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II. THE RELATIONSHIP BETWEEN TOURISM AND AGRICULTURE: ROLE IN DEVELOPMENT

The group began by recognizing the fact that tourism has expanded at different rates and to different levels in the various islands of the Caribbean. Because of these differences, together with the differences in size, resource base and economic structure, it is difficult to make generalizations which are applicable to each and every island. This difficulty should be borne in mind throughout the report which follows.

The group also felt it necessary to state at the outset that the relationship between tourism and agriculture is often stated as one in which tourism is considered the dynamic partner to which agriculture should respond. The group agreed that, although the expansion of tourism may have aggravated many of its problems, agriculture is plagued with some difficulties which would persist even if the tourist sector did not exist, and that those concerned with agriculture must recognise this.

Competition for Resources

In order to facilitate the logical development of the discussion, the group considered, in turn the different categories of resources: land, labour, management and capital, and discussed whether there was, in fact, competition between agriculture and tourism for the utilization of these resources. Members of the group also agreed that competition between the two sectors was not necessarily a bad thing.

Land

It was felt that the extent of the competition between the two sectors for land varied from island to island, as was illustrated by the papers presented at the Plenary Session. However, where competition did exist it could take two forms:

- (a) actual *physical* competition for the land resource; and
- (b) the competitive effects of the tourist industry resulting in the increase of the reserve price of land so that the price of land in some localities had increased beyond the limit that agriculture could afford to pay.

There was some discussion about the advantages of the guest-house type tourist development compared to the high-rise tourist development so far as land consumption was concerned. It was agreed that because of the need for infrastructure and ancillary services, the *high-rise* development might require as much land per capita (of tourist) as the guest-house development.

It was generally agreed that more attention had to be paid to the objectives of land use policy decisions and to the criteria which were necessary to ensure national land use patterns. At the same time the group was aware of the importance of political factors which affected the implication of national land use policies.

The group agreed on the following recommendations:

- (i) As far as possible hotels and ancillary services should be located on lands that are not suited to agriculture.
- (ii) Any form of land zoning should take into consideration the necessity for infra-structural development.
- (iii) Any increase in land value resulting from a land zoning policy should accrue to the State, perhaps in the form of a capital gains tax.

Labour

In some of the islands there were indications that the drift away from agriculture had started even before the tourist industry became a significant sector in the economy. This situation implied that part of the problem was in agriculture, e.g. low wages, poor working conditions, etc. In other words tourism had merely provided an avenue for the movement out of agriculture. However, because of its capacity to absorb relatively large numbers of unskilled and semi-skilled workers, the tourist sector has probably attracted unskilled farm workers.

There was disagreement as to the effect of this movement out of agriculture on production and it was felt that this was one area in which research was necessary.

In some of the islands the competition may be most severe when the harvesting of certain crops coincided with the peak tourist season. For instance in Barbados the abandonment of some lands by owners is blamed on labour shortages at critical periods. It was also felt that the movement away from agriculture may not be directly to tourism and that some research was necessary on the flow of labour throughout the economy.

The group also agreed that emphasis should not be only on the competition for resources since in some cases tourism might complement or supplement agriculture, e.g. taxi drivers cum farmers. However, such combinations need not result in the better utilization of the individual's labour.

It was felt that much more basic data needed to be collected before firm statements could be made about the impact of tourism on labour.

Capital

There was some discussion as to how widely or narrowly capital should be defined. It could be argued that the large proportion of foreign investment in hotels would not have been invested in agriculture if the tourist sector did not exist. At the same time capital investment in tourism was represented in the infrastructure provided by local (Government) capital and recurrent expenditure. It was agreed that the type of infrastructure needed in tourism, particularly in *high-rise* tourism, did not necessarily benefit agriculture. For instance, the money spend on a motorway may have been better spent in the construction of farm-feeder roads. There was the possibility, however, that the capital invested in tourist infrastructure, particularly foreign aid funds, may not have been forthcoming without tourism.

Management

The group felt that given the relative absence of management skills in the West Indian countries the tourist industry must well play a positive role in the development of managerial abilities among nationals. It was indicated, for instance, that in some of the islands, nationals held top managerial positions in the hotel industry. However, given the structure of the tourist industry in the Caribbean:

- (a) the type of management skills developed could not be readily transferred to other sectors; and
- (b) competition between agriculture and tourism for management referred to future rather than present skills.

The group also felt that though there was a move towards putting nationals in managerial positions in the tourist industry there was still very little participation in decision-making and that major decisions were still made by foreigners.

Role in Development

It was generally agreed that while the competition for resources between agriculture and tourism may not be as substantial as cursory observation may suggest, the tourist industry has not contributed as much to economic development of the islands as it could have, or as it was hoped it would. This was particularly true where the supply of food to the tourist sector was concerned. In some cases, as on the north coast of Jamaica, a proportion of the food used is produced locally but this is not generally the case. One of the problems involved was the uncertainty of supplies of local foods.

The group felt that existing nature of the tourist industry in the West Indies results in a demand for high priced foods and the result of attempting to produce such items locally (at the expense of less expensive items) could result in increases in food prices to local consumers,

It was felt, however, that such a situation i.e. producing high priced food items for the tourist market, may not be such an undesirable thing as the savings in foreign exchange in this area may be used for importing cheaper foods. The group agreed that the real problem was supplying the overall demand for food, both tourist and resident.

Conclusion

The group would like to emphasize the need to determine the optimal allocation of resources available to Caribbean islands. Members felt that the extent to which tourism is allowed to expand should depend on such an allocation which demanded a rational and integrated approach to the socio-economic development of the islands.

However, the absence of relevant data, which is reflected in the papers presented and in the group's discussions, undoubtedly hampers progress towards a more optimal growth strategy.

Research of an inter-disciplinary nature, is required into the existing structure of the tourist industry, and the characteristics of the relationship between agriculture and the various sub-sectors of the tourist industry.

Research Priorities

1. To establish whether a tourist industry based on *guest-houses* rather than on the other types of hotels that now predominate, would allow for greater usage of local agricultural outputs than is now the case, and indeed, lead to more efficient utilization of local resources and greater local participation in the industry in general.
2. To establish the relationship between agriculture and tourism at the level of the firm, the primary aims being to establish:
 - (a) the source of local supplies to hotels, i.e. whether small or large farms; and
 - (b) the marketing and distribution systems involved in the present movement of local agricultural supplies to the hotels.

These studies should be comparative for the region as generalization based on the experience of any one island can be misleading. They should also identify differences between different tourism sub-sectors.

3. To establish the effect of tourist food demand on resource allocation in agriculture, and to say whether the pattern of allocation that obtains is the optimum from a socio-economic point of view.