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Date Defended/Approved: December 4, 2008
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Abstract

Tourism is a growing industry. If tourism projects are sustainable, tourism can be used by developing economies as a source of economic development. However, this is not an easy goal to achieve. This project reviews, through primary and secondary sources and field research, the important relationship between large resorts and the state that affects the outcome of tourism development in the Dominican Republic. It begins by outlining the problem of unsustainable tourism and then moves on to discuss sustainable tourism. It then places the Dominican Republic into the discussion and identifies the actors involved in the development of tourism. It examines how the relationship between those actors affects sustainable tourism development in regards to the environment, the tourism sector and the community. It argues that there is little consistency in the government civil service, and problems within the relationship cannot be rectified until the government itself becomes sustainable.

Keywords: Sustainable; Tourism; Development; Caribbean; Policy

Subject Terms: Sustainable Tourism Development; Caribbean Tourism; Economic Development in the Caribbean; Issues in Civil Service
Acknowledgements

I appreciatively acknowledge the staff and faculty at Simon Fraser University, Department of Political Science. I would particularly like to thank Dr. Anil Hira for his continuous guidance throughout my M.A. experience.

I offer my gratitude to Dr. Eric Hershberg for broadening my area of interest in Political Science, and to Charles D. Beeker for sharing his input in my project and for his assistance during my field research. Special thanks are also owed to my family, whose support throughout my education has been unending. Thank you.
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1 Introduction

Tourism is the fastest growing, most dynamic industry in the world today (World Travel and Tourism Council, 2006/07, p. 4). For several years, tourism has acted as an economic lifeline for a number of Caribbean countries that profit from the development it brings to their fragile developing island economies. However, many tourism development projects, in the long-term, appear to be largely unsustainable, or moving in that direction, as such projects are typically designed to achieve high rates of economic growth with little regard for sustainability (Clayton, 2003, p. 190). Such growth causes environmental damage and produces little trickle down for the benefit of host communities. Economic growth from tourism will be short lived without sustainable tourism development.

The first section of this project will examine the problem of unsustainable tourism. It will put the issue into perspective by demonstrating the importance of this study. Section two provides a literature review concerning tourism and sustainability. Section three examines the Dominican Republic and places it into the study of tourism and sustainability, while providing a historical context to the sector. Section four is the general framework of analysis. This section identifies the key actors involved in the development of tourism and discusses how these actors may harm or benefit the pursuit of sustainability. Section five observes, through field research, how actors in the Dominican Republic positively or negatively affect the local community, environment, and tourism sector. The concluding section contains recommendations for the Dominican Republic and sustainable tourism.
1.1 Objective

This project will examine the practical difficulties inherent in the implementation of policies designed to achieve sustainable tourism development. It will argue that attempting to make tourism economically, environmentally and socially effective is an ambitious goal, which necessitates two prerequisites, a sustainable civil service of the host government and cooperation between the public and private sectors. A sustainable civil service is one that can progress towards greater consistency and thus become more effective.

1.2 Problem to be Examined

This project contemplates the question why in the Dominican Republic, despite all of the literature on sustainable tourism development, is tourism still in many ways headed toward unsustainability? It will examine some of the reasons why governments may not be seeing results from the numerous policies prescribed in literature. It argues that the relationship between the government of the DR and the large resorts operating there is clientelist in nature, and that the government suffers from a “lack of institutional memory” (Interview with Charles Beeker, personal communication, July 2, 2008) causing projects to be incomplete, completed slowly or unsuccessful. Thus, tourism development in the DR has not been as sustainable as it could potentially be.

Creating and maintaining a tourism industry that will be sustainable in the long term is not an easy feat. It takes years to accomplish. Many observers, such as the World Tourism Organization, argue that the task requires strict economic, environmental and social policies that benefit a large variety of actors including local communities, tourists,

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1 Also referred to as the DR.
2 Charles D. Beeker is a university professor from Indiana University. He has been working steadily on sustainable projects with the Government in the Dominican Republic since 1991.
and the public and private sectors. Such policies, beneficial for everyone involved, are not easy to create. They require negotiation, coordination and cooperation and, however well conceived, they often prove difficult to apply.

1.3 Importance of the Study

The study proposed is important because suggestions regarding the industry are not working. The Caribbean in general is depending on tourism for economic growth and development because “it is more dependent on tourism than any other region in the world” (Patullo, 2005, p. 17).³

The DR was chosen as the focus of this study for several reasons. First, from 1990 to 2005, the DR tourism market grew by 222.4 percent (Barrera, Gjurcilova, Rabinowitz & Suemori, 2007, p. 13). Second, the DR, as part of both Latin America and the Caribbean, shares many commonalities with other countries in the region and may be able to be used as a template for others.⁴

This project is meaningful because it examines the cooperative relationship of the most significant actors within a country that affect the outcome of tourism policies and implementation. It will examine the critical relationship between the state and the large resorts in developing a long-term sustainable tourism industry in the Caribbean in general and the DR specifically. Large resorts were chosen to represent the private sector because they are the principal private sector contributor to tourism development (ibid, pp. 13, 18), as they are almost entirely all-inclusive in nature, thus providing food and beverage, accommodation, entertainment and shopping (Vial, Brown & Seward, 2002, p. 26).

³ Quote from Last Resorts made by Jean Holder.
⁴ Such as political past, climactic concerns, economic conditions, culture, language, heritage and history.
2 Literature Review

2.1 Why Tourism is Important

Tourism is an important development avenue for many countries because it creates jobs. For example, “[t]hroughout the Caribbean, an estimated one in seven jobs is to be found in the tourist industry” (Patullo, 2005, p. 66). Furthermore, the World Travel and Tourism Council (WTTC) announced that the Caribbean’s tourism industry accounted for 2.4 million jobs, both directly and indirectly, in 2004, and estimates that figure will increase to 3.2 million by 2014 (ibid). In addition to creating jobs, tourism produces revenue because “[it] is a principal export (features in the top 5) for 83% of developing countries and the principal export for one third of developing countries” (Leavenworth, 2002, p. 2). Finally, tourism leads to economic development through the “multiplier effect” (ibid, p. 3). The multiplier effect suggests that an increase in income leads to an increase in consumption and therefore an increase in demand, thus leading to an increase in production and finally another increase in income (ibid). If tourism policies are strong, fair and properly implemented, host country locals will likely notice an increase in their standard of living because of this effect. Tourists will notice a thriving economy in the country they choose to visit, and governments and hotels will enjoy the benefits of a quality tourism industry.

Tourism is an expanding industry. International tourist arrivals to the Caribbean increased from 11.4 million in 1990 to 18.2 million in 2004 (WTO, 2005). In February of 2008, Jean-Claude Baumgarten, President of the WTTC, announced that global tourism generated US$ 5.3 trillion in 2007 (WTTC, 2008, slide 27). It is essential, therefore, not

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5 Presentation. Can be found at www.wttc.org.
to let this industry decline. Thus, unsustainable practices in tourism must be made more sustainable.

Sustainability is important to Caribbean nations. This is evidenced in meetings of the World Tourism Organization, the Association of Caribbean States and the Association of Hotels, which continue to discuss it. Nonetheless, progress is slow in correcting unsustainable practices because the root causes do not ever seem to be practically solved, and so, unsustainable practices inevitably continue.

2.2 Unsustainable Tourism

Despite the positive effect tourism has on employment, revenue generation and economic growth, tourism is also known for its limited trickle down, poor paying jobs, unequal distribution of revenue and lack of sustainability, especially with regard to the fragile natural environment.

By definition, unsustainable tourism is the practice of tourism that generates environmental, economic and sociological long-term costs to the host country such as the degradation of coastal zones, unequal distribution of economic benefits and increases in the number of immigrants to countries that can barely sustain their own population. It is important to note that unequal distribution of economic benefits can lead to exclusion and in turn to crime and poverty, thus affecting the sustainability of tourism through social grievances. Unsustainable tourism can occur for a number of reasons. For example, governments in host countries may be uninvolved in tourism and neglect to take on the role of regulator. As a result, tourism may develop too rapidly and liberally. The rapid expansion of tourism can have devastating effects on the host country if it becomes unmanageable and overwhelming because this sort of physical development will have
harmful effects on the environment due to increases in human activity. Human activity and the building of huge resorts and infrastructure cause erosion and even extinction of the coastal zones (Reporte de Evaluación Ambiental, n.d.). It can also lead to sanitation problems, for example with sewage disposal.

When the host country becomes overwhelmed by too much tourism development in too short a time, tourism has exceeded its *carrying capacity*. The carrying capacity of a country is the amount, type and rate of tourism the country can physically facilitate before the quality and effects of tourism begin to decline. A host country could develop different types of tourism to attract specific target markets in order to rectify an overwhelmed carrying capacity. Most common of these types are elite and mass tourism. *Elite* tourism is the type of tourism development that attracts the wealthier class of tourist. *Mass* tourism is the type of tourism that caters to everyone. It targets the masses because it provides something for everyone, and thus attracts the most visitors.

The goal of mass tourism is to attract as many visitors as possible. Therefore, mass tourism and poor planning are typically to blame for overwhelmed carrying capacities leading to unsustainability. In contrast to unsustainable tourism, *sustainable tourism* is the practice of tourism that generates environmental, economic and social benefits in the long-term and does not exceed the carrying capacity of the host community. In other words, the notion of sustainability has to go beyond environmental preservation to include social and economic aspects: social in the sense that there are perceived benefits and so there is steady political support for tourism by the state and the population; and economic in the sense that there has to be stable growth and employment for those benefits to be perceived. The key is to facilitate development in a fashion that minimizes
the environmental, social and economic costs while, at the same time, maximizing the benefits.

2.3 **Defining Sustainable Tourism**

Sustainable tourism is a type of tourism that grows and prospers in such a way that everyone involved, from locals to tourists, benefits in the long term. One sign of a tourism industry that is sustainable is a strong relationship among the diverse actors that build the industry. The United Nations Environment Program (UNEP), along with the United Nations World Tourism Organization (WTO), released a guide in 2005 titled *Making Tourism More Sustainable: A Guide for Policy Makers*. It lists several aims for building an agenda for sustainable tourism (2005, pp. 18, 19). Some of those aims are as follows:

1. Economic viability
2. Local prosperity
3. Employment quality
4. Social equity
5. Local control
6. Community well-being
7. Cultural richness
8. Physical integrity
9. Biological diversity
10. Resource efficiency
11. Environmental purity

Thus, the UNEP and WTO list social, environmental and economic factors. Included in this are local control, physical richness and visitor fulfillment. Business development is also highly important and in order to ensure all of the above, the government and private sector must play a significant role in ensuring that tourism is sustainable and beneficial. It would be worthwhile to provide an example of a place where tourism is sustainable. That cannot happen, however, because actual sustainability and tourism impact is difficult to
measure (Padilla & McElroy, 2005). One can, however, look for signs of sustainability. One such sign could be the visibility of strong government policies and regulation in areas concerning tourism. This is important because if government is not involved as both regulator and policy maker from the beginning, tourism can be left directionless. This leads quickly to unsustainability, as the actors will pursue their own needs with little regard for the need of the three pillars of sustainability (social, economic and environmental).

Making maximum use of natural resources, respecting culture and tradition, providing social benefits, and ensuring more opportunities for income earning while maintaining tourism satisfaction are qualities of sustainable tourism (UNEP & WTO, 2005, p. 11). In regards to tourist satisfaction, studies show that tourists are interested in social and environmental issues that may affect their holiday in terms of cleanliness of water and security (ibid, p. 21). Thus, the government and tourism businesses must address the social, environmental and economic needs of the host community in order to maintain that critical visitor satisfaction.

2.4 *Traditional Approaches to the Problem*

The approach one takes in analyzing issues, relationships and operations concerning tourism depends greatly on theory. Theory is highly important to the study of sustainable development as it encompasses approaches from several of the social sciences, bringing different problems together through various methodologies. There are three approaches to the study of tourism. These are environmentalism, dependency theory and communitarianism. Since sustainable tourism requires long term environmental, economic and social benefits, the three approaches are shown to represent their respective
area of sustainable tourism. Environmentalism represents the area of the environment, dependency theory represents the area concerning the economy and communitarianism represents the social aspect of sustainable tourism. Each perspective is valuable to the study alone or in conjunction with the other theoretical approaches.

2.4.1 Environmentalism

Environmentalism is one of the traditional approaches to the study of tourism. Environmentalists focus on the environmental costs and benefits in regards to developing tourism projects. Thus, they sometimes argue that the issue of the environment is marginal to the state and investors when developing tourism projects. Stephen Wanhill (2005) notes the following:

Unfortunately, for political reasons, governments often want the tourism sector to meet multiple and various objectives, thus the question of the environment becomes a difficult one to maintain when it threatens to be a drag on the economy in matters of employment creation (p. 371).

Environmental costs are the predominant focus for environmentalists as they seek ways to minimize the environmental problems instigated by tourism. This is where the theory is particularly strong because it points to the issue of exceeding carrying capacities.

There are two types of environmental effects caused by tourism (Leavenworth, 2002, p. 3). They are consumption and the impact the tourists have on local communities (ibid). In regard to the first effect, consumption, environmentalists document the damage tourist consumption might cause for important natural resources such as water and coral reefs. The second problem deals with populations because tourism development provokes job seekers to migrate to where the jobs are (ibid). This can lead to even more

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consumption of limited resources causing significant and often irreversible damage. An example of this type of irreversible damage was witnessed during field research in Santo Domingo.

If one drives from Santo Domingo to the airport, there are numerous stands set up on the side of the road where locals are selling stalactites. Stalactites are the long, drop shaped rock formations that hang from the ceilings or sides of caves. They take thousands of years to form (Interview with Charles Beeker, personal communication, July 2, 2008). Cave tours are available in the DR because tourists like to go to caves and see those formations. Regrettably, locals are cutting stalactites down to sell them. In the long run, if this continues, that natural resource will be gone and stalactites will no longer be available as a reason for tourists to visit caves. A revenue generating tour will then be lost.

In sum, environmentalism takes up a huge amount of the discussion on sustainable tourism development by looking predominantly at tourism projects and by searching for ways to make them more sustainable (Butler, 1999, p. 13). However, it is weak in approaching the study of tourism in general because it does not adequately address institutional issues that may affect policies impacting the environment.

2.4.2 Dependency Theory

Dependency theory in tourism emerged from neo-Marxism and it introduces important economic issues, such as dependency on external finances, to the study of tourism. Emerging in the 1960s, dependency theory affirmed that development of the West "occurred at the cost of, and often on the backs of, the developing nations" (Wiarda, 2005, p. 30), and those developing nations became reliant on the West.
In many developing countries, large-scale tourism development creates dependency on export markets, increasing foreign control in the tourism industry (Khan, 1997, p. 988). This is dangerous because dependency kills local industry through unequal competition (ibid). Therefore, this approach does not view tourism development as being beneficial to host communities because the capital required to promote tourism development is typically imported and serves the needs of foreign private investment on the backs of developing countries hosting tourism (ibid, p. 989). Thus, dependency theory in tourism suggests that tourism promotes economic dependency through the reliance on foreign investment, private investment, loans and tourists.

Tourism in many developing countries, such as the DR, has been largely dependent on private investment for development of the industry. Dependency theory is strong in pointing out that this can be problematic because the development agenda for tourism then transforms into a capital development agenda for foreign investors. This can be seen as subordination as “[t]hird world tourism has been described as a form of imperialism, a version of economic dependency, and a new type of plantation economy” (Fuller, 1999, para. 50), thus leaving host countries dependent and vulnerable (ibid, para. 52).

Dependency theory is driven by politics and economics in the examination of tourism development. The theory is strong because it points to development tied to the capital of foreign and private investors. This too easily leads to unsustainability because that capital may not be permanent. For example, in 2002, “the French group, Accor, one of the world’s largest hotel chains, announced it was pulling out of Guadeloupe and Martinique. It meant the closure of 15 hotels, along with the elimination of 1,500 jobs”
Developing Sustainable Tourism - December 2008

(Patullo, 2005, p. 27). However, dependency theory is weak in that it fails to adequately address the development opportunities initial dependency can generate. It also assumes dependency generally has negative effects. This is not always the case because dependency may weaken as host countries use the economic resources, made available to them through tourism, to promote more local investment. Reliance on external actors may be necessary to pave the way for local development.

2.4.3 Communitarianism

The Communitarian approach addresses sustainable tourism through social and community development. Communitarianism boasts that the community, not the individual, plays the greater role in understanding relationships. The root notion of this approach is that the individual finds meaning through the community (Communitarian Theory).7 Thus, in regards to tourism, the community is the most important voice in developing tourism projects, as this approach emphasizes the role of community rather than individuals (McCullough, 1995, p. 306). In regards to tourism, the community approach often points out that the important community voice is not adequately included in the decision making process of developing tourism projects.

This perspective focuses on the community and argues that tourism is problematic because regardless of its sizeable earnings, there is little to no trickle down from the industry to the local community (Potts & Harrill, 1998, p. 2).8 This is largely because communitarians often argue that jobs created by tourism are exploitative, and local businesses find it difficult to compete with foreign owned establishments because financing opportunities and contacts are unequal (Patullo, 2005, p. 28). This can lead to

7 http://fs.huntingdon.edu/jLewis/Syl/IRcomp/303WrightCommunitrnV2.htm
8 Indirect quote taken from a direct quote of Loannides (1995).
exclusion and unequal distribution of economic benefits generated by tourism. Theorists taking the communitarian approach, such as Thomas Potts and Rich Harill, focus on the social aspect of development. Potts and Harill (1998) argue that tourism planners should be approaching sustainable development as a community, social and political issue (p. 3).

The community approach is strong in its argument that tourism development should be used to improve local living standards by concentrating on the economic, social and cultural aspects of tourism (ibid). Without such improvements to local communities, there will be less sustainability in tourism because a sustainable tourism industry requires dependable and healthy employees to help the industry move forward and be less dependent on foreign workers. Furthermore, local involvement can lead to less dependency on outside resources for future development. The community approach and dependency theory are complimentary to one another as the former calls for more local involvement in tourism while the latter pushes for less dependency on foreign finance.

In the community approach, the community plays a vital role in developing tourism. The approach is weak in that it assumes the community will be able to achieve an active voice and that it needs that voice in order to satisfactorily participate in tourism developments. This may not always be the case because the local community may not know how best to operate the industry and may decide it is in its best interest to rely on foreign experts or the state to make important decisions regarding tourism. Thus, this approach focuses too much on the social, and not enough on the state or external expertise. Governments are the decision makers, and they must make decisions in the interests of citizens and foreign investors in order to minimize restrictions, tension and competition in the industry for locals.
In conclusion, there are several different perspectives on tourism. Three approaches are often used in the study of sustainable tourism development. They are environmentalism, dependency theory and communitarianism. Each approach stresses the importance of sustainable tourism. Hence, we find that sustainable tourism includes economic, social and environmental components. This is the challenge posed by traditional approaches to tourism; they only look at social, economic and environmental sustainability. However, it is also critical to look more closely at the sustainability of the force that drives tourism – the relations between the state and the private sector.

2.4.4 Institutionalism

Institutions are central in creating a tourism industry. Sustainable tourism development is based on institutions, how they work together to form policies and implement projects. Thus, institutionalism is an important approach for studying tourism development because it examines the institutions involved in creating a tourism industry. Since this project points to the important relationship between the state and the large resorts, both considered institutions, a brief explanation of this theory is essential.

Institutionalism examines patterns of organization and structure that determine the outcome of policy. Political scientists use it to examine the ways in which individuals and actors are constrained by institutions (York University, 2005, para. 3). Institutions do not have to be political. They can be any organization from large corporations to governments. This project takes into account economic, social and environmental factors, and examines the relationship between the state and large resorts in order to determine how they may inhibit one another or affect policy outcomes concerning a sustainable tourism industry.
3 The Dominican Republic

3.1 Background

To understand the present it is necessary first to know something of the past. The DR has a complicated political, economic and social history that affects tourism development. It has both a Spanish and Caribbean Indigenous culture and has been influenced and affected by Francophone Haiti. This intricate history is important to understand if we are to know something about the island and what tourism means for it. The key factor in the DR history, in relation to this project, is the succession of short lasting governments, which has resulted in frequent changes in the civil service negatively affecting the outcome of tourism projects in the DR.

From 1821 to 1844, the Dominican Republic was occupied by the Republic of Haiti (Itzigsohn, 2000, p. 37). Independence was achieved in 1844 and lasted until 1861, when the DR voluntarily annexed itself to Spanish rule for the next four years (ibid). The country was independent again from 1865 to 1916, when turmoil led to the 1916 to 1924 American occupation with a military government. Starting in 1930, the DR was led by President Rafael Leonidas Trujillo Molina until his assassination in 1961 (Pellerano & Herrera, n.d., p. 10). “Afterwards the country went through moments of political instability characterized by a succession of short lasting governments” (ibid).

In 1962, elections were held and Juan Bosch, the leader of the Partido Revolucionario Dominicano or the PRD, won those elections. Bosch started a reformist path and committed to democracy (Itzigsohn, 2000, pp. 40, 41). However, only one year later, by 1963, the military removed Bosch’s government and Donald Reid Cabral became leader. The Cabral government was not well respected and thus, in 1965 the PRD
led a civil military coup that erupted into a civil war (ibid). The US intervened and invaded the DR.

When elections followed in 1966, Joaquin Balaguer was elected president. He led the DR from 1966 to 1978 (Pellerano & Herrera, n.d., p. 10). Antonio Guzman was the leader from 1978 to 1982, and Salvador Jorge Blanco was leader from 1982 to 1986 when Balaguer was again elected leader (ibid). After Balaguer, came the Fernández administration. Leonel Fernández Reyna, leader of the Dominican Liberation Party, was president from 1996 to 2000, when Hipolito Mejía of the Dominican Revolutionary Party won the next free and fair elections in 2000 (U.S. Department of State, n.d., p. 2). Fernández was reelected president in 2004, and again in 2008. The next election will take place in 2012. Dominican history is marked with very long or short periods of government in office, as well as a past plagued by colonization, slavery, occupation and military rule. Government today, including the civil service, is grounded upon political affiliation as opposed to professional institutional structure, and as a result often lacks permanence (Interview with interviewee 8, personal communication, July 3, 2008: Interview with Charles Beeker, personal communication, July 2, 2008). Thus, there is not adequate time for long-term projects and strong relationships to form. We will see that this is at the root of the problem of sustainability in the Dominican Republic.

3.1.1 Problems in Governance

Politics in the DR are archetypical of many Latin American and Caribbean states, as the island is hampered by weakness in governance, public institutions and regulation. For a country rapidly expanding an industry as dynamic and demanding as tourism, this
shortcoming can lead to a number of social and economic problems such as
submissiveness and inequality in income earning opportunities.

According to Governance Matters (2007), the DR ranks low in regulation and
contract enforcement. There is also a lack of sense of responsibility within the state. For
example, during field research, I attempted to find out why there was little regulation
enforcing law 16-92 of the Labor Code that permits tourist businesses to hire only twenty
percent of staff from outside the DR. I was told that the state has no control over the
hiring of Dominicans in hotels and as a result, lower paying jobs are going to Haitian
employees that work for a lower wage (Interview with Manuel Pacheco, personal
communication, July 3, 2008). I was then informed that enforcement responsibility was
the job of the Ministry of Labor (ibid). Several wasted attempts were made to speak with
someone in the Ministry of Labor. Calls were placed to various numbers over several
days. I was unable to leave a message or even speak with anyone over the telephone.
Perhaps weakness in the civil service is to blame. However, it is the responsibility of the
Ministry of Tourism to regulate, supervise and control the functioning of tourist services,
including hotels (Pellerano & Herrera, n.d., p. 23).

If something is not working, or is left unregulated, the assorted departments often
point fingers at one another in the attempt to avoid responsibility. This blame shifting and
lack of responsibility can leave problems unattended, and thus, operations and projects in
tourism are often slow moving or plans simply fail to materialize.

The chart below reflects the strength of government in the DR from 1998 to 2007.

It is important to note that regulatory quality, rule of law and government effectiveness

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9 Governance matters is a database put out by Governance Matters 2007. Worldwide Governance
Governance Indicators for 1996-2007
are particularly low. The information is useful as an introduction to governance in the DR and is important to the study, as it shows governance is weak and needs strengthening.

Figure 1

**Governance**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year</th>
<th>Percentile Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Quality</td>
<td>1998</td>
<td>44.9</td>
</tr>
<tr>
<td></td>
<td>2007</td>
<td>50</td>
</tr>
<tr>
<td>Rule of Law</td>
<td>1998</td>
<td>38.1</td>
</tr>
<tr>
<td></td>
<td>2007</td>
<td>37.1</td>
</tr>
<tr>
<td>Government Effectiveness</td>
<td>1998</td>
<td>51.2</td>
</tr>
<tr>
<td></td>
<td>2007</td>
<td>37</td>
</tr>
</tbody>
</table>


Any government with weak governance that is developing a strong tourism economy must improve governance and regulation if it is to have any success in its endeavors. This is critically important in regards to private corporations and also within the different government departments, as it can help promote the continuity of various projects.

### 3.1.2 Economic Factors

Until the 1960s, the Dominican Republic was dependent on sugar exports and agriculture was its main industry. From the 1960s to the 1980s, import substitution industrialization was the prominent form of economic development for Latin American and Caribbean countries. After the Latin American debt crisis in the early 1980s, the DR transformed its economy from agro-industry into one of service and exports, with a focus on free trade zones and tourism (Itzigsohn, 2000, p. 47). Tourism is the most successful sector with a tourism revenue increase from 173 million $US in 1980 to 3.5 billion $US
in 2005 (United Nations Statistics Division), with the majority of growth occurring in the 1990s. Between 1992 and 2000, average annual growth in the DR was over six percent (Pellerano & Herrera, n.d., p. 11). Yet, in 2001, in the wake of the international reaction to 9/11, the DR economy grew by just 2.7 percent, less than half of the average growth rate from previous years, with tourism playing a major role (ibid).

Tourism arrivals increased from 63,000 in 1970 to over 3 million in 2003 (Pattullo, 2005, p. 16). Tourism is now identified as being the strongest potential source of economic growth in the DR (World Development Indicators Database, 2008). Thus, it is essential that the industry, sensitive to external shocks, troubled by lack of regulation and enforcement and neglect of social issues, is treated as a fragile and vulnerable sector.

3.1.3 Social Issues

Despite the rapid economic growth brought on by the tourism industry, the Dominican Republic, like other LACs, faces numerous social issues. Inequality is extreme: despite the increase in primary school completion and the GDP growth rate, the income shared by the lowest twenty percent of the population was only 4.1 percent in 2005 (ibid).

Many Dominicans feel left out of development. For example, some feel that tourism fails to benefit Dominicans because government policies prevent the poor from obtaining any of the benefits such as health care (Gregory, 2007, p. 3). Others claim that is so because health benefits are paid by the worker and the employer, and although there are a lot of available jobs, many people choose not to work. There is a significant

\[10\] Services (the measurement for tourism) at 69.2 % of GDP in 2005. World Development Indicators.

\[11\] Information gathered during field research interviews with hotel managers and employees. Managers are constantly looking for good employees and feel that many Dominicans are lazy and are choosing not to work (Interview with interviewees 3, 4, 11, 12, in person, July 2 – July 11, 2008).
problem with cedulas, the identity papers that allow people to work legally. Some people are not in possession of a cedula de identidad, a card which they need to become legally employed, mostly on account of lost birth certificates (ibid, p. 88). For the government, those people do not exist, and therefore, they cannot work or receive social benefits. This is highly problematic because the main benefit of tourism for local Dominicans is the jobs that it generates and the social securities one obtains through employment. Thus, people without cedulas are essentially left out of the formal economy, which leads to an even larger social issue of exclusion. Social exclusion can have serious adverse effects on a population as it can lead to crime, movement to informal labour markets and increased class divisions. Haitian migration exacerbates the situation.

In sum, although tourism presents great potential for the DR, it will not in itself mend the political, economic and social past that has deep roots and plenty to overcome (Gregory, 2007, p. 225). Perhaps if some of the socio-economic issues, such as the problem with the cedulas, were fixed, tourism would be able to grow in a more sustainable manner. It must be understood on a historical, political, economic and social level before practical plans and policies regarding sustainable development can be recommended. In this regard, this paper deals with wider reaching common issues of global political economy and economic development. Tourism has a major role to play in this development and must be treated as seriously as were the strategies of import substitution industrialization and neoliberalism.

3.2 Literature on Tourism in the Dominican Republic

Literature on the tourism sector of the Dominican Republic is limited. Most of what is available deals with social and environmental issues rather than economic
development. It is almost entirely descriptive, labeling tourism as unsustainable and suggesting general policy reform options designed to target the diverse elements of sustainable development. This section will review some of the literature on the DR in order to demonstrate what needs to be done to shift research from the common and generalized "label and prescribe" approach to actually fixing deeper issues.

Art Padilla and Jerome McElroy (2005)\textsuperscript{12} label tourism in the DR as unsustainable and note that tourism development in the DR has been "overly rapid, unplanned and intrusive, and harmful to the island's fragile ecosystems" (p. 354). They argue that hotel, resort and condo construction has damaged reefs, forests, watersheds and mangroves (ibid). However, they also assert that "tourism's impacts are pervasive and dynamic and inherently difficult to measure" (ibid) and there is "no universally accepted measure of overall tourism impact" (ibid, p. 355). Thus, they determine that although there are signs pointing to tourism being unsustainable in the DR, there are difficulties in measuring sustainability.

Padilla and McElroy highlight the problem of all-inclusive resort development in the DR. They argue that all-inclusive resort development "reflects the true nature of tourism development in the DR and in other parts of the Caribbean as well" (ibid, p. 358). They continue with the following statement:

Mass tourism is a fairly recent phenomenon in the DR and it is remarkably concentrated and isolated, due to the deliberate placement of airports next to tourism destinations and to the largely 'all-inclusive' nature of the tourism, which in turn is a result of the types of foreign investments typical of the region (ibid).

The authors thus point appropriately to the problem of the distribution of tourism benefits, suggesting the importance of moving from mass all-inclusive type tourism to other types of tourism that put more money into local communities. However, governments may be incapable of making this move because, as Padilla and McElroy note, the all-inclusive resorts are typical of foreign investment. If local government were to ban that construction, it would simply lose that foreign investment. Thus, although it may be assumed that large resort developments are partially to blame for unsustainability in the tourist sector, it is that all-inclusive option that keeps significant financial gain from reaching host communities. Smaller hotels offering the same all-inclusive package would also keep financial tourism benefits from reaching local communities.

Resorts, mostly of the all-inclusive type, contribute immensely to economies and provide thousands of jobs (Patullo, 2005). For most Dominicans, although wages may be low, it is a much better alternative to not having a tourism industry (ibid, p. 69). Large private sector operations, even of the all-inclusive type, could encourage tourists to venture outside the resorts to experience the locally owned traditional services the local community has to offer. The state could assist in this endeavor by encouraging more locals to open businesses by providing access to small loans and incentives such as tax breaks. Thus, it is important to examine the relationship between the resorts and the state to acquire a better understanding of how government policy may affect the way large hotel structures operate and, just as importantly, to ensure that local small businesses and workers genuinely benefit from the tourist sector.

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13 Please see Section on Hotels in Patullo's Last Resorts.
3.3 **Tourism in the Dominican Republic**

Tourism in the DR is not inherently unsustainable. "Tourism development is a priority of the Dominican government" (Pellerano & Herrera, n.d., forward)\(^{14}\) and government knows how to use its resources to ensure that damage to the environment is limited. This is evident in the many reports disclosed to the public such as the "Reporte de Evaluación Ambiental." There is also some evidence of economic trickle down and social improvement.

The problem in the DR is not that those in charge do not know how to make tourism work. Rather, it is that they are held back because the fundamental tool, that is necessary in building an effective attachment with the hotels and ensuring stability in projects, is missing. The real flaw is with government continuity (Interview with Manuel Pacheco, personal communication, July 3, 2008). However, the government does recognize that this is a significant problem and is trying to address it by providing a course for government employees and rewarding them with a certificate that establishes they are professionals and not politicians (ibid). However, subsequent governments can replace the civil service with their own career politicians and reward them with the same certificate course, since replacement is the perpetual norm in DR bureaucracy. Until this problem is adequately dealt with, tourism cannot be as sustainable, dynamic, accommodating, progressive and as mutually beneficial as it could be.

Charles D. Beeker, a professor at Indiana University, has been working with the government and museums in the DR since 1991 to protect underwater shipwrecks and turn them into parks. This is part of a process to protect the coral reef. A significant number of tourists are interested in snorkeling or diving to see these shipwrecks and

\(^{14}\) Forward by Dr. Rafael Subverl Bonilla. Secretariat of Tourism.
underwater museums. However, the process to accomplish this worthy objective has been a slow one and burdened with too many interruptions. With each new government Beeker has had to reintroduce himself to the new museum directors, and since 1991 has met five. He struggles with the lack of governmental institutional memory, and thus contends that "it is important to work with governments and businesses because government tends to come and go in the DR, but most businesses are here to stay" (Interview with Charles Beeker, personal communication, July 2, 2008). This statement is revealing because it illustrates that without government staying power, outside investors are not encouraged to work too closely with the government as it will likely dissolve and re-form.

The tourism industry in the DR is growing and that growth requires regularity in the civil service so that projects are managed consistently. Tourism arrivals to the DR are increasing at a steady rate and the development of the tourism industry must therefore be able to progress in a sustainable manner (Caribbean Tourism Organization). Between 2003 and 2007, tourist arrivals to the DR increased by more than 700,000 (ibid). This is significant because increases in tourist arrivals suggest increases in revenues (Capuñay, Ambassador Juan C, 2008, para. 12).

Figure 2
Dominican Republic Tourist Stop-over Arrivals 2003 - 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>3,268,182</td>
</tr>
<tr>
<td>2004</td>
<td>3,443,205</td>
</tr>
<tr>
<td>2005</td>
<td>3,690,692</td>
</tr>
<tr>
<td>2006</td>
<td>3,965,055</td>
</tr>
<tr>
<td>2007</td>
<td>3,979,582</td>
</tr>
</tbody>
</table>

Source: Caribbean Tourism Organization
*Note: Statistics taken from 2003 on account of irregularities due to the currency crisis of 2003.
In the DR, tourism revenue has been directed towards investing in infrastructure to attract more investment and create more revenue (Interview with Manuel Pacheco, personal communication, July 3, 2008). Between 1974 and 1982, the government in the DR invested in infrastructure for tourism in Puerto Plata (Fuller, 1999, p. 6). This was the beginning, and now tourism is prominent in several areas in the Dominican Republic including, but not limited to, Punta Cana in the East, Samana in the North East and Puerto Plata in the North (Touring, 2008). It has helped to improve the economy in the DR by contributing to job creation (Patullo, 2005, p. 66).

In 2006, 96.8 percent of visitors to the DR were there for the purpose of a holiday, and of those visitors, 76.9 percent stayed in hotels (CTO). An increase in visitor arrivals, mostly staying in hotels, means an increase in the percentage of contribution of hotels and restaurants to GDP. For example, this number increased in the DR from 5.2 in 1994 to 8.0 in 2003 (ibid). In 2001, a year marked by international turmoil, foreign direct investment in Latin America decreased by 10 percent and increased in the DR by 25.8 percent (Pellerano & Herrera, n.d., p. 13). That investment was mainly directed from free trade zones and tourism (ibid). This information provides a clear demonstration of the economic growth generated from tourism, and thus, shows why tourism is important to the DR.

3.4 Why New Research is Needed

New research in the area of sustainable tourism development is necessary in regard to proactive government leadership and more cooperation between the private and public sectors in this area. A study is required to examine the source of weak government
leadership in the DR in the presence of a competitive and mostly foreign owned private sector, represented by the large mega resorts.

Given the importance of government in tourism, there is a need to examine the constraints governments face when attempting to develop and implement tourism policies. The best place to start is with the state itself, focusing upon the relationships government has with others involved in tourism such as aid donors, locals, the private sector, non-governmental organizations and environmental groups. This paper focuses on the relationship between the government and the large resorts to examine the effect that relationship has on the tourism sector, the environment and the local community.

There are significant flaws in previous attempts to provide suggestions to improve tourism development because the definition of sustainable tourism is too broad. By definition, sustainable tourism is beneficial in the long term. This introduces a considerable problem, for sustainable tourism seems nearly impossible to achieve because it includes social, economic and environmental dynamics. By this accepted definition, tourism must be sustainable in each one of these three domains. This can be problematic because it leaves research at too general a level and research in the area must be country and problem specific in order to gain a detailed understanding of how sustainable tourism may develop and grow.

3.5 Limitations of the Study

There are three main limitations to the study, the first having to do with the field research conducted and the second with problems in measurement. First, field research was conducted over a two-week period, which was not sufficient for visits to all of the main tourism areas in the DR. It would have been beneficial to visit Punta Cana, Samana,
Cabarete, Puerto Plata and Santo Domingo. However, only Santo Domingo and Punta Cana were visited.

More time was spent in Santo Domingo than Punta Cana because government offices are located in Santo Domingo and it was important to conduct interviews at the Ministry of Tourism. It was also necessary to interview neutral third parties located in Santo Domingo, including two American professors and a local Dominican Trade Commissioner at the Canadian Embassy. Additional time spent in Punta Cana would have been beneficial to the study.

The third issue presented itself in measurements of social and environmental impacts. Economic effects are easy to quantify through measurements of tourism receipts as a percent of GDP. Social and environmental impacts are more difficult to measure quantitatively. Thus, those areas are researched qualitatively.
4 Framework of Analysis

4.1 Actors

4.1.1 Government

The state has a vital role to play in tourism development. The role of the state is to establish a framework in which the private and public spheres can cooperate. The government legislates and regulates the environment, employment, education and other social and economic areas. It also builds important infrastructure, such as roads and airports, and is responsible for the plans and policies to build and develop a sustainable tourism industry (Harrison, 2001, p. 34).15

Government involvement in tourism varies from country to country. According to David Harrison (2001), government involvement is either passive mandatory, passive supportive, active managerial or active developmental (p. 34). If government is passive mandatory, it is usually legislative but its involvement ends there. If it is passive supportive, it may not be heavily involved in tourism, but it supports programs such as training courses. In contrast, when government involvement is active managerial, it sets objectives for tourism projects and facilitates development, for example by offering investment incentives. If it is active developmental, it is directly involved in the tourism industry.

Active governments make tourism policy and enforce that policy in the daily operations of tourism projects. Active governments work directly with the private sector to ensure projects and policies are developed in such a way that goals are met. Passive governments sit back and allow the private sector to develop the tourism industry.

15 This information can be attributed to the World Tourism Organization.
Developing countries like the DR, with small and fragile economies, need a government that plays an active role in tourism. Foreign investment is vital because, for developing countries, the finances to develop an entire tourism industry alone may not be available. Thus, the ideal level of government involvement for Latin American and Caribbean countries like the DR is a combination of active managerial with a small amount of passive supportive. This is essentially the type of government in tourism utilized in the DR.

Although the arrangement of active managerial with a small amount of passive supportive government involvement is ideal, in the DR it could use some adjusting because there is too much passive supportive involvement and not enough active managerial. The fact that the state is responsible for plans and policies is not a guarantee for success. The state may make plans and policies, but find that implementing them is a challenge. For example, governments must offer incentives to tour operators and foreign investors to build in the DR. These may be tax incentives or subsidized interest rates. However, every island in the Caribbean can offer the same incentives. Thus, governments compete with one another to make their island the most attractive place for investors to build resorts. As a result, governments may become passive involuntarily because “once tourism is established, a good service industry is more likely to be provided by the private sector” (Harrison, 2001, p. 35). This is where tourism development can become problematic, as this submissive government involvement can be more conducive to the growth of unsustainable development practices. The positive state role in tourism development anywhere in the Caribbean is to set tourism development objectives and
give the organizational support to achieve those objectives (ibid). In the DR, this cannot occur because organizational support within the government is not continuous.

In sum, state involvement requires more than simply playing the role of legislative policy maker. Governments set out to legislate the tourism industry, for example by establishing the rules of employment for foreigners, but this legislative role needs to be supplemented with active involvement in the industry by means of objective setting and organizational support for the industry. That includes the implementation and completion of plans as well as regulation of legislated laws. Since governments may feel compelled to legislate for the benefit of the private sector they are dependent upon to build the tourism industry, they must decide on the extent they are willing to work with national and international capital while being constrained by the amount of capital available to them (Harrison, 2001, p. 36). Governments must, in addition, operate the tourism industry in such a way that balances the interests of locals and foreigners.

4.1.2 Large Resorts

Resorts play an important role in developing tourism because they make up the largest portion of tourism in many host countries (Theobald, 2005). Therefore, resorts possess significant economic power. In small island economies, where there are not many local investors and where governments do not have enough spare capital to build mega resorts, foreign investors insert themselves into the economy and build enormous paradise hotels. Polly Patullo (2005) describes the size of many of the resorts operating in the Caribbean:

Some of the world’s largest hotel chains, such as Marriott, Hilton, Ritz-Carlton, Holiday Inn, and Hyatt, operate in the Caribbean. These companies do not own charming hillside inns; they run large, modern, formatted and computerized
citadels. They are important to the region – but they always have the power to take their custom elsewhere (pp. 26-27).

Because of the magnitude of the mega resort, host country governments depend a great deal on the resorts to promote their services and bring people to the destination. Many carry with them a well-known name such as Hilton, Riu or Palladium. The role resorts play in tourism development is significant because it impacts the entire tourism industry in a host country. That is because “[t]ourism is primarily an activity carried out by private sector enterprises, and it is their actions, together with those of tourists, that are responsible for most impacts, positive and negative” (UNEP & UNWTO, 2005, p. 23).

In the DR, the majority of the large resorts are owned by Spanish and French investors (Interview with Manuel Pacheco, personal communication, July 3, 2008). In fact, as of June 2008, there were 62 Spanish owned resorts operating in the DR, including the well-known chains Barcelo, Occidental, Riu, Sol Melia, Iberostar and Fiesta. The 62 Spanish resorts make up a total of 26,580 rooms (ibid). It is therefore fair to say that foreign investors play a major role in creating and carrying the tourism industry because not only do they build a large number of resorts, they also hire massive numbers of people in both the construction and the operation phases.

The high number of rooms requires the hiring of a significant amount of staff. Hotels train people to carry out the functions of the front desk, kitchen, bars, housekeeping, marketing, maintenance, entertainment, grounds keeping, security, and other areas. Thus, not only are they responsible for creating jobs, they also provide workers with new skills they can carry with them for the duration of their lives.

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16 This is only Spanish owned resorts in the DR. There are also French and other foreign owned operations.
While it is important for government and the resorts to work together through cooperation and coordination, the relationship needs to be beneficial for both. If government places too many restrictions on the resorts, it can become too costly for them to operate, or profits may become so meager they may relocate or reduce the quality of the tourist experience to cut costs. Because tourists often first choose the country they desire to visit and then pick a resort within that country, a continuing tourist friendly reputation is important to the resorts. Government needs to be involved and respected in tourism to ensure a positive reputation for the host country.

4.2 How Actors Work Together

When examining the relationship between the large resorts and the government, it is important to first look at the conditions, problems and opportunities this critical relationship might present.

4.2.1 Working Together

To achieve a strong, sustainable tourism industry, governments need to create an atmosphere whereby the private sector can operate in a more sustainable manner. Thus, government must not only develop policies to meet local circumstances, but in addition, must also be able to effectively carry out and implement those policies. “Implementation is highly problematic because of the numerous interested parties with diverse beliefs and aims and also due to the constraints involved with the operation of the market and pressures of capitalist development” (Bramwell, 2005, p. 409). Thus, a strong civil

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service is critically important. Moreover, the government must provide the following services (UNEP & WTO, 2005, pp. 26, 27):¹⁸

1. They need to provide a stable business climate, for example, one with “no unnecessary regulatory burdens”
2. A fair system of taxation
3. Reliable labour supply

In regard to the first requirement, unnecessary burdens are difficult to determine. Creating a stable business climate requires cooperation. The private sector must respect the laws of the host country and operate within those laws. Therefore, the relationship between the government and large resorts is critical in the policy making phase.

Fairness in the taxation system is also important, but again, what constitutes fair for one may not be the same for another. Law 184-02 in the DR for example, states that “[c]ompanies complying with the provisions of the law shall benefit from a 100% exoneration of taxes and charges,” and it continues to list six different taxes including income tax (Pellerano & Herrera, n.d., p. 41). Yet, tourists pay a 26 percent tax rate and “[t]he legal income tax rate for legal persons is 25% of the taxable income of each fiscal year” (ibid, p. 32). Imposing overly high taxes can curtail the spending behaviours of tourists and steer the tourism industry closer to unsustainability because tourists may then prefer to pay a one-time fee for an all-inclusive holiday and avoid high taxes for services not provided by all-inclusive resorts, such as meals and entertainment. For example, field research in Punta Cana found meals and other goods and services to be pricey for tourists on account of high taxes. Because of the 26 percent tax rate and additional tips, an already costly twenty-dollar hamburger at the Hard Rock Café become a thirty dollar

hamburger. High taxes in the DR make everything 26 percent more expensive for tourists, which limits the money tourists spend outside the walls of the privately owned resort.

In regard to the third point, a reliable labour supply is not always easy for government to provide. A good labour supply may be enhanced with effective policies of health and education, but it will be even better improved if government and business accept joint responsibility for it. Government may improve the labour supply by providing easier access to higher education and training people in business and tourism so that locals can obtain management and other higher paying jobs in tourism and become more effective employees. It can ensure the general population is in good health by setting health legislation and providing a suitable health care system. However, it is up to the resorts to ensure their employees are treated fairly and are paid well enough to remain effective and reliable.

In sum, although governments in host countries have a significant role to play in developing a sustainable tourism industry, they cannot build that industry alone. It is the relationship between the resorts and government that drive tourism to success or failure. To generate effective cooperation, actors must focus on the commonalities (the crux of cooperation) and minimize the constraints. Government does not only play the part of regulator. It is also an important member of the cooperative unit in the development of tourism.

Thus far, the importance of a strong relationship between resorts and governments has been recognized. It is now important to examine how the key actors might create benefits for or put limitations on one another. This is the cost to benefit analysis.

19 For example, health care in the DR is paid by the worker and the employer (Hotel Managers 11 and 12).
Large resorts and governments promote and contribute to sustainable tourism development through employment, education and infrastructure. Resort generated employment is a considerable benefit to the host country. A study conducted in Last Resorts (2005) shows that most hotel employees like their job because they enjoy working with foreigners and learning about their countries, acquiring useful skills and receiving basic training and experience (Patullo, 2005, p. 69). This contributes to sustainability, as it helps in providing a stable business climate through the building of a satisfied and reliable labour supply. Many locals in tourism host countries are eager to work for large hotel chains, which can motivate them to go to university to be competitive for even higher paying jobs in tourism. There are now degree programs in tourism in the DR. For example, the Universidad APEC in Santo Domingo offers two different programs in tourism. This enhances the sustainability factor through the creation of skilled labour and increased local competence.

Infrastructure is also developed through the partnership between resorts and government. It is an essential service that governments ought to supply. However, proposed new development sites usually do not come with the pre-prepared infrastructure necessary to build and maintain a large tourist economy, and it is a huge expense for private investors to first put that infrastructure in place. To compensate, government must provide incentives such as duty free importing rights (Patullo, 2005, p. 43). This is cooperation and it leads to long-term benefits because it strengthens partnerships. This explains why it is unrealistic to think that the DR can do without large resorts or foreign tourist companies. For example, Punta Cana has been built by private investment. Even

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20 By Polly Patullo, 2005.
21 Administración Turística y Hotelera and Técnico en Administración Turística y Hotelera.
the Punta Cana airport is privately owned. Now Punta Cana generates substantial revenue for the DR government through tourist taxes, and so, the state can use that revenue to build more infrastructure, such as new roads connecting Punta Cana to other points of interest. There is much government can do in the development of sustainable tourism, and there is much resorts can do in the development of sustainable tourism. However, sustainable tourism development requires action from both the resorts and the state.

The actions of the state and the hotels can negatively influence the way tourism develops. Challenges often present themselves when the two actors are so intertwined in tourism development. For example, a government wants to take advantage of local resources, such as climate and geographic location, and develop a tourism industry. It needs significant financial capacity to do this because infrastructure must be built so that hotels can be constructed for tourists to visit the destination. Thus, the government promotes itself in its attempts to attract foreign and local investors to build resorts and possibly even help with building infrastructure. Eventually, some hotels are erected and the industry is underway.

This can lead to local exclusion. When government is successful in attracting leading chains such as Hilton, local investors operating small hotels and guest houses can be priced out of the market because of inadequate marketing resulting in low occupancy and thus low revenue (Patullo, 2005, p. 28). Other costs may be environmental damage due to the increase in the number of people in one area. Environmental damage may also be a consequence of insufficient public services such as waste disposal. Benefits and costs will be analyzed in detail through the specific case of the DR in the form of positive and negative effects resulting from the state - hotel relationship.
5 Dominican Republic Case Study

The study presented herein combines primary and secondary data and insights from several theoretical approaches including environmentalism, dependency theory, the community approach and institutionalism. It is important to take an eclectic theoretical approach to the analysis of tourism development because tourism is such a dynamic, all-encompassing sector of the Dominican economy. It cannot be understood through the lens of one theory alone.

The DR was chosen as a case study for three reasons. First, it is an incredibly dynamic country that, as part of Latin America and the Caribbean, can be used as a guideline for other Latin American and Caribbean countries, and second because it is developing its tourism at an outstanding rate. Third, it may be dependent on a form of tourism that will be unsustainable in the long term. Yet, in regards to its tourism plans and policies and the government's relationship with the resorts, tourism development appears, at first glance, to be under control and doing quite well. Money is being invested in infrastructure and environmental programs, locals are thriving in the new and exciting job market and tourists are swarming to the island en masse for its beautiful beaches, tropical climate and relaxed island atmosphere (Interviews with interviewees 1, 2, 4, 7, 12, and Manuel Pacheco, personal communication, July 2 to July 11, 2008). In fact, in 2007, visitor arrivals to the DR reached 3,979,582 (CTO, 2008). To put that number into perspective, Visitors to Jamaica were 1,700,785 and visitors to Puerto Rico were 1,061,766. After the DR, visitors to Cuba were the highest in the region reaching 2,152,221 (ibid). Indeed, the DR "is one of the leading Caribbean travel destinations" (Touring, 2008, p. 5).
Despite having the highest number of visitors in 2007, and despite the government having the desire to improve tourism policies, and the right plans for creating a thriving and long-term sustainable tourism industry, the DR suffers from discontinuity in the government (lack of institutional memory), which affects its relationship with the large resorts and impairs its ability to effectively develop tourism. Therefore, the DR serves as a good example of why it is important to look beyond the big picture of sustainable environmental, social and economic aspects of tourism development, and additionally focus on the smaller practical first steps that may lead toward that sustainable big picture.

5.1 Government's Role in Tourism in the Dominican Republic

In the Dominican Republic, the state plays an important role in developing tourism. The Secretariat of State of Tourism is the regulatory and supervisory body of the tourism sector (Pellerano & Herrera, n.d., p. 20). One of SECTUR's roles is to promote tourism in the DR, and it has tourist offices set up abroad to assist in this promotion. SECTUR works hard at developing tourism by putting finances into infrastructure in tourist areas (Interview with Manuel Pacheco, personal communication, July 3, 2008). Taxes collected from tourists go directly to SECTUR and that money is invested into the construction of tourism facilities (ibid).

The DR government plays an active managerial role in developing the tourism industry. The government is continuously making plans, passing laws and starting new projects with the goal of developing a strong tourism industry. Unfortunately, it does not have limitless financial capacity to direct into tourism, and as a result, it must attract foreign investment. To do this, the government must take on a passive supportive

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22 Also called the Ministry of Tourism and Secretaria de Estado de Turismo (SECTUR).
position, while continuing to play that active managerial role in selected areas. In sum, the state role in tourism in the DR is to pass laws, set goals and support the private sector that builds resorts.

Tourism plans are realistic in the DR. For example, there are arrangements in place to create water treatment plants in more areas, and the government continues to build roads connecting tourism centers (Interview with Manuel Pacheco, personal communication, July 3, 2008). However, such plans will be successful only if the government can manage to finish the plans and projects it starts.

5.1.1 The Civil Service

The DR government is weak in the institution of the civil service. The civil service ought to consist of long-term career bureaucrats that play an important role in policy formulation and are a strong political force (Sanchez Ancochea, 2005, p. 20). In the DR however, clientelism dominates public sector appointments. This custom may be hard to break as “[i]t is viewed as a traditional right for the chief executive to dismiss political enemies and reward friends and party supporters with government jobs” (Kearney, 1986, p. 147). As a result, there is little stability in public sector employment and bureaucrats are appointed to positions on the basis of friendship and political loyalty instead of merit. For example, interviewee Manuel Pacheco sat in the same office he does now from 1996 to 2000. His party did not win the election in 2000, and when the new government came into office, state bureaucrats, including Pacheco, were replaced. However, in 2004, Pacheco’s party won the election, as a result of which he regained his job. Bureaucratic continuity is important for tourism because the successful implementation of a tourism development agenda depends on it.
The key to bureaucratic continuity is to treat government workers as professional civil servants and not politicize them. This could be done by hiring qualified people who are politically neutral and would retain their bureaucratic position across administrations. This would ensure more durability with tourism projects. If government employees were permanent civil servants rather than politicians, the state might be able to put more effort into long-term tourism projects including those affecting environmental and social outcomes.

Stability in private sector jobs would also create a new social force that demands a state increase in public social spending (Sanchez Ancochea, 2005, p. 19). In the case of the DR, social spending from revenue generated by tourism would assist in solving the problems of unequal distribution of tourism revenues and exclusion, thus leading to increased sustainability. Thus, a career civil service may pave the way for more social, environmental and equal economic advancement in the DR through the prevalence of public interest over private interest (Kearney, 1986, p. 147). It will also help with regulation and enforcement through job security, professionalism and promotion (ibid, p. 147).

A career civil service will also lead to a “more efficient, effective, and stable work force” (Kearney, 1986, p. 146). Furthermore, it will strengthen program implementation as institutional memory will inevitably be supported. This is critically important in tourism planning because of the value of sustainable tourism. Unfortunately, as it currently stands, the civil service in the DR is “inefficient, ineffective, unstable, and forgetful” (Kearney, 1986, p. 146). This leads to incompetence in the DR bureaucracy,
which may be responsible for blame shifting.\textsuperscript{23} This is hardly conducive to public and private sector relationship building for the purpose of sustainable tourism development.

The state has little regulatory control over the large hotels (interview with interviewee 8, personal communication, July 3, 2008). This lack of control over the private sector is likely the outcome of an inefficient and unresponsive bureaucracy. Thus, hotels are unlikely to cooperate with a government institution that is neither effective nor efficient. Hotels are bound to be more self-reliant and self-focused because they are more efficient on their own. Thus, the state – hotel partnership cannot advance until the government becomes more effective through the placement of career civil servants in the bureaucracy.

The government in the DR recognizes that lack of institutional memory is a problem. In 1991, a law was passed that called for the hiring of permanent civil servants (Sanchez Ancochea, 2005, p. 24). However, by 2002, “less than 1.5 % of total public employees had been incorporated into the regime” (ibid, p. 25). This is problematic because workers are employed in the short-term. As a result, there is very limited capacity of the state to set a consistent development path for tourism (ibid, p. 26). This leads to dependency on foreign investment for tourism development. Thus, it may be that the private sector in tourism is such a powerful force because it is more stable than the private sector, and is therefore taken more seriously for those seeking results. “There is not a lot of institutional memory in the Dominican Republic. When the government changes, everyone below leaves too, and plans have to start all over again” (Interview with Charles Beeker, personal communication, July 2, 2008). This is perhaps the

\textsuperscript{23} Discussed in section 3.1.1.
government’s greatest weakness. For this reason, business may be more permanent than
government in the DR.

In sum, a career civil service is paramount to sustainable tourism development in
the DR for three reasons. First, a career civil service would facilitate a more reliable,
efficient and effective public sector. As a result, more tourism development plans would
be completed instead of facing continuous interruptions. Second, a career civil service
may lead to an increase in attention to public sector needs. This would be beneficial in
the long-term to the social, environmental and economic needs of citizens in the DR.
This, in turn, would likely increase environmental awareness and produce a more
effective labor supply, both important to tourism sustainability. Finally, the hotels would
feel the benefits of working with an effective and efficient state, and thus, the state-hotel
relationship would begin to look more like a partnership. Sustainable tourism could then
begin to flourish.

5.2 Diagram of Relationships

This section examines the current relationship between the hotels and the state in
the DR and the manner in which that relationship affects sustainable tourism. It examines
how external involvement may be managed by internal policy and to what extent. It looks
at the relationship between the hotels and the state and examines how that relationship
affects the tourism sector, the environment and the local community.

In the diagram below, only the state and hotels are identified as actors. The
tourism sector, environment and the local community are not identified as actors.
However, they are important to define as they are affected by the two-way relationship
that exists between the state and the large hotels in the DR. Thus, the tourism sector is the
place where a tourism development project takes place. For example, Punta Cana is a tourism sector. The local community consists of the group of individuals, living in a host country or tourism sector, that make up a population. The environment is the living condition of the tourism sector and is influenced by the development of tourism.

Figure 3

Diagram of Relationships in the Dominican Republic

Through this diagram, the state and hotel relationship, producing either positive or negative effects, will be explained. This will explain how the relationship between the state and the hotels affects the tourism sector, the environment and the local community – hence the economic, environmental and social aspects of tourism development, and therefore sustainability. The arrows represent positive and negative effects. Dashed arrows represent what is missing in the diagram.
5.2.1 State – Hotel Relationship

In 1969, Law 541 on tourism “set out the general guidelines to organize tourist development in the country” and created SECTUR to regulate the sector (Pellerano & Herrera, n.d., p. 20). Since then, tourism has been growing in the DR and “the private sector has played a key role in the development of the sector” (ibid). The state and hotels have both a positive and a negative relationship with one another. Relaxed regulation and enforcement is a key problem in this relationship. For example, it is law that Dominicans, at a minimum, must make up eighty percent of the workforce, allowing for twenty percent to be employed from outside the DR (Interview with Hotel Manager 11, personal communication, July 7, 2008; Pellerano & Herrera, n.d., p. 33). Yet, this law is regularly violated (Interview with Manuel Pacheco, personal communication, July 3, 2008).²⁴ It is “a problem of no control. Hotels can do whatever they want and this is worrisome because almost all managers are foreign and entry level employees are Haitian, and this is a real problem” (Interview with interviewee 8, personal communication, July 3, 2008).

Many Dominicans are fired from jobs due to little or no job protection. There are labour laws, but not a lot of routine compliance with those laws. The problem of failing to hire the required eighty percent of Dominicans is one example. The Secretario de Estado de Trabajo is responsible for the regulation and compliance of this law, yet “they don’t do anything because there are not enough resources, human and economic, for them” (Interview with Interviewee 8, personal communication, July 3, 2008).

This failure to enforce regulation reveals a need for a more professional executive branch of government. Instead, such problems are treated as being insignificant. The lack

²⁴This is the responsibility of the Ministry of Trabajo. I was unable to even speak to someone on the phone in that ministry despite calling several times to various phone numbers.
of regulation enforcement can lead to too many underpaid Haitian workers, and too many
unemployed locals turning to crime for income subsidization. This could lead to safety
issues for travelers. Leaving problems unaddressed will negatively affect a tourism
industry longing for sustainability.

Because of the unsustainability in the various branches of the DR government,
businesses operating in the DR enjoy more longevity than any given government
(Interview with Charles Beeker, personal communication, July 2, 2008). Resorts are
tempted to ignore rules and laws because it is anticipated that the government will soon
change hands before any punitive sanction may materialize. As a result, large hotels can
become demanding and the state may become too passive supportive, yielding to every
demand. This generates unsustainable tourism development from the bottom up.

Nevertheless, the state and the hotels must regularly work together to attract and
maintain tourism. SECTUR coordinates promotional campaigns by regularly going
abroad to promote the DR as a tourism destination and the hotels are invited to participate
(Interview with Hotel Manager 12, personal communication, July 10, 2008: Pellerano &
Herrera, n.d., p. 20). Doing so can be a cost effective and successful method of
advertising, and so, Law 158-01 of tourist promotion established an official fund of
‘tourist promotion,’ which is managed by the Ministry of Tourism and the private sector
(ibid). Working together on a joint campaign to promote the same objective results in a
healthy relationship between the state and the hotels. Thus, shared objectives are
essential to a successful relationship.

However, often the shared objective ends at attracting tourists to the destination to
develop the tourist industry. Attracting tourists necessitates the building of infrastructure
and the maintenance of the tourism sector. The state may not alone be able to build much needed infrastructure. This may be due to lack of funds or perhaps to conflicting priorities with local communities wanting government spending on social services as opposed to new roads or a new bridge. Thus, important public services and infrastructure in the various tourism sectors in the DR are sometimes left to the private investor. Examples are the airport and waste disposal in Punta Cana.

5.2.2 The State - Hotel Relationship and the Tourism Sector

In tourism, the state connects, forms relationships with and influences each actor. There is a negatively represented arrow from the state to the tourism sector because tourism projects in the DR have been known to go ahead despite predicted negative consequences (Leavenworth, 2002, p. 16; Patullo, 2005, p. 31). For example, even though critics of plans to build a mega port at Punta Caucedo said that the process would endanger the coral reefs and the beach at Boca Chica, plans for the project went ahead anyways (Patullo, 2005, p. 31). This shows a lack of regulation in tourism projects.

The tourism police in the DR are called POLITUR. They are in place to ensure the security of the tourist but not the security of tourism projects (Gregory, 2007). There are no park rangers to ensure that environmental laws are not being violated near the beaches or natural parks (Interview with Charles Beeker, personal communication, July 2, 2008). Moreover, the Dominican Navy headquarters in Punta Cana, as of 2002, did not even have a boat (Leavenworth, 2002, p. 13). This generates a negative effect on the tourism sector because it will inevitably lead to the erosion of the quality of the destination. Further erosion may result from beach pollution. The state depends on the resorts, in some areas, to get rid of their own waste because the state does not adequately
provide that public service (Interview with Hotel Manager 12, personal communication, July 10, 2008). In this relationship arrangement, the hotels are left with that public service responsibility in some parts of the DR including Punta Cana, one of the most popular tourist destinations in the DR.

The relationship positively affects the tourism sector by allowing it to develop with the use outside expertise and financing. Punta Cana provides a good example of this because private investment has built that resort destination as well as the nearby airport. This means that the quality of the holiday for tourists is high since that tourism sector is young and the foreign investors that build resorts are experts in that field. Private funds free up government money for investing in other infrastructure needs, such as roads and sewage treatment plants in places where it is desperately needed. This contributes to the positive effect the state and hotel relationship has on the environment.

5.2.3 The State – Hotel Relationship and the Environment

The state and hotel relationship negatively and positively affects the environment. The negative relationship reverts back to the effects of the relationship on the tourism centre. Many types of tourism rely on a pristine environment but tourism uses up natural biological, water and land resources (Leavenworth, 2002, p. 3). Thus, the environment must be monitored closely. Again, the problems here are lack of regulation and enforcement, and the hotel sector responsibility for some important public services such as their own waste disposal.

There are several environmental laws in place in the DR under Law 158-01, but the hotels do not seem to follow them—they are almost optional (Interview with Regis Batista, personal communication, July 4, 2008). For instance, there is a new community
being built near Punta Cana, called Cap Cana, by Grupo del Caribe Developers, and so far, the compliance with environmental procedures leaves much to be desired (Leavenworth, 2002, p. 16). Occasionally, the Ministry of Environment may close a place down for the violation of an environmental law, but it is only for a day or two and then everything returns to normal (Interview with Regis Batista, personal communication, July 4, 2008). This deficient enforcement only encourages further violation and promotes the erosion of the quality of the destination.  

Field research in the DR also found a large amount of litter on the streets. There appeared to be no adequate system in place for the collection of garbage. This is not conducive to tourism sustainability. It is a problem that can be easily rectified. Garbage collection around the city is important because it makes the tourism sector unattractive for tourists. The simple placement of garbage cans throughout a sector on each corner would likely make a difference, and it would be inexpensive. Failure to adequately address garbage collection is a negative effect. Research ascertained the resorts to be spotless. Outside the walls however, there is a great deal of litter. This is an area that requires more attention because it can make an attractive destination look dirty and uncared for to tourists seeking paradise.

With regard to the state relationship with the resort industry and despite the optional nature of regulations enforcement, the government does try to improve the environmental problems associated with any sort of development in the DR. It appears that the DR is making much effort and some progress in environmental matters that will

25 Although I did not find any documentation of this (but why would I?), I was told of a case whereby a resort was built crossing over property lines and developing into a natural park zone. The state handled it by redrawing the boundary lines of the natural parks (Interview with Regis Batista, personal communication, July 4, 2008).
likely improve over time with more money and more practice. For example, building resorts too close to the beach can erode the coastline, yet the resorts in the DR build as close to the beach as they can (Interview with Regis Batista, personal communication, July 4, 2008). The government therefore has actually taken sand from the sea and placed it back on several beaches (Interview with Manuel Pacheco, personal communication, July 3, 2008). However, this project yielded “mixed results because in many places, the sand was placed on the beach and the ocean took it back out; this is nature. However, the efforts were made and they were successful to a degree” (Interview with Regis Batista, personal communication, July 4, 2008). Efforts to address problems associated with sewage are also being made.

It used to be commonplace that sewage from the cities was emptied into the ocean thus causing severe pollution. However, in some places, this is now under control because of new water treatment plants. For example, Puerto Plata has a new treatment plant in place so that city sewage goes to that plant and not to beaches (Interview with Manuel Pacheco, personal communication, July 3, 2008). Such systems are now in place in Long Beach, Sosua and Cabarete, with plans to add others in Barahona, San Cristobal and Monte Cristi (ibid). This demonstrates significant progress in environmental care for tourism destinations, and although it can be argued that this is only being done in the tourist areas, it is a notable headway in the right direction and an important beginning for similar sewage care expansion into other areas like Punta Cana.

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5.2.4 The State – Hotel Relationship and the Local Community

The State and hotels can have a positive effect on the local communities as hotels provide jobs, job training, health and other insurances. Large resort hotels in the DR employ thousands of people directly. For example, the Palladium Resort in Punta Cana employs 1552 employees (Interview with Hotel Manager 12, personal communication, July 10, 2008). Secondary employment is also significant, as tourism does not only employ resort workers and tour guides, but also creates indirect employment opportunities (Gregory, 2007). Shoe shine kids are one example (ibid). In addition to employment generation, social insurance is another area where resorts play a significant role in positively affecting the local community.

Social insurance, covering mostly health care and old age securities, is provided through payments by the employee and the employer. As it currently stands, government does not participate.27 All employed people in the DR have social insurance. In 2001, the government passed Law 87-01 on social security, stating that employers would pay 70 percent of social insurance and the employees would pay the remaining 30 percent from their wages (Pellerano & Herrera, n.d., p. 34). The portion employees pay is low and manageable (Interviews with Hotel Manager 1, personal communication, July 2, 2008, Hotel Manager 12, personal communication, July 10, 2008 & Interviewee 4, personal communication, July 2, 2008). However, many Dominicans are unemployed and without needed social insurances.

27 In 2001, Law 87-01 on social security was introduced. The law modifies the social insurance system in the DR and seeks to cover all Dominicans. The law provides a 10 year transitional period for the new social insurance program. Thus, it has until 2011 to be fully enacted (All information from Pellerano, Herrera, 34).
In sum, the state-hotel relationship affects the tourism sector negatively due to insufficient regulation and enforcement, and hotels sometimes are left to create and manage services, such as sewage disposal, which ought to be done by the state. However, there is also a positive affect due to the outside expertise and financing that the resorts bring to the destination. The state and hotel relationship negatively affects the environment, again because of lack of regulation and enforcement of environmental issues; however, the state is making concessions to improve such matters. Finally, the state and hotel relationship affects the local community by creating a dynamic industry that generates significant primary and secondary employment.

5.2.5 Weak and Dysfunctional Relationships in DR Tourism

This section explains what is missing in the diagram, starting with the state and the local community. In the DR, there is poverty and insufficient social programs. This is a big problem that requires more attention from the state. Some Dominicans feel that tourism does not benefit them because government policy prevents poor people from obtaining any of the benefits (Gregory, 2007, p. 3). "The government invests a lot of money in roads and other infrastructure for tourism development, and this is positive because it helps other sectors too, but they should invest more in other areas, such as education" (Interview with Interviewee 4, personal communication, July 2, 2008).

Balanced social programs ought to be in place in the DR; programs that would benefit local communities, the hotels and the state. The search for such a program must be a collaborative project. An example could be scholarships paid half by the state and half by the resorts to place locals into management training programs and tourism degree programs.

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28 Although Law 87-01 on social security is in place, it will not be fully enacted for another three years.
programs such as the ones offered by UNAPEC. Environmental policy for tourism development could also be taught as part of such programs.

There is a missing link between the tourism sector and the environment. It is the responsibility of both the hotels and the state to ensure policies are passed through coordinated efforts so that the carrying capacity is not exceeded. This requires the use of natural resources available in a tourism sector. Projects that incorporate the natural environment in the DR, could be set up, which would generate knowledge and interest in environmental matters while creating revenue through interesting tours and excursions.

For example, The United Nations Educational, Scientific and Cultural Organization, UNESCO, declared Santo Domingo a World Heritage Site in 1990 (UNSECO). Christopher Columbus discovered Santo Domingo in 1492, and it was there that the first cathedral, hospital, customs house and university of the Americas were constructed (ibid). The Colonial Zone is unique to the Dominican Republic, yet much of it has been left in very poor condition. The state could use that natural resource, unique to the DR, to generate revenue that could be put into more encompassing social programs.

Charles Beeker\textsuperscript{29} proposes another example of such a project. His project creating underwater parks in the DR to protect shipwrecked parks and coral reef zones is a prefect example of how the tourism sector could work within the natural environment of the DR. Yet, to reiterate, his projects are typically interrupted due to lack of institutional memory. Thus, this section concludes that the state and hotel relationship leaves out important parts of sustainable tourism development in regards to social programs and does not adequately use the natural resources in the DR that could be turned into revenue creating tours and excursions while educating tourists by creating awareness.

\textsuperscript{29} Introduced in Section 3.
6 Conclusion

6.1 What Tourism Means for the Dominican Republic

Tourism for the Dominican Republic means economic growth and development. It contributes widely to job creation and generates significant income (Pellerano & Herrera, n.d., p. 19). In 2005, GDP growth as a percentage was 7.9 in the DR, whereas the regional average was only 3.1 (World Bank Key Development Indicators – the Dominican Republic). This growth is largely attributable to tourism as tourism in the DR makes up the majority of GDP (ibid). “25 % of all visitors to the Caribbean picked the Dominican Republic as their vacation spot choice in 2007” (Touring, 2008, p. 5). This is an important statistic since income from tourists is high in the DR. For example, in 2000, income from hotel room tax generated 190.5 million RD$ and tourist cards generated 385.6 million RD$ (Pellerano & Herrera, n.d., p. 45).

However, along with the benefits brought by the tourism industry to the DR, there have also been some costs to the environment, costs with dependency and costs to the community. Identifying these costs by understanding the relationship dynamics that generate them may lead beyond the generalized and ineffective policy recommendations of the past to solutions that are sensible, practical and manageable. These solutions will now be described.

6.2 Recommendations for the Dominican Republic

6.2.1 Environment

The problems that have been identified in regard to the environment are pollution and environmental damage and not developing tourism projects within the natural offerings of the environment. These are the main environmental costs associated with
tourism in the DR. Pollution and environmental damage can be reduced if the hotels and state work together. The state must increase its capacity to enforce the laws it passes concerning tourism, and the hotels must comply with those rules and regulations. As it stands now, there is little government control and the hotels can do whatever they want (Interview with interviewee 8, personal communication, July 3, 2008). This factor in the state-hotel relationship must be addressed.

In regard to the shortage of tourism projects that could be created using the natural sites and resources unique to the DR, the state and hotels could work together to create more unique tours that take advantage of local natural resources. Hotels could survey guests asking what tours they would be interested in, and the state could use the information to create state run tours. Examples could be tours of protected caves laden with stalactites, ship-wreck sites, and tours taking people to the Colonial Zone in Santo Domingo. However, if the government continues to dissolve the civil service each time it changes hands, there will continue to be little progress made with environmental tours and other projects, such as those suggested earlier in the discussion.

Hotels and the state together have a vested interest in environmental programs because they may raise environmental awareness of tourists while offering something unique in the DR. Hotels would perhaps increase their occupancy and the governments would increase revenue from these types of projects because they can be locally operated. Hotels and the state would also benefit through improved social programs, covering more than health and old age. Programs should be broadened to include investment in human capital, such as education. This may generate a more reliable labour force for hotels and decrease state dependency on the private sector.
6.2.2 Dependency

The state and hotel relationship has created some dependency in the DR. The state depends on foreign investment for building resorts and even some infrastructure. This can be problematic for sustainable tourism development, because if the state loses control of the tourism industry, it is less likely to move in a sustainable direction.

The DR could benefit by setting up the tourist industry to eventually be managed locally. This requires a state willing to negotiate with multinationals on its own terms and can be done over a longer period of time by taking initial steps in that direction. One step could be to take advantage of what the DR can offer and control on its own. Tourist attractions in the DR consist of beaches, golf courses, leisure parks and convention centres (Pellerano & Herrera, n.d., p. 15). The DR government and the Ministry of Tourism should be taking advantage of the diverse historical and cultural resources the country has to offer such as underwater museums and colonial landmarks, which cannot be moved. In addition, by enforcing legislation requiring the hiring of local people, and by establishing social programs such as one offering scholarships, the local population will ultimately be better enabled to manage that tourism industry. This is not to say that foreign investment should not be present. Rather, this project is suggesting that opening up the tourism industry to more local management may eventually lead to more local competition through increased local know-how and ownership. As it stands now, the DR is dependent on a mostly foreign owned tourism economy for its economic development (Interview with Regis Batista, personal communication, July 4, 2008).

The DR needs to be less dependent on others and more reliant on itself to be economically sustainable in the long term. This is critical because services have increased
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from 51.6 percent of total GDP in 1980 to 69.2 percent in 2005 (World Bank Key Development Indicators –Dominican Republic). Thus, if the tourism industry, so dependent on outside resources, were to become too unsustainable for it to be managed and maintained, economic growth would stagnate.

That could be avoided by investing more money and resources in the local economy by sponsoring small business and granting scholarships to train the local population for management. This is a manageable and practical solution. It can be achieved by redirecting a larger percent of revenues from tourism for social investment in human capital and for investment in funds for local start-ups. This could lead to a steadily increasing local involvement in the day-to-day operations of the tourism industry. As a result, the state would benefit through decreased dependency and thus obtain a more sustainable tourism economy. The hotels would benefit by the presence of a more stable and capable work force. Both would profit because the dependency on external resources would be reduced and the tourism industry in the DR would become more sustainable.

6.2.3 Community

The government and the hotels in the Dominican Republic can use the local population to help maintain and develop the tourism industry. Community involvement is important because the local community can be key in maintaining tourism. For example, in regards to the litter problem in places in the DR, local communities can help by keeping their cities clean. Of course, garbage clean up and garbage can placement is typically a government responsibility, but it requires community cooperation. A request from the state to keep streets clean, along with the placement and maintenance of garbage

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30 Tourism makes up measurements in goods and services.
cans in the streets would be beneficial to sustainable tourism development in the DR. This is another practical and simple solution.

The government can get the local community more involved in tourism by including the people in the decision making process (Gregory, 2007, p. 3). If locals are more involved in the development and maintenance of the tourism industry, and if opportunities become available to them to get more involved, such as scholarship opportunities to attend university and train in tourism management, they will likely be more willing to care for and maintain the industry. Inclusion is a simple and practical solution.

### 6.2.4 Civil Service

Sustainability of the environment, decreasing dependency and community involvement in tourism development are all significant factors in the movement towards a more sustainable tourism agenda. All areas require a cohesive state and hotel unit that practices cooperation and is based on the formulation of a strong partnership. However, that partnership is not possible without the fundamental virtue of a continuous career and merit based civil service. A career and merit based civil service is essential to a sustainable tourism industry in the DR because it would lead a more reliable, efficient and effective public sector; one that knows its responsibility and takes that responsibility seriously. This would result in the successful completion of tourism development plans and policies through decreased interruptions.

A career civil service would not solve all of the problems with unsustainable tourism in the DR. However, it is a necessary step towards sustainability in tourism development as it could lead to an increase in attention to public sector needs. This would
likely increase a new environmental consciousness and produce a more reliable labor supply. The hotels would benefit from working with an effective government, a state-hotel partnership would be the result, and sustainable tourism development could actually be pursued more realistically.

6.3 Summary

The objective of this project has been to discover some of the practical difficulties the Dominican Republic experiences in implementing policies designed to achieve sustainable tourism development. It explored the question of why tourism there still appears to be headed towards unsustainability. The importance of tourism in general was examined followed by a discussion on unsustainable tourism. Traditional approaches to the problem of unsustainable tourism were then examined in order to help identify how tourism can become more sustainable.

Next, the DR was introduced and a framework of analysis identifying the actors and their relationship was developed. A case study of the DR was then placed into that framework identifying the effects the relationship between the state and hotels has on the tourism sector, the environment and the local community. Negative effects were addressed field research was conducted to investigate the key actors involved and solutions were sought for those difficulties.

This project can be useful as a guide or template for other country specific studies of sustainable tourism development because the problems identified in this project can also be found in other Latin American and Caribbean countries hosting tourism. In order to correct the problem of unsustainability in tourism, not just in the Dominican Republic, it is important to identify the positive and negative effects on the social, economic and
environmental dynamics of tourism development in the relationship between the state and large hotel resorts. Mending those problems starts with effective cooperation and coordination between the public and private sectors towards sustainable tourism. This cannot occur until some sustainability has been established in the government institutions that make up the civil service.
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Appendix

Interviewees

Interviews were conducted in Santo Domingo and Punta Cana from June 30 to July 15, 2008 and include the following people:

- Rafael Batista, Ministry of Tourism Street Guide.
- Osiris Tapia, Taxi Driver.
- Joachim Wagner, Hotel Manager.
- Gina Hilario, Hotel Receptionist.
- Dr. Charles D. Beeker, Indiana University.
- Zobeida E. Bonilla, Indiana University.
- Anonymous, Santo Domingo Law Enforcement.
- Manuel Pacheco, Ministry of Tourism – Assistant to the Sub-secretary of Tourism.
- Regis Batista, Canadian Embassy Trade Commissioner.
- Tony McCart, Tourist that travels three or more times per year to the DR.
- Zenon Jimenez, Hotel Manager – Melia Santo Domingo.
- Santos Rafael S Bera, Rooms Manager. Grand Palladium Punta Cana Resort and Spa.

I appreciatively acknowledge the generosity of all interviewees and their willingness to share the knowledge and understanding of tourism in the DR with me. In order to protect them, I have agreed to keep some of their contributions anonymous unless they gave me explicit permission to quote them. This research was approved by the SFU Office of Research Ethics. A copy of the procedures and their acceptance letter is available by request.