variables such as the
original country’s income, the original country’s population, currency exchange rates between
the two countries, and the cost of living in both countries (Zhang 2005; Lim 1997). Other
indicators that are used to measure the demand for international tourism are tourist expenditures,
receipts, and the number of nights spent in hotels (Lim 1997). While most host countries focus
on these variables to determine tourism demand, the demand theory has been criticized by
scholars who argue that it represents a micro-economic rather than a macro-economic
perspective of tourism, dealing mainly with the market shares of the destinations (Papatheodorou
2001). Since tourism is geared towards development, critics of the demand theory contend that
the model is flawed because it ultimately ignores the host country’s economic development by
focusing mainly on consumer-satisfaction (Papatheodorou 2001; Zhang 2005). The contention
made here is that policymakers should pursue policies that include both demand and supply
models to increase their region’s bargaining power in international tourism.

The development theories that have had the most influence in promoting tourism as an
engine of economic development in poor countries are neoliberal economic theories. This is
especially true for the theory of comparative advantage that was first advocated by eighteenth
century economist David Ricardo (Brohman 1996; Zhang and Jensen 2007; Balaam and Veseth
2001). Comparative advantage proposes that the wealth of nations could be increased if goods
were produced where opportunity costs were lowest (Balaam and Veseth 2001). This means that
if country A, could produce a product cheaper than country B, then country A should develop a
niche market for that good. In the meantime, country B could focus on producing a different
commodity, so long as it does it more cheaply than other countries. Both countries would
subsequently become wealthy because they would have developed niche markets. Proponents of
this economic model posit that even the most resource-poor nation can find a niche and
eventually prosper (Gilpin 2003). Therefore, climatic conditions and cheap labor were ideal factors that allowed Caribbean countries to develop tourism as their niche market. Additionally, economic developers were convinced that tourism was a critical growth sector that would bring economic prosperity to the region (Beauregard 1998; Ioannides and Debbage 1998).

Other theorists examining the positive effects of comparative advantage believe that having niche markets will allow poor countries to become politically developed. Albert Hirschman, posits that filling a niche in the international division of labor can have dynamic implications by “inducing entrepreneurial energies, creating positive spillovers in the rest of the economy” (Hirschman 1981). Societies that are politically developed are more likely to be stable, making them attractive for investments. Unsurprisingly, theories analyzing the effects of political instability on tourism contend that war and unrest will seriously disrupt tourism flows (Pizam 1996; Hall 1996; Litvin 1999). Litvin (1999) makes this point more salient by explaining that riots in Indonesia in 1998 “quickly and dramatically crippled the nation’s tourist industry.” Therefore, by having a comparative advantage in tourism, Caribbean countries, according to development theorists, could satisfy both their economic and political objectives.

Consistent with the comparative advantage theory, tourism as a primary export was also driven by the Heckscher-Ohlin economic theorem, which proposes that differences in resource endowments among countries influence the direction of trade (Caves and Jones 1981). According to this theory, countries export commodities whose production requires intensive use of those factors that are available locally and abundantly. For example, countries in which labor is abundant should specialize in the production of goods that are labor intensive (Caves and Jones 1981; Harrison 2001). Theorists studying the impact of international tourism contend that a similar analogy can be drawn with respect to the export of tourism so that a country which
possess natural or historical attributes, such as beautiful beaches and monuments, would be obvious candidates for international trade in tourism (Sinclair, Alizadeh, and Onunga 1992; Zhang and Jensen 2007). Therefore, the natural endowments of sun, sand, sea, and cheap labor were prime motivators for the development of international tourism in the Caribbean.

Some critics of the comparative advantage and the Heckscher-Ohlin theories fault them for assuming that all countries have the same endowments. These scholars advocate trading in tourism, but posit that tourist dependent countries must have a competitive advantage because the historical development of competitiveness between countries should be considered, as over time, some destinations will decline as new ones emerge (Enright and Newton 2004; Zhang and Jensen 2007). Pablo Martin de Holan and Nelson Phillips purport that “the existence of world-class sun and sand provides a basis for competitiveness in tourism, but does not guarantee success in the tourism industry. Other factors such as human resources, infrastructure, and capital stand as potential barriers to development” (de Holan and Phillips 1997). Competitive advantage theorists recommend that Caribbean destinations should, for example, reduce prices, so that they can compete on an ongoing basis (Enright and Newton 2004; de Holan and Phillips 1997; Porter 1990). The maxim behind competitive advantage is that a destination’s success depends on its strategic plans to outperform other destinations economically. Competitive advantage theorists recommend that developing countries increase expenditures to outperform other tourism destinations and to attract more visitors increasingly (Ritchie and Crouch 2003; Porter 1993).

Ritchie and Crouch believe that countries must achieve this goal in a manner that is profitable, that enhances the well-being of the local residents, and that preserves the environment (2003).

Early modernization theorists praised the benefits of modernity by claiming that the geographic scope of economic activity is far greater in modern societies than in traditional
societies because of the emergence of markets, sources of capital, and economic institutions (Huntington 1971; Levy 1966; Rustow 1967). Modernization theorists argue for developing societies to emulate developed societies, by shifting their economies from agriculture to service. (Harrison 1992). Therefore, tourism was embraced throughout the developing world because of the multiplier effect it would have on local economies by increasing foreign earnings and employment. Tourism was also embraced because of its ability to transform rural villages into tourism enclaves (Smith 1988; Jafari 1973). Jafari also shares the point of view that employment in the tourism industry will assist in integrating various underprivileged subgroups into the mainstream economy, particularly because low skilled jobs in tourism are often perceived as good work opportunities for women and the uneducated (1973). Seemingly, working in tourism provides a way for the underclass to integrate with other social classes. Other theorists believe that tourism helps to modernize developing countries by transferring capital from industrialized societies to less developed societies (Smith 1988). For example, Knowles and Garland contend that mass-tourism could not have developed without air-travel (Knowles and Garland 1994). These theorists are making the point that developing societies depend on developed societies for transfer of wealth.

**Criticisms of the Conventional Development Models**

Theorists who criticize the conventional economic development models used to promote mass tourism as a source of economic development tend to do so from the perspective that tourism developments do not impact the entire society equally. For example, those who take the dependency perspective regard mass tourism as a system in which third world countries with low levels of demand can become economically dependent on developed societies for tourism income (Britton 2000; Pattullo 1996; Belisle 1983). This argument is similar to arguments
espoused by John Brohman who contends that reliance on tourism to generate growth has “potential contradictions” (Brohman 1996). Brohman maintains that tourism in the developing world includes high rates of foreign ownership, which contributes to national governments’ loss of control over local resources, and that substantial economic leakage occurs as a result of the repatriation of profits back to developed countries. Brohman also argues that the earnings from tourism are “widely fluctuating” due to factors such as global recessions and the inherent seasonal nature of tourism (Brohman 1996). Britton (2000) expands on this position by arguing that when a third world country uses tourism as a development strategy, it can become enmeshed in a global system over which it has no control. Because foreign companies monopolize the tourism industry’s managerial expertise and financial resources, international agencies, such as the WTO and the International Monetary Fund (IMF) set the parameters of tourism planning and investments. Britton’s criticisms of foreign companies monopoly of Caribbean tourism overlooks the fact that Caribbean governments often welcome the level of expertise and economic guidance that they receive from foreign companies, and international institutions, such as the WTO because skilled professionals in the Caribbean usually lack the level of experience required to efficiently manage large-scale tourism.

In Polly Pattullo’s (1996) analysis of how tourist resorts change over time, the author proposes that changes to tourist destinations occur in stages. The earlier stages involve the exploration of a remote and unspoiled location. The intermediary stages involve development and consolidation as more hotels are built and mass tourism arrives. In the final stages, the product stagnates, the tourists leave, abandon the people and the environment, and social and environmental deterioration begin. In the end, a location that was once poor and unspoiled is once again poor, but now spoiled. Paralleling Patullo’s argument, Helen Briassoulis’s study on
coastal tourism, in Crete, Greece, contends that despite the economic growth that resulted from tourism, haphazard planning led to numerous socioeconomic problems including coastal water pollution, uncontrolled solid waste disposal, deterioration of the coastline, and regional inequalities between the north and the south. Subsequently, tourist satisfaction decreased as competition from other destinations increased (Briassoulis 2003). Based on these challenges, dependency theorists contend that the development of tourism reinforces structural inequalities between developed and developing countries (Erisman 1983; Brohman 1996; Pattullo 1996). The dependency argument could be improved if dependency theorists focused on ways to integrate tourism development with the development of the local population in order to alleviate the inequalities that result from the growth of mass-tourism.

A more recent strand of thought that has emerged into the debate about the efficacy of tourism development is sustainable tourism. Sustainable tourism seeks to counteract the ravages of mass-tourism; it has also been argued that sustainable tourism should be considered as an alternative to mass tourism because it places a high priority on the conservation of natural resources. Advocates of sustainability claim that this type of tourism has a low impact on the environment and generates income in a manner that complements nature while protecting the local population (Gurung and Seeland 2008; Hearne and Santos 2005). Sustainable tourism is promoted as an activity that manages tourism development in an acceptable way that ensures that changes to the environment are gentle (Stabler 1997). According to this theory, development is taking place, but the change progresses in a manner that takes the environment into account more than mass tourism does. Some proponents of sustainable development even recommend that developing countries can create their own niche markets based on the unique characteristic of the resources as a means of offering alternative types of tourism. This option gives tourism
destinations the opportunity to become competitive while offering a product that is different from what conventional models of tourism development promote (Krippendorf 1987; Frommer 1988). Therefore, with the emergence of a focus on sustainable tourism, new forms of tourist activities have surfaced that are geared towards preserving nature. Examples of alternatives to mass tourism that have become niche markets include ecotourism, agro-tourism, and cultural tourism.

Critics of sustainable tourism, however, contend that the lack of a clear and operational definition about sustainable tourism has led to confusion about how sustainability should be achieved (Lélé 1991; Spilanis and Vayanni 2003). Sharachchandra Lélé argues that sustainability tends to focus on ecology, which causes the debate to be dominated by ecologists and scientists who concentrate on patterns that determine environmental responses to human activities. Instead of pursuing the debate solely down the ecological path, Lélé contends that it is important to recognize that in addition to ecological conditions, social conditions also influence the sustainability of people-nature interactions (1991). Jack Isaacs supports Lélé’s position by arguing that factors, such as insecure property rights and mal-distribution of resources push people to the edge of society to despoil natural areas (Isaacs 2000). As a result, poor conditions will lead to exploitation and subsequent degradation of the environment.

The contention that sustainable tourism lacks a definition is prevalent throughout research on tourism development. For example, Fyall and Garrod caution tourism scholars against the continual redefinition of the concept, and they suggest that presently tourism destinations should concentrate on the much more important issue of how to implement sustainable tourism (Fyall and Garrod 1997). Spillanis and Vayanni also posit that an unclear definition of sustainable tourism has led to confusion about what sustainable tourism means in
practice and how it can be achieved. As a result, ecotourism is often confused with sustainable tourism because it is deemed to be friendly to the environment and to host communities (2003). The authors contend that while ecotourism is friendly to the environment, this practice only applies to sustainable tourism if the activity is also economically and socially viable in a specific region (Spilanis and Vayanni 2003). Other theorists caution that sustainable tourism is a worthwhile goal that should be analyzed in the broader context—a tool of development. Both the local and the global community, should therefore be analyzed in terms of what sustainability means (McMinn 1997; Jacobs 1991).

The argument that sustainable tourism focuses solely on preserving the environment is supported by pro-poor tourism advocates. Pro-poor tourism scholars argue that proponents of sustainable tourism have mainly concentrated on preserving the environmental and the cultural bases on which tourism depends, while they have ignored the full range of impacts that tourism has on the livelihood of the poor (Ashley 2000; Torres and Momsen 2004). The concept behind pro-poor tourism is that net benefits should be distributed to the poor. Therefore, along with economic gains, social, environmental, and cultural cost and benefits must be taken into account in this model (DFID 1999). Pro-poor tourism supporters, approach the debate on tourism from the point of view that tourism income is unequally distributed; therefore their proposal maintains that tourism should be specifically linked to local agricultural production. By creating backward linkages to agricultural production, pro-poor tourism advocates believe that local farmers will have access to some of the markets that tourism creates (Roe 2001; Ashley 2000; Torres and Momsen 2004). Such joint ventures between tourism investors and local producers, pro-tourism advocates believe, is a potential step towards alleviating poverty in enclave tourism communities (Ashley 2000; Brohman 1996). While pro-poor tourism is an alternative form of development to
mass-tourism, advocates prefer that pro-poor tourism is not perceived a niche market, but must be understood in the broader concept of striving to unlock opportunities for the poor at all levels and scales of operation (Kakwani 2004; Ashley, Boyd, and Goodwin 2000; DFID 1999; Ashley 2000).

**Perspectives on Human Development**

Similar to other economic development projects, tourism development is geared towards improving an economy’s financial well-being, and subsequently the well-being of the citizens of that economy. Many Caribbean economies have benefitted from increased exports due to income made from tourism, but they are still besieged by poverty and hunger (Roe 2001; Torres and Momsen 2004; Brohman 1996). Human development theorists do not believe that a lack of income is the main reason for the persistent poverty that remains in the developing countries. They believe that poverty persists because these economies do not have the basic capabilities to avoid mortality, morbidity, hunger and illiteracy (Sen et al. 1987; Anand and Ravallion 1993). The human development approach, believes that the public sector should focus on the development of people more than it focuses on economic growth.

The United Nations Development Program’s Human Development Report (HDR) defines human development as a development paradigm that creates an environment for people to develop their full potential and lead productive and creative lives based on their needs and interests. Such a life is attainable when people are knowledgeable and have access to the resources needed for a decent standard of living and the ability to participate in the life of their communities (HDR). The founder of the HDR, Mahbub ul Haq, maintains that the basic purpose of development is to enlarge people’s choices, so “greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence,
satisfying leisure hours, political and cultural freedoms, and a sense of participating in community activities” are fundamental to enlarging people’s choices and building human capabilities (HDR). The human development approach regards humans’ well-being as imperative to economic development, and advocates that this approach gains preeminence in development theories.

The concept of human development was influenced by the work of Amartya Sen which advocates that what people can do, and can be, are the overriding purposes of economic development (Sen 1999). Therefore poverty, Sen argues, should be placed in the contexts of: “How long do people live? Are they undernourished? Can they avoid morbidity? Do they succeed in moving about freely? Can they take part in the life of the community (Sen 1986)? According to Sen, human development should be regarded as the most basic development idea; that is, the richness of human life should be promoted above the promotion of the richness of the economy in which human beings live (Sen 1987, 1981; HDR). This theory stresses that by increasing people’s choices and enhancing certain basic human capabilities – the range of things people can be and can do – will result eventually in economic growth in poor countries. Therefore, some of the themes and issues that are currently perceived as central to human development include: social progress; equity; participation and freedom, sustainability, and human security (HDR).

Proponents of human development argue that the enhancement of people’s ability to read and write or to be well-nourished and healthy should be considered as ends in themselves rather than as a means to an end. These functions, they believe, should take priority in the development of any society, even if the economic return on investment in literacy or improved food intake and health care is zero (Sen 1999; Anand and Ravallion 1993; Sen 1981). For example, Nancy
Birdsall’s essay, which employs the metaphor of a baseball game to highlight the role of the state with regard to children in unequal societies explains that most Latin American countries have enthusiastically embraced a broad set of market reforms, including privatization of state enterprises and trade liberalization designed to create, in her analysis, a competitive or level playing field. Birdsall claims that frequently the children of the poor arrive at the game without the proper assets and equipment necessary to play well because they are mal-nourished and have never read a book (Birdsall 2003). Human development theorists contend that whenever overriding circumstances prevent parents from investing time, energy, and money that will allow children to get fair opportunities at education, and jobs, it is in society’s interest for the state to make these investments. States’ assistance in education will prevent a host of economic and social problems in the long run (Birdsall 2003; Morán 2003; Sen 2003).

Similar to the human development approach, the basic human needs theory (BHN), seeks to offer an alternative to the conventional market based form of development. The basic human needs theory proposes the incorporation of a form of “development guarantee” for the weakest social groups in developing societies (Hettne 1990; Hettne 1982; McHale and McHale 1979). Hettne argues that to a large extent, the basic human needs theory was developed in the context of third world experiences; therefore this paradigm was used as a normative reference point for evaluating different alternatives to development (Hettne 1982). BHN theorists argue that while basic human needs should be country specific, as the basic needs of countries will vary depending on their stage of development, they should include more than the basic requirement of food, clothing, and shelter that a family needs for private consumption. BHN theorists maintain that when development is viewed as a more complex integration of social, cultural, economic, and environmental factors, satisfaction of the individual citizen’s needs for an adequate quality
of life becomes the most important measure of development (McHale and McHale 1979; Hettne 1982; Hettne 1990).

BHN theorists argue that basic human need may be minimally defined as the amount of food, clean water, adequate shelter, access to health care, and educational opportunity to which every person is entitled to. In support of BHN’s concept, McHale and McHale argue that access to these basic needs should be regarded as a two-fold social right: first, the individual should have the freedom to meet his own needs, and second he should have the right to call upon his society when he is unable to meet those needs because of overriding circumstances (McHale and McHale 1979). This argument is quite similar to that of human development theorists who believe that the state should play a role in helping individuals to reach optimal development.

McHale and McHale expand on this notion by contending that the global community has a responsibility to help poorer countries reach their highest potential because, at the global level, more than enough resources are available to meet the needs of all people (McHale and McHale 1979).

A more developed extension of the BHN theory can be found in Han Park’s theory on Human Needs and Political Development. Park argues that human needs are hierarchically ordered in the four stages of survival, belongingness, leisure and control, and that not until each stage is “substantially and continuously satisfied, will the need of the next level emerge as the primary motivational basis of behavior” (Park 1984). Park’s human needs theory supports the human development approach by observing that improving people’s well-being guarantees political freedom. Park contends that an economically developed society does not equate a politically developed society. Both human needs and human development theories recognize that development occurs over time and that the conventional development mode of rapid economic
growth has not prevented chronic poverty in the developing world. Regarding tourism, the conventional economic models that have been promoted as engines of growth have increased GDPs in tourism countries, however, the preponderance of poverty in developing countries forces social scientists and policymakers to continually explore options geared towards effectively reducing the income disparity in tourist enclaves. This paper argues that conventional economic supply and demand models that focus primarily on increasing GDPs have not been successful at reducing poverty in their pure form. Conventional economic development models will effectively reduce poverty if they are integrated with policies that promote improving the quality of life for the weakest members of society, so issues of hunger, mortality, and illiteracy can be improved. The degree of poverty that exists in the Caribbean would decline if tourism countries were able to successfully pursue development models that both focus on helping society’s most vulnerable reach their highest potential, and satisfy their economic goals.

**An Integration Framework for Tourism and Human Development**

The Caribbean is one region of the world that primarily depends on tourism for economic growth. The Caribbean Tourism Organization estimates that over the last decade the Caribbean has enjoyed a 5.5% average annual growth in tourist arrivals, in comparison to the average 4.2% growth internationally (Jayawardena 2000; CTO 2008). This trend is expected to continue into the next decade, but tourism’s sustainability is threatened by adverse social costs that range from negative environmental impacts, low profitability in some of the linkage industries, rising levels of crime, and failure of the local population to benefit directly from tourism (Jayawardena 2000; Edwards 2009; Cater 1987). Edwards and Cater argue that tourism has many hidden social costs, which negatively affect tourist destinations. Despite the economic expansion that tourism has brought to many Caribbean countries, the negative outcomes of the industry has contributed to a
general decline in human development conditions of the most vulnerable residents in some enclave tourism communities. This study theorizes that policies which integrate economic expansion along with human development will alleviate the income disparity that has become synonymous with tourism destinations in the Caribbean.

Some scholars who study the impact that tourism has had on development, attribute its negative outcome to a lack of planning in the overall infrastructure, and logistics for resort cities and villages chosen for tourism development (Cater 1987; Brohman 1996; Edwards 2009; Jayawardena 2000). These scholars concede that the social costs of tourism make the trade inherently unsustainable. Some of the social costs that result from the tourist industry include: an increase in prostitution, crime, impoverished conditions, as well as environmental degradation. Alienating and removing local population from public property, such as beaches reserved solely for the tourists’ enjoyment, is also a sore point of contention in the Caribbean (Jayawardena 2000; Sonmez 2002; Harrison 1992; Edwards 2009; Cater 1987). Some scholars postulate that because of the social costs of the tourist industry, tourism development and local community development should not be regarded as mutually exclusive; rather the two should be integrated so the development of tourism does not continue to reduce the welfare of the poor. In fact, some research on tourism development indicates alternative tourism strategies will, in concert with mainstream tourism, reduce the negative aspects of the industry and increase the positive aspects of tourism growth (Brohman 1996; Singh and Theuns 1989; Cater 1987).

This paper supports the argument that lack of proper planning may be attributable to tourism’s failure to reduce poverty in the Caribbean. Tourism has not reduced poverty in the Caribbean, as the conventional economic models claimed it would, because in spite of the increased capital that tourism generates, the governments of some tourism dependent countries
have failed to plan properly for improvements for education, health care, or the living conditions of the local population of enclave tourism communities. In order to address poverty, improvement in such areas is critical for the economic expansion that follows investment in the tourism industry. According to Nanak Kakwani, “in times of growth, some people inevitably receive more than their proportional share, changing levels of inequality in a society and impacting the pace of poverty reduction” (Kakwani 2004). Failure to plan for these social conditions, therefore, perpetuates income inequality, which leads to further decline in human development in the Caribbean. Human development is defined in this paper as the creation of an environment for people to develop their full potential and lead productive and creative lives based on their needs and interests (HDR). The amount of public spending on education and health care is used as a measure for human development. This study proposes that an alternative development paradigm, which incorporates investment from the public sector in housing, education and health care, as tourism expands, will help the citizens from enclave tourism communities develop to their fullest potential, and subsequently alleviate some of the impoverished conditions that have been observed in Caribbean tourism dependent countries.

In the Caribbean, it has been observed that local populations of tourism enclaves do not live in environments that allow for optimal productivity. The public sector’s failure to plan for the overpopulation that occurs as a result of tourism development has led to negative social conditions that jeopardize the quality of life of residents of tourism communities. As more hotels and resorts are erected, residents from the low socio-economic bracket migrate to resort communities in pursuit of jobs, and business opportunities. This shift, results in the establishment of unplanned settlements and squatter communities, close to the resorts areas. Failure to plan for the changes that occur in these communities in the form of housing projects, solid waste
management, and sanitation, has led to a variety of social and environmental problems such as, increased turbidity in the coastal waters, pollution, and crime. Other negative impacts include, the diverting of water resources away from agriculture to support tourism-related urbanization (Edwards 2009; Torres and Momsen 2004; Briassoulis 2003). This study shares the point of view of scholars studying the impact of tourism on local communities who argue that as development proceeds, government planners can begin to coordinate investment in infrastructure with the needs of local communities (McQueen 1983; Cater 1987). Therefore, the problem of unplanned settlement and squatter communities can be mitigated with proper planning for the population increase which results from migration to resort areas.

Ostensibly, Caribbean governments also do not plan for the high levels of unemployment that is often associated with tourism. One paradox of tourism is that its development is built on the mistaken notion that tourism will create an endless supply of jobs for unskilled workers. However tourism enclave communities have been observed to have high rates of unemployment. Tourism is a seasonal industry that is primarily dependent on international demand (Harrison 1992; Cater 1987). However, because of government failure to plan for the volatility of this industry, the poor who depend on this form of employment are not protected from the seasonal variations of tourism. The issue of high unemployment during the off-seasons can be addressed if the public sector invests more in education, so the local population has more options to choose from. Insufficient public spending on education in communities that have become tourism enclaves prevents locals from being able to pursue other employment opportunities during the low tourism seasons because they are unqualified to pursue other forms of employment. Lack of proper education has resulted in local populations becoming dependent on an industry that is
very unstable and provides employment opportunities mainly for low-skilled workers (Cater 1987).

The public sector should focus on a human development paradigm that uses income from tourism to invest in the building of schools along with resorts in order to improve the educational standards of residents of resort communities. Such a strategy might eventually allow the local population to become qualified to work in all levels of the tourist industry, especially in management and in rural or community planning. As the local tourism labor force becomes skilled and experienced professionals, the need for experienced foreign professionals would be reduced. This plan would result in savings for the national economy, because salaries normally paid to foreign professionals would be redistributed in the local communities. Most importantly, as the population becomes more educated, they would become employable in other sectors of the society, for example in technology and science. This framework would help the most vulnerable citizens to reach their highest potential, and subsequently reduce some of the poverty that persists in enclave tourism communities.

Some studies on human resource development in East Asia propose that educated people (college or above) are more likely to innovate and devise new and better forms of production (Yeal Koo 1999; Thant 1999). Thant argues that the economic transformation of a number of small resource poor economies, into powerhouses within a short period of time, is attributable to the development of human capital in the form of primary and secondary school education (Thant 1999). Both Thant and Yeal agree that economic growth is attributed to education, but Thant’s study also finds that high income growth, early demographic transitions, and more equal income results from governments’ commitment to developing their educational systems. In another study by San Segundo et al. (2004) observing the effects of early school leaving in the Organization for
Economic Cooperation Development (OECD) countries finds that adults who have not completed upper secondary education are more likely to be unemployed and to have unstable and poorly paid jobs. These adults also experience difficulty in developing new skills (Segundo, Jesus, and Petrongola 2004). Social mobility, would however be more attainable in poor enclave tourism communities if the public sector invested in educational programs aimed at children and uneducated adults. Samuel Morley’s (2004) study on cash for education finds that countries such as Chile, Bangladesh, and Brazil are trying to thwart adult illiteracy by giving poor families monthly payments to keep their children in school. The payments serve two purposes: they increase the households’ income and they also increase the chance for children to achieve a high school education (Morley 2004). These findings on strategies that various developing economies have had to employ to combat illiteracy support my argument that a framework that targets educational improvement in enclave tourism communities may, in the long run, reduce the impoverished conditions of tourism communities.

The other measure of human development examined in this paper is the amount of public spending on health care. This paper argues that a healthy population is also important for economic development, since people who are ill cannot contribute to a nation’s productivity. Several World Bank Studies on health care in the Caribbean find that compared to other regions, the poor are not always the main beneficiaries of proper health care due to misallocation of resources (World Bank 2003; Swaroop 1997). In some Caribbean countries health care is privatized and therefore unaffordable to the poor. However, government spending has not increased in a manner that provides optimal health care for the poor. Alejandro Herrin’s (1999) study on health and demographic transitions and economic growth in East Asia, proposes that improvement to health care contributed to the economic expansion of those countries. Herrin’s
study also finds that the returns on investment in education are higher when children are well nourished, than when they are not (Herrin 1999). This paper argues that well nourished children make better students and are more inclined to become productive adults. Herrin’s findings support this paper’s contention that a framework that also focuses on improving the health of the local population of enclave tourism communities might be a more suitable form of development than the conventional form, which is based solely on economics and profit-making.

Some critics of the human development approach complain that human development index only examines life expectancy, adult literacy, and education, but leaves out much of the cultural components that make up society (Murray 1993; Westendorff 1993). Others complain that the approach is redundant, and adds very little to the economic development of countries (Murray 1993; McGillivray 1991). However research conducted by the Institute of Applied Economic Research (IPEA) and the UNDP on progress made by Brazil in improving human development during the 1990s, found that municipalities with the lowest human development values at the beginning of the 1990s were the ones that progressed the most (UNDP 2002; Paes de Barros 2004). The research also found that in contrast to conventional economic models, which were normally accompanied by rising inequality, income and life expectancy rose by 4 and 6 percentage points. This positive shift in human development is attributed to improved access to knowledge and educational reforms (UNDP 2002; Paes de Barros 2004). The general consensus of the researchers is that “improvements to human development do not depend only on the availability of resources, but also on the effectiveness with which such resources are channeled towards tangible quality-of-life advances” (Paes de Barros 2004). Brazil’s model is noteworthy because it makes salient the point that human development can be improved if economic resources are distributed equitably.
The economic development theories that promoted tourism as an engine of growth were based on the notion that wealth would be created from the rapid expansion of mass-tourism. Yet, despite the revenue that tourism generates, it does not always improve the lives of the most disadvantaged. With regard to every socio-economic indicator, the UNDP reports that Latin America and the Caribbean is unambiguously the most unequal region in the world, and that the widespread economic reforms of the 1990s failed to bridge the chronic gaps between the regions richest and poorest citizens (UNDP 2004). The irony of tourism is that it is rurally based, yet rural poverty is on the rise in the Caribbean (Figueroa and McCaulay 2008). Tourism can improve human development in the Caribbean, if governments ensure that a percentage of tourism revenue is redistributed in the communities from which tourism income is derived.

Construction of new hotels is usually followed by population increases as residents migrate with the intention of becoming employed in the new resorts. Therefore, Caribbean governments should consider constructing housing projects along with schools and health care facilities in communities close to resorts to facilitate population growth. This study proposes that governments should consider using income already earned from tourism to fund new housing projects. Alternatively, Caribbean governments could increase indirect taxation on tourism development ventures to fund the construction of housing schemes in enclave tourism communities, since the tourism sector currently enjoys low indirect taxes. Tourism will not solve all development issues, but it has the capacity to improve the quality of life of the most disadvantaged citizens because the tourism industry makes both direct and indirect connections with almost every sector of local economies. Therefore, if developed in a manner geared toward improving the lives and enhancing the capabilities of residents who live in resort communities, tourism will contribute more positively to the declining human development conditions observed
in some Caribbean tourism destinations. A development paradigm that emphasizes the improvement of human lives may eventually reduce the inequalities that exist in Caribbean tourism dependent countries.

**Concepts and Hypotheses**

This paper theorizes that an integration framework that promotes human development along with tourism development will decrease the high rates of poverty that exist in the Caribbean. Based on this theory, this study draws on two hypotheses, and will test them with case studies from Jamaica, the Dominican Republic, and the Bahamas.

Definition of Tourism: The Jamaica Tourist Board defines tourism as a human activity which involves three basic groups – the host communities and the visitor – relating to each other through a series of systems and institutions and relationships (JTB 2010). Tourism is measured by the number of visitor arrivals per year.

Definition of Human Development: The UNDP Human Development Report defines human development as a “development paradigm that creates an environment for people to develop their full potential and lead productive and creative lives based on their needs and interests” (HDR 2010). Human development is measured by the human development index—a composite of indicators measuring a country’s average achievement in: longevity, measured by life expectancy at birth, access to knowledge, measured by primary, secondary and tertiary enrolment, and a decent standard of living, measured by the GDP per capita. Human development ranges from 0 to 0.9000. Countries that have achieved an HDI of 0.900 are classified by the Human Development Report as developed, while countries that have achieved less than 0.900 are classified as developing. Table 1.1 outlines the human development range, as calculated by the Human Development Report (HDR 2009a).
Table 1.1: Human Development Range

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<th></th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>Very High</th>
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<tr>
<td></td>
<td>0-0.499</td>
<td>0.500-0.799</td>
<td>0.800-0.899</td>
<td>0.900</td>
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Source: Human Development Report

Hypothesis 1: The expansion of mass tourism development will lead to a decline in human development. This hypothesis is based on the impoverished conditions observed in communities of which tourism is the dominant economic activity.

Hypothesis 2: a tourism development strategy aimed at reducing inequality will result in improvements to human development. This hypothesis is based on the various development projects cited in this paper that made improvements to the standard of living of local populations, because they focused on poverty reduction.
Chapter 2

Case Study: Jamaica

At the end of 2007, Jamaica’s tourism minister announced the Jamaica Tourist Board’s plan to welcome five million visitors per year to the island by 2012 (Myers 2008). Tourist arrivals of five million would be a seventy percent increase from the one and a half million visitors who arrived in Jamaica in 2007 (CTO 2009b). The plan to increase tourist arrivals to Jamaica involved targeting travelers from new markets such as Brazil, Russia, India, and China. The Minister of tourism projected that international investors, such as Ritz-Carlton, Fiesta Hotels and Riu would add ten thousand more hotel rooms island-wide. Famous destinations, such as Montego-Bay and Ocho Rios were targeted to receive infrastructure upgrades to allow cruise-shipping access, while the town of Falmouth, which adjoins Montego-Bay, was targeted for expansion of its port facilities (Myers 2008; Reffes 2008).

By the end of 2009, despite the challenges posed by the global economic downturn, the Jamaica Tourist Board (JTB) reported that Jamaica’s tourism sector fared relatively well compared to other key income earners, such as telecommunications and bauxite (JTB 2010). Today tourism accounts for an estimated 20% of Jamaica’s GDP (CIA - The World Factbook 2010). In spite of tourism’s positive contribution to the economy, human development grew merely by one point between 2005 and 2009 (HDR 2009B). Out of 182 countries assessed, by UNDP in 2009, Jamaica was ranked 100th on the Human Development Index with a medium range value of 0.766 (HDR 2009b). The tourism industry’s contribution to Jamaica’s total economic growth is unquestionable. Tourism has been beneficial to Jamaica in terms of
employment and numerous infrastructural developments; however, whether contributions from the tourism industry have led to any far-reaching improvements to the human development of the most vulnerable Jamaicans is questionable. In fact, the human development index reports that Jamaica has held a mid-range position in human development since 1975, when the HDI was first calculated. This case study on Jamaica is intended to test the hypothesis that the expansion of mass-tourism may result in a decline in human development.

Table 2.1: Jamaica’s Human Development Trend 1975-2009

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<tbody>
<tr>
<td>Human Development Index</td>
<td>0.687</td>
<td>0.695</td>
<td>0.699</td>
<td>0.726</td>
<td>0.737</td>
<td>0.752</td>
<td>0.765</td>
<td>0.766</td>
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Sources: Human Development Report (UNDP)

Background of Jamaica’s Tourism Industry

The development of tourism, and its impact on human development in Jamaica, presents an interesting study because despite the significance of tourism to national development, income disparity continues to challenge policymakers. Tourism was first organized as an industry, in any meaningful way in Jamaica in the late nineteenth century, when Britain’s demand for Jamaican sugar declined. Industrialization had allowed German factories to produce, more efficiently, as much beet sugar as one hundred and forty sugar cane factories could produce (Petras 1988). Jamaica’s production of sugar was aided by the hoe, the machete, and the wheel-barrow, and was therefore ill-equipped technologically to compete with growing competition in the sugar industry (Petras 1988). Faced with declining income, “the long-standing reputation of hospitality that the island had acquired was renovated and converted into something that the elites could enjoy” (Taylor 1993). The tourism industry, therefore, was first developed in Jamaica as a response to changing economic conditions and has prevailed and continued to expand when other industries
have either failed or receded. Today, tourism has gained the reputation as Jamaica’s most important foreign exchange earner.

Tourism became Jamaica’s most viable industry as other economic mainstays, such as the sugar and bauxite industries declined as a result of global competition. The demand for bauxite, for example, was stimulated by World War II and the space exploration program (Edie 1991). By the 1950s three of the world’s largest bauxite companies, Alcan aluminum of Canada, Kaiser Aluminum and Reynolds Metal Company both of the United States, were extracting at least five million tons of bauxite per year, making Jamaica one of the world’s largest supplier of bauxite, following Australia (Manley 1987; Sherlock 1998). By the late 1970s, the world’s demand for aluminum declined, and reduced the demand for Jamaican bauxite (Edie 1991). Additionally, demand for Jamaica’s bauxite was further depressed by the fact that the mineral was being produced more economically in places, such as Suriname and on the Gold Coast of Africa (Manley 1987). Therefore, tourism replaced these declining industries, especially bauxite. Michael Witter explains Jamaica’s growing reliance on tourism by arguing that “with the driving force behind the growth of the economy gone, a new stimulus and new resources of foreign exchange were needed to fund the import-dependent system and household consumption patterns” (Witter 2005b). The decline of international demand for bauxite is one reason for the massive expansion of Jamaica’s tourism, which was targeted by policymakers to become the nation’s top foreign exchange earner (Manley 1987). Witter (2005a; 2005b) also affords the development of tourism in Jamaica to the post-war growth in U.S. household income, and the declining cost of air travel, which resulted in increased traveling by Americans to the Caribbean.

Tourism escalated on the island’s north coast, especially in the Montego Bay, Ocho Rios and Negril areas, as the clientele changed from aging elites to younger and middle-income
earners from North America (Taylor 1993). David Dodman maintains that during the 1960s and 1970s Jamaica Tourist Board (JTB) implemented programs aimed at shifting the nature of Jamaica’s tourism from “class to mass” (Dodman 2004). For example, in cities such as New York, Miami, San Francisco, and Montreal, Jamaica was promoted as the island where anything including villas with housekeepers and gardeners could be rented. The national airline, Air Jamaica, also marketed itself as the “love bird” (Taylor 1993). The idyllic appeal of the fantasy island was not lost on foreigners, and by 1970 the amount of visitors to the island totaled more than 415,000—in contrast to 104,000 in 1950 (Jamaica Gleaner). Another factor that drew visitors to the island was the all inclusive concept that international companies, such as Club Mediterranee, introduced to the Caribbean. This vacation style targeted young singles. Their meals, drinks, tours, accommodations, and other related activities were covered under a low-cost fare that was usually paid in advance to travel agents in the originating country, requiring them to travel with little to no cash while on vacation (Chambers and Airey 2001; Issa and Jayawardena 2003; Barry 1984). As tourist arrivals increased in Jamaica, Barry (1984) argues that transnational companies, such as Pan American, TWA and United Airlines seized the opportunity to invest in hotel chains, such as the Hilton, Holiday Inn, and Intercontinental to accommodate the passengers that they flew onto the island.

Jamaica’s tourism industry developed much more rapidly during the 1980s and 1990s with the acceleration of the IMF and World Bank’s structural adjustment packages (SAPs) that had been implemented in the 1970s to combat economic imbalances, such as high rates of inflation, high rates of unemployment (Witter 2005b; IEG-World Bank; Meditz and Hanratty 1987). With regard to tourism development, during the restructuring phase, the state denationalized the industry and sold government equity shares in tourism for the private
purchase of a portion of the country’s foreign debt (Mortimer 1987; Meditz and Hanratty 1987). These strategies, in addition to the combination of foreign loans, aid, and direct foreign investments, led to further increases in hotel-building on the island’s coastline. Transnational companies were able to invest in Jamaica’s hotel sector as a result of the privatization of government owned hotels. In order to attract foreign direct investments, hoteliers were granted ten-year income tax relief, and they benefited from duty exemptions on imports for constructing and expanding hotels (TED Date). Today numerous mega hotel chains, such as Sandals, Grand Lido, and Breezes, operate throughout the island as a result of the economic restructuring policies (Boxill, Diaram Ramjee, and Segree 2004; Karagiannis and Witter 2004). The expansion of hotel accommodation functioned as a preparation for the soaring tourist arrivals that would follow as Jamaica would, eventually become more attractive to foreigners. As the Jamaican dollar experienced numerous devaluations and foreign currency became more valuable, Jamaica evolved into a highly affordable tourist destination (Meditz and Hanratty 1987). Figure 2.1 shows the progression of visitor-arrivals to Jamaica since tourism was first targeted for economic development in the 1960s, and the subsequent development of mass-tourism.
Figure 2.1: Trends in Tourist Arrivals, Jamaica 1966-2009

Sources: Caribbean Tourism Organization; Jamaica Gleaner; The World Bank

Tourism’s Positive Contribution to Jamaica’s Economy

The tourism industry’s contribution to Jamaica’s economic growth is undeniably important. In 2008 Amitabh Sharma’s article in the Daily Gleaner listed tourism as the main prospective area of growth in the Jamaican labor market and projected that growth would account for approximately 60,000 direct and indirect jobs when 12000 additional hotel rooms were completed (Sharma 2008). Direct employment in Jamaica’s tourism industry stands at approximately 34,000 persons (LMIS 2007), and while there is no available estimate for the amount of jobs that are created indirectly by tourism, almost every sector of the Jamaican economy earns some portion of their income from tourism (Jamaica Gleaner). For example, farmers supply food to the hotels and restaurants, and skilled carpenters make furniture. Other forms of indirect employment include tour bus operations, craft and natural juice vendors, and local entertainment (TED 1999). The building of hotels helps to sustain the local construction industry while other infrastructure developments, such as improvements to water supply, electricity, roads, telecommunications and the building of new highways, and ports are created through tourism dollars net return to rural communities. Revenue from tourism accounts for 20% of Jamaica’s GDP (CIA - The World Factbook 2010).

In 2007, revenues from tourism totaled over US $2 billion (LMIS 2007), and policymakers are interested in increasing this income by making further expansions to the industry. Tourism, which has been described as one of the brightest spots of the economy (Meditz and Hanratty 1987), is Jamaica’s most dependable industry, compared to bauxite or agriculture. However, research has indicated that the development of tourism could be improved
in a manner so that Jamaica’s most vulnerable citizens receive more benefits from the economic momentum of the tourism industry. Table 2.2 summarizes the continued growth of Jamaica’s tourism receipts. In 2009, the industry earned over US $4 billion; note that the industry earned US $437 million in 1986 when development accelerated under the structural adjustment packages. The growth of Jamaica’s billion dollar tourism industry may be attributed to policymakers’ current development model, which is based on the construction of mega super inclusive resorts (Edwards 2009). This type of development will likely prevail as the government continues to rely on the tourism industry to alleviate economic imbalances.

**Table 2.2: Trends in Tourism Income, Jamaica 1986-2009**

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<tr>
<td>Tourism Income (US$ mil/bil)</td>
<td>437</td>
<td>740</td>
<td>1,069</td>
<td>1,333</td>
<td>1,545</td>
<td>4.67 (billion)</td>
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Sources: World Tourism Organization; CIA World Factbook.

This trend in income is an indication of tourism’s overall importance to the growth Jamaica’s national economy. Therefore, with such positive economic gains, from an industry that impacts every sector of the society, policies should be adopted that ensure that income from tourism is distributed in a manner that will improve human development across the entire spectrum of the society more effectively.

**Impact of Tourism Development on Human Development in Jamaica**

Despite its numerous contributions to Jamaica’s national economy, the contributions from tourism do not appear to make sufficient improvements to human development in the rural communities in which the resorts are based. Careful examination of the impoverished conditions that exist in Jamaica’s enclave tourism communities indicates that the development of mass-tourism in rural communities has not successfully alleviated the human development
decline in these communities. In fact, the Director of the Social Development Commission explains the paradox of Jamaica’s tourism industry in the video documentary “Jamaica for sale” by lamenting that tourism is rurally based, yet rural poverty in Jamaica is on the rise. The Director further argues that the gap between rural and urban poverty is widening (Figueroa and McCaulay 2008). The World Bank reports that rural poverty, in Jamaica, is three times higher than Urban poverty (World Bank 2004). Other scholars who evaluate the impact of tourism in rural Jamaica maintain that the benefits from tourism seem to accrue increasingly to the larger hotels and companies, rather than to the most economically vulnerable Jamaicans, who have it difficulty developing long-term connections with the tourism industry (Dodman 2004; Jayawardena 2000).

One of the first observations in regard to the development of tourism on Jamaica’s coastlines is the government’s failure to plan for the high levels of migration that would occur in enclave tourism communities. With the expansion of mass-tourism, local residents have been relocating from both rural and urban communities to the resort areas to take advantage of perceived employment and business opportunities. For many who have found employment, the wages are low, the employment is seasonal and they are forced to live in impoverished conditions. Others resort to crime in the absence of these perceived opportunities to support themselves and their families. The government’s failure to plan for housing projects has led to what Peter Edwards describes as a proliferation of unplanned settlements and squatter communities that have been established close to the resort areas (2009). These communities tend to be overpopulated and suffer from many social and environmental problems. For example, in Montego Bay, the tourist capital of Jamaica, Gareth Manning, staff writer for the Jamaica Gleaner argues that the rate of residential dwelling construction has not been commensurate with
tourism development in that city. Therefore, the number of squatters is likely to grow as these communities have all the necessary conditions to nurture the growth of squatter settlements.

Manning claims that squatters in Jamaica’s enclave tourism communities represent the poorest quintile of the island, and are therefore likely to have the highest birthrates, and the least access to education about family planning and reproductive health (Manning 2009). Montego Bay’s population is approximately 200,000, but the lure of employment opportunities has resulted in the establishment of 19 squatter communities, each housing approximately 5000 residents (Frater 2006). The situation in Montego Bay has been described as untenable because over 40% of the population earns their livelihood from outside of the formal economic process (Allen 2009). The competition among the local population for food, space, and employment is resulting in deteriorating social conditions that could make Jamaican tourism lose its competitive edge.

The failure of local and national governments to plan for the changes that result from housing projects, waste management, sanitation, education and health care in enclave tourist communities has resulted in a general decline in the welfare of the local population of those communities. In Jamaica, squatter communities tend to be established close to the resorts in the hills and mountains above the coast (Edwards 2009; TVE Earth Report). The random distribution of the shacks reflects the absence of any kind of municipal planning. Geographer Alan Eyre refers to the unplanned settlements as “shantytowns,” (Eyre 1972) because their development although rural, adapts the dynamism often found in urban Jamaican ghettos. According to Eyre (1972), the establishment of shantytowns is the product of personal initiative; therefore, construction of the houses is highly individualized and incorporates the use of just about anything from scrap metal, old packing cases, junked car bodies, as well as ordinary building
materials. Peter Edwards argues that the creation of these communities results in the destruction of the watershed, inadequate sewage treatment, and waste management (Edwards 2009). Other studies have found that basic water supply and sanitation infrastructure have been non-existent in some communities leaving residents to dispose of their waste into gullies and surroundings (TVE Earth Report; Dodman 2004). Additionally, in communities which have no running water, the burden to provide water to households is often placed on children, so they collect water from streams and rivers up to three times daily (TVE Earth Report). This process can be a particularly burdensome task for the children (physically, educationally, and emotionally), especially if the distance to the source of water supply is considerable.

The haphazard nature of Jamaica’s tourism development has had negative consequences on the environment. For example, studies conducted on the environmental degradation that results from the steady increase in the construction of hotels along Jamaica’s ecologically sensitive shorelines maintain that towns and homes are no longer protected from natural disasters, such as hurricanes and tropical storms. The dune barriers along the sea shores that absorbed the wave energy when destructive storm seas struck the shore have been eradicated and replaced with high cement walls that do not adequately guard the inland against storms (TED 1999; Ishemo 2009; Figueroa and McCaulay 2008). These studies maintain that destruction of the dune barriers has left towns vulnerable to floods and erosion when natural disasters strike. Amani Ishemo’s study on the environmental degradation that results from increased unplanned settlements on the island’s coastlines also notes that natural disasters in Jamaica, have increased in numbers, scale, and intensity as a result of settlement vulnerability, as squatters have established settlements in areas and zones that are ecologically sensitive (Ishemo 2009). The Deputy of Jamaica’s Office of Disaster Preparedness and Emergency Management contends that
the impact of the natural hazards in Jamaica has proven to be disastrous in many instances, resulting in enormous economic losses and significant social dislocation (Ronald 2005). This argument is supported by Maxx Dilley’s World Bank’s study on natural disaster hotspots, which finds that damages and losses suffered from disasters in Jamaica have adversely affected human welfare, economic activities, infrastructure, property, and the natural resources of that country (Dilley 2005).

While commercial development progresses in Jamaica’s enclave tourist communities, including the continued building of high rise hotels and new resorts, researchers cannot find hard evidence for human developments that are commensurate with the development that is focused directly on tourism (Figueroa and McCaulay 2008). For example, in the video documentary “Jamaica for Sale,” a Negril Beach hotelier, who employs approximately 52 workers laments that finding accommodation for workers is a constant challenge because there is insufficient housing to accommodate the number of workers needed by all the resorts in that area. Therefore, it is not unusual for hotel workers who live outside of Negril Beach to spend up to one-third of their income on transportation to commute to their jobs (Figueroa and McCaulay 2008).

Similarly, a study that was submitted by the Jamaica Environment Trust to the Jamaica Caves Organization found that the proposed Bahia Principe Hotel development in Ocho Rios, would need large number of workers for whom there would not be insufficient housing (JCO 2007). The study also found that there are not enough schools, or school sites, available on the island’s north coast to accommodate the student population of that region. Therefore, school children are forced to travel long distances in overcrowded buses on potholed roads to reach schools in interior towns and villages. Also, primary and high schools that are intended to accommodate 1000 students are forced to accommodate over 2500 students because of overcrowding (JCO
In Jamaica’s enclave tourism communities, residents do not have an adequate amount of nurseries and basic schools (Figueroa and McCaulay 2008). Therefore, without reform, the quality of education received by the children of enclave tourism communities will be below standard from kindergarten throughout high school.

Regarding health care, according to the World Health Organization, Jamaica offers primary, secondary and tertiary health care through a network of 343 health centers and 23 government hospitals throughout the island (WHO 2010). This is the result of a 1977 public policy that allowed primary health care to reach deep into rural Jamaica (United Nations 2009). However, the National Resources Conservation Authority reports that on Jamaica’s coastal regions where there is enormous tourism development, and subsequent establishment of enclave tourism communities in rural areas, human health may be threatened directly through poisoning, respiratory problems and, birth defects as a result of solid, liquid, and hazardous wastes, in addition to the breeding of pests and other noxious conditions (NRCA 2005). These potential health hazards may also be attributed to the fact that studies have found that public sanitation is non-existent in some communities (TVE Earth Report ; Dodman 2004). The National Sanitation Policy of Jamaica supports this position by maintaining that these conditions create new or exacerbate existing sanitation problems, which require corrective action at additional cost, which the country cannot afford (NSPJ 2005). Therefore, it is imperative that provisions are taken that will ensure that households in enclave tourism communities have access to clean water, in order to decrease the risk of exposure to diseases and improve public health in these communities.

The tourist industry benefits the Jamaican society as a major source of employment. The Jamaican tourism industry accounts for at least 34,000 of the country’s workforce, and sustains indirect employment, such as restaurants and street vending (Sharma 2008). Tourism is,
nevertheless, a seasonal industry that depends on international demand (Harrison 1992; Cater 1987). Therefore, Jamaica’s enclave tourism communities experience high rates of unemployment during off-seasons. However, the recent trend of hiring within Jamaica’s tourism industry has shown that high rates of unemployment also prevail during peak tourist seasons, as a result of the large percentage of locals who have relocated to enclave tourism communities. Presently Jamaica’s unemployment rate stands at 14.5% nationally (CIA Factbook 2010), and according to Gareth Manning, of the Jamaica Gleaner, Jamaica does not have enough jobs to accommodate the rapidly growing population in resort areas, such as Falmouth, Ocho Rios, and Montego. Also unavailable to young people is the type of remuneration to suit youngsters who have grown intolerant of the low wages that are associated with Jamaica’s tourism industry (Manning 2009). The wages earned, while helpful, do not allow for significant improvements to daily living. Construction work, for example, on development sites, such as Fiesta and Bahia hotels have been plagued with violence and strikes as workers protest against poor working conditions, and low wages that range from US $1.00 to US $ 11.00 per twelve-hour day (Figueroa and McCaulay 2008). One of the results of the high rate of unemployment in Jamaica’s enclave tourism communities has been an increase in crime in those communities (Manning 2009; Levitt 2005; World Bank 2004). According to the World Bank’s study on Jamaica’s economic growth, the rate of crime has negatively impacted human capital and has negated the positive contributions of the business interests. This observation emphasizes the point that local governments should adopt measures that will improve human development conditions in order to curtail the level of crime that has erupted in Jamaican tourism enclaves communities.
Findings, Jamaica

The case study on Jamaica advances the argument that the development of mass-tourism has not improved human development in Jamaica. In fact, this paper observes that an erosion of social conditions in some communities associates with the escalation of mass-tourism. The expansion of mass-tourism has led to a general decline in the human development of many rural communities affected by the growth of tourism. Some scholars attribute this trend to the amount of economic leakages that take place within the tourism industry. For example, with regard to food production, Francois Belisle argues that the importation of food for tourist consumption significantly affects the economic and social benefits that are derived from tourism (Bélisle 1983). The tourism industry also establishes important connections with other industries outside of tourism. However, when food is imported for tourist consumption, the agricultural sector is negatively impacted as the multiplier effect becomes reduced by loss of employment and other business opportunities in sectors of the society that provide food for the tourism industry. This example also applies to construction and other industries that import raw and finished products for the sustenance Jamaica’s tourism industry. John Brohman (1996) describes economic leakages within the tourism industry as repatriation of profits and maintains that when profits are repatriated, patterns of socioeconomic inequality and spatial unevenness are reinforced.

In the case of Jamaica, economic leakages are only one-part of the reason for the decline of Jamaica’s human development. More importantly, the government’s failure to integrate improvements to human development in the form of education, health care, and housing along with the development of tourism must be attributed to the decline in human development in rural Jamaica. This planning oversight has contributed to a general decline in human development across the island as residents migrate from one community to another in search of potentially
better opportunities. The impoverished living conditions of Jamaica’s most vulnerable residents have prevented them from achieving their highest potential as human beings. Table 2.3 summarizes Jamaica’s average human development achievement. Human development is measured by a set of indicators (Table 1.1) that assesses a country’s average achievement in: life expectancy at birth, access to primary through tertiary education, and GDP per capita to determine standard of living (HDR 2009a).

**Table 2.3: Human Development Indicators, Jamaica**

<table>
<thead>
<tr>
<th>Human Development Indicators</th>
<th>Human Development Index</th>
<th>Country Comparison to the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy at Birth</td>
<td>73.53</td>
<td>107</td>
</tr>
<tr>
<td>Adult Literacy Rate</td>
<td>86</td>
<td>87</td>
</tr>
<tr>
<td>GDP per Capita</td>
<td>8300</td>
<td>116</td>
</tr>
</tbody>
</table>

Sources: Human Development Report (UNDP); CIA World Factbook

These indicators are by no means exhaustive and are complex because they do not always accurately represent the extent of a country’s prosperity or poverty. Based on the longevity indicator, the average Jamaican is expected to live for 73 years, if he has access to a reasonably healthy lifestyle. Still, Jamaica is ranked as the third most violent country in the world with rate of 6 homicides/1000 persons, and over 1600 murders in 2009 (CIA - The World Factbook 2010; GPI 2009). Such a high murder rate indicates a decline in the quality of life of the people. With regard to education, compared to the rest of the world, Jamaica is better than average at 86, with government spending of 5.3% of its GDP on education (CIA – The World Factbook 2010). Nonetheless, studies report that rural illiteracy is increasing in Jamaica, particularly among young men from low socio-economic statuses, who subsequently resort to crime as a means to escape poverty (Manning and Titus 2008; Jennings 2000). The problem of rural illiteracy in Jamaica reflects that more government spending on education could be directed towards rural
districts and that social reforms are needed to improve education in rural areas. Jamaica’s GDP per capita of US $8300 indicates that the average Jamaican survives on approximately US $23.00 per day. When compared to Bangladesh, for example, in which the average citizen survives on US $4.30 per day (CIA – The World Factbook), one would assume that all Jamaicans enjoy a relatively decent standard of living; however, similar to education, income is unevenly distributed in Jamaica, with much of the wealth generated toward those residents who enjoy a higher socio-economic status. Kari Levitt’s (2005) study on Jamaica’s economic development found that in textile manufacturing, the median reported salary for a CEO was 40 times more than that of the lowest worker. According to Levitt, nowhere else in the Caribbean, with the exception of Haiti, was the disparity of wealth so grossly inequitable. Human development indicators suggest that Jamaica ranks slightly below midrange in longevity and GDP per capita, while in terms of education, the country ranks above average. Still, but closer examination of the issues that surround each indicator highlights the fact that Jamaica’s human development needs serious improvement.

Out of 182 countries assessed, by UNDP in 2009, Jamaica was ranked 100th on the Human Development Index with a medium range value of 0.766 (HDR 2009b). Human development ranges from 0 to 0.9000; countries that have achieved an HDI of 0.900 are classified as developed, while countries that have achieved less than 0.900 are classified as developing. A HDI of 0 to 0.499 regarded as is low, and a HDI of 0.5 to 0.700 is classified as medium-range. Figure 2.2 shows that Jamaica has held a mid-range position in terms of human development since 1975. The graph also shows that Jamaica’s national human development has increased, rather than decreased, as this paper hypothesizes. These indicators reflect the reported national average. They do not reflect the human development decline based on individual
communities. However, based on these trends, this study must reject the hypothesis that the expansion of mass-tourism will lead to a decline in human development.

![Jamaica's Human Development Trend, 1975-2009](image)

**Figure 2.2: Jamaica’s Human Development Trend**

Source: Human Development Report

**Conclusion, Jamaica**

The case study on Jamaica’s tourism development does not provide support for this paper’s hypothesis that expansions in mass-tourism tourism will lead to a general decrease in human development. Still, rejection of that hypothesis does not change the reality of the decline in human development that has been documented in Jamaica’s enclave tourism communities. In spite of the unavailability of data to support this study’s claim that tourism development should degrade human development significantly, the Jamaican government will need to implement effective measures that will ensure that economic development does not continue to outpace human development in enclave tourism communities. This paper argues that a development strategy that builds and improves educational, health care, and housing facilities to accommodate
the influx of migrants to enclave tourism communities will improve the human development conditions of those communities.
Chapter 3

Case Study: The Dominican Republic

In February 2008, the Dominican Republic’s Tourism Ministry announced the construction of the Westin-Macao tourism complex in the community of Macao, Higuey. The construction was projected to cost US $350 million, and would likely to be the first five-star hotel of the Roco Ki chain of luxury resorts (*Dominican Today* 2008). The president of the Roco Ki group, Nicholas Tawil, said that the project will create around 650 direct jobs and raise the quality of local tourism along with the Dominican Republic’s prestige as a tourism destination for visitors with a high consumption capacity. Tawil notes that other hotel developments, such as Casa de Campo, Punta Cana and Playa Grande have adopted the high consumption capacity approach, Tawil advises policymakers that for the high consumption style of tourism to be viable, the Dominican Republic’s government must continue to provide tax incentives for the tourism industry (*Dominican Today* 2008).

Joseph Treaster’s (1988) *New York Times* article reported that foreign investors had been taking advantage of the soaring hotel construction that was occurring in the Dominican Republic, and that the Dominican Republic led all other Caribbean countries in terms of growth in the tourism industry (Treaster 1988). As a result of the Dominican Republic’s tourism growth, the island has welcomed over 3 million tourists per year since 2007, in spite of the global economic downturn (*CTO* 2009b; *Dominican Today* 2009; CIA - The World Factbook 2010). Consequently, the International Finance Corporation (IFC), a member of the World Bank Group, will provide US $20 million to Corparacion Aeroporturia del Este (CAE) to expand the Punta
Cana International Airport to facilitate the increased tourist arrivals in the Dominican Republic (Dominican Today 2009). Salem Rohana, an IFC representative, remarked that the airport which serves top tourist destinations of the Punta Cana and Bavaro regions will also enhance development in those regions by stimulating economic growth and job creation in the aftermath of the global financial crisis (Dominican Today 2009).

In spite of the tourism industry’s contribution, Tilman Freitag’s study on enclave tourism in the Dominican Republic finds that the government has done little to incorporate poorer members of the society into a more economically beneficial relationship with the tourism industry (Freitag 1994). This case study on the Dominican Republic also tests this study’s hypothesis that the expansion of mass-tourism may result in a decline in human development in enclave tourism communities. Out of the 182 countries assessed by UNDP in 2009, the Dominican Republic was ranked 90<sup>th</sup> with a mid-range value of 0.777 (HDR 2009c). The Dominican Republic leads Jamaica by 0.011 points in human development. Jamaica’s average human development increased by only 0.001 points between 2005 and 2009, while the Dominican Republic’s average human development increased by 0.012 points for that period. Human development grew by less than 1% in Jamaica and by 1.57% in the Dominican Republic between 2005 and 2009. Table 3.1 summarizes the Dominican Republic’s human development trend since 1980. The question for this case study on the Dominican Republic is whether there have been improvements to human development in its enclave tourism communities?

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1 This paper uses the differences in human development points, multiplied by 100 to calculate the percentage increase in human development growth for both the Dominican Republic and Jamaica.
Table 3.1: The Dominican Republic’s Human Development Trend 1980-2009

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<tbody>
<tr>
<td>Human Development Index</td>
<td>0.64</td>
<td>0.659</td>
<td>0.667</td>
<td>0.686</td>
<td>0.748</td>
<td>0.765</td>
<td>0.777</td>
</tr>
</tbody>
</table>

Source: Human Development Report (UNDP)

Background of the Dominican Republic’s Tourism Industry

The development of tourism and its impact on human development also presents an interesting case study. The Dominican Republic shares the same comparative advantage of other Caribbean tourist destinations of sun, beaches and cheap labor, but the country did not participate in the Caribbean’s tourism growth in the early 1960s as a result of political instability; in fact, more people left the Dominican Republic rather than traveled to it (World Bank 1978; Bell 1981). However, the passage of the 1971 Tourist incentive law (law 153) created benefits such as tax holidays and tariffs exemptions for foreign hoteliers who were interested in investing the Dominican Republic’s tourism industry. These types of incentives initiated the growth of the Dominican Republic’s tourism industry (Haggerty and Mortimer 1989). Similar to Jamaica, the Dominican Republic’s government decided that the development of the tourism industry was of national interest (Kornbluth 2008) and that profits from tourism would help to diversify the economy and improve the standard of living for the local population (Wiarda and Kryzanek 1982). According to the World Bank, tourism contributed to the opening up the Dominican Republic’s economy to foreign trade (World Bank 1978). Yet, in spite of the tourism industry’s contributions towards national development, the Dominican Republic suffers from marked income inequality with the poorest half of the population receiving less than 20% of the GDP, while the richest 10% enjoys nearly 40% of the GDP (CIA - The World Factbook 2010).
Research indicates that as the world’s fourth largest sugar producer, sugar production was the Dominican Republic’s largest foreign exchange earner, with most of its exports going to the United States until 1982 when the U.S. Reagan administration instituted a system of duties and quotas to reduce the quantities of imported sugar entering the United States (Cambeira 1997; Barry 1984). The Reagan administration’s sugar policy had been unfortunate for the Dominican Republic’s economy because it depressed sugar prices worldwide and reduced the Dominican Republic’s sugar quota by 25% of previous export levels (Barry 1984; Cambeira 1997). This change in Dominican Republic’s economic conditions led the government to focus on other areas of development to replace sugar as the dominant foreign exchange earner. Construction, telecommunications, agro-industry, foreign owned manufacturing/assembly operations, otherwise known as free zones, and tourism were targeted to become the Dominican Republic’s major industries. Researchers contend that the tourism industry grew spectacularly compared to agro-industry and the free zones and by 1984 had become the nation’s leading foreign exchange earner (Cambeira 1997; Haggerty and Mortimer 1989). Therefore, similar to other Caribbean countries, such as Jamaica, the Dominican Republic’s government targeted tourism to replace other traditional industries whose demand had declined on the world market.

By the early 1980s foreign owned hotel chains, such as Jack Tar, Radisson, Sheraton and Club Mediterranean began investing heavily in the Dominican Republic. By 1989, the development of enclave tourism had began in the following tourism zones: Puerta Plata, Samaná, La Romana, Boca Chica, Barahona and Jarabacoa Cordillera, modeled after other all-inclusive resorts that were already established in the Caribbean (Freitag 1994). The U.S. Department of State described the 1980s as the decade of slow economic growth for the Dominican Republic (U.S. Dept of State 2009), but the country was able to rebound with an average growth
rate of 7.7% by the end of the 1990s with the government’s adoption of structural adjustment packages, which devalued its currency, cut social programs, and opened up the economy to greater foreign investments, along with the expansion of the tourism industry (U.S. Dept of State 2009; Wiarda 1999). Marketed as the island on which Christopher Columbus landed before voyaging into the new world (Cambeira 1997), the Dominican Republic today boasts over 670 hotels (Edmonton Journal 2006), with tourist arrivals totaling 3,992,303 in 2009 (CTO 2010). The fact that the Dominican Republic welcomed more visitors in 2009 than any other Caribbean island is attributed to its highly developed tourist infrastructure; substantial developments along the beachfront; and a good balance between bargain holiday prices and high end resorts (Caribbean Tourism Report 2009; Treaster 1988). The Dominican Republic, therefore, caters to a wide range of visitors. These factors have led the Dominican Republic to become the fastest growing tourism destination in the Caribbean. Figure 3.1 shows the progression of visitor-arrivals to the Dominican Republic since 1975. By the late 1980s, with the restructuring of the economy, the Dominican Republic began to welcome over 1 million visitors to its shores. Since then that amount has tripled (CTO 2010). The growth of Dominican Republic’s tourism industry is also an indication of the strong economic growth the country has enjoyed since it implemented market liberalization policies in the 1980s and 1990s.
Figure 3.1: Trends in Tourist Arrivals, Dominican Republic 1975-2009

Sources: Caribbean Tourist Organization; Library of Congress; The World Bank

Tourism’s Positive Contributions to the Dominican Republic

The *Dominican Today* (2010) reported that their tourism industry weathered the 2009 global financial crisis with a 32% growth in tourist arrivals, while 2010 appears promising by promoting the Dominicans “good nature” (*Dominican Today* 2010). Similar to other Caribbean countries, the Dominican Republic relies not only on tourism’s immediate growth, but also on its projected growth, because revenue from that industry is critical to the economic development of the country. Travel journals maintain that the growth in tourism has been healthy for the economy (STAA). As of 2008, 550,000 jobs were created in the Dominican Republic from tourism, and that number was expected to increase to 743,000 by 2018. The Specialty Travel Agents Association maintains that as a result of tourism, the economy has been stable and will continue to strengthen as more jobs are created (STAA). Tourism has also created a more diversified economy and is responsible for employment in many different sectors of the local Dominican economy (Fuller 1999). For example, the vast majority of the hotels’ food and
beverage supplies are produced within the island (Ashley et al. 2006). Sosúa, on the island’s north coast, is known for providing fish and dairy products to both hotels and the local population of that tourism enclave community (Hispaniola.com). The construction industry has also benefited significantly from the growth of tourism as a result of the escalation of new hotels and resorts, construction of new airports, improvements to roads, and highway constructions in the Dominican Republic (Alonso 2002; Dominican Today 2009).

There are numerous positive effects of tourism for the Dominican Republic’s economy. The Dominican Republic is described as the Caribbean’s “best kept secret” (Kifle 2008), and after decades of political instability, the Dominican Republic is the fastest growing tourism and real estate investment area in the Caribbean (Kifle 2008; Sanders 2006). Sanders (2006) contends that the Dominican Republic has the most stable economy among its peers, and the fact that the country has a substantial local agricultural and manufacturing industry results in reduced import expenses compared to other Caribbean islands. Sanders believes that lower import cost results in a lower cost of living for Dominicans than, for example Aruba which imports almost all that the entire island needs. In addition, infrastructure geared towards making the tourists’ vacation worthwhile, such as internet and telephone services are well developed in the tourist and metropolitan areas. These infrastructural developments have also improved the lives of Dominicans.

Tourism is also an important source of employment for unskilled workers such as, bartenders and chambermaids, and one out seven Dominicans are employed in tourism related jobs (Kifle 2008). Kerry Sanders reports in an MSNBC video documentary featuring investment opportunities in the Dominican Republic that a well paid hotel worker earns between US $100 and US $ 140 per month (Sanders 2006). This is a considerable benefit to development of local
residents. The Revenue from tourism is also critical to national development since both tourism and transportation services account for 68.2% of Dominican Republic’s GDP (CIA - The World Factbook 2010). In 2007 the Dominican Republic’s tourism industry earned US $3.79 billion compared to the US $900 million in 1990 (Caribbean Net News 2007; WTO 2006). Table 3.2 summarizes the extent to which tourism has expanded, in terms of income, since it was targeted as an engine of economic growth in the Dominican Republic.

**Table 3.2: Trends in Tourism Income, the Dominican Republic 1986-2007**

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<tr>
<td>Tourism Income (US$ mil/bil)</td>
<td>570</td>
<td>900</td>
<td>1,571</td>
<td>2,860</td>
<td>3,508</td>
<td>3.79 (billion)</td>
</tr>
</tbody>
</table>

Sources: World Tourism Organization; the Library of Congress; Caribbean Net News

At the time of this study the revenue from tourism in the Dominican Republic were unavailable for 2009. Nonetheless, the income from tourism contributes over US $3 billion to the Dominican Republic’s GDP and construction of new airports, highways, resorts and job creation underscores the fact that the expansion of mass-tourism has been important to the development of the national economy. The income derived from tourism is, however, unequally distributed in the Dominican Republic with the poorest half of the population receiving less than 20% of the GDP, while the richest 10% enjoys nearly 40% (CIA - The World Factbook 2010). In fact the Dominican Republic has been described as “a rich country populated by poor people” (Black 1986) Therefore, similar to Jamaica, and other Caribbean destinations that depend on tourism’s economic contributions for national development, the impact of tourism is also two-fold in the Dominican Republic. Tourism contributes to national development, but it also contributes to social problems in the Dominican Republic.
Impact of Tourism Development on Human Development in the Dominican Republic

The Dominican Republic government actively promoted its tourism industry by providing private investors with numerous tax benefits to develop mass-tourism, and this activity has led the Dominican Republic to become one of the most sought after tourist destinations for North Americans and Europeans (CTO 2010). Tilman Freitag (1996) argues that tourism has been the catalyst for improving the infrastructure of towns such as, Luperon. Such improvements allowed only a minority of privileged residents with resources (business owners for example) to seek new economic opportunities (Freitag 1996). However, researchers who have assessed the impact that tourism has had on the local Dominican population have found that although the tourism industry has generated much needed revenue for the government, it cannot be considered a successful form of development model because it has failed to decrease profit repatriation, minimize environmental destruction, or find long-term solutions to the plight of the Dominican poor (Freitag 1996; Freitag 1994; Roessingh and Duijnhoven 2004). This observation is similar to other assessments made on rural tourism development, which find that the benefits from tourism seem to generate increasingly to the larger hotels and local elites, rather than to poorer local residents (Singh 2003).

This study argues that the Dominican Republic’s government’s failure to plan properly for tourism development has led to a stagnation, possibly a decline, of the human development of poor Dominicans. This position is supported by Lieb and Michelitsch’s study on mass-tourism in the Dominican Republic, which finds that while the government seeks quantitative growth, social improvements such as access to clean water and electricity for the residents of enclave tourism communities have been ignored (Lieb and Michelitsch 2001). The escalation of unplanned squatter settlements close to tourism resorts is not a new phenomenon in the Caribbean, and it is
also one of the human developmental problems of the Dominican Republic. In the Dominican Republic, unplanned squatter settlement are known as barrios (Bossin 2009). Research indicates that in additions to barrios in rural tourism zones, numerous barrios have also been erected around the city of Santo Domingo as a result of the government’s urban renewal campaign during the 1980s and 1990s. During the campaign over 180,000 people were evicted from their homes for the development of tourism and real estate in the city (Morel and Mejia 2003). According to Morel and Mejia (2003) the eviction process was conducted with little regard for the social and economic effects it might have on the settlement communities, and while over the last thirty years Santa Domingo has gone through a series of physical transformations, the number of squatters has grown since then, and they continue to live in huts or shelters in other parts of town (Bossin 2009; Morel and Mejia 2003). Morel and Mejia (2003) contend that the barrios, for example, along the Ozama and Isabela rivers, which are located on the northern zone, have become slums (Morel and Mejia 2003). This process of residential degradation is one example of the results that follow a government’s decision to embark on the development of its tourism industry without proper planning for population increases, housing, and migration. Also noteworthy is the fact that squatting settlements have escalated because of the scarcity of low-cost housing in the Dominican Republic. One might attribute this condition to the fact real estate tourism has become an important part of Dominican Republic’s tourism industry (Sanders 2006). Real estate cost in the Dominican Republic has been cited as among the lowest in the world, and the process of purchasing Dominican property has been made simple in order to attract foreign investors (Kornbluth 2008). Therefore, the latest trend has been for Hollywood celebrities to purchase property in the Dominican Republic for private vacation homes (Sanders 2006). The revenue from this trend benefits the national economy, but also contributes to making property
unaffordable for Dominicans from the lower income bracket. The Dominican Republic’s government’s focus on economic development has led it to ignore the conditions of the barrios, which are plagued with high crime rates and declining human development conditions, such as the lack of basic infrastructure, as a consequence of improper planning.

In addition to insufficient housing, Lieb and Mitchelitsch (2001) argue that the fast and uncontrolled mass-tourism development that has taken place in the previous decade has had significant negative effects. The success of tourism in the Dominican Republic depends on the quality of its coastal environment. However a World Bank Study in 1999 found that tourism in the Dominican Republic was threatened by inadequate management and disposal of sewage and solid waste in many of the most important tourism enclaves (World Bank 1999). This threat resulted because wastes that were generated in tourism centers were dumped improperly in open spaces, along the roads, and watercourses or burned. Rivers and creeks would then transport the solid waste to the ocean, and contaminate the beaches that the hotels use (World Bank 1999; Lieb and Michelitsch 2001; Fuller 1999). Another study conducted by USAID found that the expansion of mass-tourism on the ecological coastline has been a major threat to biodiversity in the Dominican Republic. According to the study coastal tourism, which expanded at a rate of 13% per year in the Dominican Republic during the 1990s has placed extreme pressure on sea grass beds, mangroves and coral reefs (USAID 2001). Similar to other Caribbean tourism destinations, this type of environmental degradation causes the Dominican Republic to become increasingly vulnerable to natural hazards. This phenomenon increases poverty and leads to a subsequent decline in human development.

Some factors that contribute to positive human development growth are education, health care and employment. However, social spending in the Dominican Republic, when compared to
its GDP, has been described as moderate to stagnant (Sanchez-Ancochea 2006) with regard to education in the Dominican Republic, Lieb and Michelitsch (2001) found school enrolment rates to be relatively high with 92% of school-aged children between (6 and 15 years old) attending school. Nonetheless, the study also found that 20% of the adult population was illiterate. According to the World Bank country study on the Dominican Republic, education expanded at every level between the mid-1960s and mid-1980s. However, budgetary constraints prevented additional investment that would promote growth and development in the education of Dominicans from all strata of the society (Haggerty and Mortimer 1989). As a result of the budgetary limitations, Ian James’ (2002) Los Angeles Times articles on illiteracy in the Dominican Republic, claims that nearly 1 of every 5 adult Dominican could not read and write (James 2002). Therefore, the educational expansion programs were insufficient to reach a significant proportion of the Dominican Republic society.

The Dominican Republic News and Travel Information Services reports that the education system in the Dominican Republic is lacking and that a number of public schools in the barrios are underfunded, understaffed, and do not have all the necessary equipment to properly teach children (Dr1 Travel News 2010). Amor En Accion, a Catholic missionary group from Miami that has been helping to improve social conditions in the Dominican Republic, found that many Dominican barrios include a high percentage of undocumented children. Such children do not have birth certificates and are not counted in the national census. As a result of their undocumented status, many children of the barrios cannot attend school, and proceed throughout childhood without learning to read or write (Amor En Accion), so undocumented status for children increases the percentage of illiterate Dominicans. The missionaries also found that mental illness and severe cases of stunted physical development among children were
prominent in the barrios, as a result of malnutrition (Amor En Accion). The unfortunate education situation in the barrios highlights the fact the Dominican Republic’s government needs to increase spending on education, so literacy rates in poor communities may be improved.

Health care in the Dominican Republic continues to be a challenge for the government. Lieb and Michelitsch (2001) reported that health care provision was poor in the Dominican Republic with a ratio of 77 doctors per 100,000 residents; they also noted widespread disparities in the dispensing of health care to the Dominicans. Another health care hazard that the Dominican Republic faces is an inadequate supply of clean water. An estimated 30% of the population does not have access to potable water and about 36% does not have access to sanitation (Lieb and Michelitsch 2001; World Bank 2009). For example, in the tourism district of La Grua, residents from the neighboring barrio use a nearby river for drinking, laundry, and bathing (Rotary International). The danger in such a practice is that the local population becomes vulnerable to various types of diseases. In the Dominican Republic, the degree of risk for contracting major infectious diseases, such as bacterial diarrhea, leptospirosis and dengue fever has been reported as high (CIA - The World Factbook 2010). If the government does not respond urgently to the health care challenges in the Dominican Republic, poorer Dominicans might become trapped in a cycle of illness and poverty.

Another critical health hazard that has brought some challenges to the Dominican Republic’s government has been the prevalence of HIV/AIDS. In 1989 Haggerty and Mortimer’s World Bank Study reported that the Dominican Republic had 701 cases of AIDS; of these cases 65 had died (Haggerty and Mortimer 1989). Two decades later, the World Bank reports that the Dominican Republic has 120,000 people living with HIV/AIDS, and that about 20,000 people have died from AIDS in the past decade (World Bank 2010). The high rate of HIV/AIDS has
been attributed to the thriving sex tourism industry that exists in the Dominican Republic (Cabezas 1999; World Bank 2010). Child prostitution poses serious problems in enclave tourism communities such as Cabarete, Sosúa, and Boca Chica; nevertheless, sex tourism remains a legal activity in the Dominican Republic (U.S. Dept of State 2009). Therefore, sexual exploitation of boys and girls as young as 13 years old have been condoned by tourist services and hotels despite government prohibitions (U.S. Dept of State 2009; Pattullo 1996). Amelia Cabezas’ study on female sex workers in the Dominican Republic found that although the sex trade was stratified, including women from various categories of age, or skin color, the majority of sex workers had fewer than five years of schooling (Cabezas 1999). Almost all Caribbean tourism destinations are involved in some form of sex tourism; however the fact that the Dominican Republic has the highest rate of people living with HIV/AIDS in the region (World Bank 2010), stresses the point that if the government spent more money on education and other programs aimed at improving and protecting the well-being of the most vulnerable, sex tourism might not be a necessity for so many residents of the Dominican Republic.

High quality human development is not easily attained if high rates of unemployment prevail in a society. In the Dominican Republic, high rates of unemployment and underemployment continues to be a long-term challenge for the government. Although the tourism industry is one of the major employers of the Dominican work force, the unemployment rate stands at 15.1%, with more than 40% of its population living below the poverty line (CIA - The World Factbook 2010). Not unlike other tourism dependent countries, the Dominican Republic’s tourism is labor intensive and has a need for a large labor pool that does not require a high degree of education. However, similar to the trend in other Caribbean countries, the industry is seasonal and is subject to massive lay-offs during the off-seasons (Freitag 1994;
Harrison 1992). If one of the island’s largest employers cannot guarantee constant employment, the government should try to ensure that other forms of employment are available during low tourist seasons in order to alleviate some of the difficulties that result from high rates of unemployment on the island. The Dominican Republic also has a large and viable manufacturing industry, which is also another major source of employment (Wiarda and Kryzanek 1982). However, the manufacturing industry has not been able to provide enough employment for workers who become unemployed during the low tourist seasons.

Findings

This case study on the Dominican Republic advances the argument that the development of mass tourism has not significantly improved human development conditions in the Dominican Republic. Increased prostitution and the population increase in the barrios indicate that the expansion of tourism might have contributed to some decline in human development. The impoverished conditions of barrios, such as La Grua that do not have clean water, despite the economic activity tourism that tourism generates supports this study’s point that income from tourism does not necessarily benefit the most vulnerable. Daily life in a situation where one is perpetually susceptible to diseases because of unclean drinking water is clearly detrimental to human growth and potential. Similar to Jamaica, the Dominican Republic’s government places more emphasis on economic development, and has failed to initiate satisfactory programs that are geared towards the improvement of human development conditions in impoverished communities. Failure to make improvements in the areas of education, healthcare, and housing has prevented the most vulnerable residents of the Dominican Republic from having enough educational and employment opportunities, so that they can improve their capacity to enjoy a decent standard of living. Table 3.3 summarizes the Dominican Republic’s average human
development achievement. Human development is measured by a set of indicators (Table 1.1) that assess a country’s average achievement in life expectancy at birth, access to primary through tertiary education, and GDP per capita to determine standard of living (HDR 2009a).

Table 3.3: Human Development Indicators, the Dominican Republic

<table>
<thead>
<tr>
<th>Human Development Indicators</th>
<th>Human Development Index</th>
<th>Country Comparison to the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy at Birth</td>
<td>73.7</td>
<td>102</td>
</tr>
<tr>
<td>Adult Literacy Rate</td>
<td>89.1</td>
<td>75</td>
</tr>
<tr>
<td>GDP per Capita</td>
<td>8200</td>
<td>111</td>
</tr>
</tbody>
</table>

Sources: Human Development Report (UNDP); CIA – The World Factbook)

Similar to Jamaica, the Dominican Republic’s human development indicators do not represent accurately the degree of poverty in the country. The average Dominican is expected to live for at least 73 years, but since 20,000 people have died from HIV/AIDS alone in the last decade (World Bank 2010) many Dominicans do not have access to a reasonably healthy lifestyle. The literacy rate suggests school enrolment remains high; however, this study finds that numerous children in the barrios are not enrolled in school, and cannot be counted in the census because they are not registered (Amor En Accion). Technically, these undocumented children in the barrios do not exist. Therefore, the Dominican Republic’s literacy rate does not reflect the barrio children. Furthermore, the Dominican Republic’s government spends a mere 3.6% of its GDP on education (CIA – The World Factbook). The Dominican Republic’s expenditure on education is insufficient for a population of 9 million. Other Caribbean countries with smaller population (for example, Jamaica) spend more than 3.6% of their GDP on education and have not achieved a perfect education system (CIA – The World Factbook).

The Dominican Republic’s public spending on education needs to be increased and distributed in a more equitable manner so residents from the lower social economic stratum can
receive more benefits from government education expenditures. The Dominican Republic’s GDP per capita is US $8200. This average indicates that a typical Dominican survives on at least US $22.00 per day, but since the Dominican Republic suffers from marked income inequality in which the poorest half of the population enjoys less than 20% of the GDP (CIA – The World Factbook), this paper contends that the average Dominican survives on less than US $22.00 per day. The high rates of unemployment and underemployment are an indication that the bulk of the GDP might be distributed towards the most affluent 10% of the country’s residents.

Out of 182 countries assessed by, UNDP in 2009, the Dominican Republic was ranked 90th on the Human Development Index with a medium range value of 0.777 (HDR 2009c). These numbers indicate that in terms of human development the Dominican Republic is not in the category of one of the lowest performing countries. The Dominican Republic’s economy has grown tremendously in the last thirty years, and while the Dominican Republic holds a mid-range score on the human development index, this paper contends that the Dominican Republic’s government needs to increase spending on housing, education and health care to improve human development. Figure 3 shows that the Dominican Republic’s human development trends have grown since 1980 when the data became available. The most significant increase in the Dominican Republic’s human development trend occurred between 1995 and 2000 with an increase of 0.062 points. Since then, further increases to human development have been minimal. For example, the increase in human development between 2005 and 2009 was 0.012 points (or 1.57%). Tourism accounts for at least 24% of the country’s GDP (Caribbean Net News 2007; CIA - The World Factbook 2010; HDR 2009c). Therefore, the growth in human development has not been commensurate with tourism development in the Dominican Republic. Still, based on the human development trend displayed in figure 3.2 indicating that human development has
increased rather than decreased in the Dominican Republic, this study on the Dominican Republic also rejects this paper’s hypothesis that an increase in mass-tourism leads to a decline in human development.

![Dominican Republic's Human Development Trend, 1980-2009](image)

**Figure 3.2: The Dominican Republic's Human Development Trend, 1980-2009**

Source: Human Development Report

**Conclusion, the Dominican Republic**

The case study on Dominican Republic’s tourism development does not support this paper’s hypothesis that expansions in mass-tourism will lead to a general decrease in human development. However, 1.57% increase in human development between 2005 and 2009 demonstrates that tourism and human development are not growing at the same pace, because tourism grew by 32% in 2009 (*Dominican Today*). Therefore, increases in tourism value does not always contribute to any significant growth in human development. This finding highlights the fact that income from tourism should be generated in a manner that causes the income to eventually reach those areas in the Dominican society in which improvements to human development is critically needed. The growth in Dominican Republic’s economy does not
change the reality of the impoverished conditions in the barrios that are adjacent to tourist resorts, or the fact the Dominican Republic has the highest rate of people living with HIV/AIDS in the Caribbean.
Case Study: Bahamas

On January 19, 2009 USA Today reported that the Bahamas was facing its worst tourism downturn since the terrorist attacks on the U.S in 2001 (USA Today 2009). The USA Today (2009) article attributed the slow-down in tourist activity in the Bahamas to the global financial crisis and “sweeping” airline cutbacks by carriers, such as American Airlines and JetBlue. USA Today maintains that the Bahamas was hurting because it draws more mass-market spur of the moment visitors, especially from the U.S. (2009). In fact, the Caribbean Tourist Organization reports that in 2009, 82% of the Bahamas’ tourists came from the U.S. (CTO 2010). While tourist arrivals have somewhat decreased in the Bahamas, cruise passenger arrivals have performed well, and the Bahamas has held its own against other top performing tourist destinations in the Caribbean. Over 1 million tourists stayed over in the Bahamas in 2009 (CTO 2010). The Bahamas is listed as one of the wealthiest Caribbean countries per capita that depends primarily on tourism (CIA - The World Factbook 2010). Therefore, despite the global economic slow-down, this study expects the Bahamas to fare well economically.

In the midst the global financial downturn, tourism has positively impacted the Bahamian economy as one of the top performing tourist destinations. Data on the Bahamas human development trends are available only from 2005 to 2007. Nonetheless, the data indicate that human development conditions in the Bahamas have remained consistently high during this period, increasing by 2 points each year. Out of the 182 countries assessed by the UNDP, the Bahamas was ranked highly at 52nd, with a high human development index of 0.856 in 2007.
(HDR 2009d). Both Jamaica and the Dominican Republic held mid-range values for this period. As a result of the Bahamas’ high human development index, this study contends that revenue from tourism may have impacted local enclave communities more positively in the Bahamas than it did in Jamaica and the Dominican Republic. This study on the Bahamas is intended to test the hypothesis that a tourism development strategy aimed at reducing inequality will result in improvements to human development.

**Table 4.1: The Bahamas Human Development Trend 2005-2007**

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Development Index</td>
<td>0.852</td>
<td>0.854</td>
<td>0.856</td>
</tr>
</tbody>
</table>

Source: Human Development Report

**Background on the Bahamas Tourism Industry**

Similar to Jamaica, but unlike the Dominican Republic, The Bahamas started to exploit tourism for economic gains as early as 1940 (Sullivan 1987). Not unlike many Caribbean counties, tourism developed much more rapidly during the 1960s as it replaced traditional sectors, such as agriculture. In the country study on the Bahamas, Patrick Sullivan maintains that tourism has been the motor of the Bahamas’ economy for decades, and that its close proximity to the U.S. has made it a prime tourists spot (Sullivan 1987). Not only was the Bahamas prime for vacation purposes, it was also prime for investment purposes. During the 1960s numerous significant concessions were given to investors who were interested in initiating development projects in the Bahamas (Pattullo 1996; Alonso 2002). Some concessions allowed investors to repatriate profits back to their home countries. Investors were also given income and corporate taxes breaks as incentives to invest in the Bahamas. Hoteliers were allowed to bring in their own skilled labor from overseas, rather than relying on the Bahamian labor for the type of expertise
they required (Pattullo 1996; Alonso 2002). By the mid 1980s, three-quarters of all hotel rooms in the Bahamas were owned by American investors, such as Playboy, the Sheraton, and Xanadu, while Canada’s Scott’s Hospitality and Britain’s Trust House Forte owned a small fraction of the hotels in the Bahamas (Barry 1984). As the Bahamas continued with its tourism expansion program, state owned-hotels were managed by international hotel management companies that vigorously marketed and promoted specialized summer tourist attractions in the Bahamas (Meditz and Hanratty 1987). Therefore, tourism in the Bahamas became a year-round activity, rather than the seasonal type of tourism experienced on other Caribbean islands. As a result of these efforts, Barry (1984) maintains that the Bahamas’ tourism industry was transformed, similar to Jamaica, from “class to mass.” with visitor arrivals ranging in the millions. By the late 1980s tourism had become one of the most important economic sectors in the Bahamas, along with its financial services sector (Alonso 2002; Sullivan 1987).

The Bahamas is a cluster of over 700 islands but there is no systemic form to the manner in which the islands have been developed. In fact some islands in the Bahamas are still uninhabited although they are targeted for development (Barry 1984; Lee 2006). Grand Bahama and New Providence are the two most developed islands, which account for more than two-thirds of the Bahamas’ population (Alonso 2002; Barry 1984). New Providence and Grand Bahama are also the two most developed tourist centers of the Bahamas. They include well-known tourist destinations, such as Nassua, Paradise Island, and Freeport (Debbage 1990; Sullivan 1987; Meditz and Hanratty 1987). Tourism, in New Providence, for example, was initially a small-scale operation with a few bath houses and amusement parks until the 1960s, when for the first time facilities such as a 52-room hotel and a 65-craft yacht basin were developed for visitors (Albury 1984). However, New Providence was unable to attract the mass-market because it had
no unique enticements, such as a casino. Therefore, the rapid and large scale growth of tourism did not begin on New Providence until after U.S. based Resort International bought Paradise Island in the early 1970s (Debbage 1990). Later, Resort International, constructed the 500 room Paradise Towers Hotel, obtained casino license for the resort, and built the bridge that connected Paradise Island to Nassau (Debbage 1990; Albury 1984). Another development project that helped transform tourism in the Bahamas was the 1983 merging of Paradise Island Hotel with Britannia Beach hotel to create one of the largest resort/casino complexes in the world (Barry 1984). These and similar tourism developments would transform the Bahamas into one of the most popular mass-tourism destinations in the Caribbean. Today, the Bahamas is home to world renowned hotels, such as the Atlantis, and the Comfort Suites. Figure 4.1 summarizes the progression of visitor-arrivals to the Bahamas since 1979. As a result of the recent global financial crisis, tourist arrivals have declined in the Bahamas. In contrast, tourist arrivals to Jamaica and the Dominican Republic have increased. This trend in arrivals might be afforded to the notion that the Bahamas has not maintained its competitive edge by offering enough bargain holiday prices.

![Trends in Arrivals, the Bahamas 1979-2009](chart.png)
Tourism’s Positive Contribution to the Bahamas’ Economy

The most important impact that tourism has had on the Bahamas is its positive contribution to the national economy. The Bahamas is one of the wealthiest Caribbean countries (CIA - The World Factbook 2010; U.S. Dept of State 2009). The country’s infrastructure is best developed in tourism centers, such as Nassau and Freeport (U.S. Dept of State 2009). Country studies on the Bahamas contend that tourism has been the economy’s major determinant since World War II (Sullivan 1987; Meditz and Hanratty 1987). Other studies project that the Bahamian economy will experience positive growth and development by the end of 2020 as a result of expanded tourist activities (Lee 2006; WTTC 2009). Projections of tourism’s growth in the Bahamas are critical, since both direct employment and indirect employment from the tourism industry is estimated at 50% of the Bahamian work force. Tourism-driven construction and manufacturing jobs are sustained by the tourism sector and contribute to approximately 14.7% of the Bahamas’ GDP (U.S. Dept of State 2009; CIA - The World Factbook 2010). Based on the data, the Bahamas’ unemployment rate is low at 7.6% when compared to Jamaica’s unemployment rate of 14.5%, or the Dominican Republic’s at 15.1% (CIA - The World Factbook 2010). As a result of its positive economic conditions, the Bahamas has been described by the U.S. Dept. of State as having stable and democratic environment, with attractive features for the potential investor (U.S. Dept of State 2009). Such a strong recommendation of the Bahamian economy might result in further investments and subsequent increased tourism from North Americans when the global financial slow-down ends.
In 2009 the Bahamas tourism industry contributed over US $4 billion to its GDP. This is a significant increase from the US $870 million that the Bahamas made from tourism in 1985. Marketing tourism in the Bahamas as a year-round activity has allowed the Bahamas to avoid some of the seasonal employment complexities that other Caribbean tourist destinations have faced. The development of tourism has been largely focused on core centers, such as Grand Bahama and New Providence; however, the Bahamian government plans to develop infrastructure on the lesser-known islands in order to balance the growth of tourism in the Bahamas (Lee 2006; Meditz and Hanratty 1987). This type of expansion might result in the tourism industry contributing more than 50% to the Bahamas’ GDP eventually. Of particular interest will be the manner in which the Bahamian government balances human development with the projected tourism development. Table 4.2 summarizes the growth in revenue from the tourism industry in the Bahamas.

**Table 4.2: Trends in Tourism Income, the Bahamas 1985-2009**

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<tbody>
<tr>
<td>Tourism Receipts (US$mil/bil)</td>
<td>870</td>
<td>900</td>
<td>1,571</td>
<td>2,860</td>
<td>3,508</td>
<td>4,361</td>
</tr>
</tbody>
</table>

Sources: World Tourism Organization; CIA World Factbook

The fact that income from tourism alone accounts for at least 50% of the Bahamas GDP, and that the industry is responsible for at least 50% of the country’s workforce indicate how dependent the Bahamas has been on its tourism industry. The Bahamas remains one of the Caribbean’s wealthiest countries; however, the Bahamian population is less than 500,000 (CIA - The World Factbook 2010). Therefore, in order for Bahamians to continue enjoying a quality of life, the Bahamian government might have to employ measures that will control population growth.
Impact of Tourism on Human Development in the Bahamas

In the case of the Bahamas with less than 10% of the population living below the poverty rate (CIA - The World Factbook 2010, one might contend that the Bahamian government has been more successful than other Caribbean islands in ensuring that its enclave communities benefit from tourism revenues. Glen Bowen’s study on anti-poverty strategies and welfare programs established in Caribbean countries found that the Bahamas was one of the countries that was outperforming other countries in the region in relation to social and human development (Bowen 2007). Bowen attributes the Bahamas’ high performance in social and human development to the government’s macroeconomic policies that focus on social development strategies that include creating jobs, and intervention in health and education (Bowen 2007). As a result of the Bahamian government’s macroeconomic policies, Bowen (2007) maintains that the Bahamas has consistently been included among those countries that have constantly achieved high human development. This paper argues that the Bahamian government’s active involvement in its tourism development may have helped to contribute to the high level of human development that Bahamians have enjoyed. For example, while hoteliers are given income and corporate tax breaks as incentives to invest in the Bahamas, the government relies heavily on indirect taxes, such as import duties and high tariffs, for a significant portion of its revenue (Karagiannis and Salvaris 2004; U.S. Dept of State 2009). According to Karagiannis and Salvaris (2004), the foreign trade sector has always been an easy target for taxation in the Bahamas. This study does not perceive the imposition of import duties and tariffs as targeting the foreign trade sector but believes that by imposing the taxes the Bahamian economy is somewhat able to compensate for income lost through its numerous investment concessions.
Negative impacts from tourism might appear less severe in the Bahamas than in Jamaica and the Dominican Republic because the Bahamas is a considerably smaller country with a population of less than 500,000. Another reason why the Bahamas appear to suffer less from the some of the negative impacts that tourism has had on other Caribbean countries is that fact that the Bahamas has consistently enjoyed a strong economy, and research does not indicate that the Bahamas had to adopt the IMF and the World Bank’s structural adjustment packages, which recommend reducing social safety nets, such as public spending on education, and health care. Consequently, access to primary and secondary education in the Bahamas is universal (EIU 2006). According to the U.S. Dept. of State, in the Bahamas school attendance is compulsory for children between the ages of 5 and 16, and the government operates 158 out of the 210 Bahamian primary and secondary schools (U.S. Dept of State 2009). The Bahamas 1996 Education Act made it a criminal offence for a child between the ages of 5 and 16 to be absent from school under the following circumstances: in excess of two days without contact from the parent; absent once a week on a regular basis; chronic lateness; skipping classes, and patterns of absences with notice from parents. Violation of the law could result in the parent having to pay a fine of $50.00 or spending one month in prison, depending on the severity of absences (The Ministry of Education Bahamas). Additionally, the Bahamian government has implemented numerous programs for students who are unable to function in the conventional school environment. For example, special schools provide for children with severe disabilities; alternative programs are in place for students who are unable to function because of illness or inappropriate behavior; the Prat Educational Unit educates boys and girls who are remanded by the government juvenile court system (The Ministry of Education Bahamas).
The tourism enclave community of New Providence has 38 government schools that serve approximately 900 students per school (The Ministry of Education Bahamas). The Bahamas government believes that every Bahamian is entitled to the opportunity to be educated, so those citizens can achieve a proper standard of living and full development as a human being (Ingraham 1992). As a result of the government’s efforts to ensure that Bahamians achieve an education, the literacy rate among Bahamian adults has maintained a consistently high percentage as estimated at 95% (CIA - The World Factbook 2010; EIU 2006; Sullivan 1987). In concert with this study, the Bahamian government’s approach toward education holds that investment in the education of school children in enclave tourism communities (as much as it invested in school children from other communities), will subsequently improve human development in both the Bahamas and eventually in other Caribbean countries that are sustained by tourism.

With regard to health care the Economist Intelligence Unit reports that the Bahamas has a reasonably good standard of health care on the islands with numerous government-run hospitals throughout the island (EIU 2006). This standard of service might be afforded to the Bahamas Department of Public Health’s mission to provide comprehensive health care to all persons regardless of age, sex, color, or ability to pay, because the Bahamian government regards health care as a fundamental right (Ingraham 1992; Ministry of Health Bahamas). For example, the enclave tourism community of New Providence has 10 community health centers, while throughout the less developed islands, over 109 health centers serve those communities (Ministry of Health Bahamas).

The rate of HIV/AIDS is a serious health hazard for the Bahamian government. As of 2007, the Bahamas led Caribbean countries with highest adult prevalence of HIV/AIDS at 3%
Out of a population of 307,552, there are 6,200 people living with HIV/AIDS in the Bahamas. Danella Galbraith and Brathwaite Bain’s study on risk reduction, presented at the International Conference on AIDS in 2000, linked the prevalence of HIV/AIDS in the Bahamas to adolescent girls engaging in sexual activities with older men (Galbraith and Bain 2000). Other researchers have linked the high rate of HIV/AIDS in the Bahamas to the influx of Haitian immigrants (Fielding et al. 2008). The Mortality rate for persons infected with HIV/AIDS between 2002 and 2004 was estimated at 250 deaths per year in the Bahamas (Caribbean Net News 2005). Since then, this mortality rate has been reduced substantially to fewer than 200 deaths per year in 2007 (CIA - The World Factbook). The reduction in deaths may be afforded to aggressive clinical treatment programs the Bahamian government has implemented to care for people infected with the disease (Public Hospitals Authority Bahamas; Caribbean Net News 2005). The Bahamian government’s urgent approach to combating HIV/AIDS is congruent with the government’s policy that health care in the Bahamas is a fundamental right for the citizens (Ingraham 1992). Obviously, the Bahamas has social problems that have led to the prevalence of HIV/AIDS in that country; however, the government’s urgent response toward trying to ensure that patients receive proper medical care, hence reducing the mortality rate, supports this paper’s argument that increased government spending on health care will help to improve the quality of life for the most vulnerable citizens.

The World Health Organization reported that 98% of Bahamas population had access to improved drinking water in 2006 (WHO 2006), and country studies on the Bahamas indicate that most of the islands access their water supply from underground wells (Meditz and Hanratty 1987; Sullivan 1987), but water-short New Providence has had some difficulty in satisfying water needs for its residents (Okun 2000). The Bahamas addresses its water shortage on New
Providence by transporting water from the nearby water-rich Andros Island (Sullivan 1987; Okun 2000). However, environmental degradation may be threatening the Bahamas’ access to clean drinking. Taneka Thompson’s March 6, 2010 article in *The Tribune* reports on the Minister on Environment’s caution that the availability of drinking water in the Bahamas could be jeopardized by climate change and hurricanes (Thompson 2010). *The Tribune* also enumerates environmental problems that threaten the Bahamas’ water supply, such as storm surges, indiscriminate dumping of wastes, and the need for a centralized sewerage system, especially in New Providence, which is becoming overpopulated as a result of perceived tourism opportunities (Thompson 2010). The Bahamian government claims that it is addressing planning deficits that led to the environmental threats by adopting physical planning policies to protect Bahamas infrastructure against storm surges and implement environment laws and regulations (Thompson 2010). Population increase will inevitably make the manner in which sanitation and water supply have been handled normally unsustainable. Therefore, the Bahamian government must strictly enforce its current environmental policies and implement new laws that will protect the Bahamas from environmental hazards.

During the 1980s, the Bahamas underwent a housing shortage crisis, which mainly affected Bahamians from the lower income bracket. The government became actively involved in trying to alleviate the problem by constructing new urban housing in densely populated areas, such as New Providence and Grand Bahama. In addition, the government made construction loans and grants available to Bahamians who wanted to build homes (Sullivan 1987). These policies were implemented by the Bahamian government on the notion that all Bahamians should have access to decent, affordable housing, either through ownership, or property rental (Ingraham 1992). While the Bahamian government may have had noble intentions for all
Bahamians to live decently, and it has been estimated that at least 67% of Bahamians live in their own homes (Fielding et al. 2008), the Bahamas has a large population of illegal Haitian immigrants, who live in squatter settlements in enclave tourism communities, especially in the New Providence, Grand Bahama, Abaco, and Eleuthera islands areas (Rohter 1994; U.S. Dept of State 2009). In the 1990s, the Bahamian government began a campaign to deport illegal Haitians, but the Bahamian authorities resorted to such tactics as raiding the homes of Haitians at night and putting undocumented Haitians in jail before processing them for deportation (Rohter 1994). These scare tactics led to the drowning of many Haitians whose over-laden sailboats capsized at sea on numerous occasions as they fled the Bahamas for South Florida (South Florida Sun-Sentinel 2009). Ostensibly, population growth, which has become an environmental issue for the Bahamas results in part from the Bahamas’ illegal-immigrant situation. Therefore, the illegal-immigrant Haitian communities, within the enclave tourism communities in the Bahamas have suffered in terms of declining human development matters that are usually associated with overpopulation. Some of the declining human development issues that are associated with the illegal-immigrant Haitian communities include: high rates of poverty, crime, unemployment, loose family structure, unsanitary living conditions and lack of education (Rohter 1994; Fielding et al. 2008). Bahamian authorities should try to reconcile its illegal-immigrant problem without imposing further poor human rights violations on the Haitian communities, within its enclave tourism communities if it intends to legitimately maintain the high human development value it has consistently held.
Findings

The case study on the Bahamas advances the argument that a tourism development strategy aimed at reducing inequality will result in improvements to human development. The Bahamian government’s mission to ensure that all Bahamians receive an education, have access to primary health care and affordable housing has allowed the Bahamas to sustain a high level of human development. The case of the Bahamas indicates that tourism income is not always necessarily generated only toward the top 10% of a country; however, if the government is conscientious about how income from tourism development is distributed, the most vulnerable citizens of the society will be able to partake in the benefits that can be derived from such a profitable industry, and subsequent improvements to human development conditions may be achieved. Table 4.3 summarizes the Bahamas’ average human development achievement.

Human development is measured by a set of indicators (Table 1.1) that assesses a country’s average achievement in: life expectancy at birth, access to primary through tertiary education, and GDP per capita to determine standard of living (HDR 2009a).

Table 4.3: Human Development Indicators, the Bahamas

<table>
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<tr>
<th>Human Development Indicators</th>
<th>Human Development Index</th>
<th>Country Comparison to the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy at Birth</td>
<td>69.92</td>
<td>146</td>
</tr>
<tr>
<td>Adult Literacy Rate</td>
<td>95.6</td>
<td>unavailable</td>
</tr>
<tr>
<td>GDP per Capita</td>
<td>29,800</td>
<td>47</td>
</tr>
</tbody>
</table>

Sources Human Development Report (UNDP); CIA World Factbook

Similar to the two previous case studies, the human development indicators are not exhaustive and do not represent all the human development conditions in the Bahamas. For Bahamians, tourism development has contributed positively to human development. However, in the illegal-immigrant Haitian communities, declining human development matters such as lack
of education and unsanitary living conditions are not reflected in these indicators, largely because the population is undocumented. Based on the longevity indicator, the average Bahamian lifespan is 70 years, providing he continues to have access to a healthy lifestyle. However, 3% of the Bahamas population is infected with HIV/AIDS; therefore, the Bahamas Ministry of Health will have to continue with its aggressive clinical treatment programs to both control and prevent the spread of HIV/AIDS to the larger population. With regard to adult literacy, the Bahamas is ranked at 46th compared to the rest of the world. This study does not find that the Bahamas had any problems with rural illiteracy, but the study stresses that the government’s expenditure on education does not impact undocumented Haitians. With regard to GDP per capita, the average Bahamian enjoys US $29,800 per year. Since this study does not find any wide income disparities in the Bahamas as exist in Jamaica and the Dominican Republic, it contends that the typical Bahamian enjoys a relatively decent standard of living. Out of the 182 countries assessed by the UNDP in 2009, the Bahamas was ranked at 52nd on the Human Development Index, with a high score of 0.856 (HDR 2009b). Countries that achieve a HDI of 0.900 are classified by the UNDP as developed. These indicators suggest that the Bahamas is on the way to achieving the human development standards of a developed country. Figure 4.2 indicates that human development for the Bahamas has increased consistently since 2005. Based on these trends, this study fails to reject the hypothesis that a tourism development paradigm that focuses on reducing inequality will lead to improved human development conditions.
Conclusion, the Bahamas

The case study on the Bahamas’ tourism development supports this paper’s second hypothesis that a tourism development strategy that focuses on reducing inequality will result in improvements for human development. This study does not present the Bahamian model as either ideal or flawless for the following reasons: the Bahamas is a small island community with a population of less than 500,000, and the Bahamas has consistently had a strong economy, whose dollar value remains comparable with that of the US dollar (U.S. Dept of State 2009). By virtue of these factors, the Bahamas has been able to ensure that improvements to human development have been consistent for Bahamians. The Bahamas is not a perfect model, but the Bahamian government’s approach to improving education, health care, and housing have allowed Bahamians to enjoy a better quality of life than many residents of larger enclave tourism destinations, such as Jamaica and the Dominican Republic.
Chapter 5

Conclusion

Tourism Development integrated with Human Development

This study argues that in spite of the expansion of tourism development throughout the Caribbean, the growth of tourism has not reduced poverty in the Caribbean as it was intended to do. The paper also theorizes that a development paradigm that integrates tourism and human development may reduce the poverty that has been consistent in some Caribbean countries. A 2004 United Nations study found Latin American and the Caribbean to be the region with the greatest income disparity in the world (UNDP 2004). Tourism has been recognized for its capacity to develop poor nations. World leaders have been encouraged to use tourism to reduce poverty in their countries, so the millennium development (MDG) goal of halving the number of people living in extreme poverty in the developing may be achieved by 2015 (WTO 2005; UNDP 2002).

Despite what may be perceived as the Caribbean governments’ best efforts to expand tourism so that poverty may be reduced, chronic poverty persists in some Caribbean tourism destinations. This observation indicates that fundamental flaws may exist in the methods which these governments use to develop the Caribbean as a tourist destination. The development of tourism in the Caribbean has been controversial. Tourism has expanded Caribbean economies to a degree that traditional industries, such as sugar and bauxite could not. However, because government planners in the Caribbean have failed to connect investments in infrastructure with the needs of the local population of enclave tourism communities, the result has been a pattern of
declining human development conditions in numerous tourism dependent countries in the Caribbean region.

**Literature Summary**

The dominant literature on tourism development has focused primarily on the positive economic impact that tourism has had on national development. Neo-liberal economic theories, such as comparative advantage, competitive advantage, modernization, and demand theories have promoted Caribbean tourism as an ideal development strategy on the premise that comparative advantage and factor endowments will make Caribbean countries more competitive and, consequently, allow national economies in the Caribbean region to develop rapidly. The maxim of neo-liberal economic theories holds that once national economies are developed, the political and social needs of citizens will develop automatically (Hirschman 1981; Levy 1966; Lim 1997; Witt, Witt, and Wilson 1994; Balaam and Veseth 2001; Gilpin 2003; Caves and Jones 1981; Enright and Newton 2004). Tourism has contributed tremendously to Caribbean economies in the form of foreign exchange earnings, employment, and infrastructural development; however, increases in revenue have not always improved the human development needs of the most disadvantaged members of enclave tourism communities. If governments fail to improve individuals’ human development needs, then they have also failed to develop citizens’ political and social needs.

Some dependency theorists criticize tourism development because the structural inequality of the global economy allows developed countries to monopolize poorer countries by exploiting the environment, repatriating profits, and importing skilled professionals into the Caribbean (Britton 2000, 2004; Brohman 1996; Erisman 1983; Pattullo 1996). This study acknowledges the reality of global inequality between developed and developing countries but
maintains the debate on tourism could focus more urgently on the stark income disparity that exists between local elites and the most vulnerable members of some tourism dependent countries in the Caribbean. For example, in Jamaica, income disparity has led to high rates of theft and other forms of violence that can negatively affect tourism. The tourism industry has been insulated from violence, but a continuous decline in human development could lead to a situation where tourists become targets for criminal activities. Such a situation would eventually lead to a stagnation of tourism development, and subsequent human development decline in all income brackets.

Sustainable tourism theorists must be credited for bringing attention to the unsustainable nature of mass-tourism. This approach to tourism development seeks to correct the damages that the escalation of mass-tourism has caused on the environment, and advocates for a model in which tourism can be developed gently without damaging the environment (Gurung and Seeland 2008; Hearne and Santos 2005; Stabler 1997). However, sustainable tourism has been criticized for ignoring social conditions, such as the unequal distribution of resources that forces people to exploit and degrade natural areas (Lélé 1991; Isaacs 2000). This study supports aspects of sustainable tourism’s approach. Preserving the environment will allow Caribbean countries to become less vulnerable to natural hazards such as hurricanes. However, the sustainable approach must be a part of a planning process that prevents the construction of resorts and squatter communities in areas that are ecologically sensitive, so human welfare will be less affected by natural hazards.

Pro-poor tourism scholars argue that some of the net benefits from tourism should be distributed to the poor. This model argues that in development, the cost and benefits of economic, social, environmental, and cultural developments must be taken into account (Ashley
This argument presents a valid point, but pro-poor tourism advocates favors achieving this feat by linking agriculture with tourism. However, the agricultural sector is only one segment of Caribbean economies in need of development. A development model that excludes the improvement of other disadvantaged members of society is not a viable option for the Caribbean where such high poverty levels exist. Examining development from these various perspectives has been useful for identifying improvements to the tourism development model that are necessary, so the industry can be sustained. Still, their recommendations for improvements do not impact all spectrums of the society. A development strategy that seeks to improve the most disadvantaged citizens will subsequently improve the quality of life for citizens of all income brackets.

The framework to develop tourism and human development simultaneously is derived from human development theories which recognize that the public sector should focus more on the development of people in order to help them develop to their fullest potential and lead the most productive lives possible. For the human development theorist, poverty does not persist because of a lack of income, but persists because some economies do not have the basic capacity to avoid mortality, hunger and illiteracy (Sen et al. 1987; Anand and Ravallion 1993). Once governments create an environment in which access to education, nutrition, health care, and security against crime and physical violence exist, then complications, such as hunger and illiteracy will be reduced.

Proponents of human development models believe that the enhancement of people’s lives in the form of education, health care and nutrition should be the priority in any developing society, even if no economic return is to be gained from this form of development because a society that has achieved high levels of human development will eventually achieve economic
prosperity (HDR; Sen 1987; Sen 1999; Anand and Ravallion 1993; Sen 1981). Basic human needs theorists believe that when the individual is unable to meet his own needs he should have the right to call upon the state to provide his basic needs (Hettne 1990; Hettne 1982; McHale and McHale 1979), while the human needs and political development perspective maintains that an economically developed society does guarantee a politically developed society (Park 1984). The human development theories recognize that development is gradual and occurs in stages. Therefore, the conventional economic models that focus on rapidly increasing GDP have not been the most efficient alternatives to poverty reduction in the Caribbean.

Much of the literature on tourism development has overlooked the fact that even though private investors have routinely developed tourism throughout the Caribbean, some Caribbean governments have failed to devote adequate planning to schools, healthcare facilities, and other human needs amenities, such as sanitation for the local communities that generate tourism capital. This development oversight has led to persistent impoverished conditions in some Caribbean communities. This study is an attempt to fill the human development void in tourism development’s literature by arguing that a development paradigm that integrates human development along with economic development in enclave tourism communities could eventually reduce the chronic poverty that has persisted for decades in some tourism communities. The hope is for policymakers in tourism dependent countries to use this paradigm to make significant changes in the lives of those who need it most. This development model would ensure that tourism dollars would improve the lives of the weakest members of enclave tourism communities and eventually reduce the inequalities that exist in some tourism dependent Caribbean countries.
Case Studies’ Summary

In order to test this paper’s theory that a paradigm which improves human development along with tourism development will lead to a reduction of poverty in the Caribbean, the study employed three case studies. The study on Jamaica and the Dominican Republic applied the first hypothesis, which claims that expanding mass-tourism will lead to a decline in human development. The case study on the Bahamas applied the second hypothesis, which claims that a tourism development strategy aimed at reducing inequality will improve human development conditions.

The case study on Jamaica’s tourism development maintains that the Jamaican government’s failure to plan for basic human needs services, such as housing projects, education, health care, and public sanitation has resulted in decreasing human development conditions in Jamaica’s enclave tourism communities. This case hypothesized that expansions to mass-tourism should lead to declining human development conditions. However, in terms of these human development indicators: life expectancy at birth, adult literacy rate, and GDP per capita in Jamaica, this study is unable to support this position. Jamaica holds a medium range human development value of 0.766 (HDR 2009b), which indicates that it is not ranked among countries with the lowest human development achievement. Jamaica’s human development trend indicates that Human development has steadily increased—albeit marginally. The data on Jamaica’s average human development achievement forces this study to reject its first hypothesis which holds that expansion of mass-tourism will lead to a decrease in human development in Jamaica.

The findings from this study are complex. The data on Jamaica’s human development do not support the argument that mass-tourism will lead to a decline in human development at the national level. Nonetheless, these data do not change the reality of the human development
decline in enclave tourism communities. The fact that Jamaica is the third most violent country in the world contradicts Jamaica’s positive human development indicators. Jamaica also has a reasonably high literacy rate, yet rural illiteracy among young men is increasing and has been linked to criminal activities in tourism enclave communities (Manning and Titus 2008: Jennings 2000). Jamaica’s literacy indicator value may primarily represent those children who are enrolled in school. Because no formal system is in place that measures the decline in education, health care and longevity in squatter enclave tourism communities, Jamaica’s human development data reflect only its national average, and may not account for declining human development conditions in enclave tourism communities. One possible explanation for the lack of supporting evidence for the hypothesis that mass-tourism should decrease human development in Jamaica is because the haphazard development of the squatter settlements prevents accurate census taking. For example, the lack of real data on birth rates, death rates, school enrollment, and unemployment prevents local municipalities from accurately documenting the degree of human development in tourism enclave squatter communities. The unavailability of data reflecting the impoverished conditions in Jamaica’s enclave tourism communities prevents this case study from concluding that mass-tourism has reduced human development in Jamaica.

The case study on the Dominican Republic also applies the hypothesis that expansion of mass-tourism will decrease human development. The study on the Dominican Republic’s tourism maintains that the Dominican Republic’s government’s failure to plan adequately for tourism development has led to a decline in human development in that nation. For example, human development decline exists in the form of unplanned squatter settlements, inadequate supply of clean water, high rates of adult illiteracy, and high rates of HIV/AIDS in the Dominican barrios. However, the Dominican Republic also faces the problem of a lack of a
systematic accounting of the number of people who are affected in each barrio by these conditions. As a result, the Dominican Republic’s human development indicators of life expectancy at birth, adult literacy rate, and GDP per capita do not provide support for this paper’s position that expansion of mass-tourism will lead to a decline in human development.

The Dominican Republic holds a medium range human development value of 0.777 (HDR 2009c). This value signifies that the Dominican Republic has performed better, in terms of human development, than countries, such as Mali which has a low human development value of 0.371 (HDR 2009a). The Dominican Republic’s human development trend indicates that human development in the Dominican Republic has increased significantly since the late 1990s to early 2000 when the government opened the Dominican economy to greater foreign investments, which facilitated the growth of mass-tourism (HDR 2009; U.S. Dept of State 2009; Wiarda 1999). While the Dominican Republic’s government has been careful to document the overall improvement it has made to human development, it has been less judicious in documenting the human development decline in the barrios, which has been associated with the expansion of mass-tourism. For example, child prostitution has been on the rise in Sosúa and Boca Chica (Cabezas 1999; Pattullo 1996), but the Dominican Republic lacks a policing agency that can potentially protect children from Sosúa and Boca Chica (and other regions) who are involved in this activity. So this negative information is missing from the Dominican Republic’s human development average. As a result of this lack of information, the data on the Dominican Republic’s average human development achievement might not represent poor conditions in the barrios; therefore, this study must reject the hypothesis that expanding mass-tourism will lead to a decrease in human development in the Dominican Republic.
Similar to Jamaica, the Dominican Republic’s positive human development indicators contradict some declining human development research. The Dominican Republic’s GDP per capita of US $8200 ignores that the poorest half of the Dominican population receives less than 20% of the GDP, but the wealthiest 10% enjoys nearly 40% of the GDP (CIA - The World Factbook). The positive human development data reflected by the Dominican Republic do not explain how even with the tourism industry’s growth of 32% in 2009 (Dominican Today), why approximately 30% of the population does not have access to drinking water (World Bank 2009). In the enclave tourism district, La Grua, the local population drinks, launders, and bathes in the same river, which exposes residents to various waterborne diseases (Rotary International). The longevity indicator of 73.7 years also does not explain why approximately 20,000 Dominicans have died from HIV/AIDS in the last decade (World Bank 2010).

Additionally, the Dominican Republic also has an average to high literacy rate, yet many barrios include a high percentage of children who cannot attend school because they have not been registered (Amor En Accion). As a result, these children are not counted in the national census. Although human development indicators contradict the poor conditions in the Dominican barrios, the absence of real data which represents actual human development decline in the barrios, made it difficult for this study to conclude that expansion to mass-tourism has resulted in a decline in human development in the Dominican Republic. One possible explanation for the paucity of this type of data is that many barrio residents were not registered at birth, and have not been assimilated into the mainstream society in which pertinent documents such as birth certificates and identification cards confirm the existence of individuals as citizens.

Unlike Jamaica and the Dominican Republic, the case study on tourism development in the Bahamas hypothesizes that a tourism development strategy that focuses on reducing
inequality will improve human development conditions. This paper maintains that the Bahamian government has been more successful than some Caribbean countries at creating a relationship in which tourism helps human development because of a development strategy that has focused constantly on job creation, improvements to public education, housing and health care. The Bahamian government is committed to the concept that every Bahamian is entitled to a proper standard of living and deserves full development as a human being (Ingraham 1992). Therefore, the Bahamian government has pursued human development strategies that have allowed the Bahamas to be ranked consistently among countries that have achieved high human development. Residents of enclave tourism communities in the Bahamas tend to enjoy improved human development conditions, such as high literacy rates, comprehensive health care, and home-ownership (Fielding et al. 2008). The Bahamian human development indicators of life expectancy at birth, adult literacy rate, and GDP per capita provide support for this study’s hypothesis. The Bahamas’ human development trend indicates that Human development has grown steadily since 2005 when the data became public. As a result of supporting data for the Bahamas’ human development achievement, the study fails to reject the second hypothesis that a tourism development strategy aimed at reducing inequality will increase human development.

Although the Bahamas has consistently been a high achieving human development country, it is not insulated from some of the human development conflicts that many tourism destinations struggle with, such as residents from other villages who immigrate to enclave tourism communities. In the Bahamas’ case, much of the immigration comes in the form of illegal Haitian immigrants. The Bahamas’ wealthy economy and close proximity to the U.S. has been a lure for displaced Haitians who are trying to find better living conditions, or who are trying to get to the U.S. (South Florida Sun-Sentinel 2009). Therefore, in spite of the Bahamian
government’s planning for its population, illegal Haitian immigrants have placed a financial burden on Bahamian resources in the form of housing, education, and health care in Bahamian enclave tourism communities (Fielding et al. 2008). The number of illegal Haitian immigrants who live in the Bahamas is unclear. In 1994 it was estimated that between 20,000 and 70,000 illegal Haitians live in the Bahamas (Rohter 1994). The illegal immigrants have erected their own settlements in the enclave tourism communities and live in impoverished conditions, similar to other squatter settlement found in the Caribbean (Rohter 1994). However, because of their undocumented status, the poor human development conditions of illegal Haitians are not reflected in the national human development data of the Bahamas. The illegal Haitian immigrants’ conflict in the Bahamas supports this paper’s contention that the presence of a tourism industry results in a certain level of human development decline. The population increases as people migrate to enclave tourism communities in search of potential opportunities. Human conditions tend to worsen in the absence of adequate housing health and educational facilities. However, due to insufficient data, this study has been unable to determine how much human development has decreased in the Bahamas as a result of the presence of illegal Haitian immigrants.

Discussion

This study’s rejection of the hypothesis which holds that expanding mass-tourism will decrease human development does not dilute the fact that chronic poverty exists in communities where hotels and resorts are being constructed in the Caribbean. Hence we need to distinguish between the national human development figures which show these countries doing quite well, and the situation in local barrios and enclave communities where people are not doing as well as
the national figures report. We are witnessing in these developing countries, a transition of high mass poverty to one where we see mainly pockets of poverty.

A common theme that ran through all three case studies was that the human development indicator values were overstated because no country studied had a system that monitors and documents human development decline in its enclave tourism communities. Therefore, there were insufficient data to conclude that the expansion of mass-tourism contributes to human development decline. This study maintains that the hypothesis test on Jamaica and the Dominican Republic, could have produced different results if human development also took into account, for example, the number of households without access to potable water, the number of households without proper sanitation, the number HIV/AIDS per household, in addition to literacy rates, GDP per capita, and longevity in enclave tourism communities.

While the case study on the Bahamas supports this paper’s main contention that integration of tourism and human development reduces poverty, this paper does not present the Bahamas as a perfect model. First, the presence of the illegal Haitian immigrants highlights the fact that the Bahamas has its share of declining human development complexities, despite its high human development achievement. Secondly, tourism is the Bahamas main economical determinant; therefore, it is unlikely that tourism revenue would not be reinvested back into local communities from which tourism income is derived. Finally, compared to Jamaica and the Dominican Republic, the Bahamas has a small population of fewer than 500,000, Jamaica’s population is estimated at close to 3,000,000, and the Dominican Republic’s population is estimated at over 9,000,000 (CIA - The World Factbook 2010). Based on population alone, Jamaica and the Dominican Republic’s human development problems may be deemed as more complex and more difficult to resolve than a small island community, such as the Bahamas.
The Bahamas has consistently enjoyed a strong economy. Research does not indicate that the Bahamas had to adopt the IMF and the World Bank’s structural adjustment packages, which forced Jamaica and the Dominican Republic to reduce public spending on social safety nets, such as health care and education (Meditz and Hanratty 1987; Wiarda 1999). Therefore, unlike Jamaica and the Dominican Republic, the Bahamian government has been able to develop the human aspect of its economy without the same level of intervention from international financial institutions. The Bahamas is not a perfect development model, but the government’s focus on making improvements to human development from tourism revenue supports this paper’s contention that such a development strategy will alleviate poverty. This indicates the merit of the Bahamian tourism development model. Other Caribbean countries may emulate and modify the Bahamian model based on their unique tourism development plan.

No single industry will solve all the development needs of a country, but tourism has the capacity to improve the quality of life of the most disadvantaged citizens because hotels and resorts are constructed within communities where people from lower income brackets tend to reside. Therefore, governments should consider the potential needs of the local population of enclave communities in the planning phase of development. The Bahamian government has carefully ensured that tourism dollars are reinvested in enclave communities in the form of education, health care, housing and employment, which has allowed most residents from these communities to enjoy a higher quality of life than many of their Caribbean neighbors.

The Bahamian model is not unique. Other societies that have focused on the development of people have seen this investment transformed into economic development. Poor economies in East Asia with few resources have been transformed into strong economies, with a more equitable income distribution within a short period, as a result of as a result of the development
of human capital in all educational levels (Thant 1999). These findings affirm this paper’s main contention that a tourism development model that focuses on improving people’s capacity can reduce the persistent poverty in the Caribbean region. Tourism is recognized as the most viable industry in the Caribbean, but the manner in which it has been developed on some Caribbean islands can be improved so that it has a more positive impact on the lives of the most vulnerable citizens.

**Implications for Future Research**

Future scholarship on Caribbean tourism development could research effective ways to measure declining human development conditions in enclave tourism communities so that those values may be added to the human development averages of Caribbean countries. Such records could more effectively assist the study of the effect tourism development on human development.

This research did not extensively investigate how new improvements to human development could be funded. Although the Bahamian government gives numerous tax incentives to investors, it reconciles this loss of income in the form of indirect taxes and high tariffs. This approach is feasible for raising revenue, but additional research is needed to determine whether other Caribbean countries would retain their economic competitiveness if they were to adopt such a policy. If this strategy is found to be unsustainable, then a future research project could investigate other ways to fund human development without taxing the local economy.

Future research could also involve the development of a database that could document improvements or reductions to human development in Caribbean enclave tourism communities. In addition to the widely used human development indicators of GDP per capita, literacy rate,
and longevity, such a database could monitor human development issues that are specific to these communities, such as inadequate water supply, public housing, and public sanitation. These human development issues could be monitored: 1) By category, for example region, sex, and age 2) Through measurement, for example a number system that records the range of decline or improvement 3) Through maintenance, for example a policing or social work system that is in place to prevent these forms of human decline and ensure systemic improvement are made to human development in the areas which they are most needed. Such a database could fill the gap of what policymakers know and do not know about, so they can make judicious improvements to human development in the Caribbean region. Additionally, the availability of this data would eventually allow researchers to pursue quantitative scholarship on the impact of tourism development on human development in Caribbean tourism enclaves.
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