Travelwatch

INCREASING LOCAL ECONOMIC BENEFITS FROM THE ACCOMMODATION SECTOR IN THE EASTERN CARIBBEAN

A report by

Travelwatch
for
The Travel Foundation

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Contents

Executive Summary	3
1. Introduction	7
2. Scope of study	7
3. Research approach	8
4. Background research	9
5. Detailed research	13
6. Key Recommendations	18
Appendix I Tour Operators interviewed for this report	22
Appendix II Individual stakeholders interviewed for this project	23

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This report is complemented by two other documents available from the Travel Foundation. These are: the review of existing information and the questionnaire and; methodology used in obtaining and analysing data from accommodation establishments in the islands.

INCREASING LOCAL ECONOMIC BENEFITS FROM THE ACCOMMODATION SECTOR IN THE EASTERN CARIBBEAN

Executive Summary

The report builds on previous studies and new research to fill gaps in knowledge and gauge how accommodation businesses in six Caribbean islands can contribute to the local and regional economies. The islands are: Antigua; Dominican Republic; Grenada; Jamaica; St Lucia; and Trinidad and Tobago. The report is the result of a 12-month work programme that has included the following elements:

- A survey of literature.
- Telephone interviews with UK tour operators working in the region.
- Interviews with stakeholders from tourist boards, the hospitality sector, the Caribbean Hotels Association, the Caribbean Tourism Organisation (CTO) and organizations set up to improve the economic benefits of tourism to the local economy.
- Face to face discussions, based on a detailed questionnaire survey with managers of many types of accommodation establishments in the six islands.

The objectives of this work were to deliver:

- An overview of existing research into the economic impact or tourist accommodation and an identification of gaps. This is addressed in the body of this report and through a Supplementary Report available from the Travel Foundation.
- Comparative research on the relative contributions of different types of tourist accommodation to the local economy, in the destinations outlined above. The relevant key findings are identified in this summary with a wider discussion in the main report.
- Identification of the issues, challenges and opportunities relating to increasing the economic contribution of the different types of accommodation in the target destinations. Again, key points are identified below, with relevant discussion in the main report.
- Practical recommendations on how local economic benefits from different types of tourist accommodation can be increased in both the target destinations, and the wider eastern Caribbean. The key recommendations are summarised below.

Key Findings

- Businesses surveyed estimated that they spend £4 million (nine establishments) on operating costs for key departments of accommodation surveyed (food and beverages, rooms and laundry, utilities). Of this, 74% is for products and services from local sources.
- In the case of food and beverages, businesses perceive that an average of 87% of purchases are secured locally with an estimated average spend per establishment of around £300,000. In the case of purchasing power, most accommodation businesses buy products from distributors.
- Smaller businesses spend a higher percentage of turnover in the local economy and employ a higher proportion of staff locally (usually 100%). However, the absolute value of local spend from All Inclusives and larger hotels is higher than from smaller establishments.
- All Inclusives spend a greater proportion of total turnover on food and drink than other accommodation providers but, proportionally, less is locally sourced.
- A significant percentage of total spend for all accommodation providers is directed towards the local economy via local distributors and other intermediaries. Many supplier and product sourcing decisions are made by distributors rather than by accommodation providers. They may be based locally but many products and resources are imported.
- The degree to which accommodation businesses source locally varies from island to island.

- Barriers to local purchase relate partly to practical concerns such as price, limited availability and range, consistent quality, and the current way in which products are purchased through a local distributor.
- The 17 businesses that provided useable salary data have a combined salary bill of £11million and evidence from other studies indicates that staff spend most of their salaries locally.
- In terms of local employment, the higher the grade of the accommodation the greater the number of staff per room.
- International hotels employ more staff from outside the island than locally owned hotels.
- Both international and All Inclusive hotels appear to offer greater employee benefits and international businesses appear to invest more in staff training.
- The businesses and stakeholders interviewed are interested in ways to increase support for the local economy and community.
- Many hoteliers and their business partners are making significant contributions to their local communities through philanthropic giving and involvement of staff.
- There are significant barriers, including the poor image of the tourism industry as a choice of career. This inevitably leads to shortages of key skills and potential trainees.

Recommendations

It is our view that the actions specified will bring about improvements in the level of spend into the local or regional economy in the short term. Within our research we have been able to recognise potential partners, business leaders and facilitators, many in regional organisations. We also recognise the valuable philanthropic and community giving by many Hoteliers in the Caribbean islands. However, the effects of this giving are generally local to the particular establishment.

It is important to acknowledge that the difference between success and failure of a project often depends on champions at a local level in the island communities – the people with drive, enthusiasm and initiative willing to make a difference to the final outcome. In this context, we believe that the Travel Foundation coordinators have an invaluable 'grass roots' role to play in identifying and bringing people together for mutual support.

We have also identified potential partners, some in regional organisations. The 12 specific recommendations fall into four categories:

A. Managing the supply chain

1. Support the development of The Culinary Alliance (Farm to Table model) in a partnership with the Inter-American Institute for Cooperation on Agriculture (IICA) and CHA Culinary Alliance. The English speaking part of the Caribbean is the area most affected by changes in the trade in bananas and sugar. In trying to diversify, the region is also seeking a new model for developing sustainable tourism. Two institutions; CHA (Caribbean Hotel Association) and IICA, are working together to launch a Culinary Alliance. There are many cooks rather than chefs and an initiative is sought to promote a change and improve skills and creativity.
Suggested lead partner: Caribbean Regional Sustainable Tourism Development Programme (CRSTDP).

2. Support for local SME suppliers – linked to the recommendation above. Some small businesses produce hand made soaps, candles, oils, and massage oils, using local essences and ingredients. Herbal producers make local sauces, jams, spices and chutneys. Expertise and support is needed to bring these products to market. A leader in this area is the newly formed Caribbean Association of Small and Medium Sized Enterprises (CASME), based in Barbados.
Suggested lead partners: CRSTP andCASME.

3. Working with the CHA and CAST to implement "sustainability" and local purchasing considerations in the planned Caribbean Hotel Purchasing System. This new development

of a region-wide e-purchasing system will be endorsed by CHA. As 60% of hotels have fewer than 75 rooms there is a good potential market for an e-system. It is suggested that the Travel Foundation support this development.
Suggested lead partners: CHA – CAST (Caribbean Alliance for Sustainable Tourism)/ Tourism Global.

4. Seeking a partnership with Oxfam in developing further agricultural initiatives.
Programmes such as Adopt-a-Farmer are useful, but wider changes in agricultural systems – and linkages with the accommodation sector – will be required if poverty is to be broadly alleviated. Experienced partners such as Oxfam are essential if suitable programmes are to be developed.
Suggested lead partner: Oxfam.

5. Developing a series of "Buy-Local" campaigns targeted at business, tourists and residents. A well-designed *Think Local Buy Local* scheme, supported in real terms by both industry and Government, would lead to clear benefits from encouraging accommodation providers to buy local where products exist in sufficient quantity and quality, and from encouraging tourists and residents to buy locally whenever possible.
Suggested lead partners: Government, Tourist Associations.

B. Improving the image of the industry as a career option

Salaries and related costs account for more than 20% of turnover, one of the most significant items of spend by accommodation establishments. It also presents a major opportunity for local economic benefit. For many businesses there are considerable obstacles to local recruitment. These concern perceptions of the industry as a career choice.

6. A training exchange programme between All Inclusive resorts and smaller establishments to facilitate the transfer of best practice. The external image of the industry is in constant need of refreshing. One area of opportunity is co-operative working, particularly between non All Inclusive and smaller establishments.
Suggested lead partners: Tour Operators, Tourism employers, CHA.

7. The development and implementation of appropriate education materials. The most effective way of changing the attitude of people to the industry is through schools. While many schools struggle for basic resources, an understanding of the tourism industry would be beneficial in the long term.
Suggested lead partner: Pilot with schools on one island.

C. Improving industry standards by exchanging best practice

Standards and practices in the Caribbean vary, as in other parts of the world. For example, some properties in our sample achieve 90% year-round occupancies whereas other, apparently similar, properties achieve occupancies of 60% or less.

8. An Awards programme. Awards provide one way of bringing recognition to the importance of the industry to the local economies through recognition of individuals and organisations that are making a genuine contribution to the long term. One particular area would be an award scheme for chefs, introducing a celebrity chef as champion.
Suggested lead partner: CHA, tour operators.

9. Work to improve standards. We recommend that that the FTO (Federation of Tour Operators) and the Travel Foundation work with Tour Operators, CHA-CAST and CTO (Caribbean Tourism Organization) to develop and implement the Supplier Sustainability Code.
Suggested lead partners: CAST, FTO.

D. Maintaining the Quality of the Caribbean experience

When considering the responsibility for managing the threats to the economic future of tourism, the majority of stakeholders felt that a partnership between the tourism industry and government would be the best way to address these threats. Many felt that a firm connection between government and the industry was lacking within specific islands.

10. Developing generic risk assessment guidelines, posting them on the web site and promoting them through relevant organisations. The security of people and property is a major global issue and important to the islands in this study. Appropriate guidelines may already be available and a positive step would be to give good guidance on risk assessment to businesses on tourism security in local communities.
Suggested lead partner: CAST.

11. Developing heritage, cultural and ecological experiences. Within the context of this report, we do not comment on the most appropriate type of tourism development. We do acknowledge that there is a need to diversify the tourism product on all islands by developing cultural, heritage and ecological experiences.
Suggested lead: the Travel Foundation through programmes similar to that in Tobago.

12. Nurturing relationships between sectors and competitors along the lines of that operated by the Travel Foundation in Tobago. It is local communities that, directly and indirectly, give accommodation providers the “licence to operate”. Without their support there is no real chance of long-term sustainability. The Travel Foundation approach in Tobago seems to work well in improving mutual understanding and stakeholder co-operation in identifying appropriate initiatives.
Suggested lead: the Travel Foundation.

INCREASING LOCAL ECONOMIC BENEFITS FROM THE ACCOMMODATION SECTOR IN THE EASTERN CARIBBEAN

1. Introduction

This report builds on previous studies and new research to fill gaps in knowledge and gauge how accommodation businesses in six Caribbean countries contribute to local and regional economies.
The islands are:
Antigua
Dominican Republic
Grenada
Jamaica
St Lucia
Trinidad and Tobago, with special reference to Tobago

The report's recommendations focus on ways of increasing benefits for local communities and propose practical ways in which the Travel Foundation could support existing initiatives or start new projects. They are the result of a 12-month work programme that has included: a survey of literature; interviews with UK tour operators working in the region; interviews with stakeholders from a wide range of relevant organizations; and face to face discussions, based on a detailed questionnaire, with managers of many types of accommodation establishments in the six islands.

One objective of the research was to build on and extend existing research work, bringing particular focus to All Inclusives and to any existing regional initiatives, particularly those improving supply chain linkages. It aimed to:

i. **Identify and fill gaps in current knowledge** about the scale and type of economic contribution made by different types of accommodation establishments to the economy in each of the six islands.
ii. Compare the **relative contributions of different types of accommodation** to local economies.
iii. Provide a **clear perspective** on the issues, challenges and opportunities that exist to maximise change and economic contribution.
iv. Make **recommendations for practical steps** that will increase the economic benefits from the different types of accommodation in the islands studied and the wider Eastern Caribbean area.

This report is complemented by two other documents available from the Travel Foundation. These are: the review of existing information and the questionnaire used in obtaining and analysing data from accommodation establishments in the islands.

2. Scope of study

This study was developed to examine ways in which local economies could gain maximum benefit from different types of tourism accommodation. While many of the findings of the study may be generic to the Caribbean region as a whole, the focus for the study was specifically the islands of Antigua, the Dominican Republic, Grenada, Jamaica, St Lucia, and Tobago (Table 1). In writing this report, we recognize that there are important differences between these six islands. For example:

- In Grenada, 79% of all accommodation capacity is in self-catering establishments or guesthouses (*CTO, Caribbean Tourism Statistical Report 2003 –04)*.
- Jamaica, on the other hand, has a more mature tourism industry that displays some of the characteristics associated with "mass" forms of tourism.
- In the Dominican Republic, 72% of all accommodation capacity is in All Inclusive (AI) hotels (Travel & Tourism Intelligence (October 2003) *Country Tourism Reports – North America and the Caribbean.* MINTeL, UK).

Table 1 – Some key characteristics for each of six countries

Location	Population	Currency & GDP (million)	Economic Profile (key earners)
Antigua	66,400	East Caribbean dollar US$750 (2002)	Tourism: 95% of total employment, 25% of GDP, financial services, fishing, fruits, sugar cane, some livestock
Dominican Republic	8,500,000	Peso US$55,680 (2004)	Mining (nickel & gold), sugar, tourism, narcotics, (hidden economy)
Grenada	99,500	East Caribbean Dollar US$440 (2002)	Nutmeg, mace, cocoa, saffron, cloves, tourism
Jamaica	2,600,000	Jamaican Dollar US$11,130 (2004)	Bauxite, tourism, light industry, data processing, sugar, coffee, rum
St Lucia	156,260	East Caribbean Dollar US$866 (2002)	Agriculture (bananas), light industry, tourism
Trinidad & Tobago	1,300,000	Trinidad & Tobago Dollar US$11,480 (2004)	Oil (70%), gas, tourism

These differences are important. However, the literature review and other research undertaken for this project also identify a number of similarities within the tourism industry in the six islands. The scope of this study and the sample that participated in the questionnaire research mean that – for the most part – we make generic recommendations for all six islands rather than focusing on specific actions within individual islands.

At the outset, it was envisaged that the study would investigate all types of accommodation provision, including All Inclusive resorts, hotels, guest houses, bed and breakfast establishments, self catering establishments and cruise lines. However, early on in the study it became evident that cruise lines, providing circa 48.4 million bed days in the region (Caribbean Tourism Organisation (2004) *Key Tourism Statistics 2004*, CTO), would not be included. Differences between cruise style accommodation and ground-based accommodation also make it evident that comparison between the two would be complex.

3. Research Approach

Our study has included the following key stages:

i. **A survey of available literature about the Caribbean region and the benefits it gains from tourism**. The literature review embraced the range of academic journals, trade and industry press, information provided by the Travel Foundation and the wide variety of resources published on the world wide web – including data available from the World Tourism Organisation, the World Travel & Tourism Council (WTTC), The Caribbean Tourism Organisation (CTO) and the Caribbean Hotels Association (CHA). Key word searches identified relevant research published in the last ten years. All the documents considered of high relevance were read and many have been referenced in the text that follows and in the literature review. The literature review helped define the gaps in current knowledge. A copy of the bibliography and the literature review is available from the Travel Foundation.

ii. **Targeted interviews with UK tour operators working in the region**. In total, we approached 12 tour operators and completed 10 interviews. Collectively, these tour operators offer a broad range of itineraries. A semi-structured interview schedule was derived for the purpose of this study. This was piloted with one tour operator prior to broader implementation. Appendix I is a list of the Tour Operators consulted and results of our discussions are included in the text that follows.

iii. **Targeted interviews with stakeholders from tourist boards, the hospitality sector, the CHA, the CTO and representatives of programmes established with the purpose of improving the economic benefits of tourism to the local economy**. In total, we carried out discussions with more than 30 individuals over the period November 2005 to February 2006. These interviews were used to identify perceptions about the current level of economic benefit the Caribbean derives from the accommodation sector, ways in which this contribution could be enhanced and barriers to improving this contribution. A list of some individuals interviewed forms Appendix II to this report.

iv. **Discussions, based on a questionnaire survey** implemented with 32 accommodation businesses in the Caribbean region over the period September 2006 – January 2007. This survey explored: the total level of turnover achieved by Caribbean accommodation businesses; expenditure on employment costs, expenditure on local goods and services, expenditure on taxes, the percentage of products purchased through local suppliers, the extent to which policies to improve environmental or social performance have been adopted, and key threats to the future viability of the island as a tourist destination. All data was supplied by recipients and was not verified by the interview team. Survey results were analysed on an Excel spreadsheet. The methodology and the questionnaire are available from the Travel Foundation as a second supplementary report..

4. Background Research

A Tourism Based Economy

Tourism is the dominant economic sector in the Caribbean. One estimate from the WTTC indicates that, in 2005, tourism in the Caribbean will have:

- Generated circa US$45.5 billion of economic activity.
- Directly supported 5.0% of jobs and indirectly supported 15.1% of all jobs.
- Contributed 15.4% of GDP.
- Generated 20.7% of all capital investment.

Table 2 Travel and Tourism – employment

Global ranking	Global region	T & T as % of total employment (2005)
1	Caribbean	15.1
2	Oceania	14.8
3	North Africa	12.4
4	North America	12.3
5	EU	12.1
	Rest of World	8.3

In terms of employment, the Caribbean is more dependent on tourism than any other world region (Table 2). This dependence – and the relative lack of alternative employment options in many states – makes the long term sustainability of the industry crucial to its economic success. There are, of course, a number of threats (text Box 1) to the tourism economy in the region. Source – Table 2: WTTC, 2005. *The 2005 Travel & Tourism Economic Research Caribbean.* WTTC, Brussels, p 19.

Continuing Debate on the Benefits of Some Types of Tourism

Over the last decade or so, there has been a significant debate over the benefits of certain types of tourism (both in general and in the Caribbean region in particular). Points that have been made include:

- Resorts in international ownership "leak" a high percentage of total tourism revenues back to other countries, bringing limited benefits to local economies. UNEP, for example, notes that with most All Inclusive package tours, about 80% of travelers' expenditures go to airlines, hotels and other international companies and not to local businesses or workers. In addition, significant income actually retained at destinations can leave again through leakage (http://www.uneptie.org/pc/tourism/sust-tourism/economic.htm).
- All Inclusive resorts, by the nature of their operation, aim to meet all customers' needs on site and therefore tourists are less likely to venture out to spend money in the local economy.

- Operators and tourism companies have no long-term interest in the future of the destination and tend to withdraw if the political or economic climate shifts.
- Volume business through international tour operators offering charter packages means lower rates and margins for accommodation and other service providers. Higher revenue for the local economy is generally perceived to come through independent and direct bookings.
- The "sun'n'sand" beach-based holidays in large hotel resorts are subject to price competition and discounting.

The Accommodation Sector is Key to Local Economic Benefits

In 2000, the CTO estimated that the Caribbean region had some 251,000 rooms available with annual occupancies running at 64%. It is estimated that the accommodation sector accounts for around one-third of all tourism related employment (direct and indirect) (2003 *Key Tourism Statistics*, Vol 1, No 1, Jan – Mar 2003, p 3). Table 3 provides accommodation capacity and annual occupancy figures for each of the six islands that are the focus of this study. The percentage of the income generated by the sector that remains within the national or regional economy is also unknown, but some statistics indicate that as much as 80% of total tourism revenue earned in the Caribbean as a whole leaks from the region ((http://www.uneptie.org/pc/tourism/sust-tourism/economic.htm).

Table 3 – Characteristics of the islands that are the focus of this study

	T & Tobago	St Lucia	Grenada	Dominican R	Jamaica	Antigua
Visitor Arrivals	409,069 (2003)	253,463 (2002)	142,355 (2003)	3.058,319 (2003)	1,266,366 (2002)	245,456 (2004)
Cruise Arrivals (Passengers)	55,532 (2003)	387,180 (2002)	135,601 (2002)	211,433 (2001)	865,419 (2002)	522,753 (2004)
Cruise Port Calls 2003	88	262	267	N/A	502	296
Number rooms (units)	5,378	3,749	1,758	56,378	20,827	3,185
Number of bed spaces (units)	ND	6,748	3.900	140,945	43,909	ND
Occupancy rate	41%	62.7%	71%	73%	58%	ND
Average nights stay	ND	10	7.65	9.53	6.4	ND

ND, not determined. Sources: World Tourism Organisation (WTO), 2005. *Compendium of Tourism Statistics*. WTO, Madrid. CTO*, Caribbean Tourism Statistical Report 2003 – 4.*

Major Markets

The major markets for the islands are listed below (see reference at foot of Table 3):

- Trinidad and Tobago: Cultural and event tourism from USA and UK. 10% visitors to carnival. USA 31%, Canada 11%, Barbados 7.3%, Grenada 5%, UK 12.7%, Germany 3%.
- St Lucia: USA 35%; UK 27%; Barbados 5.8%.
- Grenada: Focus on developing soft adventure/eco tourism. US 26.1%; Tobago11%; UK 23%; Germany 3%; France 1.4%.
- Dominican Republic: All Inclusive couples and families. USA 25%; Canada 11%; France and Germany 8.6%; UK 5.2%.
- Jamaica: US 74%; UK 10%: Canada 8%.
- Antigua: Wedding and honeymoon; European couples; European All Inclusive.

Text Box 1. Threats to the Caribbean tourism sector

- Growth in competition from other destinations, especially those in the Pacific and Asia. CARICOM's market share of international tourist arrivals, for example, declined from 0.91% in 1990 to 0.69% in 2002. (World Bank Caribbean Country Management Unit, 2005, *A Time to Choose – Caribbean Development in the 21st Century*).
- The relatively high cost of the Caribbean tourism experience in comparison to some other destinations. For example, flight and accommodation in apparently similar three star hotels between 26 April and 10 May in Montego Bay, Fuerteventura and Phuket cost £1362, £1075 and £645 respectively. Five star accommodation and flight costs in the same destinations are £1853, £995 and £1083 respectively (www.expedia.co.uk).
- Dependence of the industry on international air carriers and the part that seat capacity plays in an island's overall economic success.
- Perceived threats to personal security for tourists (sometimes exacerbated by travel advisories issued by national governments in tourism generating countries and by the events of "9/11"). 12 out of 32 businesses responding to our survey, for example, claimed "Security" to be one of the key threats to the future of the tourism industry in their destination.
- Over-dependence on the tourism industry in some islands, providing a lack of alternative employment options and leading to a drain in key skills that provide the indirect services required by the sector (e.g. 95% of all employment in Antigua is in the tourism sector) (WTTC, 2005. *The 2005 Travel & Tourism Economic Research – Caribbean*, WTTC, Brussels, p 36).
- Poor perception of the value of the tourism industry by many island residents and limited desire to pursue employment within the industry. 18 out of 32 businesses responding to our survey reported problems in recruiting staff.
- Under-investment by Governments in key tourism infrastructure. 11 of the respondents to our survey consider that this issue (whether under-investment in roads or the lack of an airport or attractions) could undermine the future viability of the tourism industry.
- Perception that a high percentage of tourism income leaves the island and regional economy because of international ownership and a lack of local purchasing. For example, it is estimated that 56% of tourism revenues in St Lucia are lost to the economy through leakage. The comparable figure for Aruba is 41%, Antigua and Barbuda 25% and Jamaica 40%. (Barnwell, G., 2000. *Difficulties in Paradise*, www.caribvoice/Travel&Tourism/paradise.html)
- Fears about a decline in the environmental quality of the region (and beach quality in particular) and the impact that this may have on potential to continue to attract tourists in the future.
- The price dependence of mass tourism.
- Tour operators are perceived to be loyal to clients rather than to the destinations and to leave when the going gets tough.
- Natural disasters and particularly hurricanes that devastate individual island economies.
- AIs employ more people than other forms of accommodation and are directly responsible for 9.1% of employment in Tobago ((Abdool, A and B Carey (2004) *Making All Inclusives More Inclusive*, The Travel Foundation, UK. p 5)
- AIs are keen to forge relationships with local suppliers, but the mechanisms to forge those relationships can be difficult to find (Abdool and Carey, p 6)
- HACCP processes – and particularly a lack of awareness of these processes can be a key barrier to local purchasing**.**

The All Inclusive sector on the islands of Tobago, the Dominican Republic and Jamaica has been the focus of much of the research to date. Most Caribbean islands have a small percentage of All Inclusives alongside more traditional half board, full board or self-catering establishments. We have found no comprehensive data from which to assess the number of resorts that operate on an All Inclusive only basis. However, of the 32 accommodation businesses that responded to our survey, ten properties (31%) offer All Inclusive options along with full board, half board or self-catering options in the same resort. Five (15%) offered an All Inclusive only package. Box 2 lists the key findings of the studies of the All Inclusive sector that have been undertaken to date.

Text Box 2. The All Inclusive sector and local economic benefits in the Caribbean

- The impact of All Inclusive resorts on the local economy depends on the policies of the company and/or government. Programmes to train staff, to invest in capacity building, to purchase local produce and to build partnerships with local communities can provide a significant boost to the local economy. One AI operator in Jamaica, for example, spends a total of £337 per employee per year for training related activities (Langefeld, K., Karammel, S. and Berndt, K. 2004. *All Inclusive resorts and local development as best practice in the Caribbean*. A presentation made by GTZ to the World Travel Market, November, 2004). This compares to an average of a little over £100 per employee from the estimates of establishments participating in the current study.
- The origin of the parent company may have some bearing on policies. One AI operator that appears to operate at best practice levels is Jamaica based and operates three resorts in its home island. In some countries – for example – the Dominican Republic, operators of resorts are largely in international ownership (Journal of Tourism and Cultural Change, 2004 *Small entrepreneurs and shifting identities – the case of tourism in Puerto Plata*. Vol 2, pp 185 – 201).
- AI resorts can help farmers to sell their products above subsistence levels. GTZ, for example, estimate that 70 farmer families earn an income of US $100 per month (above the poverty line) from supplying watermelon and cantaloupe to Sandals resorts (Langefeld et al, see above). This study identified a number of examples of businesses actively seeking local products – primarily agricultural – and in some instances underpinning the income of some farmers.
- AI's can provide greater economic benefits for the local economy than primary agriculture. According to one report, the salary bill of one AI is the equivalent to more than 100 acres of coffee plantation (Langefeld et al, see above).
- The AI product is rapidly evolving and changes in the product offer (for example, to allow tourists to mix an AI break with conventional accommodation or from a menu of AI options) will influence the amount of income that remains in the local economy.
- New AI resorts (even when converting hotels into AI accommodation) will have an impact on jobs within other tourism-related businesses. From limited available information, it would appear that renovation of an existing hotel into an integrated resort, in the Dominican Republic, forced 5 restaurants (from a total of 11) out of business with a loss of about 50 jobs. The resort created 50 – 100 new jobs, but no information was available about the level of this employment. It is estimated that the conversion into an AI also increased food consumption by the resort, thus increasing income and jobs in local agriculture (Langefeld et al, see above).

The studies that have been undertaken thus far, however, have not fully explored:

1. Basic information about the value of spend by accommodation businesses in general.
2. The value of the local spend and the relative contribution different types of accommodation establishment make to the local or regional economy (with the exception of targeted island-specific studies).
3. Leading from point 2 above, the relative benefits of programmes to increase the range of agricultural products available.
4. The relative importance that policies and purchasing systems play in influencing the level of spend by the sector that reaches the local/regional economy.
5. Willingness to purchase products locally, the mechanisms used for local and general purchasing and the barriers that exist to local purchasing.
6. The contribution the sector makes to the local economy via direct and indirect taxation.
7. The relative importance/success of many of the programmes that have been established to encourage local purchasing, such as Adopt a Farmer.
8. The relative importance of philanthropic giving initiatives and the total value of these to local communities.

5. Detailed Research

We have sought to fill some of the gaps identified in current knowledge in the course of this programme of work. When reading the results presented below, it is important to bear in mind that it was provided by accommodation establishments and it has not been verified via documentation or discussion with third parties[1]. The approach we have used to obtain data is described in one of the supplementary reports. There is some double counting within the data (for example, estimates of departmental spend include employment costs in some cases) and so the figures cannot be added to employment costs to identify total local spend.

As a result of our research, we have drawn the following conclusions.

i. The value of spend by accommodation businesses is significant.
A number of multiplier studies have been undertaken on the value and/or the leakage from tourism in the Caribbean in general or from specific islands and on the value of specific types of tourism. For example, a multiplier study demonstrated that dive tourism in the region is worth US$2.1billion (http://marine.wri.org/pubs_content_text.cfm?ContentID=3047). We have, however, found no information in the public domain about the level of expenditure from accommodation businesses in the six islands. The studies by GTZ, Abdool and Carey and various pieces of work by the United Nations have gone some way towards identifying expenditure for individual establishments on specific products or on imports in general (see also text box 2).

Despite the substantial amount of data collected in the present study, we are unable to provide a definitive value of local spending by accommodation establishments in the region. The Caribbean Hotels Association is undertaking more detailed research and should be able to provide comprehensive data in due course. A proportion (9) of the 32 businesses from our sample provided sufficient data to identify the likely level of spend across most major departments within an accommodation business. In total, the businesses estimate that they spend just under £4 million per year on key departmental costs as defined within the Uniform System of Accounts[2] (please note there is likely to be an element of staff cost in some of these estimates). If this figure is representative of all 32 properties, the total level of spend on these items would be in the region of £13.5 million. Expenditure on other departmental items is also significant. Property maintenance, for example, accounts for an annual spend of £750,000 between six properties and security services just under £500,000 between seven properties.

The businesses that provided data estimated that they purchased a high percentage (74%) of all goods and services from the island on which they were located, though many purchases were made through a locally based distributor. For some products, for example food and beverages, businesses estimated that they purchased a higher percentage locally (87% for the 9 properties that provided valid data in response to this question). The average local spend on food and beverages including an element of staff costs, across the businesses that gave reliable information is around £300,000 per establishment.[3]

The 17 businesses that provided reliable data estimate that they spend £11 million on employee salaries, an average of just under £650,000 per establishment or 24% of total turnover[4].
Most employment is for local people. The accommodation businesses that provided data or for whom we could estimate rooms revenue estimated that they have a combined turnover of just

[1] While much detailed information was obtained through our research, the sample size was small and the results should be interpreted as indicative rather than definitive.
[2] Rooms (including laundry), food and beverages, transport, utilities.
[3] We have endeavoured to exclude employment costs from estimates of expenditure for all departmental costs. However, it is likely that some businesses have provided estimates with employment costs included – we have identified and excluded most data where this is evidently the case, but it is likely that an employee cost element remains in our calculations of total local spend per department. For this reason, these figures must be regarded as estimates and departmental costs cannot be reliably added to employment costs to provide a total spend figure.
[4] The range for hotels that also offer an AI package was from £160,000 to £3 million and for hotels only from £63,000 to £2 million. For self-catering, the range was from £3,000 to £48,000.

under £153 million or an average turnover of £6,364,000 between the 24 properties. Table 4 provides data on turnover by accommodation type from the 24 businesses that responded.[5]

Table 4. Average turnover in different accommodation types*

Accommodation type	Average turnover (UK£)	Annual turnover per room available (UK£)
AI only	14,530,000	177
Hotel (possibly with AI package)	5,870,000	168
Guest House/ B&B	235,800	27
Self catering	103,600	18

*Based on unverified data provided by the 24 establishments that responded to this question or for whom we were able to generate a room revenue figure. The figure for hotel turnover per room includes a number of 5 star establishments with an AI option.

ii. The value of local spend and relative contribution different types of accommodation establishment make to the local/regional economy.

Some island-specific studies have been commissioned to understand the value of the accommodation or tourism sector (e.g. a current study in St Lucia). However, there are no Caribbean-wide studies or specific studies for the islands that were the focus of this research to identify how much money goes into the local economy. The present research explored the value of spend into the local economy from the following: employment and employee related costs, purchase of products and services, commissions, direct taxes. Businesses estimate that: they generate between 1.27 jobs per room. If part time and seasonal employment is taken into account (by assuming each part time role is 50% of a FTE and each seasonal role is 33% of a FTE), this provides a total of 1.02 FTE jobs per room. Estimates from respondents to our survey indicate that the type of establishment, such as All Inclusive, hotel and so on, is much less important than its quality in job creation. For example, our survey indicated that a four or five star hotel will create an average of 2.3 jobs per room where a hotel with three stars or less will create 1.6 jobs. The data indicates that location also plays a role in job creation, partly because of the different quality standards across the islands, with hotels on some islands employing fewer staff for equivalent standards than others. The data is summarised in Table 5.

Table 5 – Some key statistics for different accommodation types

	All Inclusive only	**Hotel (incl those offering AI Packages)**	**B&B Guesthouse**	**Self-catering**
Jobs per establishment	301	131	19	ND
FTEs per establishment	208	127	18	ND
Employees per room	1.36	1.53	1	ND
% total products purchased locally	79	85	98	100
Local F&B purchases (value estimates)	£1,990,000 (Base, 3 properties)	£117,000 (Base, 12 properties)	£48,000 (Base, 2 properties)	£3,400 (Base, 2 properties)

Interpretation is difficult. For example, analysis of the All Inclusive establishments that responded across all islands revealed that they employed fewer staff per room than hotels including some that offered an AI option. However, AIs employ more staff in total than other accommodation types. Comparison of employees (FTE) per room for AIs and hotels on the same island and within the same quality grade suggests that AIs employ a similar number or slightly more staff per room.

- On average, businesses estimate that salaries account for 24% of turnover, with larger establishments with more staff inevitably facing larger wage bills. From our limited

[5] Where turnover data is not available and sufficient data exists, we have calculated room revenue as a comparable measure.

sample, international businesses appear to offer higher rates of pay than businesses in island ownership. We were unable to compare salaries for similar types of job.

- Most businesses employ island residents throughout the property. However, some businesses – and especially those in international ownership – do employ a proportion of senior managers, middle managers and, less commonly, rank and file employees from off the island (although usually these individuals live on the island to perform their normal work). This is particularly the case for the All Inclusive properties in the Dominican Republic. Two thirds of businesses employing non-island or non-Caribbean residents also report significant recruitment problems. The businesses that recruit off-island are predominantly in the higher star ratings.
- Establishments responding to our survey estimate that National Insurance and the cost of other employee benefits paid by employers, including health insurance and meals, account for 3% of turnover. All Inclusives appear to offer the highest level of employee benefits, presumably because of the need to provide meals and accommodation for some employees, followed by hotels. Businesses in international ownership also appear to offer a higher level of employee benefits than those locally owned.
- Employee training accounts for less than 1% of turnover turnover if the one property that is currently opening up and investing extensively in training is excluded from the data. This equates to a total value of less than £22,000 per property for the 18 properties that provided data. On average, this represents an investment of less than £100 per employee (although some businesses make a significantly higher investment). Ownership and size appear to be linked to the level of training offered, with businesses owned by outsiders investing a higher percentage of turnover in training.
- The businesses we surveyed estimate that accommodations purchase 74% of products from the island in which they are based The data collected on the types of products purchased locally suggests that these tend to be lower value and less processed agricultural products. The most significant departmental spend is on food and beverages and these items account for around 11% of turnover across all establishments, but a higher percentage for All Inclusive (20%). Small businesses purchase a higher percentage of products locally – businesses with 100 rooms or less purchase 77% of products (predominantly using local distributors) compared to 68% for businesses with more than 100 rooms. But the spending power of these smaller businesses is significantly lower than their larger counterparts, so it will be essential for local economies to maintain a supply chain with larger establishments. Businesses on Antigua estimated that they import a higher percentage of products than businesses on other islands, presumably because of a lack of local availability.
- Data on direct and indirect taxes indicates that businesses spend between 1 and 10% of total turnover on taxation with an average figure of 5.27%. The CHA is currently conducting a study on this topic and this is due to report later in 2006.

iii. The relative benefits of programmes to increase the range of agricultural products purchased.

It is evident that the islands in this study have different levels of self-sufficiency in food, water and oil. Antigua and Barbuda, for example, import nearly all their food and 35% is used by the service sector, including fish in some cases, despite the presence of a commercial fishing fleet. Imported food is considered (http://www.fas.usda.gov/gainfiles/200306/ 145985184.pdf) to be of higher quality than local products. A high percentage of fresh produce is also imported in St Lucia. In the Dominican Republic, on the other hand, 90% of food is locally produced and a high percentage of local products is used in the food service sector. However, higher value and processed food products tend to be imported (Ashley, Goodwin and McNab 2006. *Making Tourism Count for the Local Economy in Dominican Republic.* Pro Poor Tourism Bulletin, Feb 2006).There is concern at the tendency of some overseas agencies to provide market intelligence that helps companies target the hotel and catering sector with their products, (www.fas.usda.gov/query.asp), as is the case of Grenada.

The present research has found that 25 (78%) of accommodation businesses surveyed do not source most products independently. Larger businesses in particular tend to use distributors or, in the case of very large companies that are usually part of an international group, central purchasing systems. The greatest impacts on levels of local purchasing therefore will come from working with the distributors and the centralized purchasing systems rather than the hotels themselves. A range of programmes has been developed to increase the value of local spend by accommodation establishments in the Caribbean. These include the Adopt-a-Farmer initiative in St Lucia and Tobago, and hotel-driven initiatives.

iv. The relative importance that policies and purchasing systems play in influencing local spend.

A very high percentage of businesses have policies to minimise their environmental impact, be a good employer, and/or be a good community player (Table 6 identifies the types of businesses that were most likely to have such policies). The number of businesses with these policies was so high that it was not possible to measure whether these policies had any real impact on local purchasing decisions. Many of the stakeholders we spoke to considered policies to be less important than a motivated and interested manager with a genuine enthusiasm for the locale, regardless of whether an island resident or incomer.

Table 6. Percentage of businesses with policies to protect the environment, employees or the community

	Does the business have a policy towards		
	Environment (%)	Employment (%)	Community (%)
All Inclusive only	80	60	60
Hotels (including those with AI)	79	79	84
Guesthouse / B&B	50	50	100
Self catering	40	60	20
Owned outside region	100	100	100
Owned by island resident(s)	62	59	64

v. Willingness to purchase products locally and the barriers that exist to local purchasing.

This research supports previous qualitative studies that identify a desire by accommodation businesses to purchase a higher percentage of products and services locally.

91% of businesses stated a desire to source more local goods and services. Decisions to purchase and employ locally make good business sense, as does the use of local wines, local spa products or other specific foods because they add unique character and warmth to the experience. Some relevant data is summarized in Table 7.

Table 7 illustrates that accommodation businesses purchase a high degree of services locally, but also that there is significant potential to stimulate provision of these services. Income for the local economy comes not only from local purchasing but also from local employment. Previous studies have demonstrated that employees save between 10 and 33% of total salaries and this can be of benefit to the local economy. This study found a high degree of local employment, with some important exceptions, but the barriers to local employment are also significant, with 56% of respondents reporting difficulties with local recruitment.

Previous research has indicated that there are considerable barriers to local purchasing and this research confirms those findings. Price, availability and quality are all key concerns about local products (See Table 8). The stakeholder interviews provided graphic descriptions of products being delivered by well-intentioned local tradespeople at a standard that was not appropriate for use in hospitality businesses.

Table 7. Expenditure in key departments*.

	Expenditure as % of Turnover				Spend in local economy (%)			
	AI	Hotel	GH	SC	AI	Hotel	GH	SC
Rooms	6	7	20	5	57	88	90	60
Meals	21	15	21	3	74	90	97	100
Beverages	9	7	ND	ND	77	84	ND	ND
Swimming Pool	3	1	2	1	86	89	100	100
Information Systems	0.5	ND	ND	ND	58	ND	ND	ND
Security services	2	5	3	4	88	100	75	95
Entertainment	1	2	2	ND	89	100	75	ND
Marketing	6	5	3	4	58	47	75	95
Transport	1	1	2	1	100	100	100	100
Property management	5	15	36	7	83	91	ND	ND
Utilities	11	16	11	8	95	100	ND	ND
Telephone/broadband	1	4	1	ND	ND	ND	ND	ND
Management fees	2	2	ND	ND	ND	100	ND	ND
Taxes	5	6	3	4	100	100	100	100
Commission	3	3	3	3	ND	39	ND	ND

ND, not determined; AI, All Inclusive; GH, Guesthouse/B&B; SC, Self Catering
* Please note total percentages may add up to more than 100. Figures provided represent estimates provided by responding establishments and have not been verified.

Table 8- Barriers to local purchasing*
(Number of businesses stating each reason)

	Most important barrier	Second most important barrier	Third most important barrier
Price	12	1	4
Availability/ consistency of supply	7	9	3
Quality/ health and safety	4	9	7
Lack of local knowledge of what is available	0	1	2

*Businesses that expressed a desire to purchase more locally were asked to provide, in order of importance, the reasons that they currently did not do so. Note that all respondents did not give three barriers.

This research has less to report on the issues of:

- **The contribution the sector makes to the local economy via direct and indirect taxation**. The Caribbean is reported to have relatively high levels of taxation and our survey indicates that between 1% and 10% of turnover is dedicated to direct taxes. We did not, however, measure indirect taxation such as taxes on food and drink products, Jacuzzi licences, swimming pool licences, and so on. A study of taxation is currently under way under the guidance of the CHA and is due to report its findings later in 2006.
- **The relative importance and success of the programmes set up to encourage local purchasing**. Some of the businesses that participated in our survey did work with the Adopt-a-Farmer scheme and others had joined similar initiatives
- **The relative importance of philanthropic giving initiatives and the total value of these to local communities**. The stakeholder interviews and the responses to our survey demonstrated that there is a very high level of philanthropic giving among businesses in the region by providing money, voluntary help or in-kind resources, and in some cases underpinning the viability of schools, churches or health centres.
- **Underlying economic issues that are outside the direct influence of the tourism industry**. These include:

- difficulties inherent in changing economies that have historically been based largely on sugar and on bananas;.
- the extent to which distributors access goods locally or from outside the Caribbean area –this would require a further, deeper study which could yield valuable recommendations;
- the problems associated with provision of major infrastructure such as airports, roads etc.

6. Key Recommendations

It is our view that the actions specified will bring about improvements in the level of spend into the local or regional economy in the short term. Within our research we have been able to recognise potential partners, business leaders and facilitators, many in regional organisations. We also recognise the valuable philanthropic and community giving by many Hoteliers in the Caribbean islands. However, the effects of this giving are generally local to the particular establishment.

It is important to acknowledge that the difference between success and failure of a project often depends on champions at a local level in the island communities – the people with drive, enthusiasm and initiative willing to make a difference to the final outcome. In this context, we believe that the Travel Foundation coordinators have an invaluable 'grass roots' role to play in identifying and bringing people together for mutual support.

We believe that our recommendations are practical. They are based on our research and on what we learned from interface with a wide range of stakeholders. They are aimed at The Travel Foundation. They do not address some of the underlying political, institutional and economic issues that can only be addressed by governments in the region. The 12 recommendations fall into four key categories:

A. The first relates to managing the supply chain to maximise benefits through local purchasing by accommodation establishments and their employees. This is the most immediate way to improve the value of the local spend.
B. The second relates to improving the image of the tourism industry as a career option.
C. The third relates to the longer term and ensuring the continued growth and prosperity of the sector as a whole – above all, by exceeding guest expectations by maintaining a quality product, competitiveness and profitability, to ensure income for local investment.
D. The fourth relates to maintaining the nature and culture of the Caribbean as a tourism destination. Related to point C above is the continued success of the Caribbean as a prime tourism region. CAST and many others in the region recognise the protection of tourism assets as fundamental to sustaining the local economic benefits through the accommodation sector.

A. Managing the supply chain

Possibly the biggest single difference to local economic benefit and overall sustainability could be made through local purchasing power. Research illustrates a high degree of willingness within the accommodation sector to purchase local products but barriers exist at many levels. The lack of resources in the agricultural industry and distribution challenges on the islands are fundamental issues. Current programmes, including Adopt-a-Farmer, have an increasingly important role to play in supporting the agricultural sector and in communicating information about product quality to farmers. A range of 'Farm to Table' initiatives focusing on the issue of local products for local purchase already exists in the Caribbean region, and many of them have benefits in enhancing the local distinctiveness of the product.

1. Support the development of The Culinary Alliance (Farm to Table model) in a partnership with the Inter-American Institute for Cooperation on Agriculture (IICA) and the CHA project Culinary Alliance

The English speaking part of the Caribbean is the area most affected by trade in bananas and sugar. In trying to diversify and create new outputs through tourism and agricultural projects, the region is also seeking a new model for developing sustainable tourism. Many plans have fallen flat over the last year but most recently the natural links between food and travel have given rise to the idea of a Culinary Alliance.

Two institutions; CHA and IICA, have resources to launch a Culinary Alliance and it is considered to be a timely project in the region.
CRSTDP is working on behalf of CHA to create interest in the industry and IICA leads on the agricultural supply side. The project has detailed proposals, work is in progress and there are many project champions, within CHA in particular.

This project type is seen as a 'unifying concept requiring different mechanisms':

- Four Seasons in Nevis and Sandals in Jamaica are successfully working with local agricultural suppliers. A special conference was held on St Kitts in October 2005 to spread the word, showcase the different models of working and share experience.
- The IICA (see footnotes in Appendix II) aim is to develop a production and forecasting model for agriculture as a result of the project.
- Demand needs to be created for highly qualified chefs and local recipes – this is the CHA role. There are many cooks rather than chefs and an initiative is sought to promote a change and improve skills and creativity. Work in progress will include internships in European hotels and on cruise ships.

Suggested lead partner: Caribbean Regional Sustainable Tourism Development Programme (CRSTDP).

2. Support for local SME suppliers – linked to the recommendation above
Linked to the above is the need to support local small enterprises and family producers of natural, organic items, to bring them to the market place. Products often made from home recipes and reflecting the culture of individual islands would bring benefits to their communities. This is a possible project/initiative for the Travel Foundation to consider working with the Caribbean Herbal Business Association, which has an HQ in Trinidad and a small chapter on some islands. Some small businesses produce hand made soaps, candles, oils, and aromatherapy massage oils, using local essences and ingredients. Herbal producers make local sauces, jams, spices and chutneys such as pepper sauce and nutmeg jam. Other types of business mentioned along the way were producers of juice and coconut milk, which is currently bottled in recycled water bottles and sold on the street. The pressing need is for guidance for local producers on 'How To' get the product to market and sustain a successful small business. For example, how to devise a simple plan covering stocks, systems inventory, commercial production, quality, breakeven and cash flow, packaging, sales and marketing. There are perceived to be new opportunities for local producers as spa, health and well being tourism grows in addition to initiatives such as the Culinary Alliance.
The leader in this area is the newly formed Caribbean Association of Small and Medium Sized Enterprises, based in Barbados.
Suggested lead partners: The Caribbean Association of Small and Medium Sized Enterprises (CASME) and CRSTDP.

3. Working with the CHA and CAST to implement "sustainability" and local purchasing considerations in the planned Caribbean Hotel Purchasing System.
This new development of a region-wide e-purchasing system will be endorsed by CHA. As 60% of hotels have fewer then 75 rooms there is a good market for an e-system. This will provide the opportunity to raise awareness and stimulate increased supply and production of quality local products for local distribution. The majority of hoteliers in the region – more than 70% – purchase directly from distributors, a small number of whom dominate the import market. All existing suppliers will be invited to take part in the scheme and a pilot offering an initial basket of goods, based on the 80/20 rule, to between six and eight hotels will run in Barbados. It is suggested that the Travel Foundation might wish to be involved in supporting this development as the purchasing criteria and standards will have a significant effect on the direction of the scheme.
Suggested lead partners: CHA -CAST/ Tourism Global.

4. Seeking a partnership with Oxfam in developing further agricultural initiatives.
Programmes such as Adopt-a-Farmer are useful, but wider changes in agricultural systems – and linkages with distributors that serve the accommodation sector – will be required if poverty is to be alleviated on a broad basis. Partners such as Oxfam are essential if suitable

programmes are to be developed and the experience of the Travel Foundation in Tobago is to be replicated elsewhere.
Suggested lead partner: Oxfam.

5. Developing a series of "Buy-Local" campaigns targeted at business, tourists and residents.
A well designed T*hink Local Buy Local* scheme, supported in real terms by both industry and Government, would help to underpin this whole process of change and mean better results. A demonstration project could be developed and carefully monitored and adjusted before it is replicated. An island environment such as Grenada's may be the best place to conduct a pilot. There are clear benefits to be gained from encouraging accommodation providers and local distributors to buy local where products exist in sufficient quantity and quality, and from encouraging tourists and local people – and especially those employed in the sector – to also buy locally whenever possible. If the experience of Europe is repeated, this will stimulate local markets and reduce the level of leakage of tourist-related income.
Suggested lead partner: Government, Tourist Associations.

B. Improving the image of the industry as a career option

Salaries and related costs account for more than 20% of turnover and this is one of the most significant items of spend for an accommodation establishment. It also presents a major opportunity for local economic benefit. Most employment in the Caribbean accommodation sector is local, although for many businesses there are considerable obstacles to local recruitment. These concern perceptions of the industry as a career choice. Most employers will hire key staff straight from school and provide on-the-job training rather than recruit trained staff, which can lead to inconsistent skill levels. Many initiatives are already underway in this area, and we recommend that the Travel Foundation partners them where possible.

6. A training exchange programme between All Inclusive resorts and smaller establishments to facilitate the transfer of best practice.
The external image of the industry is in constant need of refreshing. One area of opportunity is co-operative working, particularly between non All Inclusive and smaller establishments of similar size and quality. This applies not only to supply aspects but also to marketing and quality. Many comments were received about the attitude of local people to tourism, which is often negative partly because tourism jobs are seen as demeaning rather than aspirational. This can carry over into the attitude of staff to visitors.
Suggested lead partners: Tour Operators, Tourism employers, CHA.

7. The development and implementation of appropriate education materials.
The most effective way of changing the attitude of people to the industry is through the schools. While many schools struggle for basic resources, an understanding of the tourism industry would be beneficial in the long term.
Suggested lead partner: Pilot with schools on one island.

C. Improving industry standards by exchanging best practice

Standards and practices in the Caribbean vary as in other parts of the world. Some properties in our sample achieve 90% year-round occupancies whereas other, apparently similar, properties achieve occupancies of 60% or less.
Economic success depends on a combination of factors including:

- The number of rooms available.
- Achieved room occupancies.
- Achieved room rates.
- Sales of meals and other services.
- The cost of sales.

These factors will influence occupancy and occupancy will influence the amount of money that is likely to be available to spend in the local economy. We recommend:

8. An Awards programme.
Awards provide one way of bringing recognition to the importance of the industry to the local economies through recognition of individuals and organisations that are making a genuine

contribution to the long term. In order to gain appropriate media coverage, a sponsor with a high, and appropriate, profile should be sought. Such an awards programme could also be used to promote key sustainability issues as well as industry best practice. Awards could be coupled to identification of champions such as celebrity chefs.
Suggested lead partner: CHA, tour operators.

9. Work to improve standards. A number of questionnaire participants have achieved Green Globe certification. This is seen as a good level of sustainability certification, beyond the means of some others. We recommend that that the FTO and the Travel Foundation work with Tour Operators CHA-CAST and CTO to develop and implement the Supplier Sustainability Code. Another issue is the question of marketing recognition to motivate a good standard of supplier sustainability in the specific islands.
Suggested lead partners: CAST, FTO.

D. Maintaining the Quality of the Caribbean experience

It was evident from the research that stakeholders perceive there to be some significant threats to the economic future of tourism in the islands. When considering the responsibility for managing these threats, the majority of stakeholders felt that a partnership between the tourism industry and government would be the best way to address them. Many felt that a firm connection between government and the industry was lacking within specific islands. The threats identified would be instrumental in undermining the economic viability of individual islands and the final set of recommendations follow:

10. Developing generic risk assessment guidelines, posting them on the web site and promoting them through relevant organisations.
The security of people and property is a major global issue and important to the islands in this study. Due attention to risk assessment is crucial to long-term economic sustainability. It is important to people travelling, living and working in an area but it is not easily addressed as it undoubtedly reflects underlying social problems including poverty. Appropriate guidelines may already be available and a positive step would be to give good guidance on risk assessment to businesses on tourism security.
Suggested lead partner: CAST.

11. Developing heritage, cultural and ecological experiences.
Many commentators with whom we have spoken during this project have commented on the type of tourism development that has become dominant in some parts of the Caribbean. Within the context of this report, we do not comment on the most appropriate type of tourism development. We do, however, acknowledge that there is a need to diversify the tourism product on all islands by developing cultural, heritage and ecological experiences that encourage destination loyalty, and exploration.
Suggested lead partner: the Travel Foundation through programmes similar to that in Tobago.

12. Nurturing relationships between sectors and competitors along the lines of that operated by the Travel Foundation in Tobago.
It is local communities that, directly and indirectly, give accommodation providers the “licence to operate”. Without their support there is no real chance of long-term sustainability. Many hotels have active philanthropic community programmes that could be more extensive and engage a broader range of stakeholders. The Travel Foundation has adopted an approach in Tobago and some other non-Caribbean destinations of supporting a coordinator to bring all the interested parties together to resolve common issues. This seems to work well in improving mutual understanding and stakeholder co-operation in identifying appropriate initiatives. We believe that this approach is best suited to a smaller island or possibly to an area within a larger island.
Suggested lead: the Travel Foundation.

Acknowledgements. We are grateful to all the supportive people who gave freely of their time for interviews and to comment on the report. We are particularly grateful to Afzal Abdool Alex Titcombe for their advice.

Appendix I

Tour Operators interviewed for this report

Caribworld, Head of Caribbean Product

Virgin, CSR Manager

Virgin, Small Hotels Product Manager

Just Grenada/Tobago Managing Director

British Airways Holidays, Product Manager

Trips Worldwide, Managing Director

First Choice, Contracts Manager

Elegant Resorts, Contracts Manager

Thomas Cook, Product Manager

Caribtours, Managing Director

P&O Cruises, Shore Excursions Manager

Two other operators either declined or were not available.

Appendix II

Some of the individual stakeholders interviewed for this project (and note on IICA)

Organisation	Individuals
Caribbean Tourism Organisation	Jasmin Garraway, Mercedes de Silva
Oxfam	David Bright
Caribbean Alliance for Sustainable Tourism	Deidre Shurland
Superclubs, Ass Executive Director	Jag Mehta
CRSDTP	Cecil Miller
Consultant	Auliana Poon
Consultant	Eric Adams
Travel Foundation	Chris James
Environment Tobago	Patricia Turpin
AMG (Beyond the Beaches)	Judy Gibbons
Elegant Resorts/Half Moon	Heinz Simonitsch
Tourism Department of Grenada	Jocelyn Sylvester Gray
Tourism Marketing Grenada	Naline Joseph
Tourism St Lucia	Maria Fowler
Director, Division of Tourism, Tobago	Sumant Singh
Caribbean Hotels Association & CAST	Tim Grace, Alex Titcombe, Berthia Pale, Deidre Shurland
Hilton	
Tourism Global	Hudson Husbands
EAST Project Jamaica	Hugh Cresser
Coco Resorts, St Lucia	Allen Chastenet
Coco Reef, Tobago	John Jeffreys
Division of Tourism, Transportation, Development and Settlements, Tobago	Sumant Singh
Advantage Marketing Group, Beyond the Beaches	Nadine Rankin
Minister of Tourism, Tobago	Neil Wilson
Inter-American Development Bank	Diego Belmonte
Tour Director Caribbean Horizons	Anne McIntyre-Campbell
Consultant	Afzal Abdool

We extend our thanks and appreciation to those who also contributed but are not listed.

Note on Inter-American Institute for Cooperation on Agriculture (IICA):

- IICA partners are CTO, CHA, CDE, and CTA. IICA has a hemispheric network across 34 countries. There are Regional Managers in each area plus specialists to promote; Organics, Greenhouses, Herbals and Indigenous Botanicals.
- The Dominican Republic is leading the organic movement in the region and will be certified for export to the EU this year.
- Various ongoing projects are set to strengthening linkages with the Organisation of American States (OAS).
- IICA works in 6 areas – Trade & Agriculture, Sustainable Rural Development, Agricultural Health & Safety, Innovation and Technology, Information and Communications, Education and Training.
- In the Caribbean, IICA has a Memorandum of Understanding with CHA to replicate the Adopt a Farmer in DR, St Vincent, St Lucia and Bahamas using EU funds and as a Culinary Alliance partner will be addressing; planning, timing, production volumes, training, strengthening farmers groups, creating clusters, trust and conflict resolution issues.