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SUN, SAND, AND SUSTAINABILITY

A Way Forward for
Caribbean Tourism



Sun, Sand, and Sustainability

A Way Forward for Caribbean Tourism

Caribbean Policy Research Institute (CAPRI)
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Acronyms

BIGEE	Boosting Innovation and Growth in Entrepreneurial Ecosystems
CARICOM	Caribbean Community
CARICOM IMPACS	Caribbean Community Implementation Agency for Crime and Security
CARPHA	The Caribbean Public Health Agency
CHTA	Caribbean Hotel & Tourism Association
COFAP	Council for Finance and Planning (CARICOM)
CTO	Caribbean Tourism Organization
CSO	Central Statistics Office
GDP	Gross Domestic Product
GTCMC	Global Tourism Crisis Management Centre
HIC	High Income Countries
JBDC	Jamaica Business Development Corporation
JHTA	Jamaica Hotel & Tourist Association
MSME	Micro, Small, and Medium-sized Enterprises
OECS	Organisation of Eastern Caribbean States
PSOJ	Private Sector Organisation of Jamaica
SBDC	Small Business Development Centre
SIDS	Small Island Developing States
TLN	Tourism Linkage Network
WHO	World Health Organization

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Executive Summary



In 2019, the tourism sector contributed, directly and indirectly,

ONE THIRD
OF THE REGION'S GDP

Before March 2020, the global tourism industry was in a pre-pandemic boom with continued growth projected for the Caribbean region. Categorized as one of the largest and fastest-growing economic sectors in the world, the tourist industry is acknowledged as a powerful catalyst for socio-economic development. In 2019, the sector contributed, directly and indirectly, a third of the region's GDP. However, the COVID-19 pandemic brought the projected growth to a sudden halt due to the widespread COVID-19 containment measures resulting in the closure of borders, restricted movement, and the prioritisation of public health.

Subsequently, tourism-dependent economies faced the harsh reality that the industry is not as resilient as previously demonstrated following catastrophic disasters such as hurricanes, economic crises, or vector-borne diseases (for example, dengue). Now, more than a year since the region confirmed its first case, the COVID-19 pandemic has caused industry losses ten times larger than those experienced during the 2008-2009

global financial crisis.

During the first year of the pandemic, the year 2020, Caribbean tourism-dependent economies saw unprecedented decreases in sector indicators such as international tourist arrivals, occupancy rates, air reservations, and hotel bookings. The impact of the pandemic was far-reaching and actually transcended what is captured in the statistical indicators. Supply chains, new or existing investment opportunities, the livelihoods of players at all levels of society, and the region's overall GDP were adversely impacted. In this same vein, it has shed light on unexpected but key players in the sector and highlighted the reciprocal linkages between tourism and other industries within local economies such as agriculture, manufacturing, banking, and the informal sector. Exposing the vulnerabilities of 21st century tourism-dependent Caribbean economies, the pandemic has also stimulated timely discussions around the sustainability of existing approaches and models.

This report seeks to present the shared and varied perspectives, experiences, and

recommendations of stakeholders in the Caribbean tourism ecosystem regarding COVID-related survival, recovery, and transformation of the sector. Though the region is referenced throughout the report, the stakeholders interviewed were purposively selected primarily from St. Lucia, Barbados, and Jamaica, given the relatively high dependence on tourism in these countries. Perspectives from other regional bodies based in the other Caribbean and non-Caribbean countries were also captured.

Traditional views regarding the composition of the tourism ecosystem often fail to consider some key stakeholders. Mapping the varying players in the ecosystem, from both the formal and informal sectors, exposes the factors that perpetuate gaps in stakeholder linkages such as lack of cohesion, limited awareness of funding and development opportunities, bureaucratic procedures for accessing support, divergent perspectives on profitable business models, distrust, and power imbalance.

The convergences and divergences in priorities among stakeholders during

This report seeks to present the shared and varied perspectives, experiences, and recommendations of stakeholders in the Caribbean tourism ecosystem regarding COVID-related survival, recovery, and transformation of the sector.

the pandemic reveal a disconnect that contributes to inadequate support and unmet needs for MSMEs and those in the informal sector. These groups are key players in the regional recovery and the future resilience of Caribbean tourism.

Policy-makers' and governments' emphasis on the need for sustainability in conversations around tourism sector recovery and development is validated, but there is an urgent need for greater action in moving towards this goal. There is a surprising level of clarity about diversification strategies among sector operators (for example, diversification of the traditional tourism product to support food and energy security and community inclusion). However, limited representation in the decision-making process hinders strategic collaboration and access to support necessary for its implementation.

The acquisition and use of data is a longstanding challenge in the region. There seems to be widespread acceptance of the importance and role of efficient and transparent data collection and data sharing in regional tourism development.

There are several short-, medium-, and long-term actions needed for the recovery and sustainable development of Caribbean tourism. Strengthening collaborations and improving cohesion in the short to long term is necessary across the Caribbean tourism ecosystem to increase regional competitiveness, foster more equitable partnerships with source markets, facilitate respectable and valued engagement with MSMEs, with special attention to the informal sector, and create sustainable data collection infrastructure.

Policy-makers' and governments' emphasis on the need for sustainability in conversations around tourism sector recovery and development is validated, but there is an urgent need for greater action in moving towards this goal.

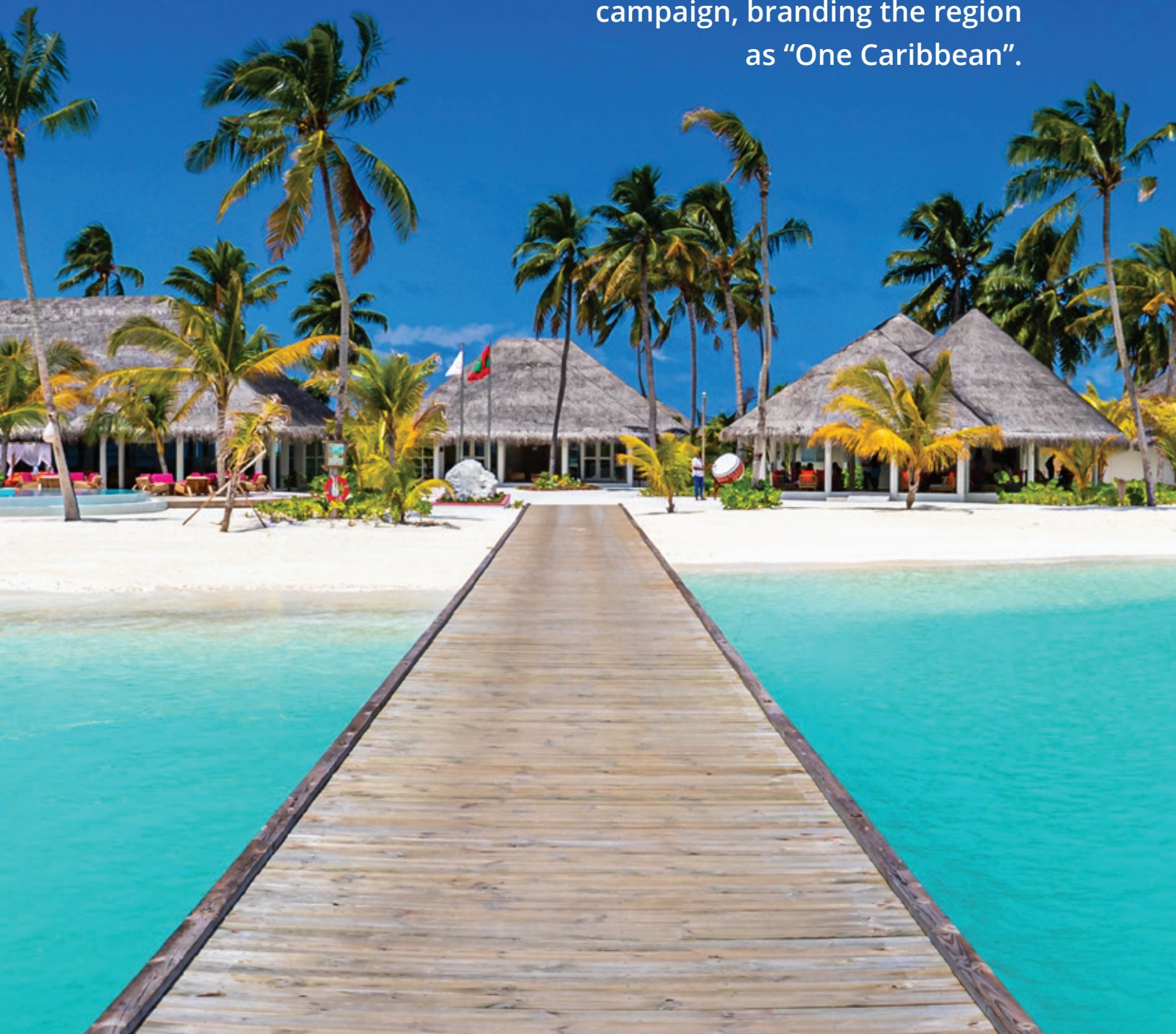
To improve competitiveness and attractiveness as a top global destination, regional agencies such as CTO and CHTA, advised by CARICOM, should engage in a regional digital marketing campaign, branding the region as "One Caribbean". Such a campaign should embrace and promote each island's unique socio-cultural attractions to diversify the tourism clientele. Distrust – identified as a barrier to sectoral cooperation and cohesion among the range of tourism players – can be mitigated by creating within- and cross-sectoral identities to help build communities through transparent information sharing and achieving common goals.

MSMEs' integral role in the regeneration and sustainability of Caribbean tourism makes it crucial to prioritise the development and sustainability of their business models while reducing the bureaucracies associated with local business procedures. Governments should pilot a pre-registration incubation period of one year for new MSMEs started by sole traders or partnerships

with less than five combined years of business experience, during which they will have lowered tiered compliance requirements and directed to local business development agencies. Such development agencies should also undertake a needs assessment targeting MSMEs to evaluate their training and capacity building needs. Agencies can enrol volunteer mentors from the larger business community to help meet the support or training needs.

Additionally, to address the need for increased efficiency and accessibility to multisectoral data, a multisectoral approach must be taken to develop a regional, standardised travel form that collects pertinent health, travel, and security data. This form can be integrated with or adopted by existing monitoring systems. Further, to achieve the common goal of sector recovery and resilience, the report underscores the need for government fiscal and legislative action, informed by the voices of the various Caribbean tourism stakeholders.

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Introduction



The average direct contribution of the
**TOURISM
SECTOR**
accounted for

14%
of GDP

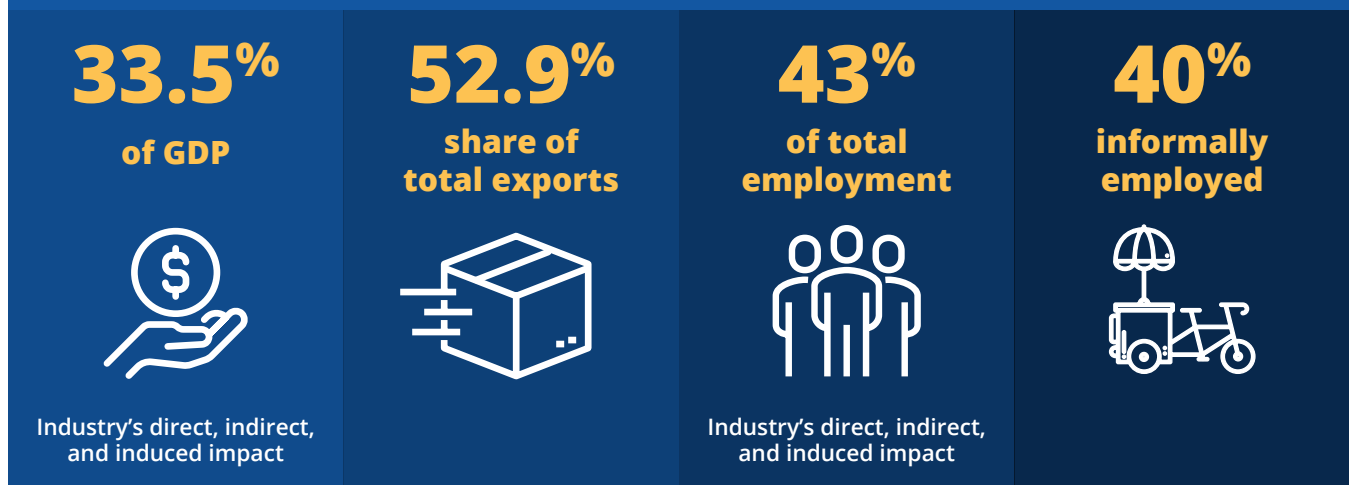
Prior to March 2020, the global tourism industry was in a pre-pandemic boom, and continued growth was projected for the Caribbean region. Categorised as one of the largest and fastest-growing economic sectors in the world, the industry is seen as a powerful catalyst for socioeconomic

development.¹ In 2019, the average direct contribution of the tourism sector accounted for 14 percent of gross domestic product (GDP) across the Caribbean region, with an additional 20 percent accounting for indirect contributions, resulting in total GDP contributions of 34 percent.² Several Caribbean nations,

such as Jamaica, announced specific plans for continued growth in 2020.³ However, the COVID-19 pandemic brought those plans to a sudden halt due to the widespread closure of borders and the prioritisation of public health.

Subsequently, tourism-dependent

FIGURE 1: Why Caribbean Tourism Matters



1 "International Tourism Growth Continues to Outpace the Economy," UNWTO, January 20, 2020, www.unwto.org/international-tourism-growth-continues-to-outpace-the-economy.

2 ILO, "Tourism Sector in the English- and Dutch- Speaking Caribbean," 2020, www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-port_of_spain/documents/publication/wcms_753077.pdf.

3 Edmund Bartlett, Minister of Tourism, Jamaica, "Jamaica is Proving to be the Caribbean's Rising Star," European CEO, March 9, 2020, www.europeanceo.com/industry-outlook/jamaica-is-the-caribbeans-rising-star.

During 2020 tourism-dependent economies of the Caribbean saw unprecedented decreases in sector indicators such as international tourist arrivals, occupancy rates, air reservations, and hotel bookings (a decline of up to 100 percent in some countries).

economies have had to accept that the industry is not as resilient as it previously demonstrated following catastrophic disasters such as hurricanes, economic crises, or vector-borne diseases (e.g., dengue). Now, more than a year since the region confirmed its first case, the COVID-19 pandemic has caused industry losses ten times larger than those experienced during the 2008-2009 global financial crisis, with projections for continued economic uncertainty in the region.⁴

During 2020, tourism-dependent economies of the Caribbean saw unprecedented decreases in sector indicators such as international tourist arrivals, occupancy rates, air reservations, and hotel bookings (a decline of up to 100 percent in some countries).⁵ Beyond declines in sector indicators, the pandemic has affected supply chains, new or existing investment opportunities, the livelihoods of players at all levels of society, and the region's overall GDP.⁶ In this same vein it has shed light on unexpected but key players in the sector and has highlighted the reciprocal linkages between tourism and exposed its far-reaching impact on other industries, specifically on agriculture, manufacturing, banking, and the informal sector – essentially the business sector.⁷ The pandemic has undoubtedly exposed the vulnerabilities of 21st-century tourism-dependent Caribbean economies. It has also stimulated timely discussions around the sustainability of existing approaches and models.

This report compares and contrasts the perspectives of different stakeholders

in the Caribbean tourism ecosystem with respect to COVID-related survival, recovery, and transformation of the sector. To provide an in-depth analysis of stakeholder perspectives, the report focuses on Jamaica, Barbados, and St Lucia, while making references to other similar Caribbean nations. These countries were selected based on their high dependence on tourism as reflected by tourism's contribution to total GDP (ranging from 34 to 48 percent), and to the labour force (ranging from 34 to 50 percent).⁸ The report's objectives are:

- To map the different stakeholders in the Caribbean tourism ecosystem, highlighting their linkages and gaps in linkages;
- To document the experiences across various stakeholders during the pandemic;
- To document stakeholder priorities and strategies, highlighting similarities and differences;
- To map stakeholder vision and draw concrete recommendations for a robust sector in the context and aftermath of the pandemic;
- To feature best practice in the region that can buffer the impact of future pandemics.

The report draws from predominantly qualitative sources and uses a triangulation research strategy to capture the diverse and nuanced perspectives on the impact of COVID-19 on Caribbean tourism and the industry's subsequent regeneration and sustainability. This report is not intended to duplicate the myriad quantitative data collection

efforts and publications by entities such as the Inter-American Development Bank, regional government ministries, civil society organizations (CSOs), the Caribbean Hotel and Tourist Association (CHTA), Caribbean Tourism Organization (CTO), Global Tourism Resilience & Crisis Management Centre, and others.

Qualitative data sources included a desk review and in-depth semi-structured key informant (hereinafter “stakeholder”) interviews. In order to fully grasp how the existing socioeconomic and industry contexts have been and will likely be impacted by the COVID-19 pandemic, a desk review of relevant published academic, epidemiological, industry, and development agency reports was conducted. Theoretical literature on global shifts in approaches to tourism industry systems was also reviewed.

A total of 39 stakeholders, primarily from Jamaica, Barbados, and St. Lucia, as well as representatives from other regional bodies based in other Caribbean and non-Caribbean countries were interviewed virtually (six small group interviews and 21 individual interviews). Purposive and snowball sampling techniques were used for recruitment. Interviewees included persons representing governmental organisations, development agencies, and tourism associations (country-specific and regional); within academia; and who operate micro, small, and medium-sized enterprises (MSMEs) or large enterprises (both formal and informal). Thematic and Framework Analysis approaches were used to analyse and interpret the interview data.⁹

4 IDB, “Macroeconomic Report: Fiscal Institutional Reform Key to Post-Pandemic Recovery,” March 20, 2021, www.iadb.org/en/news/idb-macroeconomic-report-fiscal-institutional-reforms-key-post-pandemic-recovery.

5 Tourism Indicators Across the Caribbean, 2020, Appendix Figure 1.

6 World Travel and Tourism Council, “The Caribbean: The Impact of Travel and Tourism on Jobs and the Economy,” 2004, www.caribbeanhotelandtourism.com/downloads/Pubs_WTTCReport.pdf.

7 “Edmund Bartlett - Promoting a More Resilient Post-COVID Tourism Industry Commentary,” Gleaner, April 18, 2021, <https://jamaica-gleaner.com/article/commentary/20210418/edmund-bartlett-promoting-more-resilient-post-covid-tourism-industry>.

8 ILO, “Tourism Sector.”

9 Ritchie and Spencer, 1994





1

Mapping Caribbean Tourism Players: More Than Just Hotels



The informal sector
constitutes

40%

**of total
employment**

in

CARIBBEAN TOURISM

This chapter may be of special interest to regional entities, policy makers, financing entities, and investors. It outlines the complexity of tourism ecosystems, varying priorities and stakeholder connections, and related challenges.

1.1 Who are the players?

Policymakers shared that the COVID-19 pandemic has reminded sector leaders of the complex nature of the sector's contribution to the wider economy. This sentiment rings true as the domino effect of tourism losses on other sectors was felt throughout the region. Figure 2 features a range of these key players within the Caribbean tourism ecosystem, which also includes sources of funding and investment, the transportation and manufacturing industries, and food and beverage establishments. Policymakers acknowledged that for many persons tourism is their “bread and butter”, including those not typically licensed by the local tourism board, such as craft vendors, wedding planners, and

agricultural workers, some of whom service the sector with up to 90 percent of their crops. This depicts the diversity within the industry and demonstrates that a significant proportion of small businesses and service providers who fall within the informal sector rely heavily on tourism.

While cohesion within the tourism sector has often been touted as important, the varying roles of players in the industry, particularly those in the informal sector, have often gone unrecognized. For example, individuals who rent a room in their homes to tourists using the popular home share platform, AirBnB, though important stakeholders, are not traditionally or formally integrated into the sector and do not have a voice in national or regional chapters of hotel and tourism associations.

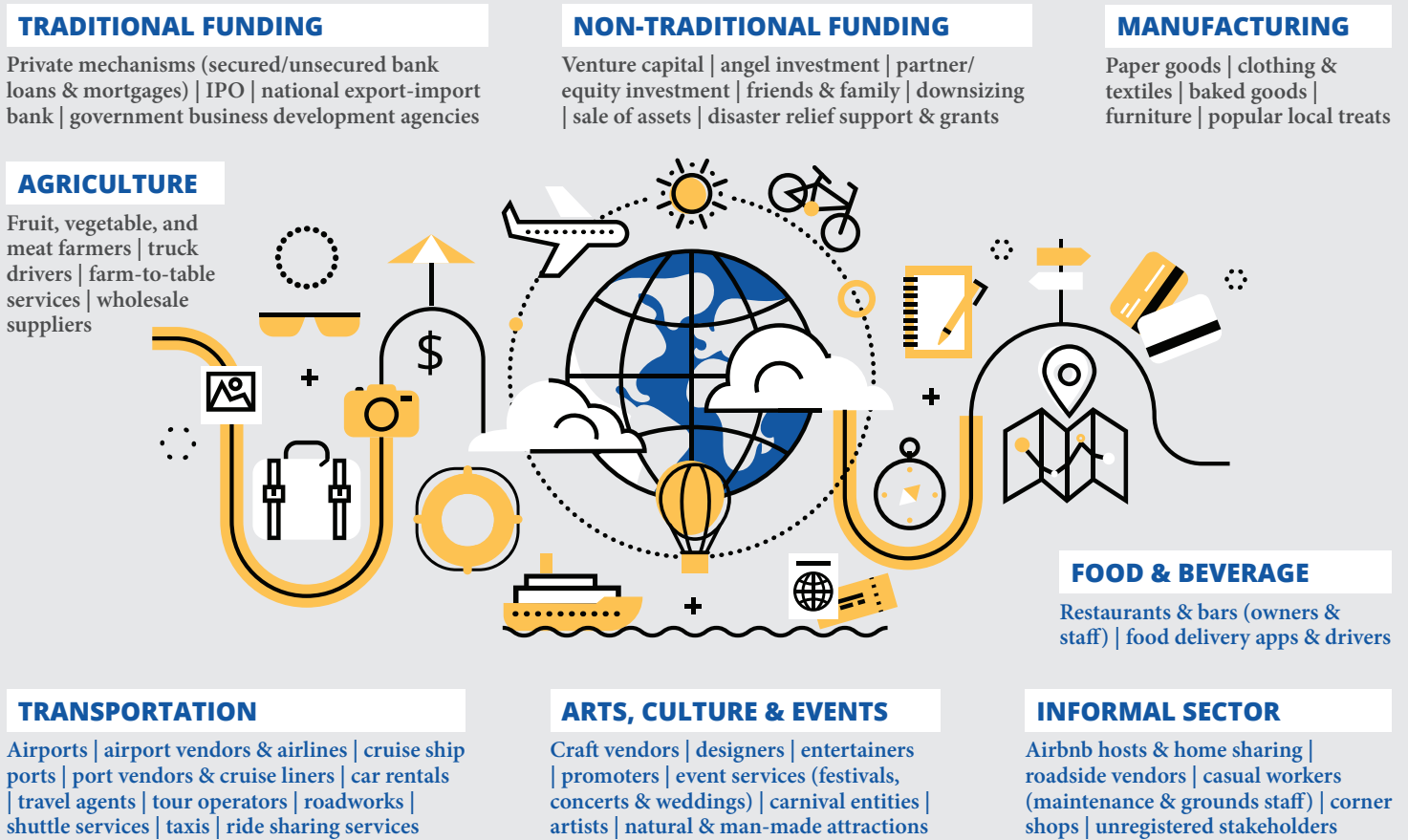
The following subsection aims to illustrate some connections between various players within the industry.

1.2 How are these people connected?

Multiple stakeholders, within and linked to the tourism sector, influence and affect tourism development at the regional, governmental, and local levels. These linkages and relationships manifest hierarchically, with regional authorities (e.g. CTO, CARPHA, Organization of Eastern Caribbean States [OECS], Global Tourism Crisis Management Centre [GTCMC], and CHTA) providing best practice guidelines, informed by international standards, to national tourism associations and ministries who may or may not then adapt and tailor these guidelines to fit their specific contexts. Implementation of guidelines directly impacts those business operators and local communities within the tourism sector whose voices are absent from the decision-making process. There was acknowledgment among the seven regional bodies who participated in the study that their decision-making process takes a “top-down” approach, neglecting to liaise with the persons “on the ground”.

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FIGURE 2: Stakeholders in Caribbean Tourism



Stakeholders pointed to the fact that larger entities, despite being fewer in number, represent greater market power and representation in country-specific tourism associations. As a result, when regional bodies do liaise with sector operators, MSMEs have less of a presence and influence in these conversations. Informal MSMEs are often further excluded without representation of their interests, though asked to comply with guidelines and strategies that they may be unable to implement. Interviews with tourism-related business operators, both formal and informal, and regional organizations such as CHTA, who referenced their quarterly “Impact of COVID” survey data, emphasized the challenges faced by many businesses in meeting stipulated health protocols in

Businesses have indicated that their operational costs have now increased, because of all of the requirements of the whole safety, you know, the mask, the testing, those that decide to provide testing signage and things like that, which are things that are needed.

– Regional Sector Association

the absence of financial and non-fiscal support.

The financiers and development

agencies, though aware of the top-down approach to decision-making, including COVID-related strategies, often fail to adequately engage with business operators who should be benefiting from their support. Business operators are, therefore, left either clamouring for support or perceiving these supports as undesirable or inaccessible. The linkage between sector operators and funding and development agencies is evident, but the degree to which these agencies are involved in conversations at the regional and governmental levels is unclear. While traditional funding agencies, such as banks, set interest rates based on the economic climate and government regulations, funding agencies aim to provide alternative forms of financial support through mechanisms such as

angel investments and venture capital. Regardless of the support mechanism, tourism operators ultimately require formalization to benefit, thus neglecting a significant portion of the tourism ecosystem, the informal sector.

Findings from the current study reveal that the informal sector operators form their own associations, due to their lack of representation from the formal tourism association, to create a support network and facilitate knowledge exchange. For example, Jamaican AirBnB operators, whose businesses have seen continued success during the pandemic, revealed that their WhatsApp group has served as their de facto association for sharing global and governmental responses to COVID and business strategies employed to stay afloat during the pandemic.

There is a clear need for stronger representation of informal players in the tourism sector, as the informal sector constitutes 40 percent of total employment in Caribbean tourism. The informal sector, which is instrumental to the survival of tourism, would benefit most from fortified connections with other players that facilitate their participation in decision-making processes.¹⁰

Unless you are prepared to become more formalized, it's very difficult to take cases forward and help businesses grow, because it's a government-sponsored agency.

– Funding and development agency, Jamaica

We did have a home sharing association... and I think the tourism enhancement fund to help to organize and promote that group. So we were able to provide support for each other... let's call it a cluster or an association through that WhatsApp group. And from there, we were able to get reports of how these new long-term (rental) arrangements are working out for each of the members.

– AirBnB Operator, Jamaica



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Spotlight: Tourism Linkage Network

Multi-sectoral linkages are evident across the tourism landscape. Funded by the Tourism Enhancement Fund (TEF), Jamaica's Tourism Linkage Network (TLN) was created in 2013 in response to then-recent acknowledgement of the importance of linkages between the tourism sector, agriculture, manufacturing, and entertainment. The main objectives of TLN are to increase the consumption of locally sourced goods and services and facilitate job creation while generating and retaining Jamaica's foreign exchange earning potential. Technical working groups (TWGs) from the manufacturing and agricultural industries provide other forms of support and address challenges that may arise. TLN also aids in the coordination, implementation, and monitoring of sustainable multi-sectoral linkage strategies via working groups composed of public and private sector representatives.

This provides an example of best practice in multi-sectoral linkages that can be replicated on a regional level to strengthen local systems and supply chains, thus increasing sustainability and growth of the sector.

¹⁰ ILO, "Tourism Sector."

Conversely, some linkages have improved during the pandemic, for example between regional and local tourist-related organisations. Stronger linkages have also developed between public health agencies and the travel industry (both domestic and international), as well as hotels and other tourism entities. Partnerships between media and the tourism sector have also improved, as operators leaned more on promotions targeting local guests and patrons. For the informal sector, similar alliances have been seen with the media. In Trinidad and Tobago, for example, a local radio segment offered to share, free of charge, contact information and pictures of listeners' favourite street food vendors to "spread love through food" during the pandemic.

In Jamaica moving from the informal to the formal is a bureaucratic process itself. And because of that process, it leaves so many people behind as well... if it was just a little easier and had some capacity [understanding] about you know, the taxman is not going to take all your money. This is not why we want you to become formal, it's for your own benefit, that would help you as well. Yeah, this, I've seen a lot more issues and sort of people struggling now than I did sort of before.

– MSME operator, Jamaica

We had the EXIM bank grant; \$1.2 billion. And not all of it was taken up, because it was just small properties; some of them don't have their finances in order. Some of them, you know, couldn't care less about doing it because it was so time-consuming. I've known people for days working on this thing to get all the figures together. I mean, the older people owning hotels, not going to be doing that. You know, so as a result, they are still suffering.

– Local Sector Association

1.3 Challenges to Stakeholder Linkages

Stakeholders have recognized that there are potential mutual benefits from collaboration. However, there has been a narrow view of who the sector players are, which hinders partnership-building through exclusion of some key players, and a disconnect in sector leader communication channels. Additionally, stakeholders identified several factors as impacting the strength of connections and the achievement of maximum benefit for all players. These factors include limited awareness of funding and development opportunities, bureaucratic procedures for accessing support, divergent perspectives on profitable business models, and distrust.

Limited awareness of funding and development opportunities

Local and regional funding and development agencies have highlighted several services and opportunities offered to tourism business operators, while several of the business operators who participated in the study reported limited awareness of such opportunities. In Jamaica, for example, MSME business operators interviewed had not heard of the capacity building and fiscal support initiatives promoted by the local funding and development agencies. This signals gaps in information sharing and stakeholder engagement.

Development and regional agencies tend to rely on digital platforms to promote opportunities, depicting a model that

Because we have very old, archaic ways of working in the Caribbean, in books, on paper, and we don't have sort of the legal framework, like even something like a digital signature in Jamaica is still not a thing. They need legislation to pass to make a digital signature a legal thing. So at some point, we still going to have to literally sign a document, right? And in COVID, why do you want to clutter up government offices with people filling out forms and signing their signature so they can get something done? So this is the time to really ramp up those services to go to digitalization.

– Regional Funding and Development Agency

assumes persons are aware of (i) the agencies that exist and (ii) where to locate them on the worldwide web. Increased awareness and uptake of opportunities may be achieved by diversifying promotional platforms to include more traditional media and grass-roots strategies.

Due to limited awareness of credible funding sources, many MSMEs are vulnerable to “money lenders with dubious backgrounds” in the microfinance sector.¹¹ In an effort to regulate and monitor the lending market for MSMEs, Jamaica recently passed the Micro Credit Act (2021) to ensure proper standards of practice. The Act aims to “discourage microcredit institutions from

lending money at excessive interest rates that are not justified by the risk; outlaw predatory lending practices, threats, and intimidation; promote greater transparency and disclosure of pricing and terms of products; and reduce the risk of the industry being used to facilitate money laundering.”¹² However, some stakeholders argue that while the Act would benefit larger financial institutions such as banks, it limits the availability of short-term lending options typically sought by many MSMEs.

Bureaucratic procedures for accessing support

In tandem with limited awareness of opportunities, local and regional funding and development agencies have shared concerns related to minimal uptake by MSMEs of available services and supports. While the participating agencies attributed minimal uptake of support mechanisms to a lack of formalization and overall interest or effort on the parts of business operators, business operators have lamented about challenges related to the bureaucratic nature of becoming compliant,¹³ along with applying for fiscal and non-fiscal support, which has become more burdensome since the COVID-19 pandemic.

As representatives from a regional

There's a distrust for registering because all they see is the tax, the tax net, and not the incentives associated with being a formalized business in the tourism sector. There's got to be some incentive and easy as possible for people to start to register, become more formalized, get some support.

– Funding and Development Agency, Jamaica

Agro-tourism or agro-forestry is not yet seen as a model of business development. Even when you go to like the development funding for projects like this, it is not yet seen as a mode of investment, a mode of development.

– Hotelier, Barbados

I could not convince my commercial bank to lend me money to develop the agricultural project. That was the disconnect. They told me nah. If you wanna build more apartments they would lend me money, but they couldn't see how to value the agricultural project, to monetize it or to lend money.

– Hotelier, Barbados

funding and development agency shared during their interview, the Caribbean has lagged a bit in the use of digital technology and legislation is still needed in some territories to allow for electronic completion of business registrations and other legal documentation. This could reduce bureaucracy for those trying to access business support and services, and significantly reduce traffic in and out of government offices.

However, application and approval requirements make these mechanisms more accessible to larger, formal entities, although many of these mechanisms are intended to target smaller businesses. This inequity may be further perpetuated by a move toward digitalised procedures for conducting business. Further, many informal businesses are hesitant to become formalized due to apprehension around taxation, as well as limited capacity for putting the necessary systems

11 Funding and Development Agency, Jamaica.

12 Gillian Hyde, “Micro Credit Act to Strengthen the Microfinance Sector,” *Observer*, February 28, 2021, www.jamaicaobserver.com/sunday-finance/micro-credit-act-to-strengthen-the-microfinance-sector_215809.

13 CAPRI, “Improving Tax Compliance in Jamaica,” Kingston, Jamaica: Caribbean Policy Research Institute, 2016, 1–40.

Personally [I] never got interested in working with tour operators, I've always found that type of relation a bit too extractive and exploitative, where tour operators taking 30 percent of your revenue before that, you know, a cent comes to Barbados, or even the guest gets here, I've always been opposed to that kind of business model. I just disliked the idea of giving away one third of my money to someone that... honestly, I have a problem with that.

– Hotelier, Barbados

in place. Informal tourism operators, therefore, are often unable to benefit from funding and support mechanisms, due to inadvertently biased models that advantage larger, formalized enterprises endowed with greater market power and resources. Business operators from Jamaica and Barbados emphasized the importance of increasing buy-in among informal business owners or operators by providing real life examples of how the process can work well for them.

The same challenges that some of the destinations have, we also have, for example, with the Spanish chains, it's very difficult to get them engaged at a [name of entity] level... because they think that they can work within their own internal processes and regulations, and it's kind of like this, this special group.

– Regional Sector Association

Hurdles to Multi-sectoral Collaboration: Distrust and Divergent Perspectives

Despite increased calls for multi-sectoral collaboration to facilitate sustainability during and after COVID-19, there are intra-regional disparities in the value attached to such approaches. Though government entities seem to have embraced multi-sectoral linkages, there has not been general acceptance among stakeholder groups such as financiers. Lenders and business operators have different perspectives on the viability and profitability of varying tourism products, which further increases gaps in stakeholder linkages. In Barbados, for example, opportunities for financing multi-sectoral businesses such as agro-tourism prove challenging due to the failure of commercial banks and funding

But they [foreign-owned large entities] do have their own... they have the ear of [policymakers]... and as a group, because they are such a powerful group.

– Operator, Jamaica

the gap between some stakeholders and mars the potential benefit of partnership is distrust, for example, between MSME operators and regional and local authorities. This distrust is often associated with formalisation requirements and lack of transparency regarding how the sector is set up to inadvertently favour larger and in some cases, foreign-owned entities.

Consistent with data from CHTA,¹⁴ there is a strained relationship between tour and travel agencies (both local and foreign-owned) and the accommodation sector, influenced by inherent inequity in partnerships that disadvantage small to medium accommodation operators. Specifically, many have cited the ways in which the large monetary cut received by tour and travel agencies can affect operators' management of sales and entity reputation. For example, some tour and travel agencies failed to provide refunds to travellers, despite widespread cancellations during the pandemic.

Additionally, there is a lack of engagement between the Spanish-owned hotel chains and other local and regional stakeholders, which has proven to be a significant barrier in sector linkages and cooperation. This barrier exists despite several engagement attempts by regional bodies. Distrust within the sector persists, as local operators perceive unfair leeway given to Spanish-owned hotels, which, they claim, are allowed

agencies to see its value.

An additional factor that further widens

to operate outside of sector regulations and systems.¹⁵ This power dynamic may also hinder movement towards equitable tourism sector gains.

The pandemic has exposed longstanding gaps in cohesion amongst the range of entities that exist within the tourism ecosystem. Barriers to cooperation

within the sector are fuelled by relationship dynamics characterized by high-level decision makers being more likely to favour the needs of foreign, larger, or formalized entities. As a result, informal MSMEs, who constitute most of the tourism sector, are not trusting of partnerships with other players in the tourism ecosystem, especially given their

inadequate representation and access to resources tailored to their needs. While improvement of these relationships has been touted as the key to strengthening the sector, understanding the needs of the various stakeholders will be paramount in ensuring that equitable collaboration is feasible.

15 Copeland Stupart and Robert Shipley, "Jamaica's Tourism: Sun, Sea and Sand to Cultural Heritage," *Journal of Tourism Insights* 3, no. 1 (2013), <https://doi.org/10.9707/2328-0824.1028>; "Beyond Greening: Reflections on Tourism in the Rio-Process," ed. Christina Kamp, *Profil*, 2012, www.tourism-watch.de/system/files/migrated/profil_13_beyond_greening_rio20.pdf; The Caribbean: Aesthetics, World-Ecology, Politics, eds. Chris Campbell and Michael Niblett, (Liverpool: Liverpool University Press, 2016), 170; Alecia Smith-Edwards, "Mexican Hotel Chain Announces US\$900 Million Investment," Jamaica Information Service, October 14, 2015, <https://jis.gov.jm/mexican-hotel-chain-announces-us900-million-investment/>; Densil A. Williams and Derrick Deslandes, "Motivation for Service Sector Foreign Direct Investments in Emerging Economies: Insights from the Tourism Industry in Jamaica," *The Commonwealth Journal of International Affairs* 97, no. 396 (May 2008): 419-437; Shenika McFarlane-Morris, "But We Are Here First: Mass Tourism Development and Contestation Over Space in Coastal Jamaica," 2019, www.researchgate.net/publication/333293336_But_we_were_here_first_Mass_tourism_development_and_contestation_over_space_in_Coastal_Jamaica.



2

Stakeholder Priorities



Operators interviewed described the **jolting cancellations, loss of income,** and **sudden, severe changes** in the sector's landscape.

This chapter may be of special interest to sector associations, funding and development agencies, and anyone interested in the Caribbean MSME landscape. It describes operators' experiences during the pandemic and maps key priorities across stakeholder groups, zeroing in on priorities and needs of MSMEs.

2.1 Cancellation After Cancellation: Stakeholder experiences during COVID-19

The pandemic has undoubtedly impacted all stakeholders, though in different ways and to varying degrees. Governments across the region have faced pressures to quickly develop strategies and initiatives to navigate this crisis and mitigate its negative impact. Operators in Jamaica and Barbados commented on the range of government initiatives taken to support entities and sector workers during this period. They noted that the whole-economy scope of the pandemic's far-reaching

So practically, five months we remained closed, and we were able to... with the assistance of the government... I must say they were very quick and very proactive in helping us to retain our staff.

– Operator, Jamaica

We've been haemorrhaging money for the last 12 months, every month, it's been horrendous. We have had to refund millions of dollars of deposits from people who cancel their holidays.

– Operator, Jamaica

effects has required urgent, multifaceted governmental responses to several sectors and stakeholders, in what might be considered an impossible task for some Caribbean governments. As a result, the assistance provided to the sector, while appreciated, has not always been adequate for meeting the grave needs of business operators.

Operators interviewed described the jolting cancellations, loss of income, and sudden, severe changes in the sector's landscape. The prolonged uncertainty has affected their ability to stay afloat

financially, as well as to plan and strategize next steps. They were faced with difficult decisions, whether related to business survival (e.g. staff cuts) or prioritising personal health and safety at the expense of businesses remaining operational.

While some larger entities and formalized MSMEs were able to access financial support or loan moratoriums, the smaller and informal entities which were generally already characterized by resource constraints, were less likely to procure adequate financial resources to avoid closure. Further, sector workers,

While some larger entities and formalized MSMEs were able to access financial support or loan moratoriums, the smaller and informal entities which were generally already characterized by resource constraints, were less likely to procure adequate financial resources to avoid closure.

both formal and informal, have experienced markedly reduced income and, in some cases, loss of employment or earnings altogether. Informal workers, particularly those who independently operate micro and small tourism-related businesses, have also been affected by the curfew ordinances in many countries across the region.

2.2 Major priorities across stakeholder groups during the pandemic

Amidst this crisis, dialogue around survival and recovery dominated many stakeholder conversations. The diverse stakeholders interviewed shared their thinking about immediate and future strategies for the sector.

Though not an exhaustive list, Table 2.1 maps the major areas of focus identified by stakeholders interviewed, which includes sector survival and recovery, health prioritization, and improved security, cooperation, and cohesion in the local and regional sector, strengthening safety nets for sector workers, increased marketing and promotion, environmental sustainability, community engagement, improved data collection and sharing, and MSME sector growth.

TABLE 1: Mapping main priorities across stakeholders during the pandemic

Business Operators	Government agencies	Funding/Development Agencies (Country & Regional)	Associations (Country & Regional)	Academia
Health prioritisation				
Day-to-day business survival	Reopening of cruise industry as a recovery strategy	Negotiations with cruise industry	Multisectoral-approach to recovery	
Flexible formalisation procedures	Efficient data collection, monitoring system and transparent data-sharing			
Representation within the sector	Cooperation and cohesion at the regional and national level			
Flexible lending opportunities	Strengthening safety nets for sector workers			
Environmental sustainability		Environmental sustainability		
Recognize, support and promote community ownership of tourism			Inclusion of indigenous and home-grown concept in Caribbean tourism	
Reduction in operational costs (e.g. utilities)		MSMEs sector growth and financial support		
Business marketing		Promotion of "One Caribbean" brand		
Mentorship				
Security				

Health and Security

Matters of health and security were considered critical across stakeholder groups. Health prioritisation is not surprising given the ongoing pandemic; however, it has highlighted previous gaps in linkages between the public health and tourism sectors and the ways in which these gaps have impacted disaster readiness. Many interviewees emphasized the importance of a local and regional focus on health and safety in promoting the Caribbean as a safe place for visitors. Going forward, the need for integration of these two sectors will continue to be important for tourism development, including opportunities for medical tourism.¹⁶ While the issue of physical safety and security has been a longstanding regional concern, associations and development agencies agree that to ensure the survival of the tourism industry in those countries with higher crime rates, there is also an increased need to address country-level security issues.

The pandemic has increased the need for health to be at the forefront of tourism, thus creating more convergent priorities between these sectors. Through their longstanding initiatives and partnerships with country-specific and regional tourism organisations and IDB, CARPHA aims to help to improve the Caribbean's competitive advantage over other regions while building confidence in the region's ability to ensure visitor safety. These existing initiatives and partnerships pave the way for future collaborations between the health and tourism sector as the region considers not only recovery, but also sector development given the heightened sensitivity amongst travellers



Spotlight: Health Prioritisation in Tourism

Regional organisations such as CARPHA in collaboration with CTO, CHTA, and country-specific agencies such as Jamaica Business Development Corporation (JBDC) and the Development Bank of Jamaica (DBJ) Jamaica, should be lauded for their consistent presence and action during COVID-19.

CARPHA's COVID Task Force spearheaded the Caribbean Tourism and Health Programme (THP), funded by the Inter-American Development Bank (IDB). This programme aims to address health, safety, and environmental sanitation (HSE) threats to Caribbean tourism by providing regional guidelines for managing guests with illnesses and improving the capacity of countries to respond.

The implementation of health monitoring systems such as the Tourism and Health Information Systems (THIS) and the Caribbean health traveller's app are examples of this capacity building. Additionally, training in COVID-19 health guidance and food and environmental sanitation is provided for sector operators and workers.

¹⁶ James Whittaker, "Medical Tourism Still a Long-term Option for Cayman," *Cayman Compass*, October 1, 2020, www.caymancompass.com/2020/10/01/medical-tourism-still-a-long-term-option-for-cayman/; "New Medical Tourism Project will Drive Over \$4b in Economic Value," *Loop News*, December 22, 2020, <https://cayman.loopnews.com/content/new-medical-tourism-project-will-drive-over-4b-economic-value>; Research Drive, "Global Medical Tourism Market Expected to Generate a Revenue of \$142.2 Billion at a CAGR of 11.7% during the Forecast Period, 2019-2026 - Exclusive Report," *Intrado Global News Wire*, June 8, 2021, www.globenewswire.com/news-release/2021/06/08/2243653/0/en/Global-Medical-Tourism-Market-Expected-to-Generate-a-Revenue-of-142-2-Billion-at-a-CAGR-of-11-7-during-the-Forecast-Period-2019-2026-Exclusive-Report-150-Pages-By-Research-Dive.html; "Telemedicine: Shifting Paradigms in Healthcare Post-COVID-19," *Medical Tourism Magazine*, n.d., www.magazine.medicaltourism.com/article/telemedicine-shifting-healthcare-paradigms-post-covid-19.

to health and safety.

Cooperation and Cohesion

There are several instances in history that have highlighted the benefits of Caribbean cooperation. Most recently, we have seen how CARICOM mobilised to support St. Vincent and the Grenadines in response to the eruption of the La Soufriere Volcano.¹⁷ Barbados led the mobilisation of rescue vessels by engaging cruise liners in the region to help evacuate citizens.¹⁸ Regional responses to the COVID-19 pandemic have demonstrated efforts to cooperate in rebuilding the tourism sector, which has been commended by regional health and tourism organisations (e.g. CARPHA, CHTA, and CTO). Nonetheless, there was a general recognition among regional sector association and development agency representatives that improved cooperation and cohesion is needed to strengthen the tourism industry in the Caribbean.

Though business operators did not necessarily emphasize regional cooperation, they expressed a need for within-sector cohesion, facilitated by increased representation at the sectoral

If we allow the hospitals to overrun (become overcrowded), then guests won't come, because safety, security, health is... these are major reasons why people travel.

– Local Sector Association, Jamaica

Without addressing the security issue in Jamaica, people aren't going to come in large numbers and move outside of gated communities where they can be in an AirBnB or a secure hotel or, you know, an all-inclusive.

– AirBnB operator, Jamaica

(especially for MSMEs and informal tourism workers) and national levels. All stakeholder groups interviewed endorsed the need for increased marketing and promotion, both for tourism entities and a shift towards promotion as a region.

Environmental Sustainability and Community Engagement

Though the governments did not highlight environmental sustainability as a priority, other stakeholder groups emphasized its importance in developing the tourism product. The business operators, sector associations, and academics expressed a need to simultaneously focus on increasing community ownership of the

tourism product and to make better use of home-grown or indigenous assets and products in the tourism industry. In contrast, government agencies prioritised reopening of the foreign-owned cruise industry as key to recovery. Regional sector associations and funding and developmental agencies stressed the need for Caribbean governments to leverage regional power in negotiations with cruise operators during the sector dip. More equitable dynamics in partnerships with foreign-owned entities could improve regional positioning to receive more mutually beneficial, regional foreign investment.

We have not seen this level of collaboration ever... with COVID thankfully, you know, we've been able to work very closely with public and private sector together. And definitely, we've seen the results of it.


– Regional Sector Association

There has not been a time better than now where we have the ability... when in discussions with the cruise industry trying to, not request, but to implore that, there is more collaboration with the cruise industry and the local sector... we have the ability of saying, you know, these are some of the regulations or the procedures that we would like for you to consider as you come in, right. Because they need us now more than ever, right? Usually, it's the other way around.

– Regional Sector Association

17 CARICOM Caribbean Community, "Statement on Volcano Activity in St. Vincent and the Grenadines by Chair of the Caribbean Community (CARICOM) Dr. the Honourable Keith Rowley Prime Minister of Trinidad and Tobago," April 8, 2021, <https://caricom.org/statement-on-volcano-activity-in-st-vincent-and-the-grenadines-by-chair-of-the-caribbean-community-caricom-dr-the-honourable-keith-rowley-prime-minister-of-trinidad-and-tobago>.

18 Emrys Thakkar, "Cruise Lines Work Together to Help Evacuate St. Vincent Residents," Cruise Hive, April 10, 2021, www.cruisehive.com/cruise-lines-work-together-to-help-evacuate-st-vincent-residents/49507.



Though the governments did not highlight environmental sustainability as a priority, other stakeholder groups emphasized its importance in developing the tourism product.

Improved data collection and sharing

Most stakeholder groups identified efficient data collection as critical to recovery, which would involve implementing and improving monitoring systems and encouraging transparent data sharing at all levels. Of note, business operators were apprehensive about data transparency and had concerns about their capacity to meet data sharing requirements. This reiterates their expressed need for more flexible formalisation and lending procedures.

Some shared priorities may initially appear to be divergent as stakeholders focus on different components. MSMEs' priorities tended to have more of a short-term focus on immediate needs for business survival (e.g. reducing

operating costs), while other stakeholder group priorities seemed to have more of a medium to long-term time frame (e.g. sector recovery and sustainability).

MSME sector growth

While policymakers tried to keep economies and communities afloat, national and regional funding and development agencies described their efforts to increase their practical services to the sector and to collate data to help determine the best way forward. Some of these funding agencies, along with national sector associations, spoke to the value of this "sector pause" in allowing persons to spend more time with family, reflect on organisational goals, and focus on capacity building of staff.

While this may have been the experience

of persons in managerial roles at large entities for example, operators of medium and small entities shared that their experiences during the pandemic were heavily impacted by an atmosphere of uncertainty, which stymied decision-making and planning. This is a sobering realisation of the sector's vulnerability to forces outside of its control and a need to focus on survival rather than activities like capacity-building or spending time to reflect on organisational resets.

2.3 Understanding MSME Needs During and Beyond COVID-19

Stakeholder groups have identified MSMEs as key players in the regeneration and sustainability of Caribbean tourism. An understanding of their existing and

shifting needs is crucial, as regional and country-specific authorities seek to build overall economic sustainability.

The vision of regional and development agencies has narrowly focused on building capacity within this sector through financial support and formalisation. Funding agencies have offered angel and venture capital investments, and banks have employed flexible lending due to the pandemic. However, some business operators feel more secure opting for equity financing. Family-owned business operators interviewed expressed hesitancy to put their businesses up for collateral in order to access lending structures.

While MSMEs acknowledged the importance of and need for finance, they have identified other priority areas for business continuity that need to be addressed before financing and formalization are considered.

MSME priorities can be best understood by recognizing the divergent needs of the formal and informal sectors, which are equally important to Caribbean tourism sustainability. Figure 2.1 illustrates that the issues of sector representation and access to inherently inclusive opportunities are overlapping priorities that reiterate the need and desire for the voices of both groups to contribute to

This is a creative space, while you've got the time to think about what else you can do or how you can enhance the business... it's just about surviving at the moment.

– Operator, Jamaica

There are many negatives that came out of it, but if we had continued the way we were going in 2019, just going on a treadmill, a lot of us would have crashed healthwise. Because I think that three months of going down, and just resting was very much needed for a lot of executives, a lot of people, a lot of companies have been able to reset themselves as well.

– Local Sector Association, Jamaica

higher-level decisions.

Formal and informal MSMEs agree that hands-on mentorship from other successful operators who can share sector knowledge, lessons learned, and successful business strategies based on real life experiences, is more valuable than workshops on financial management. Many of these operators, inclusive of those who are newly established or not yet formalized, do not feel adequately equipped to handle the requirements for accessing the necessary funds and supports to grow their businesses. This demonstrates the need for increased flexibility for MSMEs that will allow them more time to build a profitable business model before meeting formalization and fiscal requirements (e.g. taxation and loan repayments). Increased flexibility would increase opportunities for accessing social protection schemes that could act as a buffer for sector workers when faced with crises such as the COVID-19 pandemic and severe natural disasters

I don't think we can even sort of plan that far ahead until things are a lot more stable. And then there's new variants... I refer to the UK a lot, because the majority of my guests come from the UK. So it's a big market for me. So what happens there impacts. So... I'm not really planning. Because right now, it's sort of a waste of time.

– Operator, Jamaica

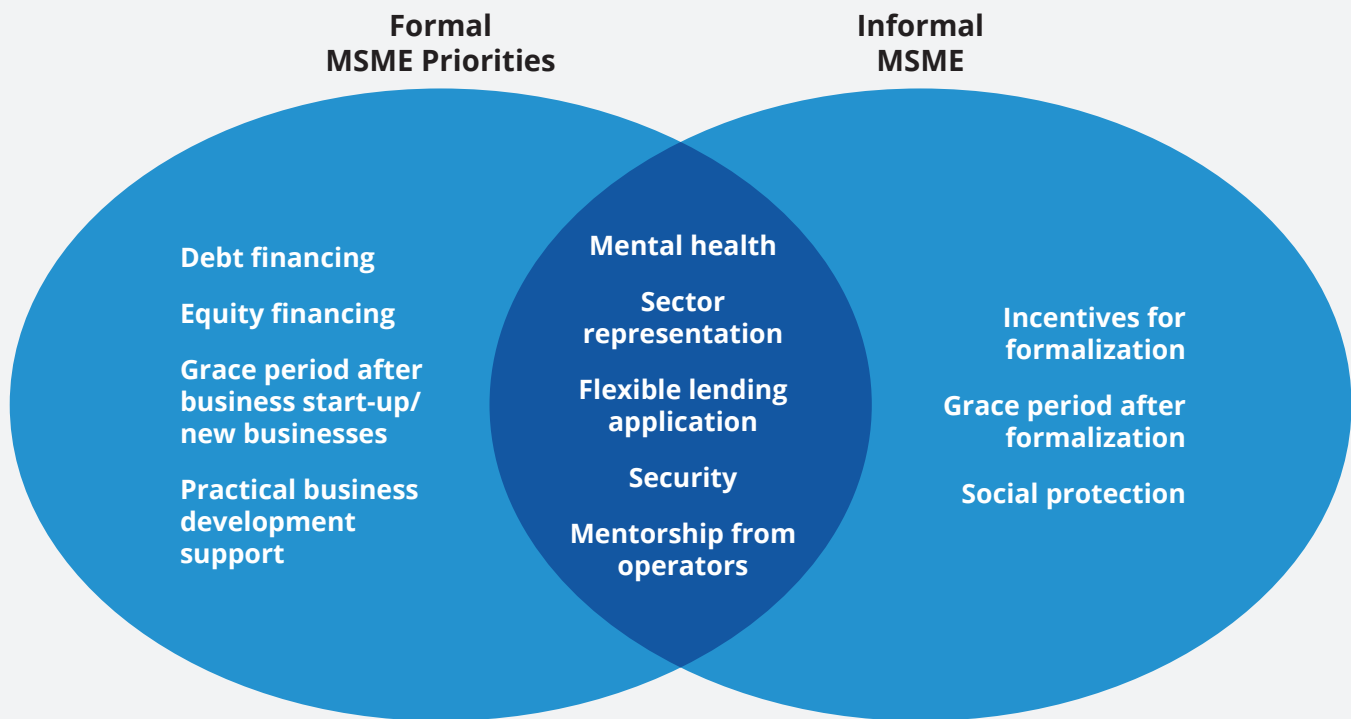
that have a devastating impact on their livelihoods.

Mental health was also a shared priority between informal and formal MSMEs and has been expressed as an underestimated but critical area requiring immediate action. COVID-19 has both given rise to and exacerbated mental health challenges, further burdening the capacity of MSME operators to navigate its impact on the industry.

We recommend that sector operators partner with mental health researchers and consultants to identify mental health needs and design culturally appropriate programmes to implement in their workplaces.

... so we will need to have, as well, more SMEs growing, and we will need to have more SMEs that do not die within five years of being open.

– Regional Sector Association

FIGURE 3: Convergent and divergent priorities of tourist-related MSMEs

I would never give away my hotels. If somebody wants to come in and bring in capital and join us, so we can grow the brand in other islands, or... do an IPO and raise money to build a state-of-the-art hotel... .

– Hotelier, Jamaica

What we need is marketing and operational efficiencies before we talk about financing.

– Operator, Jamaica

The economy-wide impact of the pandemic on the Caribbean tourism sector has understandably stimulated conversations about prioritizing the industry's recovery. Representatives of governmental organizations, funding/development agencies, tourism associations, and academics prioritized forward-thinking strategies that would not only improve tourism growth and development but would provide social safeguards for workers in the industry should a similar crisis hit again. For MSMEs, however, their priorities reflected ongoing support needs that, if not met, would reduce the likelihood for their

survival and ability to benefit from the strategies that other stakeholder groups had identified as important for long-term recovery in the sector. This showcases the importance of prioritizing recovery in a

way that tackles the immediate survival needs for those in the sector as well as makes steps towards fostering sector resilience and sustainability in the future.

Something that is sort of missed out of any entrepreneurial... the workshops and stuff like that, something that's missed out is the mental health aspect of it... it's hard. It's hard. And it has been heart wrenching when you have five people who depend on you... when will we ever get back? That's taken a toll on me.

– Sector operator, Jamaica



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3

Sustainability Starts at Home



The Bahamas is pressing ahead with its

US\$1 billion

project to upgrade its popular

CRUISE SHIP DESTINATION

This chapter may be of special interest to stakeholders who want to support a more resilient and sustainable sector. A resilient and sustainable sector is defined as one that is inclusive of the need for energy and food security, diversification of the tourism product, capacity building, and increased data usage.

3.1 An Unprecedented Need for Sectoral Sustainability

Latin American and Caribbean countries have persistently been plagued by natural disasters and will likely continue to be disproportionately affected by the ongoing climate crisis. In fact, the impact of climate change and natural disasters is already a regional reality, with thousands of Hondurans recently displaced following the unusually active 2020 hurricane season, and relocation of Vincentians following the 2021 eruption of the La Soufriere volcano. Experts advise that such events

are likely to increase in both frequency and scale, and that COVID-19 is an analogue to future pandemics, made more likely by globalisation and the evolution of the global food supply chain.¹⁹ Yet such warnings from the scientific community were rarely reflected in stakeholder conversations, as policymakers and operators, in particular, spoke about COVID-19 as a onetime event that the region needs to survive and recover from, rather than as a hint of the nature and scale of crises which may impact the industry in the future. For this reason, it is important to build a playbook based on the experience of this pandemic.

The temptation to treat the pandemic as a one-off event is further evidenced by the way in which operators spoke of the hope that COVID-19 vaccination offers for re-opening and recovery of the industry. Operators seemed to be almost dependent on successful vaccination for survival. However, policymakers noted that challenges around access to vaccines and cultural concerns around the safety

and effectiveness of vaccines suggest that vaccination may not provide a quick path out of trouble. Furthermore, new strains of the virus may, in time, undermine large-scale vaccination efforts. Nonetheless, countries are preparing to return to business as usual. The Bahamas is pressing ahead with its US\$1 billion project to upgrade its popular cruise ship destination and Jamaica and other islands are bidding to serve as home ports for various cruise liners, despite uncertainty regarding the full return of the cruise industry or potential changes in tourist behaviours, values, and preferences.

Conversely, academics and regional development agency representatives highlighted the importance of investing in more diverse, multi-faceted strategies for environmental and economic sustainability to build a more resilient and relevant sector, as they repeatedly warn that a crisis like the pandemic will happen again.

¹⁹ Stefan Gössling, Daniel Scott & C. Michael Hall, "Pandemics, Tourism and Global Change: A Rapid Assessment of COVID-19," *Journal of Sustainable Tourism*, 29:1, 1-20, www.tandfonline.com/doi/full/10.1080/09669582.2020.1758708.

The temptation to treat the pandemic as a one-off event is further evidenced by the way in which operators spoke of the hope that COVID-19 vaccination offers for re-opening and recovery of the industry.

3.2 The Need for Greater Energy Security

Renewable energy has long been touted as an essential and fitting way to reduce the high energy costs in the Caribbean,²⁰ and stakeholders agree that embracing renewable energy is a key component of sustainability of the sector. Development and implementation of energy efficiency strategies would reduce operational costs and, given global concerns about energy, could increase the region's attractiveness to international investors. During the 2021 "Compete Caribbean" competition (described on its website as a private sector development programme focused on innovative solutions that stimulate economic growth while promoting economic inclusion),²¹ judges appeared to pay keen attention to matters of energy security and sustainability by asking about carbon footprint monitoring and inclusivity in project proposals, which came from a range of operators in the tourism industry.²² This indicates that energy security is a priority for stakeholders across all levels of the tourism ecosystem.

In Barbados, operators reported that they have long embraced renewable energy with the popular use of solar panels, noting that "renewable energy is a very big thing [here]". However, it is unknown how access to and affordability of solar panels in Barbados may differ from other Caribbean countries, where anecdotal sentiment implies that the cost of purchasing or importing and then implementing and maintaining solar panels makes it an unattainable investment and an impractical strategy

for most operators, particularly MSMEs. This indicates an urgent need for better public-private partnerships to address high energy costs, and improved accessibility to renewable energy options. Yet policymakers appear to place the responsibility for more efficient energy use heavily on operators and the private sector:

This [resilience] requires that the sector embraces sustainable energy that is collected from renewable sources, meaning those which are naturally replenished, such as solar from sunlight, wind, water from rain, tides, waves, and geothermal heat: natural resources to which many tourism establishments have access. Examples of renewable energy elements include solar panels, solar water heaters, wind turbines, bio-digesters, fully solar powered refrigerators/freezers, solar lights, and hydro systems. Other notable innovations in the area of renewable energy include solar air conditioning (SAC), seawater air conditioning (SWAC), and solar photovoltaic (PV) systems.

– [Minister of Tourism, Jamaica](#)

20 Chris Barton, "The Caribbean has some of the World's Highest Energy Costs Now is the Time to Transform the IDB," 2013, <https://blogs.iadb.org/caribbean-dev-trends/en/the-caribbean-has-some-of-the-worlds-highest-energy-costs-now-is-the-time-to-transform-the-regions-energy-market/>.

21 www.competecaribbean.org

22 Compete Caribbean Facebook Livestream, 2021.





More supportive government regulatory frameworks to support access to alternative and renewable energy equipment for use by operators, particularly MSMEs, is therefore strongly recommended for the region to attain energy security. However, such action may require the cooperation of powerful private-sector energy monopolies, as was the case in Barbados, where the Light and Power Company's 110-year monopoly was recently ended with the issuing of licenses to other entities to generate and store current.²³ A regional rather than national agenda may be necessary to make such action a reality.

The case for a regional approach to energy efficiency strategies is supported by recent statistics. The IDB advised that adopting ambitious climate goals via expansion of renewable electricity capacity and electricity grids, increasing electrical mobility, boosting mass transit, and improving energy efficiency in the residential, commercial, and industrial sectors can create millions of jobs and add about 1.3 percentage points of incremental growth per year for countries in the Latin America and Caribbean region.²⁴

3.3 The Need for Greater Food Security

The need for improved food security was also identified as important among stakeholders in response to the region's high dependence on food importation. The impact of border closures and sudden changes to foreign policy as well as hoarding of resources by larger, high income countries highlighted the region's vulnerability to food scarcity during crises like the COVID-19 pandemic:

... I think COVID teaches us that, first of all, you cannot put all of your eggs in one basket... especially tourism, we have real challenges with food security, we have real challenges with energy security and so I think that COVID if anything else offers us a reset button... that we have [not] had... since probably independence....[to] take a hard, hard look at our society or economy, the fabric of everything that we're doing, and maybe reinvent everything to become more sustainable, more developmental, and community based.

– Hotelier, Barbados

Such longstanding regional concerns about food availability and access, which are currently at the forefront of policy discussions, signal the need to more urgently develop and prioritise appropriate strategies. Supporting local seed banks, for example, could improve access to locally produced food during a crisis. However, the challenge of food insecurity is not a simple one.

Development and funding agencies called on the tourism sector, in particular, to source more locally grown foods instead of relying heavily on imported goods.

23 Marlon Madden, "Light and Power Monopoly Ends After 110 Years, Licences to Come for New Players," *Barbados Today*, May 5, 2021, <https://barbadostoday.bb/2021/05/05/light-power-monopoly-ends-after-110-years-licences-to-come-for-new-players/>.

24 Eduardo Cavallo and Andrew Powell, "New Report Details on the Economic Risks and the Opportunities for Stronger Postpandemic Growth," IDB Blogs, March 24, 2021, <https://blogs.iadb.org/ideas-matter/en/new-report-details-the-economic-risks-and-the-opportunities-for-stronger-post-pandemic-growth/>.

Yet, operators and sector association representatives indicated that Jamaican hoteliers, for example, already do just that, purchasing up to 90 percent of their supplies from local vegetable, fruit, and poultry providers. However, this may not be the case for large, Spanish-owned entities or Latin-American brands of all-inclusive resorts which are popular in Jamaica, with operators indicating that it is likely that these large entities source most of their foodstuff from their home countries.

While food import bills vary across Caribbean countries, the tourism sector in Jamaica, largely constituted of operators of private sector entities, seems to be doing its part when it comes to agricultural linkages. In Barbados, an operator spoke to their own efforts toward cross-sectoral linkages with agriculture and the importance of moving toward more sustainable operational models which is not yet “a big thing at all in Barbados”:

... The idea of growing your own food as much as possible, eat what you grow, grow what you eat, and... look at food security. And... start to integrate that at the hotel ... started looking at farm-to-table or forest-to-table. So... looking at local foods and creating recipes around what you grow and make something more sustainable, and basically start to integrate agriculture and tourism, which is something I know happens in Costa Rica and other regions but it's not a big thing at all in Barbados....

– Hotelier, Barbados

This operator also shared the lack of buy-in of financiers in Barbados regarding these kinds of collaborative, sustainable initiatives (as mentioned in 1.3), indicating an inconsistency between national priorities and the priorities of the financial sector, without whom such efforts are hardly possible, especially for MSMEs. As is the case with energy security, it is useless for policymakers to give lip service to the importance of linkages and sustainable strategies without robust, government-backed funding mechanisms and incentives for operators to work more collaboratively and sustainably.

Without consistent, adequate action supported by changes in legislation, the Caribbean will remain unsuccessful at achieving fruitful, multi-sectoral collaborations for improved food security, and will continue to contribute to the region's vulnerability to foreign influences on national emergency responses.

3.4 Sustainability (and Survival) Requires Diversification

The traditional ‘sun, sea, and sand’ model of tourism in the region depends on mass tourism which aims to attract the largest numbers of tourists with products such as cruise ships and all-inclusive resorts. Stakeholders shared the need for diversification away from ‘tourism on the edge’ (where attractions are concentrated on the coastline) and over-tourism, which can deteriorate the physical environment, quality of life for citizens, and the experience of visitors. Thinking more flexibly and creatively about their products and services became a key survival strategy for operators and staff during the COVID-19 pandemic.

The hard stop on travel, opening and

closures of borders, curfews, spikes in cases, and several other factors outside of operators’ control forced several to humbly, patiently, quickly, and creatively adapt in order to try to survive. Examples of how sector players diversified and pivoted during the pandemic in order to stay afloat included:

- Implementing salary cuts at managerial levels and reducing shift hours of hourly paid workers;
- Converting hotels to call centres where operators lived and worked in the facility;
- Converting hotels to quarantine facilities which served the government;
- Expanding to and marketing long-stay accommodation in order to circumvent quarantine periods, uncertainty of border closures, and loss of income;
- Marketing “work from paradise” offers to attract remote workers, as exemplified by Barbados’ long-stay “Welcome Stamp” visa, launched in July, 2020;
- Monetising previously free services e.g.: a bar on the beach which typically made money from hosting large events pivoted to charging beach-goers for use of their [washroom] facilities;
- Upgrading of their health facilities by tourism-based communities in order to help tourists feel safe and thus improve their marketability;
- Selling fruits and vegetables at local markets by some casual/informal workers who normally work in the sector.

Several of these strategies (e.g. converting hotels to quarantine facilities) were

temporary, and were done in direct response to the impact of the pandemic. However, others (e.g. pivoting to incentivize remote workers) may become permanent. The pandemic has exposed that diversification is necessary for the sector to be resilient and that it requires a shift from focusing on the quantity of visitors to prioritisation of the quality of their experiences.

The characteristics of the traveller or tourist have been evolving over time but are expected by some stakeholders to be almost redefined following the socio-cultural and economic impacts of the pandemic, requiring the region to rapidly

adapt targeting strategies. For example, there was some recognition that patterns of repeat customers in some destinations have resulted in limited efforts to attract new clientele:

Visitors we have in Negril are getting older and older and older because we have repeat guests that keep coming here. Well, what we need to do is try and sell Negril to younger people....

- Operator, Jamaica

Stakeholders recognized that the region often fails to consider a wider range of potential visitors, such as expatriates, non-English speakers, MICE (Meetings, Incentive, Conferences, and Exhibition) travellers, domestic and regional guests, and travellers who may require special considerations such as older persons, persons with disabilities, or those seeking medical services. Presented below in Table 3.1 are their suggested opportunities and tailored tourism products for targeting untapped tourist source markets, thus increasing competitiveness as a relevant and attractive destination on the world stage.

TABLE 2: Opportunities and strategies for diversified tourism products

Non-traditional Tourism Products	Opportunities and Strategies for Diversification
Eco-tourism	"You know, the centre of Jamaica is fabulous, sort of mountains and walking tours. I know bicycle touring is taking off but a whole host of other, you know, heritage-related and wellness activities, I think that Jamaica has to offer." - <i>Funding and Development Agency, Jamaica</i>
Cannabis tourism	"There's the people who are doing the ganja tourism that are trying to target pot smokers and the people who want to come and have, instead of a bed and breakfast, a bud and breakfast type of vacation." - <i>Operator, Jamaica</i>
Senior tourism	"Why hasn't anybody thought about an upgraded retirement community? Our weather here is perfect. Up in the hills, where you have cool breezes and all of that, where people could come from all over the world and retire and live in nice surroundings." - <i>Hotelier, Jamaica</i>
Medical tourism	"You talk about medical tourism, they could come, do the plastic surgery, recover in a nice environment eating fresh fruits and vegetables. I guess if there's money in it, it can happen." - <i>Hotelier, Jamaica</i>
Health and Wellness tourism	"Certain things are going to be more important. I think more people will want to feel that they are doing something like that (travel related to health and wellness). And more travellers will want that satisfaction and feel good effect." - <i>Hotelier, Jamaica</i>
Yachting tourism	"We have seen too a little bit more resiliency in the yachting sector, because you know they can stay in their boats and quarantine, so you get them still wanting to come and sail throughout the Caribbean. And that is a plus. So, I think there's an opportunity there." - <i>Policy maker, St Lucia</i>
Business tourism	"We had got contract[s] outside of Kingston, where overseas companies working for the government make contact with me to provide housing, transportation, and all the necessary things to keep their employees on the island." - <i>Operator, Jamaica</i>

Non-traditional Tourism Products	Opportunities and Strategies for Diversification
Community-based tourism	<p>“So, I would want volunteering vacations to be sort of an alternative way of discovering the Caribbean. Where we have different Caribbean islands, so Jamaica, Trinidad and Tobago, I'd like to enter a Spanish-speaking market. And yeah, an alternative, if you're looking to discover the Caribbean in a local way.” - <i>Operator, Jamaica</i></p> <p>“Your traditional tourism products would have to be now directed towards more authentic, more local or community-based experiences in terms of the tourism product.” - <i>Policymaker, St. Lucia</i></p>
Intra-regional tourism	<p>“Of the 25 million or so stay-over arrivals, about 15% of them are intra Caribbean, and it's declining! So, one practical action is to seriously look at how we get better, more intra Caribbean travel and do something about the punitive travel fees that LIAT and others are levying because of their mismanagement and inefficiency. We got ten thousand sailboats parked up in Trinidad. Can some of them be put into transportation purposes and you market that as a low-carbon way of, at least on the eastern seaboard, you could change the way you transport people.” - <i>Regional Funding and Development Agency</i></p>
Domestic tourism	<p>“The clientele at these resorts has changed, it's very much more local. I think looking to the domestic market is a really good point” - <i>Funding and Development Agency, Jamaica</i></p>

The table above demonstrates that compared to other stakeholder groups, sector operators more readily shared ideas for diversification. This is likely due to their on-the-ground roles and experiences. While some of these types of tourism products, such as eco-tourism, health and wellness tourism, and business tourism, are already fairly well established in some Caribbean destinations, others remain virtually untapped, such as sports tourism, cannabis tourism, and intra-regional tourism. There is no doubt that these markets exist, and some traditionally underappreciated markets, such as the domestic market, have been modestly helpful to the sector's survival during the pandemic.

However, government support in the form of changes in legislation is needed for feasibility of operators' suggested strategies. For example, CARICOM's

Regional Marijuana Commission can expedite wider cannabis reform across the region to help countries better compete with US cannabis tourism destinations.²⁵ Government support is also required to help reduce bureaucratic procedures for investment and development applications for such ventures, as long indicated in the Caribbean Sustainable Tourism Policy Framework.²⁶ Such bureaucracy and unpredictable, lengthy processing times are likely to discourage investors and operators from entering non-traditional tourism markets. Public education and awareness initiatives which support diversification of target visitor segments can include, for example, anti-ageist or cultural pride initiatives to help create a more welcoming and inclusive product.

3.5 Sustainable Communities Create Sustainable Sectors

All stakeholder groups spoke about the need for increased diversification towards community-based tourism projects as a means of achieving socio-economic sustainability for the people who live in popular tourist areas. In fact, the United Nations World Tourism Organisation designated 2020 as the year of Tourism and Rural Development, during which there was a planned global push toward enhanced trickle-down effects on indicators such as youth unemployment and poverty in tourism-dependent communities as they attempt to recover from the pandemic's impacts.²⁷

Stakeholders called for increased recognition of community assets as viable

25 “Medical Marijuana in the Caribbean,” Relocate Antigua, November 24, 2020, <https://relocateantigua.com/medical-marijuana-in-the-caribbean/>.

26 Caribbean Tourism Organization, “Caribbean Sustainable Tourism Policy Framework,” undated, <https://caricom.org/documents/10910-cbbnsustainabletourismpolicyframework.pdf>.

27 “World Tourism Day 2020: Global Community Unites to Celebrate Tourism and Rural Development,” UNWTO, September 8, 2020, www.unwto.org/news/world-tourism-day-2020-global-community-unites-to-celebrate-tourism-and-rural-development.

tourism products and a willingness to re-imagine ways in which community members can partner with the sector to provide their goods, skills, and services to visitors. They argued that improved engagement with community members can foster more of a sense of ownership and protectiveness of the tourism product, thus building the community's and the sector's competitiveness and resiliency.

For example, an operator in Barbados suggested that if governments bail out the accommodations sector, the hotel industry would then be poised to offer real, shared stakes to its employees so they can achieve a form of inclusive ownership in addition to their salary or wage. This would help monetize the mutual investment between communities and the tourism sector and build capacity among the workforce in tourism-

dependent communities for increased economic stability in the face of similar shocks.

Stakeholders also identified experiential tourism as a viable route toward stronger linkages with communities, one that moves beyond advertising of resorts or hotels to marketing more cultural and social experiences in various communities across various islands:

It's not about your physical hotel plant. It's about your community, and it's about the destination. It's about starting to work together. Why should someone protect something that they don't know?

– Academic, Trinidad & Tobago

In St. Lucia they are looking at—in the past they have called it heritage tourism, now they are calling it village tourism—but they are looking at particular communities where they are earmarking space for different types of accommodation, different types of businesses, and looking at development plans that are around community-based types of initiatives. The whole idea is providing a suite of services—branding, marketing, product development—towards ensuring that it's more community-based experiences that are developed. The model is really intended to enhance local economic development within your accommodation and restaurant sub-sectors, and provide something more like a community branding initiative, so that it is really targeted towards ensuring that the communities themselves are seen as tourism destination[s].

– Policy maker, St Lucia



In addition to diversifying the tourism products branded and marketed to include more community-based goods, services, and attractions, stakeholders also called for improved protection of the environment, both coastal and inland, specifying that local environmental agencies need to be held accountable and to operate independently in order to avoid corporate bribery and persuasion. This appeared to be particularly relevant to foreign and large local investors who do not practice or prioritise environmental conservation and responsibility.

Stakeholders, especially operators, seemed to believe that the future of a sustainable tourism product lies in a more diversified, community-based style of tourism and that for this to be successful, capacity building within the sector needs to be relevant and consistent. Such capacity building, they argue, should also occur on community, national, and regional levels.

3.6 Capacity Building and Sustainability

The impact of the loss of tourism activity to the wider Caribbean economy has highlighted to policymakers the need to put national initiatives in place to build capacity for rapid recovery and more successful management of future crises.

Interviewees from academic institutions and regional organizations underscored the importance of building capacity via increased cooperation among Caribbean countries, which would allow countries to pool varying capabilities and resources to strengthen their competitiveness and attractiveness as a top global destination. For example, a regional group digital marketing campaign highlighting

We are in the process of implementing from a disaster management perspective, what we call a recovery audit tool. It's actually being implemented by a project in conjunction with our management organization, emergency management organization and the World Bank. So, this is one of the mechanisms that has been used in which it would identify certain gaps to build capacity within the tourism sector to assist them in the recovery processes.

– Policy maker, St. Lucia

individual islands' unique, socio-cultural attractions may support stakeholder goals of improving competitiveness via collaborative diversification.

Similarly, some stakeholders emphasized that protecting the regional sector more fiercely from exploitative business partnerships with international entities such as cruise liners can foster resiliency.²⁸

Sector operators called for increased ownership of the Caribbean tourism product to position the region as more than just destinations, but also more active agents and beneficiaries of regional tourism products and services. This ownership could take the form of regional operation of cruise lines or the development of technologies

Think about the cruise industry, where we were like fighting over each other to get these huge vessels in that are nothing but environmental disasters, if you asked me, dumping, ..., hundreds of visitors that don't really spend any money on location, but we were like rolling over each other trying to offer the lowest tax to get them here when it should probably be the highest tax, right? Because you need to be able to have some revenues to pick up the garbage and fix the whatever it is these these visitors when they come traveling through. And you know I still hear tourism ministers talking about the resuscitation of the cruise sectors.

– Regional Funding and Development Agency

such as online booking systems for managing digitised sector operations and procedures across the Caribbean. A sector association representative in Barbados, for example, called for regional development of a “Booking Button”, – an online reservation system that allows guests to book directly from hotels and bypasses global merchants such as Travelocity or Expedia – which could facilitate increased retention of the tourist dollar within the region.^{29, 30}

28 Imagining a Post-Covid Recovery, IDB Quarterly Report Bulletin, May 2021.

29 “Booking Button,” PMS Cloud, accessed May 16, 2021, www.pmscloud.com/booking-button/.

30 Paul Cole, “An Easy Booking Button for Businesses on Google,” Google Blogs, October 23, 2017, <https://blog.google/outreach-initiatives/small-business/easy->

Something that has always bothered me is why the Caribbean, having been doing tourism for such a long time, don't own its own booking buttons, own cruise lines, that boggles me. Like, why would you give away 30 percent of your revenue to, to Europe or America or wherever? That makes no sense to me at all. And this is where a regional approach to tourism will start to work, where you have a Caribbean booking button like an Expedia or booking.com and you base it in Amsterdam, base it in Berlin, but it's owned by Caribbean stakeholders. Why can't we not think in this direction? So if there is a process that starts to think in this direction too, that would be a welcome step. We need every cent... not every cent – because it's not possible we live in a globalized economy – but as much as possible, we need to own our intellectual property that we call the Caribbean.

– Sector Association,
Barbados

Of note, however, the sector stakeholders more likely to participate in and, therefore, benefit from strategies to increase ownership of the local and regional tourism product are the well-resourced and highly connected minority comprising larger hotel chains and entities. There is, therefore, the risk of widening the gap in access for resource-constrained, smaller, and informal entities that are underrepresented in sector associations and tourism development conversations.

Stakeholders highlighted the need for improvement of infrastructure such as internet availability, good road conditions, and the maintenance of public buildings and spaces to strengthen communities' capacity to facilitate more diverse, direct, and beneficial tourism projects and initiatives. A sustainable sector dependent on sustainable communities is unattainable without consistent and adequate infrastructure. Improving the soundness and quality of existing infrastructure and investing in needed infrastructure, therefore, is key to building capacity for a diverse and resilient sector.

Expectedly, building capacity among sector workers was also a main priority when stakeholders, particularly operators and sector association representatives, discussed the importance of capacity building to recovery of the sector. Sector association representatives and large entity operators spoke to the importance of ensuring that workers continued to sharpen their skills during the sector pause in order to be prepared for reopening and to reduce potential human resource losses. However, MSME operators noted that this was not practical in their contexts.

Expanding the technical capacity of

There's a lot of talk about sort of digitalising and retraining that way. But I work at the community level, and I can say that computer literacy is so low. When we talk about, you know, you can do an online course and becoming a bartender, well, first of all, which bar are you going to work in? And second of all, we're working with people who are trained in a specific area in the tourism industry, whether that be housekeeping or it's your driver, and their computer literacy is very, very low.

– Operator, Jamaica

workers to facilitate upskilling to other sectors and to help build individual resiliency against future crises is simply not applicable to all levels of staff, such as casual workers or workers with limited computer literacy or access to reliable internet and devices. As such, many workers were left vulnerable following layoffs.

COVID-19 exposed the lack of financial capacity of an extensive segment of countries' workforces to survive such crises. Policymakers shared concerns about the inadequacy of existing social safety nets available, particularly for informal workers. To that end, the Jamaican Ministry of Tourism is developing a unique mechanism to increase tourism workers' financial capacity long-term:

We laid off the staff. We kept a small contingent of people at each resort and we paid them a percentage of their salary. The other people, we got help from the government. They gave us J\$4,500 a person, we put J\$500 on that and they were paid J\$5,000 a week, which is below subsistence.

– Hotelier, Jamaica

A pension scheme like the one described above could prove beneficial for the long-term welfare of the workers in the sector. It can also facilitate the collection of much needed data on the composition of tourism sub-sectors and needs of the workers. In order to successfully build a more integrated, sustainable, equitable, and resilient sector, all stakeholders indicated the need for reliable and relevant data to help them plan, execute, and implement changes that are increasingly and urgently needed.

Discussions around sustainability of the Caribbean tourism sector have surged since the onset of the pandemic. Policymakers have understandably

focused on high-level, national sustainability and capacity-building initiatives to protect the sector and its workers from future, similar shocks. While there was consensus across stakeholder groups about the need for a more resilient sector in the face of longstanding and new crises that have plagued the region, sector operators seem to be leading by example, making moves toward sustainable, alternative energy sources, diversification of the traditional tourism product to support food security and community inclusion, and realistic suggestions around the need for capacity building via improved community infrastructure.



Spotlight: Tourism Workers' Pension Scheme (Jamaica)

One notable initiative already underway to help strengthen social security for sector workers and, therefore, improve their capacity to be socially resilient is the Jamaica Tourism Workers' Pension Scheme. This plan to cover all sector workers between the ages of 18 and 59 years, became effective on January 31, 2020, prior to Jamaica's first confirmed case of COVID-19. It is intended to provide coverage for permanent, contract, or self-employed workers in hotels and related industries including craft vending, tours and attractions, and transportation.





4 The Need for Reliable and Relevant Data



With the exception of sector associations, all stakeholder groups **PRIORITISED DATA NEEDS** for informing **PRODUCT DIVERSIFICATION** for **IMPROVED SUSTAINABILITY AND RESILIENCY**

This chapter may be of special interest to academics, technical sector staff, and national statistical agencies. It explores stakeholder perspectives on how data can help them and challenges around data collection, management, and transparency.

Policymakers identified a need for more disaggregated tourism-related data to better understand the true impact of the sector on the wider economy. This can then inform high-level decisions needed to re-organise the sector for equitable recovery and future

resilience. Though prioritized data needs varied across stakeholder groups, as outlined in Table 4.1, there was a general agreement that data is paramount in sector strengthening and development.

TABLE 3: Stakeholder perspectives on the role of data

	Government entities (policymakers)	Sector Associations	Funding & Development Agencies	Sector Operators
Health and national security	To utilize personal and health data on travellers to protect the region from public health and security threats; and to assess the feasibility, potential benefits, and possible drawbacks of such strategies (e.g. vaccination passports)			To aid operators in preparing and pivoting by way of timely data sharing on COVID-19 mitigation measures
Tailored support for sector operators		To improve representation (e.g. forming cluster associations) and lobbying efforts by more clearly identifying the players in the sector and understanding their challenges	To tailor business support services to better suit the needs of MSMEs (e.g.: Conducting a needs assessment of MSMEs in the region)	To create a pool of shared knowledge and resources that is accessible to operators and meets their expressed need for mentorship from others with experience in the sector

Though prioritized data needs varied across stakeholder groups, there was a general agreement that data is paramount in sector strengthening and development.

	Government entities (policymakers)	Sector Associations	Funding & Development Agencies	Sector Operators
Reducing inequities		To improve equity of economic gain in tourism-based societies by increasing understanding of tourism's return on investment and reach of the tourism dollar.	To reduce regional and local inequities in distribution of investment by increasing availability of market data.	
Improving local (multi-sector and community) and regional linkages	To improve multi-sector linkages by elucidating the far-reaching economic contributions of tourism (e.g. Disaggregated data on ownership types [foreign vs local- owned entities and % of family-owned entities in the sector])	To disprove inaccurate assumptions about the industry's detachment from the community by improving data sharing transparency (E.g. some operators shared that they import most of their food rather than using locally produced goods.)	To strengthen regional positioning and negotiating power, with more standardized and inclusive data collection across the region	
Informing product diversification, and service adaptation	To provide information on best practices and lessons learnt from other similar small island developing states		To improve country-specific and regional competitiveness by using data on market trends to inform tourism product diversification	To adapt and improve services based on client booking information and feedback survey data similar to analytics provided by Airbnb platforms

Perspectives on the role of data, presented in table 4.1, were encapsulated within five themes, some of which overlap with stakeholder priorities described in Chapter 2. These were health and national security, tailored support for sector operators, reducing inequities, improving local and regional linkages, informing product diversification, and service adaptation. There was an interesting overlap between the kinds of data that government entities and sector operators required, which highlighted the increasingly pragmatic intersection between travel and tourism, public health, and national security. A current example of this intersection is the advent of the vaccination passport (discussed further

in the next section). There was also consensus among sector associations, funding and development agencies, and sector operators that more data are needed to improve how MSMEs can be better supported. Sector associations and funding and development agencies both understood that to reduce inequity within the sector, a better understanding of where and how visitors spend money and the extent to which it trickles into regional economies is needed. With the exception of sector operators, all stakeholder groups expressed a desire for more data to help improve cross-sectoral linkages within tourism. With the exception of sector associations, all stakeholder groups prioritised data needs

for informing product diversification for improved sustainability and resiliency.

4.1 Challenges around data collection, transparency, and management

Concerns re international data collection and management

While stakeholders acknowledged the value and relevance of data in an increasingly globalised and digitalised world, they were apprehensive about sharing and use of travel and health data. Concerns were raised by policymakers about how regional big data (i.e. large

amounts of data to identify patterns and trends) in travel and health could be used by technology companies such as Google in High Income Countries (HICs) for financial gain.

Greater capacity for efficient data management and analysis in HICs positions them to benefit more from big data than SIDS. Policymakers stressed the need for regional deliberation on data-related issues before entering into international agreements, for example around digital vaccination passports.

In addition to the concerns about the digital and technological infrastructure necessary for participation in a potential international digital vaccination passport agreement, policymakers also stressed

If I want to do a little shopping in Miami, I'm not sure they need to know my blood type and what diseases I may have harboured genetically, nor my political persuasion. To me [these] are of absolutely no relevance in the issue of traveling.

– Policy Maker, Jamaica

the importance of ethical and cultural considerations.

Regional data collection, transparency, and management

Besides potential inequity around the use of big data in travel and tourism on an international scale, on a regional scale, operators were often concerned about confidentiality when asked to participate in sectoral data collection. This was the case particularly when asked about their financial and client data. Operators expressed concerns about competitors' access to their business data and government's use of the data to enforce taxation and formalization requirements. In addition, their mistrust of data collection exercises, which to some extent may be justified, contributes to the barriers to inter-sectoral collaboration described in Chapter 1. MSME operators highlighted their limited human resource and technological infrastructure, which affect their ability to develop robust data management systems (e.g. bookkeeping) that would easily facilitate data sharing. The records of many smaller entities, or those run by older proprietors, often lack adequate detail, such as disaggregated customer information, to track tourists' spending, and to capture the extent of the impact of the tourist dollar.

While the data concerns across

I believe right now, the argument being made by the proponents of vaccine passports seek to position the passport as somewhat a silver bullet panacea, when in fact, there are elements of the argument that defy logic, and they don't seem keen on answering certain key questions. It's just being put forward as a blanket approach. For instance, what if someone chooses not to take the vaccine? Is it that we'd say those persons should be penalized? Are we gonna build out a two tiered system based on that? Is travel now going to be held out as a carrot?

– Policy Maker, Jamaica

Some large organizations possibly including the WHO but I stand corrected at this point, have recommended against it [vaccine passport] because especially poor countries would be put at a disadvantage because of the technological requirements and institutional arrangements that would need to be in place.

– Policy Maker, Jamaica

stakeholders are important and require further consideration and attention, academics and sector associations also bemoaned the longstanding regional issue of data accessibility and transparency within and across sectors where robust datasets exist. It is discouraging to these stakeholder groups that even when there is cooperation from operators, and data collection efforts by sector associations, government agencies, or academia are successful, accessing that data can be unreasonably difficult or expensive. One academic described such data as being kept under "lock and key" and that many times, such data are only made available via one's personal network. This personal and non-standardised approach to data sharing raised the need for a more centralised, regional data management.

Additionally, academics and sector association representatives acknowledged that even when data are transparently made accessible, they are rarely fully used or implemented by policymakers.

This regional shortcoming in our approach to data may be due to cultural mistrust of big data, inadequate data collection and management infrastructure, or the control of key data by a powerful few. Despite these challenges, some policymakers, such as those in St Lucia, have made a concerted effort to implement and refine data collection, management, dissemination, and transparency.

The St Lucian authorities collaborated with Canadian authorities to build suitable data collection and management infrastructure and used strategies to encourage data sharing. In the process, St. Lucian authorities recognized the need to adopt a flexible approach to data collection given the varying challenges

If it is that the tourism sector is important, then every piece of data that's collected should now have a central repository, from which one can draw for research purposes such as this, and for policy development, because the development of policy within the tourism sector... should not be tied to the loudest voice... within the tourism sector, but what would have been determined to be the best policy for the country.

– Academic, Jamaica



Spotlight: Setting the Groundwork (St. Lucia)

Between 2016 and 2020 the National Statistics Office of Saint Lucia (NSO) participated in a Canadian government-funded capacity-building project alongside the Caribbean Regional Technical Assistance Centre (CARTAC). This output was used to rebase the GDP tables of Saint Lucia to an internationally recognised benchmark, which facilitated a draft Tourism Satellite Account that identified the impact of tourism on the Saint Lucia economy. Preliminary results found that tourism activities represent 39% of total GDP, or about EC\$1.9 Billion.

How do they do it?

The Ministry of Tourism, Information and Broadcasting, the St. Lucia Tourism Authority and The Central Statistical Office of Saint Lucia maintain frequently updated databases (two to three times per year) of sector entities such as accommodations and attractions. These databases record data on openings and closures, performance, occupancy, pricing, and expenditure.

They recognize the need for stakeholder buy-in to ensure quality data collection and consider three main elements in developing strategies:

- **Incentives:** Entities who receive duty-free concessions via the ministry are obligated to participate in surveys.
- **Engagement:** Hosting workshops with stakeholders to sensitize and educate them about benefits of participation.
- **Practical Considerations:** Providing flexible options and hands-on assistance to smaller entities; managing challenges associated with digitised data collection.

that emerged during implementation. Their initial attempts to use face-to-face data collection methods incurred costs for staff compensation, travel, and meal stipends that proved to require too great of a commitment of resources. In order to achieve a more sustainable data gathering process, they introduced online tools. Though some operators found it difficult to independently navigate and complete the online data capture tools, St. Lucian authorities attempted to fill this gap by providing more hands-on assistance via telephone or site visits where needed.

Though they had varying data needs and

It's early days, but the government is starting to put in place mechanisms to require government agencies to create more information, to organize that information, and to make it publicly available as part of supporting democratic processes on one end, and facilitating commercial operations on the other, by having as much data publicly available as possible.

– Policy Maker, Jamaica

I think we, in the Caribbean have so much.... data passing through us, but we... don't even collect it. We don't value it. You know, and I think this is a great opportunity. It's not that we are late in the game, but it's our customers, it's our data, and we need to really start engaging very seriously. I mean, right now, a lot of it is controlled by a lot of the biggies. But I think there's an opportunity to really invest in it, at best understand... we need to be one of the leading figures or regions that have other people understand this market, to negotiate better, to understand better.

– Academic, Trinidad and Tobago

perspectives, all stakeholders considered stronger data collection, transparency, and management as key to the sector. Policymakers raised important concerns around the viability and international equity of the global push toward using big data in digital vaccination passports, and how this push can potentially disadvantage Caribbean people. On a regional level, stakeholders shared

concerns around confidentiality and use of data, as well as transparency and accessibility of data that already exists. Some stakeholders also seemed wary about data that are ignored or neglected by policymakers and those whom it is meant to inform, indicating a need for improved cultural awareness on the benefits and value of data in the region.

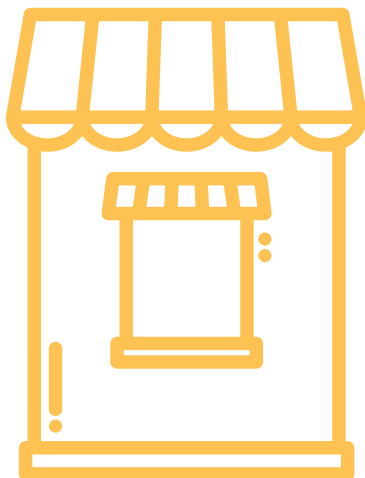
Over the years, CTO has produced a number of reports ... as far back as 2008 ... some changes needed to be made, they were not made. And they've been discussed with ministers of tourism, directors of tourism and so on... everybody agreed it was a good idea, but the implementation never happened.

– Regional Sector Association



5

Conclusion



Governments should
pilot a pre-registration
INCUBATION PERIOD OF

1 year

for new MSMEs started by sole traders
or partnerships with less than

5 combined years
OF BUSINESS EXPERIENCE

- The COVID-19 pandemic has illuminated the extent and complexity of the Caribbean tourism sector ecosystem. While linkages exist among higher level players, mistrust, inaccessibility of resources, and divergent priorities hinder robust multi-sectoral linkages needed for successful recovery and resilience of the sector.
- Variations in stakeholder priorities and access to resources also emerged more prominently during the pandemic, as MSME operators focused on survival, while larger entities used the sector pause to reflect, rest, and regroup.
- The value of the MSME sector, largely comprising the informal sector, to tourism-dependent economies was also evident from the ripple effects that direct tourism losses had on wider economies. Regional recovery and future resilience rests heavily on the survival of this sector.
- The pandemic also created an urgent need for more sustainable tourism models, practices, and strategies

Some countries will recover faster than others... I've no doubt that the Caribbean could recover faster than anywhere else. My concern is not whether the industry will recover or the weight of that recovery. My concern has always been the character of that recovery. Are we really ready for a radically new tourism? Are we investing in the right places? Are we caring about our people and our environment as we should?

– Academic, Trinidad and Tobago

aimed at improved energy and food security, product diversification, more direct, mutually beneficial linkages with communities, and capacity building at various levels across the sector.

- Adequate and sustained government fiscal and legislative action to facilitate recovery and resilience is required, along with more increased collaboration and cohesion, increased

trust and reduced bureaucracy.

- The pandemic has also highlighted the need for increased efficiency and accessibility of multi-sectoral data, particularly as the intersection between travel and tourism, public health, and national security grows. While stakeholders interviewed all spoke to the value of data to help them meet their priorities, others lamented the region's lackadaisical approach

Adequate and sustained government fiscal and legislative action to facilitate recovery and resilience is required, along with more increased collaboration and cohesion, increased trust and reduced bureaucracy.

to data collection, management, and dissemination.

- Overall, the range of voices interviewed and multiplicity of data sources reviewed pointed to several calls to action for various stakeholders, including: a call for stronger regional collaboration; more respectable engagement with the informal sector; and setting up of adequate and pragmatic infrastructure for the improved collection and use of data.

RECOMMENDATIONS

1. Governments should pilot a pre-registration incubation period of one year for new MSMEs started by sole traders or partnerships with less than five combined years of business experience, during which they will have lowered tiered compliance requirements. For example, tax administrations should consider implementing a flat tax for MSMEs below a certain profit margin and directing them to local business development agencies.³¹
2. CARPHA should name a climate advisor to advise the tourism sector on public health strategies in relation to climate change and natural disasters.
3. CARICOM's Council for Finance and Planning (COFAP) should appoint a board of experts in research, sustainability, and climate change to develop grant proposals for large scale project funding, which can then help off-set regional costs of moving towards alternative energy sources or toward building more sustainable, community-based attractions.
4. To improve competitiveness and attractiveness as a top global destination, CTO and CHTA, and advised by CARICOM, should deploy a regional digital marketing campaign. The campaign can highlight individual islands' unique socio-cultural attractions to help target more diverse travellers. It can use islands' pooled resources for the planning, design, and roll out.
5. National business development agencies should undertake a needs assessment targeting MSMEs that do not yet earn a profit with staff of 20 or fewer persons. This can help gauge their most commonly requested skills training and capacity building tools. Agencies can enroll volunteer mentors from the larger business community with a time commitment of six months (min) to one year (max) to help meet the support/training needs.
6. CARICOM representatives, as informed by Ministries of Health, Tourism, and National Security, should appoint a commission to develop a regional, standardised travel form which collects pertinent health, travel, and security data. This can be integrated with or adopted by the APIS (Advanced Passenger Information System) of CARICOM IMPACS (Implementation Agency for Crime and Security).

31 CAPRI, "Improving Tax Compliance."

The pandemic also created an urgent need for more sustainable tourism models, practices, and strategies aimed at improved energy and food security, product diversification, more direct, mutually beneficial linkages with communities and capacity building at various levels across the sector.



Appendix

Figure 1: Tourism indicators across the Caribbean 2020

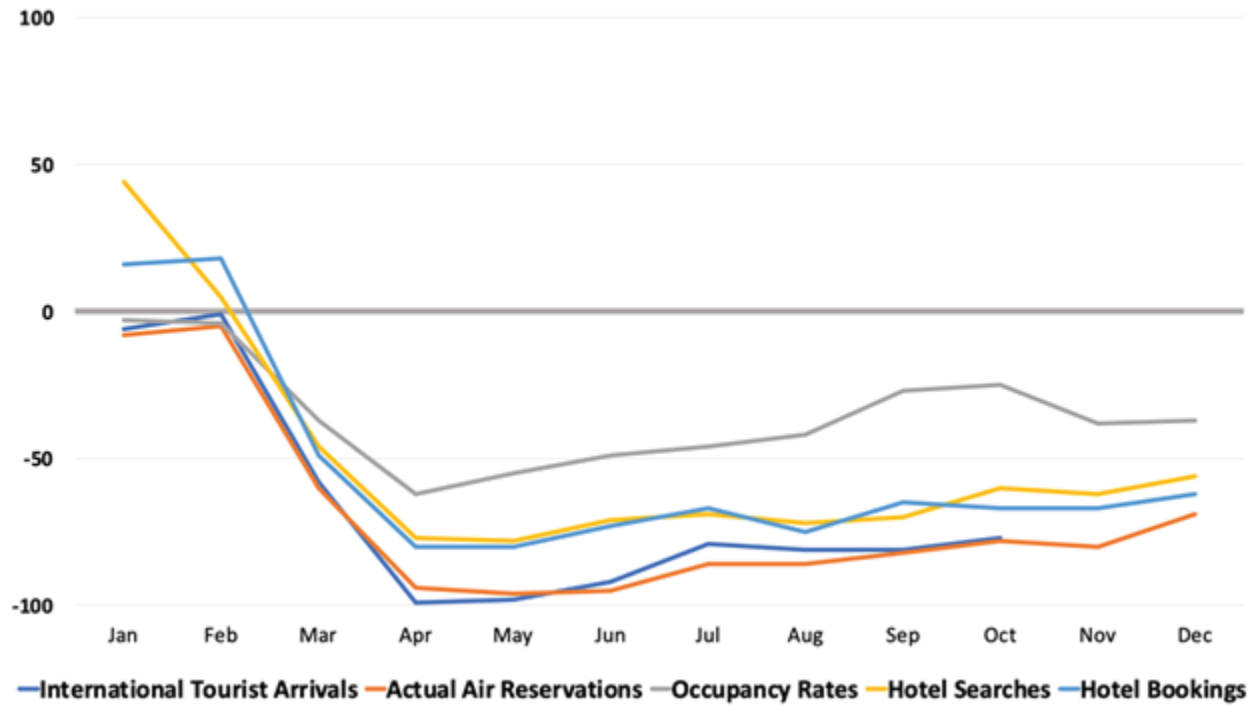


Figure 2: Stakeholder Voices and Representation across Targeted Stakeholder Groups

Government Entity	Country-Specific Development Agency/Org	Regional/Int'l Development Agency/Org	Country Specific Sector Association/Body	Regional/Int'l Sector Association/Body	Funding Agency	Sector Operator	Academic
8	5	6	2	3	5	10	4

Figure 3: Representation by Interviews

Jamaica	Barbados	Regional	St Lucia
14	3	7	2

Notes

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