

**Making Tourism Count for the Local Economy in Dominican Republic:
Ideas for Good Practice**

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September 2005

Produced by Pro Poor Tourism Partnership

**In collaboration with:
Asonahores
Travel Foundation
Sheffield Hallam University
First Choice and the TUI group**



PREFACE

These briefs have been written following a workshop in Santo Domingo, Dominican Republic, exploring how the tourism sector can contribute more to the local economy. The workshop was presented by Harold Goodwin and Caroline Ashley, hosted by Asonahores (the Hotel Association of Dominican Republic) and attended by around 40 private and public sector participants from tourism and related sectors in Dominican Republic. These briefs capture and build upon the presentations and discussions at that workshop.

The briefs draw upon existing work of the authors (www.propoortourism.org.uk, <http://www.haroldgoodwin.info>, www.pptpilot.org.za), a working paper on linkages in the Caribbean by Dorothea Meyer of Sheffield Hallam University, numerous interviews with agencies working in the Caribbean and with tourism professionals in Dominican Republic, and on research assistance and administration provided by Sebastian Brinkmann and Oliver Reichardt of ODI.

These briefs are part of a project funded by the UK Travel Foundation, and supported by tour operators TUI (UK) and First Choice. The project aims to increase information and awareness of how tourism can contribute more to local economies in the Caribbean. In the next phase, guidelines for wider Caribbean dissemination will be produced.

The Pro-Poor Tourism Partnership comprises Caroline Ashley of the Overseas Development Institute, Harold Goodwin of the International Centre for Responsible Tourism, and Dilys Roe of the International Institute for Environment and Development. See www.propoortourism.org.uk.

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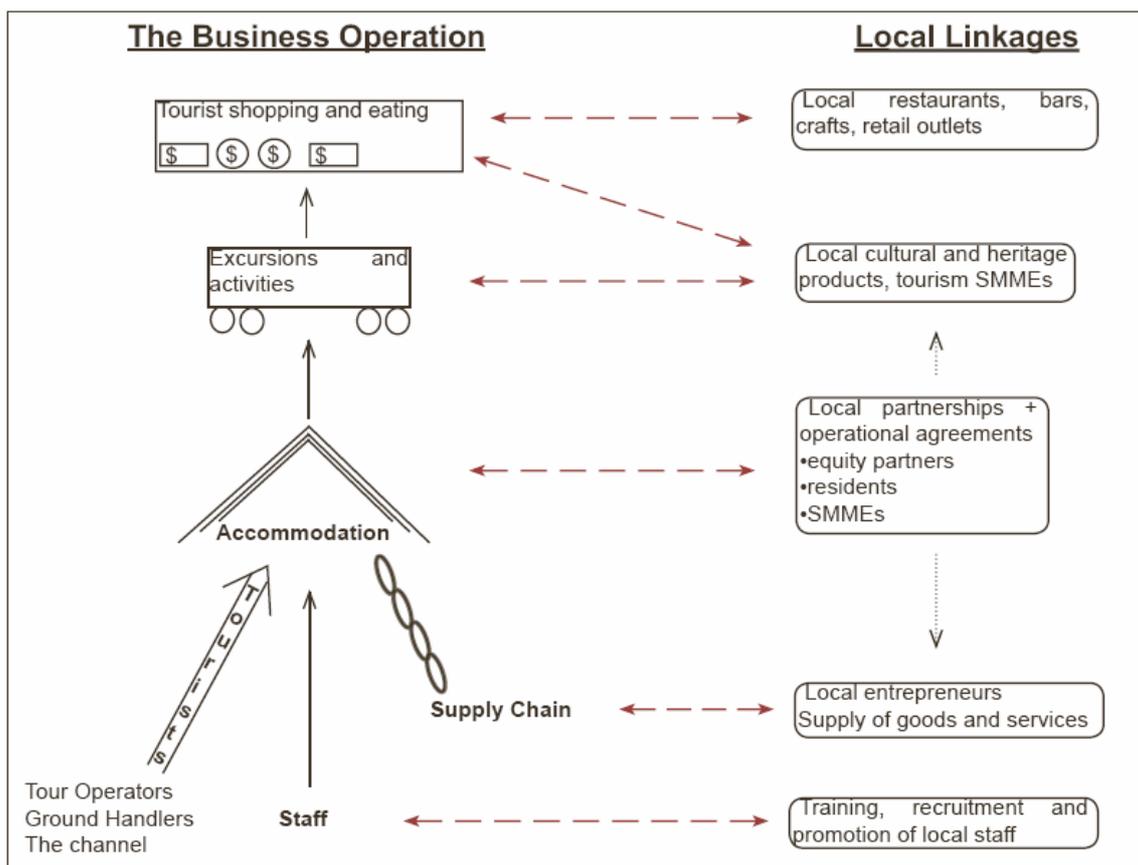
BRIEF 1: TOURISM AND THE LOCAL ECONOMY – BUILDING LINKAGES

Introduction to business linkages

Tourism is a central part of the economy in Dominican Republic. But poverty is also a fact of life for many. Although tourism is a driver of economic growth and a major source of employment, there is potential for tourism to contribute *more* to local economies: to contribute more to the livelihoods of poor people, particularly in the areas around tourism resorts. Tourism business can be adapted to boost its development impact – while remaining of course a commercially driven industry. In doing so, it will not only contribute to national goals, it will also help to enhance its own security and operating environment, and realise opportunities to upgrade the product and enhance the tourist experience – as these briefs show.

There are many different kinds of linkages that tourism companies can develop with local people, as shown in Figure 1. Hotels can purchase directly from small and micro-businesses, and increase their recruitment and training of local un-skilled and semi-skilled staff. Hotels and tour operators can enter into neighbourhood partnerships to make the neighbourhood a better place to live, work and visit for all. And they can support the development of local arts, crafts, cultural products and tourism services, both by developing new excursions and by encouraging tourists to spend in the local economy.

Figure 1: the tourism business operation and a variety of local linkages



This approach to building linkages with the local economy is also known as Pro-Poor Tourism (www.propoortourism.org.uk). The approach is about *doing business differently*. Philanthropic donations to local causes can be very useful for the community, but they do not make the best use of the assets of the tourism sector. The sector is not flush with cash, but it has enormous purchasing power, requirements for inputs and staffing, business expertise, and access to large volumes of tourists, with all their spending power and interest in the destination.

There is a strong business case – or more precisely, a number of business cases - for the tourism sector to invest in local linkages. Tourism operators need secure, attractive and hospitable local neighbourhoods, and the support of local people. They also need to innovate and develop their product, and linkages with local entrepreneurs can be one way to upgrade the tourism experience.

Benefits to hotels and tour operators from investing in local linkages include:

1. Market advantage – hotels and tour operators can build reputation, adapt to customer trends seeking more interactive holidays, and secure repeat business from enhanced customer experience.
2. Product quality gains from improved complementary product. Competitive advantage is gained from product differentiation and non-price competition.
3. License to operate – linkages build good relationships with the local community, and demonstrate a company's contribution to the local economy.
4. Minimise Risk – companies are already minimising health and safety risks. Local linkages help address reputational risk.
5. Staff morale – when staff see their company investing in the local economy, it can boost recruitment and retention – and thus customer service.

"Tourism: if it does not change it will exhaust itself".
Dominican Republic Human Development Report, UNDP 2005

These briefs provide practical tips on how to develop local linkages, drawing on experience in several different countries. Each covers a different topic:

- Brief 1: Tourism and the local economy – building linkages
- Brief 2: Bringing local producers into the supply chain
- Brief 3: Building links with local farmers
- Brief 4: Excursions involving local people and products
- Brief 5: Encouraging tourists to spend in the local economy
- Brief 6: Neighbourhood partnerships
- Brief 7: Implementing linkages through internal change and destination-wide collaboration.

This brief, number 1, serves as an overview of the linkage approach. Briefs 2 to 6 cover different types of linkages. Brief seven covers implementation issues that underpin any type of linkage.

The briefs have been written by the Pro-Poor Tourism partnership, through collaboration with Asonahores, in a project funded by the UK Travel Foundation with support from UK operators, First Choice and TUI. They draw on a workshop organised by the Asonahores Foundation on July 8th 2005 in Santo Domingo. They form the basis for Guidelines for pro poor tourism that will be produced for a wider Caribbean readership later in 2005.

BRIEF 2: BRINGING LOCAL PRODUCERS INTO THE SUPPLY CHAIN

THE ISSUE

How can hotels increase their purchasing of locally-produced products? What is the potential to buy more soft furnishings (such as arts, crafts, table mats, candles), operational supplies (uniforms, bed linen), guest amenities (recycled paper, handmade soaps), services (floristry, entertainment) or food items from the local economy?

WHY? The opportunities and pressures for change

For hotels, purchasing more inputs from local entrepreneurs creates opportunities for:

- Stimulating local enterprises and economic growth, building networks of local collaboration.
- More distinctive products that differentiate the hotel environment and enhance the brand.
- Cost-savings, if local goods or services are cheaper.

For small and micro businesses, sales to hotels can provide an invaluable market and opportunities to expand their product range and business.

COMMON CHALLENGES AND BARRIERS

Opportunities to purchase goods and service locally are often not exploited because:

- Local people produce goods that could be used in hotels, but the quantity and reliability of supply are too low.
- Local producers are not sufficiently aware of hotel requirements, health and safety regulations, and tourist preferences to match the required quality.
- Local producers often cannot access credit to invest in upgrading production for the tourism sector, unless they have secure contracts to show to banks.
- Hotel managers and purchasing officers are used to existing products from long-standing existing suppliers, and do not consider new local options.
- Hotels pay for goods received after 30 or 90 days. Local producers cannot operate with this, as they lack working capital. So they cannot afford to sell to hotels.
- Producers can supply goods and hotels want to buy goods, but there is no operating 'market' between them – to put them in touch with each other, share information, negotiate contracts and delivery.

GOOD PRACTICE INCLUDES:

Hotels and support agencies can:

- ✓ Research local skills and products, and how they could be adapted to suit hotel requirements.
- ✓ Get communication going: between hoteliers, local entrepreneurs, and market intermediaries
- ✓ Support small businesses in product development, business planning, and quality standards. E.g. Purchaser expectations, health and safety or other legal requirements, tourist preferences, seasonality of demand etc. Business advice may also include simple items such as how to invoice or do stock control.
- ✓ Support systems that enable micro-entrepreneurs to invest in their business, against the surety of a hotel contract.

Hotels need to:

- ✓ Change the payment period: micro businesses must be paid cash on delivery or within 15 days or they cannot operate.
- ✓ Think laterally rather than repeat past procurement: if new uniforms are needed, could local sewing and local design be used. If new buildings are being added, what local carvings and arts could be used for decoration?
- ✓ Change contract specifications: break contracts up into smaller chunks that micro businesses can handle.

- √ Appoint a champion/facilitator to work on identifying and mentoring new suppliers. But over time ensure they are integrated into daily operations and the normal supply chain.
- √ Prioritise which local products to introduce into the supply chain according to company strategy and market segment – plus feasibility, cost, potential for quick wins etc.

EXAMPLES AND LESSONS LEARNED

Dominica Coconut products started supplying coconut soap to cruise ships after a personal conversation between its proprietor and a top cruise line official opened the necessary doors.

- √ Get communicating – it sparks ideas and opens doors.

Spier, a 155-room hotel in the winelands of South Africa's Cape, decided to overhaul its procurement policy to increase purchases from local black businesses. It adopted a strategic approach of several steps:

1. Management decision, appointment of a senior champion (Sustainability Director)
2. Gathering information on current supply chain
3. Setting new policy and targets.
4. Seeking out new suppliers
5. Setting up contracts with new suppliers – business advice, mentoring
6. Bringing new suppliers into normal commercial operations, extend the approach to other contracts, review the process

Impacts have been significant: in less than one year since the first new supplier (Klein Begin laundry) started operating in August 2004, there are now 8 new local black suppliers, who earned US\$ 90,000 in sales up to May 2005, and others in the pipeline. The pro-poor approach to procurement is being adopted in other parts of Spier. The hotel has benefited from cost savings, increased staff morale, and new products.

- √ Klein Begin laundry could get started because the initial contract was *small* (only napkins for the restaurant) and only required *operation* of a laundry (using equipment supplied by Spier) not ownership of a whole plant. Once the business had broken into the supply chain, it was able to expand rapidly (3 times up to May 2005).
- √ Spier had a champion and facilitator to drive the process forward, able to spend time finding new suppliers and giving them support and advice, and able to spend time with staff helping them shift to working with the new suppliers.

In St Lucia, the big hotels started using local floristry services (flowers and flower arranging). But they do not pay them on time. This has been a major brake on developing linkages.

- √ Change payment procedures so that small suppliers are paid very quickly.

Once hotels start buying imported goods, they may get 'hooked' by the higher standards of packaging and convenience. For example, most hotels buy meat from Dominican Republic, except when premium cuts are needed or local supply is short. But when they do use imports, they find they are ready-cut to uniform standards and well-packaged. "*The quality and presentation of the product is hooking us onto imports*" (Simón Suárez, Hotelier, Dominican Republic).

BRIEF 3: BUILDING LINKS WITH LOCAL FARMERS

THE ISSUE

Although the vast majority of hotels' food and beverage supplies are produced within Dominican Republic, there is little effort to increase *direct* purchases from local farmers, help farmers develop their production specifically to exploit the tourism market, or develop food-based tourism products. Yet agricultural linkages are one of the main ways that local communities can benefit from tourism.

WHY: The opportunities and pressures for change

- Locally distinctive food and recipes add to the customer experience
- Local purchases can provide fresher food and lower transport costs
- Local foods can be used to develop theme nights, culinary tourism, agro-heritage tourism, and a range of consumables for tourists based on herbs, medicines or processed foods.
- For farmers: sales to hotels represent market expansion, product development and increased income
- The draft Preferred Code of the UK Federation of Tour Operators recommends local purchasing – from within the island, and from local farmers rather than wholesalers or conglomerates.

CHALLENGES AND BARRIERS

- Supply problems: inadequate quality, quantity, reliability, product range, seasonality, packaging, transport, health and safety requirements etc. E.g. local fish, meat and dairy products may not be transported under refrigeration. Hotels have to check the temperature on delivery (as required by the FTO preferred code on Health and Safety), and return products that are not sufficiently cold.
- Weak market links: if local products are not marketed via one wholesaler or farmers' association, individual procurement is a hassle for the hotel/restaurant.
- Product range: some goods required by tourists simply are not produced locally.
- Perceptions and preferences of chefs and A&B managers: they may perceive local products as inferior, find imported/wholesale goods more convenient, and not want to change existing supplier relationships.
- Peso revaluation reduces the cost advantage of local supplies.
- Lack of focus on how to diversify the tourism experience away from the beach and adventure excursions, around culinary, agro-herbal, or farm-based tourism.

GOOD PRACTICE APPROACHES

- √ Get chefs and farmers talking - just seeing the fields and the kitchens helps bring supply and demand closer together.
- √ Help farmers improve their production and delivery standards: advise on quality, packaging, health and safety etc.
- √ Encourage chefs and A&B managers to try local food and adapt their procurement and recipes.
- √ Build market linkages: work out market mechanisms for packaging, transport, insurance, and negotiation of contracts, prices and volumes. Find ways of pooling and sharing risk.
- √ Do the above simultaneously: addressing supply not demand, or supply and demand but not the market linkage, does not work.
- √ Collaborate across sectors, combine tourism, agricultural, business support, and marketing expertise. Bring in other hotels/restaurants and marketing channels to achieve economies of scale. Build strategic *alliances*.
- √ Build on farmer partnerships to explore options for further agricultural-based products and value added.

- √ Reap the benefits: profile local food, provide interpretation and information to guests, incorporate food and farm based activities into excursions and develop the brand.

EXAMPLES AND LESSONS LEARNED

Sandals Resort and the Farmers Programme in Jamaica

The Farmers Programme, initiated and supported by the Sandals Group, began in 1996 with 10 farmers supplying 2 hotels. By 2004, there were 80 farmers supplying across the island. Elements of the programme approach include:

- √ Chefs and management teams visit farms and attend workshop days; farmers visit hotels to see how their products are used and why Sandals specifications are important.
- √ A farmer extension officer funded by Sandals assists farmers with production, as do other organisations such as the Rural Agricultural Development Authority.
- √ Hotels are informed 2 weeks before delivery date as to what crops and volumes are available.
- √ The hotels make a feature of local food.

Farmers' sales income increased over 55 times in 3 years, from US\$60,000 to \$3.3 million. Benefits to hotels include a wider variety of good quality local produce and cost savings.

Purchases of watermelon and cantaloupe by one Sandals resort of US\$7,200 per month translates into a monthly income of US\$100 for 70 families, taking them above the poverty line.¹

In the Sandals initiative, some problems were encountered initially with inconsistent supply and lack of communication. This has been addressed with the assistance of RADA, by setting up mechanisms so that hotels are informed two weeks before the delivery date as to what crops and volumes are available. Volumes, delivery times and prices are agreed in advance between individual hotels and farmers groups.

Adopt a Farmer

An 'Adopt a Farmer' scheme established in St Lucia began when hotels were helping farmers recover from hurricane damage in 1994. In Tobago more recently, Hilton hotel and a local Co-op have established – and are expanding – an 'Adopt a Farmer's Group Project'².

The St Lucia scheme strengthens contracts between hotels and farmers *and* makes loans available to farmers at favourable rates so that they can buy seeds and fertiliser. It was established on the premise that farmers needed a guaranteed market if they were to get bank loans to diversify production, and they needed to know what to produce, when, and in what quantities. Hotels buy produce from a specified farmer at a contract price before planting. The initiative, established over 10 years ago, illustrates how such ventures wax and wane. Lost momentum was due to (1) a mealy bug infestation of local vegetables in the late nineties that led to a return to imported produce; (2) hotel managers who had been involved being replaced by new ones; (3) institutional and interpersonal politics, such as opposition from some government entities and competition between farmers; (4) a lack of middle men to act as intermediaries³.

Oxfam supporting St Lucian farmers to enhance regular supply

In St Lucia, Oxfam GB (an international NGO) is working through local partners in four areas to increase farmers' capacity to supply tourism businesses. Whereas sophisticated individual

¹ All-inclusive Resorts and Local Development, Klaus Lengefeld GTZ and Robert Stewart, Sandals, World Travel Market, November 2004. <http://www.propoortourism.org.uk/WTM%20Presentations/WTM%20Sandals%20presentation.pdf>

² http://www.thetravelfoundation.org.uk/documents/prosumtob_000.pdf

³ Piccinini J. (1999) Creating employment opportunities in the Windward Countries of the Eastern Caribbean. Working Paper No 2, April 1999. The Caribbean Project, Center for Latin American Studies, Georgetown University. Scheyvens R. (2004:194) Tourism for Development: Empowering Communities. UK: Pearson

farmers may be able to meet the volume and reliability demands of hotels, poor small-scale producers generally lack the consistency of supply that hotels need. The programme is supporting co-operatives to address constraints, including the key need to access further productive land. The cost effectiveness of irrigation & greenhouse production to extend growing periods are also being investigated.

Although health and safety issues were originally reported within the private sector to be a constraint on local purchases, in fact the *Eurogap and other standards are well understood by Caribbean farmers. So support on meeting health and safety has not been a priority.*

Creating market linkages

Market links between producers and hotels can take many forms: a producers' association, commercial intermediary, or physical market.

Oxfam building market linkages: cooperatives and marketing boards

The Oxfam GB agro-linkages programme in St Lucia finds that access to the markets of the hotel sector is a key constraint for farmers. Thus in addition to boosting production, the programme is supporting four Co-operatives to strengthen marketing. Historically, farmers have handled marketing directly and distrust intermediaries. But through the co-ops they can pool resources needed to supply volumes of crops to the hotel sector. Oxfam is also working with the national marketing board on transport issues, and to phase imports against local production, to avoid over-supply in the market. In St Vincent, Oxfam's partner, ECTAD, is working with a commercial trader to supply hotels on the Grenadines.

A key lesson is that:

- √ The traditional orientation of the agricultural sector towards export poses constraints as market linkages needed for supplying hotels are weak..
- √ If effective agro- tourism linkages are to be established then trading -intermediaries who can support production planning, packaging and marketing for farmers and can meet the supply demands of Hotels must exist. To support this trade, appropriate market services such as credit, transport and insurance providers should exist - or if necessary, created.

Using existing marketing channels in Jamaica

In the Sandal's programme in Jamaica, the small volume of small farmer's supply was a problem for Sandals: While increasing local purchases, the company also had to maintain imported supplies, thus increasing their administration costs. Thus the challenge, as seen by Oxfam, is in enabling small farmers to be able to sell through the existing marketing channels, boosting their volume of production through these channels as growing seasons lengthen, and to get these distributors to give preference to local products as availability incrementally increases.

Getting communication going

Projects can facilitated links in many different ways. In Barbados, the IICA will bring together potential traders into 'Partnership Meetings' aimed at developing commercial relationships. In Tobago, the Travel Foundation Tobago Steering Committee acted as a middleman in the Adopt-a-Farmer scheme. By sitting down with farmers representatives and a hotel chef, they were able to get an agreement negotiated.

Work on supply, demand, markets and policy simultaneously

Oxfam GB's programme covers:

- Support for farmer production,
- Strengthening marketing/value chain linkages,
- Strengthening hotel demand via a Hotel Incentive Programme

- Seeking change in the enabling policy environment, particularly trade rules at national and regional level.

Success at any level depends on progress in the other levels.

At the policy level, an important component will request the Tourism sector to advocate an incremental liberalisation process on agriculture and other key poverty alleviating products, rather than their current full liberalisation position. This should allow the sector to develop to compete with subsidised US products.

Boosting demand for local food within hotels

The Oxfam GB programme is developing a Hotel Incentive programme, which is likely to include:

- Local brand/identity for Hotels who promote local production
- Flexible menus that reflect local availability of produce
- Menus that promote local cuisine or product usage
- Caribbean nights, both in entertainment and cooking
- Tax regime to support local purchasing.

Failures in Cancun

In Cancun, hotels truck supplies from Mexico City rather than the local farming area. Analysis⁴ of several efforts to boost local agricultural production for tourism finds none that had lasting success, and identifies two common weaknesses.

! Most initiatives addressed one element – production by farmers *or* marketing with hotels, but not both.

! They operated in isolation instead of building strategic alliances.

Other barriers were purchasers' lack of trust of suppliers - many chefs hold an outdated view of local agricultural potential, and also limit direct procurements from local producers due to health and sanitation concerns.

Benefits of fresh local food

A group of women in Saint Vincent and the Grenadines produces and bottles fruit juices. Their product is extremely popular with the hotels because it is far fresher and sweeter than the imported equivalent⁵. In Tobago's Adopt-a-Farmer scheme, hotels are benefiting from higher quality vegetables because those shipped from elsewhere arrive in poorer conditions due to heat and humidity.⁶

Going beyond standard food supplies

In a recent piece examining the transition from agricultural dependency in the Caribbean economy to tourism, David Jessop, Director of the Caribbean Council, reevaluates the discourse and calls for a closer dialogue between those looking at new ways to exploit existing commodities and those seeking transition out of older, increasingly less productive industries to the services sector.

"For instance there are real reasons to explore the possibility of linkages that go beyond the production of high quality foodstuffs for hotels to providing essential oils or medicinal herbs that can be used to develop health spas and can subsequently be marketed internationally as products of a country or region." (Jessop, 2005⁷)

IICA research on agro-tourism linkages

A number of success stories in the Caribbean illustrate different kinds of agro-tourism linkage:⁸

⁴ Torres, R. (2004): Challenges and Potential for Linking Tourism and Agriculture to Achieve Pro-Poor Tourism Objectives. Progress in Development Studies, 4(4): 294-318

⁵ Clissold, G. G. (2001): Can the Windward Islands survive globalisation? Caribbean briefing paper no. 4. Georgetown University, Washington, D.C. <http://www.trinitydc.edu/academics/depts/Interdisc/International/caribbean%20briefings/windward%20islands.pdf>

⁶ Interview with Chris James, Steering Committee Chair, June 2005.

⁷ Jessop, D. (2005): Europe: support for change carries agendas. Trinidad & Tobago Express. January 21 2005.

http://www.trinidadexpress.com/index.pl/article_business?id=56346233

⁸ 'Identifying New Possibilities in Agrotourism development in the Caribbean,' Ena Harvey, IICA, 7th Annual Caribbean Conference on Sustainable Tourism Development. <http://www.onecaribbean.org/information/documentview.php?rowid=3252>

- *Trade*: Sandals Jamaica and St Lucia; Sandy Lane and BSFI, Barbados; Pine Hill Dairy, Bakers Choice and cruise ships.
 - *Farm-based tours*: Organic farming at Exotica, Dominica; Agronomic/Scientific Tours in Citrus, Belize.
 - *Agro-heritage*: Mamiku and Fond Doux in St Lucia; Belmont Estate in Grenada, Tobago Heritage Festival.
 - *Culinary*: 12 food festivals, Jamaica: T&T Culinary Festival; EatDrink Barbados, Pudd'n & Souse, Barbados; Cashew Festival Belize; Oistins Fish Festival.
 - *Herbal*: Gallon Jug Belize, Spas- Le Sport, Ritz Carlton, Sandy Lane, Terra Nova.
- √ Critical issues for achieving linkage include: *information and communication* across the entire chain of stakeholders; *partnership development* between and within sectors; *education and training* at all levels to improve quality, quantity and reliability of goods and services; *incentives* for investing by public, private and community sectors; *marketing* and promotion issues.

Tourism boosts exports of food products

Once local food items are introduced into the tourist offering, sales can multiply further if they become 'suitcase exports' taken home by tourists. In turn, this stimulates demand for products in the tourists' home country. Examples from Hawaai illustrate this, where macadamia nuts and Kona coffee (another Hawaiian specialty food product) have become major exports. Export demand has been highly dependent on persons introduced to the product through tourism or through receiving the item as a gift from a Hawaiian tourist. The draft Maui Agricultural Strategic Plan included a focus on expanding suitcase exports⁹.

Food festivals integrated into the tourism product

Food festivals are an integral part of tourism in some countries: e.g. 12 food festivals a year in Jamaica; a culinary festival in Trinidad and Tobago; Eat Drink Barbados; the Cashew Festival in Belize. In Dominican Republic there is Gastronomico Dominico. But there is also seen to be potential for more local festivals that are integrated into the tourism product. For example, at Boca Chica, there are plans to develop local food festivals into tourist events.

Collaboration across sectors

The many initiatives of agro-tourism linkages are based on collaboration between sectors – at the very least between tourism and agriculture, and often other sectors (water, environment) too. For example the SuperClubs and 'Eat Jamaica' campaign is based on a 2004 agreement between SuperClubs and the Jamaican Agricultural Society.

Agro-tourism linkages in Dominican Republic hotels

Research and anecdote suggest that a high percentage of hotel food and beverages are produced within Dominican Republic. Nevertheless, tourism-agriculture linkages could be strengthened further in Dominican Republic: there is potential for hotel contracts to be used to help farmers invest in production upgrades, and also potential to develop new tourism products related to food and farms.

Many hoteliers and chefs estimate that 70-90% of food and beverages purchased by hotels are from the national economy. The main imported items are those canned products that are not made locally - hoi sin sauce and other Asian condiments, tinned peaches, Mexican dried chillies and other preserved foods. In addition, some meat, fish, dairy and alcoholic products are imported. Research carried out in 1997 through hotel surveys concluded that 90% of Food and Beverage products were produced within the country. This compares well with other Caribbean islands, many of which have smaller agricultural economies and higher rural wages, and thus import more.

⁹ Draft Maui Agricultural Strategic Plan. 2003.
http://www.ctahr.hawaii.edu/ctahr2001/aboutus/StrategicPlan_2005_Files/MauiCountyStrategicAgPlan.doc

Domestic purchasing is from the *national* economy, mainly via *wholesalers* in the cities. This is different from hotels having links with local farmers, where the tourism link can be used to help a farmer improve his or her production specifically for tourism. If farmers can adjust their planting, or invest in improved harvesting and transport, they may be able to produce higher quality products, more suited for tourism, and generating more local income. The current situation – whereby farmers turn up at hotels on chance, and sell for cash if quality is sufficient – has the advantage of being low-risk and flexible for both sides. But it does not enhance supply or demand over time.

Farm-related tourism products appear to be developing, such as the new cocoa industry attractions (see Brief 4), and plans to develop local food festivals. This again is an area of potential.

BRIEF 4: EXCURSIONS INVOLVING LOCAL PEOPLE AND PRODUCTS

THE ISSUE

The Dominican Republic has more to offer holidaymakers than sun, sand and sea. Excursions need to be available to offer a range of cultural, natural heritage and 'meet the people' opportunities. Such excursions are a key way of enhancing the product and customer experience, and spreading the benefits of tourism wider into the local economy.

Although there are some excursions in Dominican Republic based on people's culture – new cocoa-farm visits, dance groups performing for tour groups – most excursions are based on enjoying the water or the wild.

"The tourism industry as a whole hasn't yet grasped what this country has to offer culturally. And when it does, it does so in a biased way: presenting Spanish culture but not Taino or African culture. Right from beginning tourism promotion has been designed to show only beaches not our cultural product. As competition between traditional sun, sand and sea destinations intensifies the 'era of improvisation' is over".
Deputy Minister of Tourism, Dominican Republic¹⁰

Excursions generally involve the provision of transportation, guiding and a range of activities, experiences and admissions. The various components raise issues of quality and health and safety; e.g. issues of boat and vehicle safety, risks of crime and dangers associated with sites and activities, which may be hazardous. Therefore developing new excursions requires a thorough and careful approach.

WHY: The opportunities and pressures for change

For a traditional sun, sand and sea destination cultural heritage is important for product differentiation and non-price competition.

- Holidaymakers from the UK and other European originating markets are seeking more experiences in the destination, and opportunities to go beyond the resort.
- Excursions provide memorable experiences and 'stories to tell', particularly when based on direct interaction with local people, so encourage word-of-mouth marketing. They can also encourage repeat visits by introducing tourists to other parts of the country and showing that there is more still to be seen.
- Excursions can spread the benefits of tourism – particularly in all-inclusive resorts they help spread spending outside the resort, and enable tourists to buy directly from craft producers or to contribute through entrance fees to the maintenance of natural and cultural heritage.
- There is concern in the Dominican Republic that the average expenditure per tourist on excursions has fallen markedly in the last few years. There is a need to innovate and develop new excursions, and to make better use of Dominican Republic's rich culture.
- Under-utilised potential is evident: tourism brochures focus exclusively on sun, sand and sea. Excursions that introduce tourists to sugar cane plantations, farms, villages, culinary techniques, dancing traditions, and the legacies of Taino and colonial history are marginal in the current product offering.

Benefits to be gained from new diverse people-focused excursions:

For Hoteliers: extended length of stay, repeat business, word of mouth marketing – referrals

For Tour Operators: increased business, revenues/profits, employment creation

For local communities: engagement (inclusion) with the industry and economic opportunities

For all: customer satisfaction, increased spend, enhanced brand

¹⁰ Interview on July 7th and statement at PPT workshop July 8th, 2005.

CHALLENGES AND BARRIERS

The challenge is to develop tours which engage with local people, meet market needs, are of appropriate quality and meet the health and safety requirements of the international operators and national regulation.

Many Europeans expect pineapples to grow on trees. They are fascinated to see them on the ground. How many opportunities for tourists to walk in pineapple fields are there in Dominican Republic?

Standards, risk and legal liability: The EU Package Travel Directive places a duty of care on European tour operators. Although interpretations vary, the impact of the directive has been to make tour operators responsible for the quality and health and safety of anything that they offer in brochures, sell in resort or recommend. They have to undertake risk assessments before selling or recommending anything. Therefore tour operators and their staff are careful only to recommend excursions that they have inspected and audited for quality and health and safety. New excursions sold to international tourists will need to fit with the standards and procedures required by international tour operators and their legal liability.

The provision of food and drinks outside the controlled environment of a hotel or resort is a particular challenge. International tour operator standards cover such issues as use of different coloured chopping boards, aluminium work surfaces and date stamping of food. Lunch stops used on excursions have to be audited for health and safety. Security of the area is also important, and will need more attention for evening excursions.

Stakeholder roles, incentives and inertia: Domestic tour operators and ground handlers play the primary role in developing excursion programmes which are retailed by the overseas operator either before departure or in resort. Therefore they have a key role to play in product innovation involving local communities. However, there is less economic pressure on ground handlers to innovate. If they are well established, it is easier to sell more of what they have already developed than to invest effort in creating new quality products and to have them audited by the overseas tour operators for resale. In contrast hotels have stronger incentives – though less power – to develop the product. Hotels struggle most from the pressure on contract prices that result from Dominican Republic competing entirely on price, and also have more need for good local relations in their immediate vicinity than an operator that runs tours across the island.

*Around Santo Domingo, there are the first three sugar mills in the Western hemisphere. Yet none of them are tourist attractions.
Santo Domingo is the first city built in the New World and a World Heritage Site. Yet hotel rooms in the city do not contain brochures about this.*

Community organisation and behaviour: begging and hassling undermine the quality of the tourism experience and keep tourists away. But controlling these involves a high degree of community organisation and leadership. In the past, excursions to community areas have failed because this was lacking. For example, one tour operator reports that tour visits to a community around Puerto Plata stopped because when guests arrived there was too much begging and hassle. However, it is 'big work' to prepare the community and to offer holidaymakers a real, authentic experience.

GOOD PRACTICE APPROACHES

√ Integrate local interaction and local shopping into excursions

Day excursions need to provide opportunities to purchase art and craft, to experience local food and drink, and to talk to local people. Including local craft markets or visits to craft workers in their workshops can enhance tourists' experience and expenditure. Dropping tourists at craft markets close to hotels on return and pointing out the short walk back to the hotel can also work - if security along the route is managed. Local and overseas operators need to work in partnership to ensure that quality and health and safety issues are managed properly.

√ Develop a wide range of excursions tailored to client groups

A wide range of excursions and guiding strategies should be carefully tailored to the preferences of different target client groups. Excursions will fail if they do not meet the needs of the client. Invaluable advice on tourists' perceptions and expectations can be gained from talking to local representatives of international tour operators, drawing on their client feedback, and on international guide books.

√ Work with all stakeholders to ensure guest security

Ensuring guest security requires close collaboration between tourism operators and local community leaders, organisations, local government and police. The community needs exposure to what makes tourism work – or not work. They also need to see tangible benefits coming from making their area welcoming for tourists – words of wisdom from others are insufficient incentive. International tour operators have considerable experience of how to deal with enhancing local security in other destinations, and are generally happy to provide suggestions about how this might be handled. For example, the UK Federation of Tour Operators has working groups on security and health and safety.

√ Jointly develop codes of practice on commissions and incentives

Guides and driver commissions can significantly reduce the economic benefits going to craft producers and restaurants. Codes of practice between the taxi drivers, guides, tour operators, restaurants, shops and craft markets can contribute to ensuring that the system maximises returns to all the stakeholders.

√ Assess and manage social impacts

The social impacts of tourists, sometimes in large numbers and every day of the week, can have multiple impacts on local communities and businesses, including negative ones. Impacts need to be identified and managed so as to avoid problems developing. Tourists need to be encouraged to cover up – particularly when entering churches and discouraged from giving away sweets in the street or from the windows of vehicles. Begging is often generated by the behaviour of tourists.

√ Assess and manage environmental impacts

The environmental carrying capacity of the places visited needs to be considered. Tourists need opportunities to dispose of litter responsibly or to carry it back to the hotel. Trampling of vegetation or disturbance of wildlife needs to be monitored and managed. Coaches with their engines running are a major source of noise and air pollution. These impacts need to be managed in consultation with communities and local government.

√ Ensure high quality guiding with local knowledge

Guides determine the quality of the excursion. They need to have appropriate languages and expertise, and must continue to develop their skills. They should know what the tourists' guide books say about the cultural and natural environment, purchasing revised editions every couple of years. Guide's attitudes to community involvement are key. Developing tours that involve local people will not be possible if guides are hostile or dismissive of local culture.

There is considerable debate about licensed and unlicensed guides and the pro and cons of different strategies need to be considered in different places. Licensing can ensure quality, however licensing can also exclude those without formal education but with good conversational language skills. Initiatives by government which take unlicensed informal sector guides and train them briefly are one way to enable the less educated to enter the market. But there is also a risk of creating levels of competition which reduce standards. There may be scope for specialist guides at particular cultural sites, for bird guides and dive guides as well as local guides who take tourists on walking tours or to shop in local markets. A diversity of guide services can substantially enhance the tourist experience and create local employment.

√ Focus on marketing, not just production, of new people-oriented excursions.

New excursions need to be included in the conventional marketing channels – the itineraries and options provided by domestic and international tour operators. They also need to get into the guide books and the awareness of tour operator staff. Orientation programmes for new international tour operator staff when they arrive can ensure that they are familiar with the range of excursion programmes on offer.

√ Train entrepreneurs.

Training for local suppliers of crafts, goods and services is essential – in hospitality, business management, health and safety. Tourism businesses can provide much of this, particularly ‘experiential training’ where local entrepreneurs experience tourism first hand. More specialist training in small business management or technical production skills may also be needed from outside the tourism sector.

√ Find the right local people to work with.

Rushing into a community link can be counter-productive. It is important to work out which community or communities to work with – sometimes there are multiple claims to an area or asset. And within a community, it is important to work with appropriate representatives and leaders. There is a balance between finding those with ‘entrepreneurial spirit’ and ensuring that the new product is fair to the wider community.

EXAMPLES AND LESSONS LEARNED

Recognising the value of Bachata and Merengue

In Dominican Republic, Bachata¹¹ is a style of rural guitar music, which was regarded until recently as vulgar, and of poor quality and associated with rural backwardness. Only after Bachata artists began to win international acclaim in the 1990’s was bachata included in tourism programmes. In Peru, tour operators based in Lima and Cusco showed marked disapproval of rural merengue in the north – when the British Ambassador got up to dance with the local women they saw that tourists would enjoy this kind of experience.

Community organisation at Saona¹²

At a Sustainable Tourism Round Table held in Punta Cana in December 2003, the Tour Operators Initiative in collaboration with the Bayahibe-La Romana Hotel Association and the Punta Cana Group developed an Agenda for Action which included improved management of the marine excursions to Isla Saona in Parque del Este, visited by around 400,000 visitors per year. One tour operator reports that Saona is one of the few examples of a successful excursion where tourists visit a community area. In this case, the small population (15 families) makes working with local partners much more feasible.

Tour Operators Shaping Consumer Choice in the Destination

In Curacao and Bonaire,¹³ TUI (Netherlands) communicates with holidaymakers throughout the customer ‘journey’ local issues. Brochures, tips which accompany the airline tickets, an in-flight video shown by KLM, the resource book in hotel lobbies, and the welcome briefing meetings are encourage them to take excursions and activities, which are sustainably managed. TUI encourages guests to ‘Enjoy our lovely islands but help us to keep them intact for future generations’ and informs guests about how to behave and provides them with information about attractions, dive operators and hotels participating in the project. The partners receive certificates which inform customers about the standards it has committed to, and which the partner can use in its own marketing. These standards are environmental (e.g. that corals and other marine life should not be offered for sale) but the same approach could be extended to socio-economic issues.

¹¹ http://home-3.tiscali.nl/~pjetax/historias/history_bachata.html

¹² <http://www.toinitiative.org/about/documents/ActivityReport2003.pdf>

¹³ http://www.leedsmet.ac.uk/lsif/the/WORKING_WITH_SUPPLIERS.pdf

New products based on the Coca Industry in Dominican Republic

New initiatives are diversifying the tourism product in Dominican Republic by exploiting the interest of tourists in the chocolate industry.¹⁴

'*Ruta del Cacao*' is run by Monbayasa, the Association of Tourism Micro-entrepreneurs in Monte Plata. It offers a visit to a cocoa farm, where guests can see living conditions, production and processing techniques, social projects, the cocoa and fruits growing in the field, and can take a rest, buy arts, watch folkloric dancing, enjoy a Dominican lunch, and of course taste cocoa products. Such a tour is a good example of how local culture and farms can be used to develop a multi-faceted tour for tourists.

The Centro Cultural Del Atlantico in the former Sanchez chocolate factory, a proposed project in Puerto Plata, aims to convert an abandoned chocolate factory into a cultural centre and tourist destination. The ambitious plans include museums, teaching space, an artistic hall, commercial space, cafeteria, and much more, within the 48,000 square metre facility. The Center aims to involve low-income youth and artists, and to attract both domestic and international tourists.

Outback Safaris taking tourists into rural areas

Outback Safaris takes tourists from Puerta Plata and Punta Cana on rural excursions which combine visits to a traditional home, bathing in a river, a boat ride, a lunch stop, traditional dancing, boogie boarding, and views of the lush interior; or as the owner puts it, the excursion combines "*history, social lessons, cultural experience, plans, animals, fun and charisma*"¹⁵. The company also invests in local road building and supports community projects such as schools and orphanages. Tourists are encouraged not to give things away on the trip, but contribute to a Foundation that can administer funds professionally. Local people gain benefits through a wide variety of channels: in addition to the US\$5,000 a month in rent paid to owners of boat and ranches, rural people earn approximately US\$1300 per month from sale of local products to tourists or fees for visiting their house. The company spent over \$18,000 on maintaining roads in the first half of 2005, benefiting both their excursions and local people. Direct donations include scholarships, health support, and around US\$35-40,000 from the sale of T-shirts to tourists.

The need for investment in a diversified product in the Caribbean

Market information shows that there is considerable interest in local tourism experiences. The Caribbean tourism sector, particularly small tourism operations, has not aggressively embraced this product potential. But future competitiveness may depend on it:

"The level of investment in tourism development has increased substantially in regions such as Asia... Moreover, there is increasing tourism investment in North America and Europe as destinations everywhere are fighting for market share. Part of the strategies destinations employ is to present a diversified product with multiple activities, offered with high quality service standards. This is the future of tourism and this is the direction the Caribbean must go in order to compete effectively" (CPEC; 2002)¹⁶.

The Gambia

Makasutu¹⁷ is an upmarket safari lodge experience in an area of natural forest and mangrove. On land adjacent to, but separate from the exclusive lodge, a series of cultural and natural heritage experiences have been developed with different day time and evening programmes. Traditional food is served, villagers come in to entertain, local crafters work and sell their craft there and tourists are introduced to traditional music, dance, and cultural experience. This initiative has been a great success with the international tour operators. Tuamni Tenda,¹⁸ a cultural centre on the edge of a traditional village and owned by the village, has been more successful with independent travellers, student groups and backpackers.

¹⁴ Monbayasa: jeremyleo007@yahoo.com. Fundacion Atlantica: <http://www.sea-horse-ranch.com/foundation/Chocolatera.pdf>

¹⁵ Hodgkinson, P. Outback Safaris, pers comm., July and August 2005. <http://www.outback-safaris.com/english/about.htm>

¹⁶ CPEC, 2002. Caribbean Regional Human Resources Development Program for Economic Competitiveness. A CIDA funded project. <http://www.cpechrd.org/regtourism.htm>

¹⁷ www.makasutu.com

¹⁸ www.asset-gambia.com/members/eco/tumanitenda.htm

BRIEF 5: ENCOURAGING TOURISTS TO SPEND IN THE LOCAL ECONOMY

THE ISSUE

Expenditure by holidaymakers in the local economy makes a direct contribution to raising the household incomes in local communities and can provide an enhanced experience for tourists. Activity around the resorts and hotels contributes to creating a richer destination – in both senses. If they are to spend freely, tourists need to feel comfortable as they explore the neighbourhood, see goods and services which they wish to purchase, and trust the health and safety standards.

WHY: The opportunities and pressures for change

In an increasingly competitive sun, sand and sea market place, providing a wide range of activities from shopping to bird watching and story telling to drumming enriches the destination experience leading to more referrals and repeat business, and an enhanced destination image.

Shopping is a vital component of the holiday, but tourists want to buy goods that are distinctive, or even unique, to their destination. If they are sold things which are imported from another country, or worse another continent, then the authenticity and quality of the destination is called into question and competitive edge is lost. However, in Dominican Republic, many of the curios are imported, some from Asia.

Average expenditure per tourist has declined in Dominican Republic. One way to raise it without raising the 'cover price' of a holiday, is to provide them with high quality opportunities to spend more while here.

In The Gambia British tourists spend £25 per day in resort as discretionary spend. One third of that is spent in the informal sector (2001) – meaning £8.27 per tourist day goes to craft sellers, fruit pressers, local guides, fruit sellers, taxi drivers and to unlicensed 'guides' who accost tourists in the street or on the beach. Many of these experiences enrich the tourist's experience and make a significant contribution to the livelihoods of local households. One third of British tourists leave having spent all the spending money they brought with them. But others carry money home - an average of £30 unspent each. That is £1,800,000 'lost' to the Gambian economy.

CHALLENGES AND BARRIERS

- Local crafts appear to be struggling to compete with imports – either quality is low or if well-produced, price is comparatively high.

"We've been completely invaded by foreign handicrafts. It's something we've not paid serious attention to. This last winter season has been the worse season in terms of sales of handicrafts in the country".
Jose De Ferrari, craft consultant, July 2005.

- Lack of reliable public transport, lack of information on the local area, and uncertainty about where is safe and unsafe to go, discourage tourists from going outside the resort.
- The structure of the all-inclusive package is not pre-disposed to encouraging expenditure outside the resort for two reasons: tourists have an incentive to stay inside where food and drinks are free and the environment known. And the legal liability of tour operators prevents any local activity being recommended unless it has been audited for health and safety.
- Begging, hassle and poor quality experiences outside the hotels and resorts encourage people to sit inside the hotel and not to venture out. Local people accosting tourists in the street and hassling them to enter shops, take taxis and accompanying them uninvited creates an air of insecurity and allows crime to develop – it also alienates holidaymakers and the vast majority of them want to avoid these kinds of hassles – particularly when they are on holiday.

- Commission structures can mean that there is little scope for local producers to earn a profit because of the margins paid to tour guides. It can be hard to break into the market and persuade excursion groups to stop at a new product, because guides rely on established commissions from their existing stopovers. High competition between vendors and excess haggling by tourists – sometimes encouraged by out-of-date guidebooks - further reduces returns.

GOOD PRACTICE APPROACHES

- √ Support product quality and innovation

Tour operators and hoteliers can assist producers to develop authentic, differentiated, high quality and innovative products. There are already several products that are authentically Dominican – cigars, rum, coconut products – and a few that are unique to Dominican Republic – green amber, larimer, faceless dolls, and products based on Taino Indian motifs. Further development of these is needed. Innovation can mean developing a traditional skill or product into a modern product desired by tourists. A classic example of this is from The Gambia, where local women produced Gambian dresses for Barbie Dolls.

- √ Work with local partners to ensure security of tourists in the community.

Assuring security of tourists in the street means engaging the local community and its leaders, and working in partnership with the tourism industry and local police. If health and safety and security standards are met, and are audited, it then becomes possible for hotels and tour operators to recommend local areas to tourists. Community people need to know what an important difference this can make. Tourists need reliable quality information about where it is safe to go and where not.

- √ Provide information to tourists.

Hotels and tour operators can provide many different kinds of information that influence local spending:

- Maps, so that tourists can find their way around the area if they want to venture out
- Guides on pricing – appropriate haggling, ball-park prices
- Information on public transport – where to find taxis, taxi charges
- What local products and services are available. For example, hotels can make a board available where local businesses can display their information. If local products reach quality standards, information can be provided in welcome packs and briefings.

- √ Support collaborative efforts to establish self-regulation and reduced tourist hassle.

It is not surprising that poor people on the margins of the industry take every opportunity to earn a few pesos. But if hassle is reduced, sales can expand to benefit everyone. Hoteliers and tour operators cannot impose self-regulation on locals, but need to work together with vendors, communities, local leaders, local government and the police to address the problem, support local initiatives, and help ensure that tangible benefits are reaped.

- √ Engage in open discussions on a commission system that will work for the destination, including the poor producers.

It is not possible to take ever larger commissions from ever fewer sales. A virtuous circle needs to be created where product expansion, reduced hassle and greater quality increase the volume and value of sales and commissions spread further. It is important that hoteliers and tour operators buy into any agreement, and ensure guides also buy-in. Once a new system is working, there is a good chance that everyone will benefit from product expansion, but the challenge is to get agreement in the first place.

- √ Provide business advice and support to local entrepreneurs.

Table 1 shows a wide range of ways in which local artisans, guides and restaurateurs can boost their sales. Hotels and tour operators can assist in any of these, through provision of advice and useful contacts, and through collaboration with destination partners to make change happen. In particular they can assist local entrepreneurs on required standards, including health and safety. Hotels can offer retail space to local craftspeople, taxis, excursions and guides.

- √ Support destination-wide initiatives, such as festivals, regeneration of infrastructure, development of a local brand

Festivals can bring tourists into the destination in the low season, and encourage tourists out of the hotel into the community. They require input from many stakeholders to get going, though once established they may flourish annually to the benefit of all. Success of certification schemes, such as a local brand, also depends on wide buy in and usage by many operations.

Table 1: Factors that encourage purchases of local crafts, food, guiding and market products

<p>Local craft sales are boosted by:</p> <ul style="list-style-type: none"> • Products specific to the destination (based on amber, Taino pictographs, coconut, rum, colonial ‘firsts’) • More ‘production’ on the stalls • A range of differentiated products – not all vendors selling the same • Product innovation – combining local skills with modern preferences (e.g. Gambian dresses for Barbie Dolls!) • Less hassle of tourists – hassling stops sales • Price information for tourists (a range within which haggling is appropriate) • Better quality products • Better presentation of products • Ensuring products are packable and transportable • Sales inside hotels • Labelling and interpretation to tell ‘the story’ and thus add value • Tailor-made items made to order (e.g. personalised with names) • Code of Conduct among sellers governing behaviour, prices, location, management of environmental impacts of materials used • Art and craft areas or clusters, where tourists can see producers and competition drives innovation. 	<p>Local Food and Drink sales are boosted by:</p> <ul style="list-style-type: none"> • Ensuring product quality and standards. • Exploiting smells, flavours, tastes and niche preferences: e.g. organic coffee and chocolate • Opportunities to mix with locals • Country labels – brands that guarantee tourists authenticity, local sourcing and recognised quality • Local festivals <p>Local market visits are boosted by:</p> <ul style="list-style-type: none"> • Local colour • Range of products • Opportunities to see producers at work • Reliable transport • Opportunities to mix with locals <p>Local Guiding is boosted by:</p> <ul style="list-style-type: none"> • Availability of specialist guides, e.g. in birding, agricultural tours • Licensing or system of official recognition • Agreed pricing, published to tourists in writing
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EXAMPLES

Developing local products that are unique and hence competitive

A common problem for local producers is difficulties in competing with cheaper imports. For example, in the Windward Island, Mamiku Gardens seeks to promote local crafts in its gift shop, but the selection is fairly sparse. Many small establishments must resort to importing items actually made in Central America or Asia. A gift shop proprietor in Saint Vincent and the Grenadines reported that she simply could not sell local items because the quality and supply was inconsistent, and visitors considered the prices too high. Several proposals have been made:¹⁹

- One relatively unexplored solution ‘is for farmers to produce unique, upmarket, personalised products for the visiting tourists. The argument is that if an item is unique it cannot be replaced with a cheaper foreign equivalent. For example, one entrepreneur in

¹⁹ Clissold (2001) <http://www.trinitydc.edu/academics/depts/Interdisc/International/caribbean%20briefings/windward%20islands.pdf>

Saint Vincent and the Grenadines has suggested that farmers and beauticians join together to open skin care salons close to the cruise ship berths. Arriving tourists could treat themselves to massages and facials using unique local herbs and fragrances, and purchase such products for future use²⁰.

- Another proposal, endorsed by the elderly craftswomen, was that if they could purchase a supply of already prepared inputs, they could accelerate production and earn a better living.
- Adapting traditional craft designs could also increase competitiveness. If local crafts were modified to function as packaging for a processed food item, for example, this would enhance the marketability of both the food item and the craft product

An example of the development of a distinctive local product is the National Logo Competition held by the IICA Agro-tourism linkages centre in Barbados to support the development of a signature competitive Barbadian product - 'Barbados Blackbelly Sheep'. Such unique locally branded products may be marketed through hotels, and/or sold directly to tourists.

Caribbean Festivals

Festivals are one way to involve local people in the tourism product, and encourage tourists to enjoy – and spend in – the local area.

Festivals have also proved to be very useful in boosting the destination as a whole, by creating a new tourism season, filling the void in the tourism calendar, improving hotel occupancy levels and building destination image. Festivals create a strong demand-pull for visitors. They generate new tourism demand from the short break travel market, diasporic and intra-regional tourist (groupings that are largely omitted in tourist marketing plans). The spending of festival tourists, which is considered 'new' or incremental and counts as an export industry, has been very significant as a share of total visitor expenditure, where the data on visitor arrivals have been documented by exit surveys. See table 2. The best case is that of Trinidad carnival - the largest festival in the region in terms of visitor arrivals and expenditures. Arrivals have grown by 60 per cent since the late 1990s such that by 2004 there were over 40,000 visitors that spent approximately US\$28 million. This accounts for over 10 per cent of annual visitor expenditures.

TABLE 2: FESTIVAL TOURISM ECONOMIC IMPACT²¹

Festivals	Year	Arrivals	Visitor Expenditures US\$m
Trinidad & Tobago Carnival	2004	40,455	28.0
St. Lucia Jazz festival	2000	11,041	14.8
Barbados Cropover	2000	3,485	3.2

St Lucia Jazz Festival

The St Lucia Jazz Festival was originally conceived as a marketing tool to raise market visibility and boost arrivals in the low season in a relatively low cost way. But it has now developed into a leading event in the national and touristic calendar. Since its establishment in 1992, the festival has won accolades as the 'Premiere Jazz Festival of the Caribbean, and been rated one of the top three festivals in the world. The festival has boosted visitor arrivals, raised awareness of the destination, provided exposure for local artists, and provided a ready audience for other tourist services in accommodation, transport, food, performances, events and souvenirs. The value of additional media exposure due to the event is estimated to exceed the annual budget of the marketing board. The initiative required an enormous amount of stakeholder collaboration to get

²⁰ Clissold (2001)

²¹ This data is taken from K. Nurse, Festival Tourism in the Caribbean, Inter-American Development Bank, Washington DC, forthcoming 2005.

off the ground, involving multiple finance sources, tax waivers, media collaboration, use of volunteers and contracted staff, sponsorships and partnerships²².

Festival attraction at Hedonism III resort, Jamaica

Another example of festival-based tourism is the annual 'Blue Jam Week' promoted by Hedonism III resort in northern Jamaica. It is advertised to potential visitors on the internet as follows:

*"Don't pass up this chance to join musicians and fans from around the world during this fun-filled week at Hedonism III resort in Jamaica as vocalists and instruments merge and produce ecliptic rhythms Whether you are a sun-worshiper, an aspiring musician or seasoned pro, this is the event for you! It's a great group of fun-loving, sun-worshipping, party people who share a passion for great blues music. Allow your souls to be caressed, your minds inspired and your bodies revitalized"*²³.

Dominican Republic

Festivals in the Dominican Republic, such as the annual "Carnival" on Independence Day (February 27th) each year, are important for stimulating tourism spending. But there is potential to make greater use of them. For example in In Boca Chica, there is an annual festival – the day of St Juan – but it is not organised for tourists. There is a local sea festival, but that is also not a 'gourmet' event. Such local festivals have potential to be marketed to tourists and used to attract them into the area.

Training for food producers

The Gastronomical Workers Association has set English and French courses for food workers. Language skills help them to enter into tourism. At Boga Chica, 145 women who sell fried fish on the sea front have taken a course in food handling. After this, they will be offered a micro-entrepreneurs course, and at the end of the course, introduced to a loan scheme run by government.

²² St Lucia Tourist Board (2004): St Lucia Jazz Story – A Perspective. http://stluciajazz.org/jazz_articles/feststory.asp

²³ Source: http://www.superclubs.com/brand_hedonism/resort_hedonismiii/

BRIEF 6: NEIGHBOURHOOD PARTNERSHIPS

THE ISSUE

Partnerships with residents and neighbours can cover a wealth of issues: waste management, water use, energy supplies, development of local craft markets, local guiding services, improvement of local enterprises and services, seafront development, creation of pedestrian streets and local restaurants and cafes, management of attractions and development of new ones, management of begging, traffic control, control of sex tourism and policing of crime, festivals for local people and tourists to enjoy together. There are many opportunities to enrich the destination.

WHY: The opportunities for change

There is a need to work together to improve the destination – making a better place for tourists to visit and a better place for people to live. Through local partnerships:

- Destinations can be enriched: the local area within walking distance or a short bus or taxi ride can become part of the destination used by tourists staying in the hotels and resorts, and the local community gains opportunities to sell goods and services to tourists.
- Local communities also gain from public spaces, parks and gardens and pedestrian streets, developed for tourists but which local people use too to play chess, talk with friends or sit in the shade of a tree – it is this which creates the ambience tourists enjoy, which creates an authentic sense of place.
- If tourists are to venture out of the hotels, residents, government, hoteliers and local businesses need to work together so that they can enjoy the ambience of the destination without hassle, risk to health or safety and with little risk of falling victim to crime.
- Negative impacts of tourism, such as litter, waste, or sex tourism, are best resolved through neighbourhood partnerships.

To improve the destination for tourists and residents and to create economic opportunities for local people is a complex task and generally, but not always, beyond the means of any one enterprise. Individual hotels can provide lighting in adjacent streets, provide potable water or sewage treatment, clear litter, and/or provide security; tour operators can assist in maintaining roads in rural areas and bringing groups of tourists to craft workers or craft markets. However, more can be achieved by working together. A partnership approach working with other stakeholders in the industry, with government and with diverse groups in the local neighbourhood is essential. Work out how each can benefit more from collaboration, and to make it happen.

CHALLENGES AND BARRIERS

- In some destinations in the Caribbean, and elsewhere, it is a considerable challenge to provide experiences for holidaymakers which meet the quality and health and safety expectations of consumers and the requirement of the Package Travel Directive. For tour operators and hoteliers to recommend, or otherwise encourage, their clients to venture out of the hotel or resort, or away from the organised escorted excursion programmes requires that health and safety and security issues are managed and that the necessary minimum standards are assured by the community, local government or the police.
- Collaboration requires competitors to work with each other, and different sectors to come together.
- Existing interests, taxi drivers, guides and street vendors are often well organised and they are adept at defending their interests. Taxi drivers who have borrowed to finance their taxi and buy a license will jealously guard their interests; they may make it very difficult to introduce a bus service from the hotel or resort to town. Freelance licensed guides and unofficial guides touting for business may intimidate tourists and discourage them from

venturing out. Vendors selling cheaper imported crafts and paying for their pitches may crowd out local craft workers who could provide a more authentic local experience – including demonstrations of weaving, leather work or carving. These issues are not easily addressed and generally require a transparent partnership approach engaging all the stakeholders and with the support of government. All those involved need to share a more or less common vision about how the relationships are to be changed and to support the changes knowing clearly what they will gain and lose.

GOOD PRACTICE APPROACHES

- √ Gather reliable information about what tourists think about the destination and the quality of its offerings. Find out what each of the stakeholders thinks about the goods and services provided by others. Identify the main problems and thus shared solutions. Partnerships cannot be developed without a shared understanding of the problem and a shared vision about how to change it.
- √ It is not just talking, not just environmental improvements, not just social programmes – to get sustainable change it is important to ensure that there are tangible economic benefits for local people.
- √ Partnerships need to include the international and domestic private sectors, local government, local businesses and community groups.
- √ Tourism ministries and tourism officers cannot deliver alone – they will need to secure the support of other parts of government, for example, street cleaning, road maintenance, the police and planning.
- √ Provide craft workers and other local trades people with a physical space from which to trade and avoid hawking – create markets which are close to where the tourists are.
- √ Have frank and open discussions about commission systems and fees. Explore how everyone can benefit from a 'bigger cake' rather than fighting for shares. Agree new rules and shares. Encourage each stakeholder group to develop and regulate its own code of conduct.

EXAMPLES

In Dominican Republic, 'clusters' are bringing stakeholders together in 6 destinations. An initial demonstration from the environmental side of the fruits of collaboration is at Romana/La Bahayibe, which became the first beach in the Caribbean to have a Blue Flag. This could not have been achieved without wide stakeholder input. There is potential to extend this approach to a range of infrastructural and socio-economic issues. The process has identified many issues. For example, "Representatives of the civil society expressed great concern for the growth of prostitution, drug sales, the lack of integration of local communities into the tourism product"²⁴.

At Boga Chica, a partnership is being developed for collaboration on development of the area and new products. The only attraction is the beach at present. The idea for neighbourhood development is to develop the Paseo of San Andreas – a boulevard for tourists along the sea front, with cassetas (small restaurants), and with a range of cultural products (museum, sugar mill, ecopark, yacht marina) nearby. A process of community planning and workshops are currently underway to develop the plans.

In The Gambia, processes of neighbourhood consultation and planning led to significant changes. Fruit sellers and juice pressers stopped hawking on the beach, and set up their own stalls. Craft-makers set up craft centres. Each group of micro-entrepreneurs established its own code of conduct, monitored by its own association, on issues such as fixed prices and no tourists hassle. Hotels started promoting information on local enterprises, and inviting vendors into hotels. As a result, there was a change in atmosphere on the beach, hassle was reduced and tourists came

²⁴ TOI 9/12/2003; Punta Cana, Dominican Republic

back. There was a three fold increase in revenues at Kotu Beach and 43 new 'jobs', while incomes doubled at Senegambia. The overall destination improved and all stakeholders benefited.

In St Lucia, the Laborie Development Foundation and Laborie community undertook a three year strategic planning process from 1999 – 2002 to reduce ad hoc, unplanned development. The focus is on the overall development of the community including the development of tourism. For example, one of its projects aims to link cultural festivals to the accommodation sector in Laborie. Given the vast number of requests for assistance from other communities interested in undertaking similar strategies, the Foundation is documenting the approach in various media, including a video.²⁵

²⁵ <http://www.laboriecommunity.net/projects.htm>

BRIEF 7: IMPLEMENTING LINKAGES THROUGH INTERNAL CHANGE AND DESTINATION-WIDE COLLABORATION

THE ISSUE

There is a range of ways of developing linkages with the local economy: bringing local entrepreneurs into the supply chain, developing excursions based on local culture and life, building neighbourhood partnerships. Whichever type of linkage a company is pursuing, there are three common issues to address:

- managing change inside the company
- working with local people & communities
- working with a range of stakeholders across the destination

Managing change inside the company

Doing business differently for local benefit means adjusting operational practices so that normal business performance is achieved, but at the same time more local impact is delivered. This differs from philanthropy in that the core competencies of the business are used. It is not divorced from daily operations. If the local linkages are to be maintained, they need to be incorporated into the corporate agenda and operations.

Many companies have good ideas about boosting local benefit from their enterprise. However, often these are not translated into practical implementation. Or new initiatives stall when they hit operational constraints. Managing internal change within the business can make the difference between a nice idea and real impact.

Good practice tips include:

- √ Look at how to do business differently: how the company can deliver commercial goals *and* boost local impact in the process.
- √ Assess the business case for your company: what are the long-term strategic priorities (consolidation, re-branding, increasing visitor spend or length of stay, improving the local environment, cost-cutting etc) and how can local linkages contribute? Linkages with the local economy may impose some short term costs, particularly of time, but contribute to delivering long term goals. Prioritise those that fit best.
- √ Build top management support. Otherwise, when a linkage requires any change in how business is done, it will stall.
- √ Innovate. Think laterally, be open to new ways of doing business. Encourage a new mindset among colleagues.
- √ Turn company challenges into opportunities for change. E.g. if there is a problem with beach pollution, use that as a catalyst for local linkages: creating employment for cleaners, or an element of joint action with benefits for local vendors or fishermen too.
- √ Appoint a champion inside the company – with resources and mandate – to create change. This can be part of a manager's job, but it needs to be someone who can call on staff in different departments for implementing new linkages. Some staff resistance is likely, because change initially requires more work. Ensure staff understand the long term goal.
- √ Ensure linkages become part of daily operational practice, part of staff routines. E.g. a new local supply of table linen may be sourced initially by the champion or an external agency, but it needs to then become part of the procurement network of the procurement manager, so that it continues in the future.

- √ Link local products with marketing and branding. Make a feature of local products and provide information to tourists. If local crafts are on the wall, explain what they are and where they are from. Reap the rewards!
- √ Be strategic but remain flexible, so that 'one thing leads to another'. A tiny initiative by a hotel manager to buy local crafts for a theme night can lead to a dialogue between the Guest Relations Officer and crafters, provision of business ideas, pricing information, and packaging material, exposure visits for the crafters to other hotel events, and then new marketing opportunities, a regular supply contract or an additional stop on excursions. Or perhaps one of the crafters will recommend a local farmer renowned for excellent chutney, leading to a new initiative on supplies of chutneys and other processed foods.

Working with local people

Whole manuals and treatises have been written about how to do community development, and this is not the place for more. That said, it may be useful to flag up some issues that other local tourism initiatives have encountered.

- √ Finding the right people to work with is key. Understanding local social structures – which leaders must be included, which poor groups should be included, who are the social entrepreneurs who get things done locally – is a good place to start. Bring in a local facilitator to help if necessary.
- √ Find out what goals local people have – they may be different to what tourism operators expect. In several pro-poor tourism projects, local income has been welcome, but poor people also have non-financial issues such as prioritised training, dignity, access to natural resources, access to infrastructure and ability to participate in decisions.
- √ Partnerships can fall apart when expectations are very high and delivery is very slow. Do not promise more than you can deliver, manage expectations, and focus on some short-term practical steps as well as more ambitious long term plans.
- √ Communicate, communicate. Lack of communication can breed suspicion. Just as communities may not understand tourist needs, so business people may not understand their livelihood needs. Style and pace of negotiation may be different. Finding joint ways forward depends on creating adequate communication channels – both formal and informal.
- √ Find appropriate ways to share risk and benefits. It is a principle of partnerships that all partners share some risk, and gain a share of benefits. But also arrangements should be structured so that poor people are not exposed to excessive risk and understand the risks.

Finding the right local partners and leaders is key:

The Punta Cana/Bahayibe project with the Tour Operators Initiative faces the challenge of working with 'floating communities', born from the settlements of hotel construction sites. The communities lack identity and land rights, and don't have official leaders. The TOI identifies this as a constraint on incorporating the community into tourism (TOI; 2003).

Collaboration across stakeholders in a destination

One hotel or tour operator, with vision and commitment, can achieve real change. But so much more can be achieved if stakeholders across a destination work together:

- Economies of scale can be gained by businesses working together: local entrepreneurs can collectively improve their transport or marketing in ways that cannot be afforded individually. Hotels and tour operators can collectively provide a substantial market to local business that enables them to invest in expanding production, or they can provide inputs (e.g. health and safety training) that may be too expensive for one operator to provide.
- Any new business initiative will only work if it fits with the market. The best way to ensure this is to link local producers will those further up the market chain right from the start. For example, representatives of international and domestic tour operators know their clients well, and need to be involved in any plans for new tourism activities.

- If a new initiative is supported by different parts of the tourism supply chain, success is more likely. For example, a new craft centre will flourish if tour operators include it in their tour, international tour operators audit it to ensure its inclusion is allowed, hotels provide information on the notice board and purchase soft furnishings from there, and agreements are made with local taxis and guides to patronise it.
- The tourism sector has much expertise to offer local entrepreneurs, but other sector inputs are essential: in micro-business development, technical aspects of agriculture or light manufacture, business finance. Local government needs to be involved in plans for neighbourhood development.

Agro-tourism initiatives have to link sectors. For example, in the work of the Agro-Tourism Linkages Center in Barbados, collaboration with ministries of Tourism, Industry, Environment and Culture is essential for dealing with production issues related to water supply, packing material, and product quality.

Good practice includes:

- √ Seek to involve a range of tourism companies – across a destination and up and down the value chain – in building local linkages.
- √ Test out ideas and their market potential with operators along the value chain early on.
- √ Focus on what more can be achieved by working together, compared to what any individual company or entrepreneur can achieve alone. Give participants a tangible reason to engage.
- √ But do not discount the value of innovative initiatives by individuals. Market-leaders are useful – in pro poor tourism as much as in business.

For further information on the Pro-Poor Tourism Partnership, visit www.propoortourism.org.uk

If you have anything to add to the issues raised in these briefs, we would be glad to hear from you. Printed guidelines for the Caribbean, based on the material here, will be available late 2005.

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