

# Sun, Sand, Tourists...& development?

Professor Regina Scheyvens

Massey University

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# Overview

- Why effective tourism matters: current inequities in development in the Pacific
- Ways scholars have viewed tourism in SIDS in the past
- Strategies for future tourism development in the Pacific: unpacking the World Bank's "Pacific Possible: Tourism" report



# Pacific Islands: the postcard view







Sinalei Reef Resort & Spa





# Pacific Islands: the flip side of the postcard







# Past concerns about tourism in small island developing states (SIDS)

## Tourism as exclusion

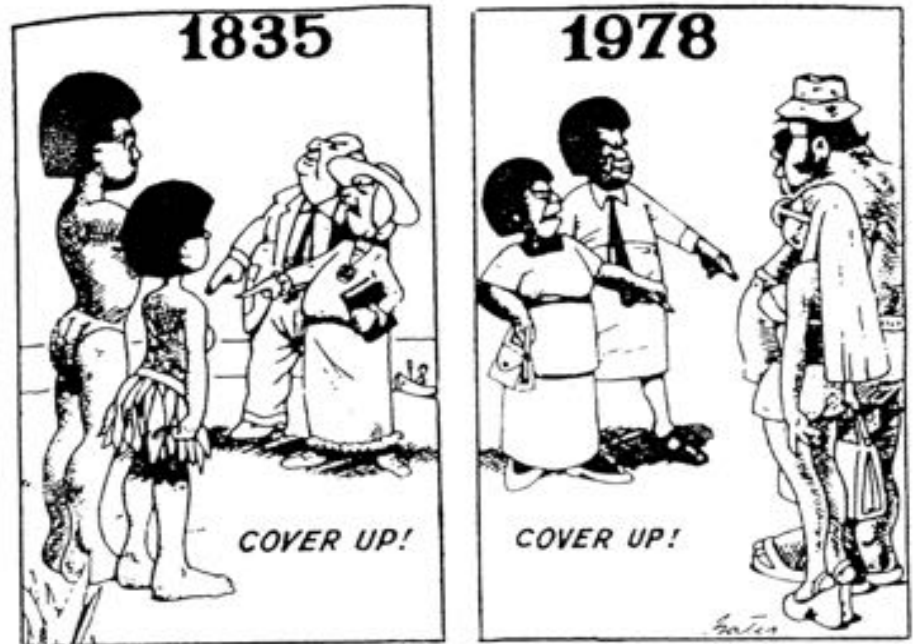
Tourism was widely critiqued by academics as being dominated by foreign interests, exploitative of local people and resources, causing environmental and cultural degradation, and leading to dependency.

*Tourism is ‘...an industry that satisfies the commercial imperatives of an international business, yet rarely addresses local development needs’ (Ringer 1998:9).*



# Past concerns about tourism in small island developing states (SIDS)

- Leakages due to foreign ownerships of resorts, airlines, & tour companies
- Effects on culture and the environment
- Reinforces hierarchical relationships between tourists and those serving them
- Fickle nature of tourism



# Yet, tourism is very important for Pacific Island economies

WTTC predicts 5% growth in tourist arrivals per annum for Asia&Pacific, 2010-2020

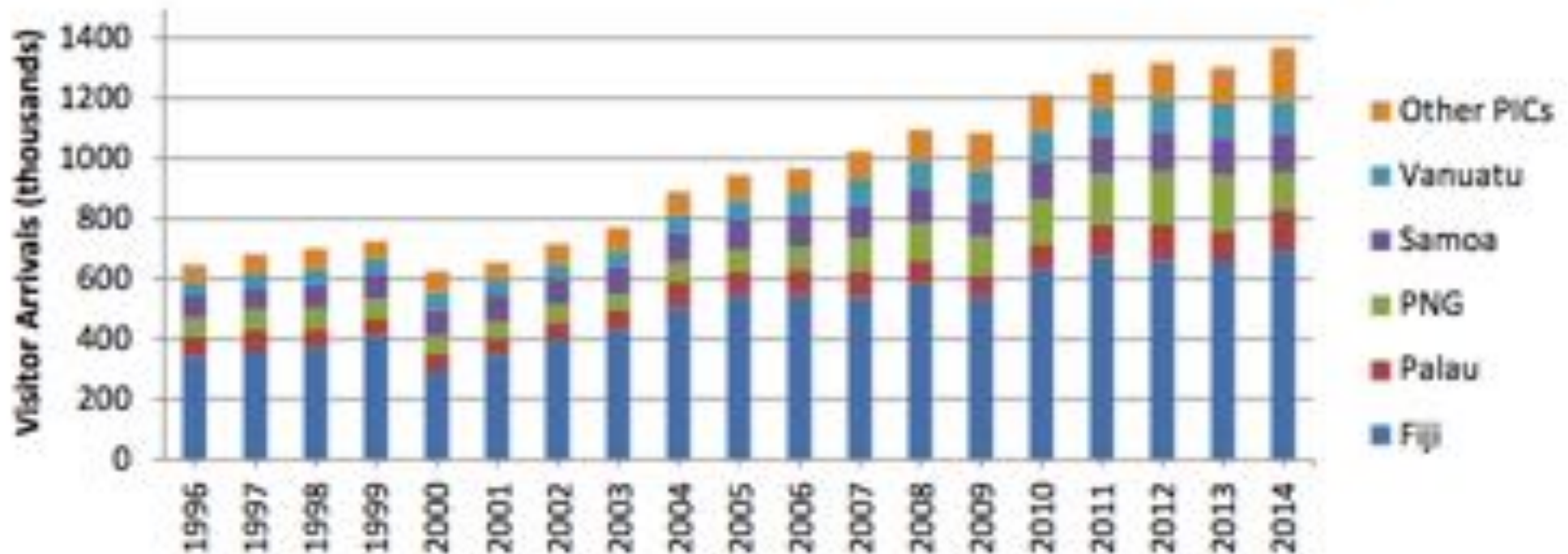
Tourism contributes 12-13% of jobs in Fiji, 13-14% of jobs in Vanuatu, compared with 3-4% of jobs in Asia

Total contribution of tourism to GDP, 2010—2020, is 40% Fiji and 50% Vanuatu. In Asia as a whole, it is only 10%. This shows the very heavy reliance of some PI economies on the tourism sector.



...and tourism continues to grow

Long-term tourism growth has been positive, but performance varies among PICs



Source: UNWTO



# World Bank's 'Pacific Possible' series

***Pacific Possible*** is focused on the genuinely transformative opportunities that exist for Pacific Island countries over the next 25 years and identifies the biggest challenges that require urgent action.

1. Tourism (including aviation)
2. Labour mobility
3. Knowledge economy
4. Fisheries
5. Deep-sea mining
6. Climate change and Natural Disaster Preparedness
7. Non-communicable diseases



# What does 'Pacific Possible' propose for tourism?



**Increasing the  
Chinese Market**



**755,000** tourists



**US\$989m** receipts



**69,200** jobs



**\$42.3m** airport taxes



NB the subtitle of the WB report is

*Tourism in 2040: Bringing an additional one million visitors per year to paradise*

## **But on the flip side...**

- High risk to focus so heavily on development of one market: tourism can be notoriously fickle
- *How* will nearly 1 million Chinese tourists by 2040 translate into greater benefits for Pacific countries and peoples?
- The report elsewhere supports “low volume, high yield” tourism to ensure that long term ecological damage doesn’t occur. Despite this
  - (a) throughout the report increasing the number of tourists is central, and
  - (b) the report shows Chinese tourists are low spending (Table 5 p.15)

# What does 'Pacific Possible' propose for tourism?



**Home-basing 4  
Cruise Ships**



**133,000** tourists



**4,500** jobs



**US\$65m** receipts



**\$9.2m** port fees

## But on the flip side...

- Challenges in generating local benefits from cruise tourism
- Environmental and social impacts can be very negative
- Does not create many on-the-ground jobs



# What does 'Pacific Possible' propose for tourism?



**Expanding the  
High-end  
Resorts Market**



**138,000** tourists



**31,500** jobs



**US\$449m** receipts



**\$7.7m** airport taxes

## But on the flip side...

- Leakages from this type of tourism are high; 'high yield' is a misleading term
- Branded hotel chains tend to manage, not own, properties – there's been a growth of **asset-light** tourism companies:

*Those “with no skin in the game” see it simply as a finance issue and they will purposefully under-invest in destinations.*

Tourism industry consultant, April 2014



# What does 'Pacific Possible' propose for tourism?



**Capturing the Retiree Market**



**10,000** retirees



**22,400** jobs



**US\$320m** receipts



**\$0.56m** airport taxes

## But on the flip side...

- Will put pressure on under-resourced health care systems and may compromise health services available to local people
- WB wants certainty of residency for home owners and permanent-stay segments of the retiree market; are they the types of residents that PICs want?
- WB urges action in terms of encouraging 'Australian and NZ aged-care providers to establish facilities in PICs' (p.ix). Why not encourage local ownership of facilities?



# Overarching concerns regarding 'Pacific Possible: Tourism'

States that tourism offers 11 PICs “significant opportunities for economic growth and **shared prosperity**” (p.1) ...BUT

- Lack of concern regarding the broader **social and environmental implications** of tourism growth.
- Lack of concern about self-determination or **local ownership** of tourism products and services
- Emphasis on growing tourist numbers and jobs, with little concern about the impacts of that growth, or the quality of those jobs – in line with SDG 8, will the jobs provide **full and productive employment and decent work for all?**





# Overlooked possibilities for tourism in the Pacific

- Growing domestic and diaspora tourism
- Growing small-medium scale, locally-owned tourism enterprises
- Enhancing linkages between tourism and other economic sectors e.g. agriculture.



# Concerns that should be central to tourism planning and development in PICs

- Holistic tourism plans which stress social, cultural, environmental and economic dimensions of tourism
- Enhancing local procurement
- Enhancing opportunities for local ownership and joint ventures
- Labour rights and job security
- Strong policy framework which protect local interests

