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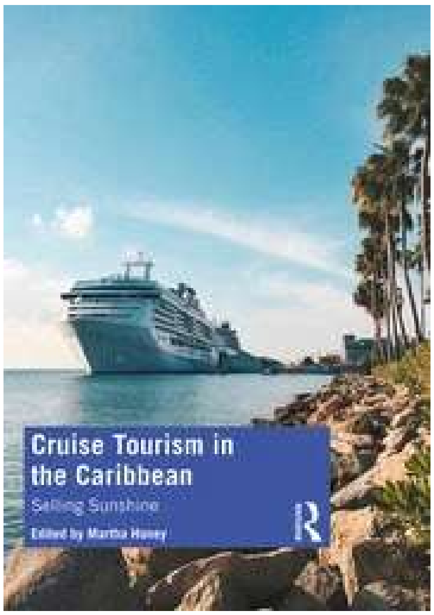

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Cruise Tourism in the Caribbean – Selling Sunshine

By Martha Honey

While tourism acts as the backbone of many Caribbean economies, cruise tourism, especially, has proven to be one of the most popular segments of the tourism industry, attracting millions of passengers per year.

The book "Cruise Tourism in the Caribbean – Selling Sunshine" edited by Martha Honey, examines the economic, environmental and social impacts of cruise tourism. The author explores issues such as the effects of natural disasters, "over tourism" and the environmental costs of cruise tourism. The book is based on research conducted by Honey and other authors, and consists of 10 sections, encompassing four main parts: (1) the history and growth of cruise tourism; (2) the economic model and impacts of cruise tourism; (3) the environmental footprint of the cruise industry and; (4) cruise tourism's impacts on historic cities.

The inaugural chapter recounts the story of the industry, accentuating the Caribbean's overwhelming dependence on the U.S. market with over 90 percent of passengers coming from the United States. Though the genesis of being merely a winter vacation for retirees from Florida as well as persons from the north seeking to escape the winter season, the industry later became a luxurious experience, with the ship itself becoming the destination given onboard activities, while the ports of call are viewed simply as attractions.

The second chapter highlighted the history of the expansion of the Caribbean's cruise tourism. Of the major factors were global threats such as the 2001 9/11, which caused many persons to develop a fear of travelling long distances, and as a result, cruise lines relocated their ships from the Mediterranean to the Caribbean, allowing U.S residents particularly, to travel shorter distances to safer destinations. (Ledsom, 2024) The paragraph also gave light to the fact that cruises offered onshore attractions such as small private islands, keys and beaches in the Caribbean in the 1980s which could have led to an increase in demand. Furthermore, the profile of cruise passengers was another reason for the industry's growth in the Caribbean. Based on the editor's research the younger demographic who has a high demand for goods and activities compared to senior persons, preferred short-duration cruises offered in the Caribbean which were inexpensive.

Honey noted that despite the local industry's vulnerability, the economic benefits are significant, especially for home ports as mentioned in chapter 3. Ports benefit from cruise tourism through passenger and crew spending in the host country, onshore employment, port services, taxes, and fees including cruise ship maintenance. This is especially true for home ports, where cruise ships start and end voyages. Ship provisioning, refuelling, and hotel stays also occur at home ports but not at ports of call. In addition, the head tax which is a fixed tax levied on each passenger on board, is used to build or upgrade onshore cruise infrastructure and to help destinations and cruise lines get a return on their onshore investments.

However, the long-term local benefits from the industry are dependent on a number of variables, with climate-related disasters topping the list. The region proves itself to be extremely vulnerable to natural disasters, as was seen with twin hurricanes Maria and Irma, which demolished infrastructure, forcing cruise ports to close, putting strain on the affected countries for many months. These countries include Antigua and Barbuda, St. Martin, Cuba, British Virgin Islands, Haiti, Puerto Rico, Dominica, Turks and Caicos and other Caribbean islands. This impacts the flow of tourists, goods and services, which has implications for economic growth and the balance of payments.

Caribbean governments have long discussed the possibility of creating a common cruise policy to help increase economic benefits for ports of call. Cruise lines negotiate their contracts individually with each Caribbean government, leading to widely different terms from one island to the next. Furthermore, some countries which are fearful of being excluded, accept lower taxes and fees. The rates paid by cruise lines for various services and products can vary depending on multiple factors, including the type of service, region, and contract terms with suppliers. On average in the Caribbean, cruise liners have paid \$300 - \$600 USD per ton in fuel costs and \$2 - \$60 USD per passenger for port fees (Smith, 2017).

A report by Adam Dunlop entitled "Issues and Challenges in Caribbean Cruise Ship Tourism" proposed that "Caribbean states should develop a regional policy towards cruise ship tourism with several key objectives. These include an increase in the collective bargaining power, the maximising of on-shore expenditures by cruise ship passengers, establishing environmental standards for cruise operations, and creating mechanisms to increase the benefits of cruise activities to national economies" (Dunlop, 2005). However, Caribbean countries have faced challenges in collectively bargaining with the cruise industry. This is primarily because the region is fragmented, consisting of many individual countries with different political interests. Within the group are some economies that are heavily reliant on tourism revenue this would complicate collective bargaining since cruise ships can easily shift to other destinations even within the region if they experience resistance in one country.

In assessing the economic value of the cruise industry in the Caribbean, it is vital to compare the contributions from cruise tourism and stayover tourism. Based on an aggregated analysis of the economic contribution of cruise tourism to destination economies, it was found that stayover visitors spend more per day, pay more in taxes, and spend much more overall because they stay far longer in the destination. (BREA, 2015) Caribbean countries continue to struggle with short-stay cruise passengers who often cause overcrowding of the country with a high level of tourist arrivals but modest contribution to the economy. In contrast, overnight visitors may spend more on a broader variety of services, such as local transportation, dining, and accommodations. A great example is The Bahamas, one of the largest cruise markets in the Caribbean. According to The Bahamas Ministry of Tourism and Aviation 2024, the average daily expenditure per visitor by cruise was $130 USD while that of long stay visitors was $425.50 USD.

Continuing her analysis, the editor revealed that the cruise tourism sector generated almost $40 billion in revenue in 2017 in the Caribbean region. The industry demonstrated greater success in 2008 during the Great Recession, with cruise lines performing better than other segments of accommodation and travel (Becker, 2013). It is estimated that during the 2014–2015 season, cruise tourism generated $3.16 billion in direct expenditures, 75,000 jobs, and $976 million in employee wages for the 35 ports in its study (BREA, 2015). The editor notes that the sector's economic success is made possible partially by the use of flags of convenience concept, a legal loophole which has become a centrepiece of its business model. This allows cruise ship owners to avoid paying U.S. taxes, gain immunity from American labour laws, avoid U.S. courts in workplace disputes, and fend off new environmental regulations. They have done this by incorporating the cruise business in parts of Central America and Africa and thereby registering their ships under national flags of convenience. Some of the countries commonly associated with flags of convenience are Panama, Nicaragua, Liberia, Sierra Leone, The Bahamas, and the Marshall Islands. These countries typically offer tax incentives, minimal regulations, and low fees for ship registration.

Many private islands and exclusive enclaves to Caribbean ports are owned by cruise lines; this is typically, a piece of land whose surrounding territory is another country or region. While this is done to keep up with the competition, it further impedes the ability for local economies to generate revenue from the cruise industry. The relationship between an enclave and the broader economy of a country can be complex and multifaceted. While enclaves can contribute to the economy by providing jobs, infrastructure, or foreign investment, they can also create economic disparities, hinder inclusive growth, and limit the broader spread of wealth. Enclaves can cause reduced spending in local economies, promote underpaid labour and lead to repatriation of large portions of profits since their headquarters are typically located in a foreign country. The key to ensuring that an enclave benefits the larger economy is to foster strong linkages between the enclave and other parts of the economy, ensure equitable distribution of benefits, and address issues related to labour, taxes, and governance.

While passengers bask at the thought of exploring many destinations in one trip, the editor believes that crew members may suffer exploitative working conditions, which is made possible by the use of 'flags of convenience'. A descriptive mention of the deployed hierarchical structure, and the role that ethnicity plays in task allocation was made. This point is supported by Ross A. Klein (2022) who noted that select ethnic groups are confined to lower levels of the ship with minimum passenger interaction. Despite cruise tourism's dominance in the Caribbean, where unemployment is high, less than half of crew members are hired from the Caribbean. Based on 2015 statistics, Caribbean nationals make up only 30% of the crew. (BREA, 2015).

Though the industry has a favourable impact on the region, its environmental footprint is quite disadvantageous as highlighted in Chapter 4. Because cruise ships often use their engines to power onboard facilities, their emissions are particularly high when docked in port, a phenomenon known as "cold ironing" or "hotelling." Other negative environmental impacts include air pollution, waste discharge and marine ecosystem damage. Despite the imposition of fines for illegal dumping of waste or operating in areas without proper waste disposal infrastructure, some cruise lines continue to practice illegal disposal. There is a need for stronger regulations, more sustainable practices, and broader changes to reduce its footprint.

The editor concluded the book with a series of studies based on data from four countries: Cuba, the Dominican Republic, Costa Rica and Bermuda. Each study is directly correlated to the four main highlights of the book. The compilation of papers included a study by José Luis Perelló and Rafael Betancourt based on the history of Cuba's frosty relationship with the cruise tourism industry which started with the 'Obama – Castro' agreement but was reversed by president Donald Trump in 2017. This was followed by an assessment of the Dominican Republic's economy, which is the largest in the region, a "Caribbean tourist mecca", as the author puts it, with a growth rate of seven percent in 2015 and 2016, the fastest in the Americas. But its tourism industry, despite its size and growth, has comparatively low retention of visitor earnings for both land-based stayover visitors and cruise tourists.

Thereafter, the author discussed Costa Rica's triumph in ecotourism, a niche market which has proved to be very beneficial to the country, given that ecotourism generates far more in visitor spending, taxes and fees, and overall revenue than does cruise tourism. Costa Rica has been successful in minimising environmental impacts by using existing urban ports to dock cruise ships. Finally considered is Bermuda, one of the countries where cruise lines utilise their national flags to register their ships as offshore entities ("flags of convenience") that require little other than a registration fee. The country is a popular destination for cruises coming from eastern United states, where passengers enjoy historical tours.

The book aids in assessing the pros and cons of cruise tourism, and conclusively emphasises the need for more equitable and sustainable terms of operation. While cruise industry-commissioned studies praise the economic benefits for ports, they shed very little light on cruise tourism's overall financial contribution compared with stayover tourism. Additionally, the high costs incurred by countries for the industry's infrastructure is understated. Areas of improvement to the book would be insights into the industry's impact on employment as well as the long-term effects of the flags of convenience.

Although cruise tourism plays a vital role in the Caribbean economy by generating direct and indirect revenue, creating jobs and fostering infrastructure development; challenges such as economic dependence, environmental degradation, and social impacts need to be addressed to ensure that the benefits of cruise tourism are maximised. Evidently this book would be of interest to policy makers, academics, researchers and other professionals who are interested in analysing the impact of the cruise tourism sector on Caribbean economies.

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