ENVIRONMENTAL POLICY AND CARIBBEAN TOURISM

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Introduction

On a global scale, over the past two decades, there has been a general expansion in trade in services. Services or the ‘invisibles’ sector as it is also known, accounts for a large portion of CARICOM exports, and it is predicted that this will increase as the global economic arena is increasingly put under pressure for survival. These economies, which according to Chaitoo (2008), “are now facing declining competitiveness in their traditional products” and are undergoing the removal of preferential trade regimes, have focused largely on the growth of the tourism sector within this large services arena, perhaps even to the detriment of the development/growth in other services. “The passage from exclusive dependence on primary product extraction and agriculture to a strategy which emphasises tourism is a common story in the Caribbean. The impact of tourism on both humans and natural setting has led to diverse initiatives to establish global and regional regimes governing sustainable tourism and ecotourism.” (Gordon 2007: 38)

Tourism contributes significantly to foreign exchange earnings, capital investment and employment and also assists in job creation for numerous countries. The Caribbean Tourism Organization (CTO) indicated that for the wider Caribbean 900,000 persons as at 2000 were employed directly and indirectly through the tourism industry. According to the CARICOM website, tourism services have in general continued to be the main services export of the region. In this regard the European and United States markets play a significant role.

The literature has revealed that governments have begun to work on more sustainable and special interest models of tourism, including eco tourism, heritage tourism, sports tourism, business tourism and agro tourism. Each country’s strategy and level of development varies and thus, the extent to which this diversification has occurred also varies. Steps have been taken at various levels to combat the environmental challenges facing the small island developing nations – at the domestic, regional and extra regional/international levels. Notwithstanding current and past efforts however, environmental degradation continues both on land and sea. In addition to land-based tourism, Cruise tourism poses a major threat to the Caribbean Sea, which the Association of Caribbean States (ACS) and CARICOM have tried to have recognized as a special zone. It has been acknowledged that political and technical issues are involved in sustainable tourism development but due to a lack of financial resources among other factors, policing and enforcement of legislation are still lagging in some countries.
Although CARICOM economies have a natural comparative advantage in tourism, a loss in market share to other destinations has been observed. The total quality of the tourism product is therefore critical and as such high overall standards need to be pursued in order to ensure a competitive advantage and thus a sustainable CARICOM tourism product.

The natural environment is an indispensable component of Caribbean tourism, hence due attention must be paid, in order to prevent the collapse of the industry. Tourism, and more specifically mass tourism, is especially prone to degrading the environment even more so than most other service industries. It is thus important that ongoing research be conducted in this area in order to nip environmental degradation in the bud.

Currently, environment legislation is largely treated on a country by country basis, the result of which at times, is a lack of actual application, implementation and enforcement of multilateral environmental agreements, which does not bode well for the future. It is thus imperative for there to be developed a co-ordinated policy initiative for the region that will be supported by ALL the governments and their respective agencies. While some international trade agreements call for sustainable environment practices, they are not legally binding and this allows for insular attempts at policy formulation that does not sit well with the concept of regional integration. In 2008 however, it was agreed that tourism would become a permanent item on the Agenda of the Conference of Heads of Government, reflecting once again the region's dependence on this sector.

Comparative and Competitive Advantage in Tourism

Although the Caribbean naturally has a comparative advantage in tourism due to its natural factor endowments - the 3 Ss - sun, sand, and sea - the region needs to develop a high level of competitiveness in the tourism industry in order to maintain current levels of trade especially while facing a growing demand for travel to other tourism destinations. Although marketing and natural endowments have been touted as a means through which this competitiveness can be attained, innovation is also needed, not just for its branding and promotion but in finding new conservation and sustainable methods as well. We therefore need to suggest possible areas for further exploration and consideration by policy makers as a matter of urgency. Finally, it must also be made clear that any suggested development strategy will require ongoing public education, stakeholder collaboration and community involvement.

Liberalisation of Services and Tourism

"With respect to GATS commitments, Caribbean tourism is one of the most liberalised service sectors." (European Commission 2007). The GATS call for services to be liberalised which underscores the importance of competitiveness to the industry. While the WTO believes that this liberalisation has the potential to bring economic development, this 'open market' also brings with it, additional service providers and resort developments inter alia, which translates into an additional strain on environment resources, if not managed and/or regulated efficiently. In addition, these new service providers represent additional direct competition.
With additional competition from transnational companies and the like, CARICOM economies and their domestic small and medium enterprises would need to develop a level of competitiveness capable of matching incoming service providers and operations. If adequate domestic legislation is not enacted and enforced, this will lead to further negative consequences on the very resource upon which the tourism sector relies— the environment. CARICOM countries must ensure that they do not become 'pollution havens', especially when the issue of cruise tourism and pollution of the Caribbean Sea arises.

Special Interest Tourism

Mass tourism, traditionally associated with the renowned sun, sand and sea elements, has long been a contributor to the economies of the Caribbean. It has however, now been forced to specialise as there has been a conceptual shift in what tourism is today. Specialised or special interest areas of tourism now abound including ecotourism, agro-tourism, heritage and cultural tourism, events and sports tourism, festival tourism and business tourism. This specialisation allows the Caribbean to refresh the traditional conception of tourism services abroad by branching out, thus enabling the sustainable development of the sector. As such, the environment, to which the sector owes much of its development, is of utmost importance.

Cruise Tourism

The cruise ship industry has become an important sector of travel trade and is an established feature of tourism in the Caribbean. There have been questions as to whether or not this type of tourism considerably impacts economic growth in CARICOM countries, causing somewhat of an ambivalence with respect to its actual contribution. Cruise tourism significantly impacts the environment especially in terms of marine pollution and reef damage (European Commission 2007). “A considerable amount of marine pollution in the Caribbean already stems from ship-generated waste (unprocessed waste and plastic products), discharged illegally.” This brings into question the support given by countries for this type of tourism. According to the Caribbean Tourism Organization (CTO), during the 1990s, stop over visitors accounted for 94% of total tourism expenditure while cruise ship passengers only accounted for 6%.

One can assume therefore, that increasing the number of tourists doesn’t necessarily mean that benefits will be maximised but the impact on the environment continues to increase. One must keep in mind here, that high environmental costs cause price increases in the tourism product, which can lead to diminished competitiveness. When countries have to combat environmental degradation as a result of inadequate legislation and implementation practices, the tourism product can become less competitive.

The apparent hope from tourist destinations is that cruise visitors are converted into land based tourists in the future, thus contributing to the future revenue of the country. One must examine the gains to be had via cruise ship tourism as they may not actually outweigh the revenue earned per visitor. The environmental costs may be more than the landed head.

The Impact of Tourism on the Environment

As stated previously, although Tourism has been advanced as contributing to the economic wellbeing of CARICOM, it has also impacted...
the environment negatively. This situation, if allowed to continue, will be detrimental to the future earning capacity of the sector. According to Pauline Mc Hardy, scholars have pointed out the following environmental factors directly and/or indirectly related to tourism in the region: “Overuse and over harvesting of renewable resources; Water Quality, Quantity scarcity and pollution; Loss of non renewable resources; Sewage and Solid Waste Disposal and Siltation” (Mc Hardy 2005: 32).

Two main areas that need to be addressed immediately include the depletion of fishery stocks and the destruction of coral reefs and seagrass beds. As a result of the demand by tourists for seafood, overfishing and destructive fishing practices abound and this has caused the exploitation of fish species that are essential in the coral ecosystem. Coral reefs are an integral aspect of tourism attraction for islands in the Caribbean and thus their protection is critical in order to maintain revenue earnings especially for coastal communities. Reported activities that have contributed to their degradation include physical damage from boat anchoring, overfishing, dredging, sewage discharge and coastal development. Tourism leads to a strain on local resources for both the resident population and tourists. Demand for water in the Caribbean is increasingly exceeding its supply.

It must be noted that “inadequately planned and uncontrolled tourism development [for instance, massive hotel construction near a beach without proper waste disposal mechanisms] can damage the very environment on which the success of a project depends” (Clayton 2005: 21). Thus, although the influx of visitors and their concomitant pollution and/or use of resources directly impact the environment, they are not the only factors.

Sustainability in Tourism Development: An Environmental Perspective

The idea of sustainability in tourism grew in importance during the 1990s. The CTO defines sustainable tourism as “the optimal use of social, natural, cultural, and financial resources for national development on an equitable and self-sustaining basis to provide a unique visitor experience and an improved quality of life through partnerships among the government, the private sector and communities” (CTO 2008). A strong environmental policy will therefore not only make the tourism product sustainable but also competitive.

During the 1990s, the Caribbean followed the global trend in its pursuit of sustainable tourism. The Association of Caribbean States (ACS) was formed, which had on its agenda, the promotion of sustainable development and the preservation of the Caribbean Sea. One of ACS’ five committees is dedicated to sustainable tourism. The Caribbean Tourism Organisation (CTO) which has thirty five (35) member countries along with other allied and chapter members fully embraced this concept in 1997. The Caribbean Hotel and Tourism Association (CHTA) also established its environmental subsidiary, the Caribbean Action for Sustainable Tourism (CAST). CAST aims among other things, to provide education and training related to sustainable tourism; it focuses on sustainable tourism certification and standards development; environmental management tools including best practice measures and advocacy. The CHTA also has as part of its membership, national hotel associations from 35 countries including CARICOM member states.

It is essential that a strong legal framework be outlined in the establishment of sustainable tourism, and this should be done as a region and
not left up to individual governments. The following serves as a snapshot of the current situation within CARICOM countries with respect to environmental legislation.

Environmental Agreements, Legislation and National Development Plans within CARICOM

CARICOM nations, on a per country basis, have ratified and signed many multilateral environment agreements/conventions, for instance the Cartagena convention on the Protection and Development of the Marine Environment in the Wider Caribbean and its three protocols: Protocol concerning pollution from land based sources and activities; Protocol concerning cooperation in combating oil spills in the wider Caribbean region and Protocol concerning specially protected areas and wildlife in the wider Caribbean region. In addition, within CARICOM, countries have adopted national plans and policies directed towards the development of the tourism sector. Among the most important global action plans for the Caribbean is the Barbados Programme of Action (BPOA) which was adopted in 1994 to facilitate the implementation of Agenda 21 in the Small Island Developing States (SIDS). These reflect a trend among CARICOM countries of the importance allocated to sustainable tourism development.

Although specialty tourism is being pursued among nations, mass tourism is still considered a major path to increased economic activity. There is therefore, a need for an environmental protection regime that would lead to sustained economic contribution to CARICOM countries. A lack of funding and other technical resources leads to the poor enforcement however of legislation and other initiatives. Although sustainable tourism has been embraced, “there are many gaps between stated policy and the resources available for enforcement and the infrastructure to cope with water pollution, coastal erosion, poaching and other harmful practices” (Gordon 2007: 44). It is with hope that perhaps through the aid for trade facilities along with other regional and external development assistance, that the resources needed to combat environmental degradation and exogenous shocks would materialise.

The Development and Application of Environmental Legislation in CARICOM

Anderson (2002) highlights that there is very limited applicability of international environmental treaties within the policy and legal matrix of Caribbean jurisdictions. As it stands now, unless domestic legislation within a given territory acknowledges adherence to an international treaty, the Caribbean court will not recognize said treaty as embodying rules of national law. He notes that

A Report on MEA [Multilateral Environment Agreement] Implementation in the Caribbean, a 1999 UNEP/ROLAC Project, revealed weak legislative support for multi-lateral environmental conventions generally; a particular deficiency has been the absence of any concerted attempt to ensure passage of the required legislation and the establishment of appropriate institutional arrangements. (Anderson 2002: 7)

Although some progress has been made "much of Caribbean environmental law may be characterized as book law rather than being actually enforced and implemented. Undoubtedly, there are systemic reasons for this having to do with poverty and lack of public

The Environment, Trade Agreements and Tourism

Traditionally, CARICOM governments were opposed to the inclusion of environment standards in trade due to fears of trade barriers and sanctions. It was however included to an extent within the recently concluded EU-CARIFORUM Economic Partnership Agreement (EPA) under cooperation and will be negotiated as a side agreement under CARIBCAN. The inclusion of an environmental element in the tourism chapter in the Economic Partnership Agreement however, is another clear indication that strong environmental policies are expected to improve the lifespan of the tourism product.

One must note however, that the special needs and requirements of CARICOM states should be taken into account in the design and implementation of environmental measures and sustainable tourism within any trade agreement or partnership. Under Article 138 of the EPA(2009), cooperation is promoted in eco-innovation and renewable energy and in the exchange of technical expertise towards achieving sustainable development. This bodes well for the competitiveness of the tourism industry as improvements in any aspect of the environment can lead to increased efficiency and cost reductions and possibly even increase the appeal of a destination.

Competitiveness in Tourism Industry

How does the environment fit in?

The notion of comparative advantage – “one of the theoretical planks upon which the ideology of free trade is built” (Mowforth et al 2008), works in the favour of the tourism industry “in countries which have the comparative advantage of spectacular environmental and cultural attractions” (Mowforth et al 2008). Such is the situation of the Caribbean. CARICOM countries are known for their comparative advantage in tourism, with its famed sun, sand and sea. Tourism is however now challenged by the state of the world economy and the emerging new destinations that are closer to the shores of the travelling wealthy in North America and Europe, our most coveted markets. The global recession will have a tremendous impact on travel and tourism dependent economies, as leisure and recreation expenditure have been in decline.

In addition to the global economic crisis, CARICOM tourism faces additional challenges. They include changing consumer demands, growth in destination options and climate change - given that many tourism developments are along the coast, the temperature change makes the ‘summer getaway’ less desirable. Furthermore, the islands are hurricane prone. Added to that, consumers are now more environmentally conscious following global trends.

It is therefore now essential that countries develop a greater level of competitiveness within the sector given the growing appeal of other destinations as illustrated in table 1.
Table 1. International Tourist Arrivals to Caribbean, Central America and South America

<table>
<thead>
<tr>
<th>Destination Region</th>
<th>Tourist arrivals (Millions)</th>
<th>Mean annual growth rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caribbean</td>
<td>8.0</td>
<td>11.4</td>
</tr>
<tr>
<td>Central America</td>
<td>1.3</td>
<td>1.8</td>
</tr>
<tr>
<td>South America</td>
<td>6.8</td>
<td>7.9</td>
</tr>
<tr>
<td>World</td>
<td>326</td>
<td>456</td>
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While not abandoning the comparative advantage concept, Porter’s (1990) theory of competitive advantage offers additional insight as to a future path for CARICOM economies with respect to this industry. Porter’s concept is premised on the notion that competitiveness is created by human efforts, rather than inherited through natural endowments. “A nation’s competitiveness depends on the capacity of its industry to innovate and upgrade... Some innovations create competitive advantage by perceiving an entirely new market opportunity or by serving a market segment that others have ignored.” (Porter 1990: 72). CARICOM economies have already begun to innovate as they have branched out into speciality tourism and high end tourism such as heritage and business tourism. Porter further advocates that the government’s proper role is as a catalyst and challenger.

Stringent [government] standards for product performance, product safety, and environmental impact, pressure companies to improve quality, upgrade technology and provide features that respond to consumer and social demands... when tough regulations anticipate standards that will spread internationally, they give a nation’s companies a head start in developing products and services that will be valuable (Porter 1990: 87)

Implementing an environmental policy therefore, contributes to competitiveness and plays a key role therefore in the sustainability of the sector and as such, new and innovative ways of conservation must be found.

Proof of the recognized value of having a strong environmental regime, is the recent 2009 initiative taken by the CHTA and the CTO - the region’s public and private sector organisations. Through CAST, a 24-month project was launched to help the Caribbean hotel sector move towards energy efficiency. Barbados was used as the first case study. According to the report,

The US$2 million Caribbean Hotel Energy Efficiency Action Programme (CHENACT) is meant to drive the Caribbean hotels to
implement energy efficient practices and to generate their own renewable energy. This, in turn, is expected to improve their competitiveness through improved energy use. One of the main components is the design and preparation of the energy efficiency programme and institutional strengthening. (E-Turbo News, 2009)

It is hoped that through this project a deeper understanding of the energy consumption pattern within the Caribbean tourism sector, specifically hotels, is gained. Moreover, if successful, support may also be garnered for a policy in energy efficiency.

"During the 1990-2001 period, CARICOM lost world market share to newly emerging, lower cost tourism destinations elsewhere in the Caribbean" (Randall 2006: 289). According to compiled data from the World Tourism Organisation and the CTO, CARICOM’s world market share of tourist arrivals declined from 1.03% in 1990 to 0.72% in 2003. Developing countries “compete on price rather than non price factors such as technology or ideas. Any environmental requirement resulting in cost increases reduces export competitiveness.”(Shahin 2002: 69) It must be understood however that long term investment is necessary in this industry and hopefully, with initiatives such as the aforementioned, will work towards achieving greater price competitiveness.

Environmental Progress at CARICOM

A regional approach is needed to ensure long term sustained economic development and environmental protection as this would assist in combating the problems associated with cruise and mass tourism. As stated previously, legislation is enacted on a country by country basis. CARICOM nations are however, party to the ‘Convention on Sustainable Tourism Zone’ (under the aegis of the ACS), under which work is done with respect to the drafting of legal and regulatory frameworks needed to give meaning to the Zone. Also, the CTO, under the Caribbean Regional Sustainable Tourism Development Programme (CRSTDP), has developed a sustainable tourism policy framework; it is however meant to act only as a guide.

Presently, cooperation within CARICOM occurs under the ACS, CTO, CHA and other regional initiatives and agreements. Notwithstanding, it is vital to the sustainability of the tourism sector that insularity be prevented and even greater cooperation occur, especially among civil society and the private sector, as they are among the main operators within the sector. CARICOM governments therefore need to lead by example and implement proper legislative and regulatory frameworks for cooperation and prevention of further environmental destruction.

At the April 2008 Meeting of the Council for Trade and Economic Development (COTED) of CARICOM it was noted that, "Due to the small size of CARICOM Member States, there is a strong interrelationship between the environment and the economy." As a result, there are intense pressures on the region’s natural resources. Notwithstanding the increased attention given at the national level, environmental quality continues to decline. The meeting mandated the CARICOM Secretariat to mobilize the requisite resources for the development of a Community Environment and Natural Resources Policy Framework. (CARICOM Secretariat 2000).
There has thus far been coordinated action on the part of CARICOM countries in the following areas:

1. **Renewable Energy** - in terms of the Caribbean Renewable Energy Development Programme (CREDP) in the development of capacity building on renewable energy in the Region;

2. **Disaster management** - via the Enhanced Comprehensive Disaster Management Strategy (CDM) developed by the Caribbean Disaster Emergency Response Agency (CDERA) and other initiatives;

3. **Climate Change issues** - as seen via the Caribbean Community Climate Change Centre; and

4. **Capacity Building** related to Multilateral Environmental Agreements (MEAs) in ACP Countries project... among others.

All these actions, although not necessarily directed at tourism development, will benefit the industry in the long run. Indeed, the industry needs to make itself aware of these programmes and see the extent to which they can be implemented and incorporated in the industry. Rather than seek to reinvent the wheel, the existence of these programmes should be borrowed by all tourism stakeholders. This should be done with the clear understanding that such environmental strategies are indispensable components of adding value and ensuring competitiveness in the sector.

In an effort to promote the sustainability and develop competitiveness of the CARICOM tourism product, it is also essential to diversify, re-brand and/or specialise in the various niche markets and seek to develop strategies to access these markets efficiently. It is imperative that countries become more involved in special-interest tourism which include not only ecotourism but heritage tourism, sports tourism and business tourism, among others. These other niche segments, by de-emphasising mass tourism, may provide the means through which protection/conservation of the environment can be advanced, as has been done in other destinations like Costa Rica.

This strategy of diversification and specialisation has already been considered by various governments within the region and can be seen via the promotion of business tourism in Trinidad, eco tourism in Dominica and cultural tourism in St. Lucia, among others. However, they have not been actualized into plans and strategies The following gives a brief idea of environmentally conscious tourism models and their possible contribution to the sustainability of the Caribbean tourism product.

**Alternatives to Mass Tourism**

"The idea behind eco tourism and heritage tourism is that nations can build and maintain their most valuable resources in a symbiotic relationship with a thriving tourist industry which will be environmentally and economically sustainable and supportive of local and cultural and national identities." (Cornwall and Stoddard 2007: 206).

CARICOM countries have already adopted various types of ecotourism in some form or another including Grenada, where there are small scaled locally owned activities; Jamaica where many tourist resorts offer visits to natural sites; Trinidad, where some establishments
promote the recycling, reuse and sustainable use of water, cutlery and crockery; and Dominica where a small scale nature based tourism product was developed. These can be used as models and presented to new investors who may be in search of viable eco tourism models to replicate. Once a heightened interest in eco tourism begins to emerge, one caveat which must be borne in mind is that if not managed efficiently, a threat exists to previously underexposed areas that are now open to tourists. Thus not all natural sites in a country need be converted into eco tourism destinations. Indeed the retention of rustic, undeveloped areas itself adds a certain charm and authenticity to the overall product.

Efforts also need to be made to ensure that leakage of profits from the destination sites does not occur (or at least are minimized) in order to assure that both the local community is able to benefit and that sufficient reinvestment is available to facilitate the preservation of the eco tourism site and surrounding environment. Jayawardena (2007) cites a World Tourism Organisation study, which suggests that the Caribbean experiences a leakage rate of 80%. Caribbean governments will therefore have to devise policies which will encourage a greater level of retention. Much of this will involve developing backward and forward sectoral linkages in the local economy in such areas as manufacturing, agriculture, insurance, and airline travel to ensure that as many of the inputs as possible are locally and regionally sourced. There is therefore an even greater need for allocation of resources perhaps from external sources.

Ecotourism, heritage tourism, business tourism and other forms of niche market tourism are important because they form a viable alternative to mass tourism. Part of their usefulness is that they add value to the tourism product beyond the conventional comparative advantage model. As such, a competitive advantage is forged, leading to even greater avenues for national prosperity and development in CARICOM.

Conclusion

One of the main goals of trade is to foster economic growth and development with the eventual aim of sustainable development for all citizens. This therefore means that the gains from trade (including profit and technological expertise) should be reinvested. If CARICOM economies invest adequate funding into the research and development of eco-friendly, energy saving policies, a greater competitiveness which replaces our dependency on marketing the traditional sun, sand and seas factor endowment model of mass tourism could evolve. This would relieve some of the present negative environmental impacts of tourism. Free Trade agreements, like the EPA, now foster innovation in energy efficiency and environment standards and we should take advantage of this opportunity.

The formulation and enforcement of environment standards is essential. Moreover, educational and public awareness campaigns need to be pursued in order to engender a culture of environmentally aware citizens that respect and nurture the country’s surroundings.

Incentives and technical assistance should also be provided to small and medium enterprises to develop forward and backward linkages within the sector. The promotion of community groups surrounding tourist attractions can be of benefit to the domestic industry, as they can be involved in both the exporting of services (be it as a tour guide or performer) and the conservation of their surroundings. Technical assistance and training can also be further
invested through multi lateral cooperation to assure a sustainable product for future trade.

Furthermore a strong legislative and regulatory framework both on a local and regional basis is critical. Also critical is ongoing investment in research and development as well as means for converting that research into commercially viable products. In a highly competitive globalised world, the Caribbean must aim for nothing less than gaining international reputation as the leaders in developing and implementing environmental policy to ensure a sustainable tourism product capable of offsetting inherent vulnerabilities due to endogenous and exogenous factors.
References


