

Caribbean Strips: Tourism in the Caribbean

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According to the WTTC (World Travel and Tourism Council), tourism accounts for 11% of the global GDP and employs nearly 8% of its working force. The Caribbean has a modest 2.3% share of the world's tourism market, with approximately 20 million visitors per year. But when considered as a part of the regional GDP, tourism currently accounts for 52% of the local economies. It has been estimated that the overall impact is over 60%, when taking the indirect benefits of the industry into consideration. For some countries the impact of tourism in their economies is estimated at more than 90% of their GDP. Direct employment is estimated at 2,400,000 or 15.1% of the total work force in the region.

Still, with such a relevant role, tourism has not yet generated widespread benefits among local populations. This could partly be explained in the lack of linkages between tourism and other sectors of the economy and the subsequent leakages¹ that this generates. Many of the goods and services demanded by the industry are imported, leaving local enterprises and workers with limited participation or with lower and less remunerated jobs. World Bank and U.N. estimates point that only about 10% of the total amount spent by a tourist in an All-inclusive hotel stays in the destination countries while the rest is spent in payments made abroad for travel, lodging, and logistics. Out of this, 55% of the revenues *leak* back to developed countries.²

It is worth observing that many individuals, organizations, and development agencies, both local and foreign, are making efforts to influence governments and private investors in their decisions concerning the future of the tourism industry and the development of a more inclusive model of operation; however, few of the many stakeholders in the industry have real participation in the process of decision making when it comes to very big investments and the huge revenues generated.

Only a few multinational corporations have almost absolute control of the industry, especially in the All-inclusive enclaves and the cruise ship business. 50% of the world's cruise ship business takes place in the Caribbean and yet it is controlled by just two



Fig. 1: New hotel in Ubero Alto, at the far end of the Bavaro hotel strip.



Fig. 2: Residential development in Veron, Higuey, Dominican Republic, and the new boulevard built by the Dominican government in association with private investors.

¹ "Leakage is a term used to describe the percentage of the price of the holiday paid by the tourists that leaves a destination (in terms of imports or expatriate profits) or never reaches the destination in the first place due to the involvement of 'Northern' based intermediaries." Dorothea Meyer, *Caribbean tourism, local sourcing and enterprise development: Review of the literature* (Sheffield Hallam University: Centre for Tourism and Cultural Change, January 2006).

² Ibid.