

FOREWORD

Nineteen students and two professors from Lafayette College spent December 31, 2003, through January 20, 2004, in Nassau, The Bahamas. The group enjoyed every single day in what one student, Zachary Capetola, described as "lush tropical landscapes, postcard beaches, and world-class casinos." We worked hard, however, to pull ourselves away from fun and sand and into the Intersession course "West Indian Identities: Politics and Literature of the Caribbean." The course was divided into two daily segments: Politics, which I taught, and Literature, headed by Professor Samuel Hay. The purpose of the class was to introduce the students to the key political, economic, and social issues facing the nations of the Caribbean and to place them in their historical, ideological, cultural, and other contexts. Among the topics discussed were the Caribbean slave experience, the Bahamian tourist economy, the Grenadian invasion, the Haitian and Cuban revolutions, the various models of economic development, and the British Caribbean's evolution from colonialism to national independence. The issues included the origins of the Caribbean peoples; the slave revolts in the area; the resistance to colonialism; the shift from a colonized to an independent Caribbean; a comparison of the various economic strategies; as well as case studies of such key nations as Trinidad, Jamaica, The Bahamas, Guyana, etc. Comparisons were made with the Latin American experience.

The Literature section exposed students to representative essays, poems, plays, as well as fiction about Caribbean lives and political struggles. In addition to taking a comprehensive take-home examination for my session, the students had to write a ten-page essay about the life and history of The Bahamas for the Literature section. The essays reflect student interest and independent research. Then ten chosen for this volume, for example, cover a wide range. Trent Mohny in "The Bahamian Tourist Industry" assesses the increasing importance of the tourist industry to several Caribbean economies. He analyzes the plethora of positive and negative results that tourism has visited on the Caribbean. In his "Atlantis and The Bahamas," Matt Metzger takes a closer look at tourism by studying the effects that this multiplex resort has had on Bahamian culture and life—from employment and agriculture to music and art. Zachary Capetola's "The Bahamian Gaming Experience" shares his adventures in the casinos, placed within the context of the history of Gaming in The Bahamas. Thomas Palmer in "Glory Day(s)" analyzes the Bahamian music industry through a case study of the band The Baha Men, which released the international hit *Who Let the Dogs Out* (2000).

The other essays briefly study Haitian political history, along with Bahamian health care, education, and conservation. In her "Achieving Stability in Haiti," Christine Steenman argues that Haiti is consumed by historic and inherent struggles for power, which affects not only Haitians but also other peoples, especially Bahamians. Haitian immigration, in fact, strains the Bahamian hospitals, which David Van Der Beek's "Bahamian Health Care" says have sophisticated facilities that rival those in much larger nations. Kristen Rabuck in her "Nursing Conditions in The Bahamas" says that nursing care, too, is good,

except for security, communication, and pharmacology. These are greatly needed as The Bahamas struggles to hold in check its ballooning AIDS problem, says Andrew Hayes in "AIDS in The Bahamas." The country is working on this, however, as well as on ensuring that all citizens take advantage of public education. Leslie Saint's "The Psychology of Retaining Black Males in the Caribbean Educational System" argues that significant progress is being made to keep young men from falling off the dock. Similar progress cannot be found, unfortunately, in conserving the natural resources. Michael Altmeier fears in his "Conservation of the Bahamian Parrot, the West Indian Flamingo, and the Allens Cay Iguana" that tourism is slowly eroding the country's fragile ecosystem, "leaving many native species without homes."

Professor Hay and I hope that you are enlightened by these student essays.

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There are a number of reasons why the tourist industry developed to such importance in the Caribbean. According to the economist Anthony Thompson, the chief driver is the comparative advantage that the Caribbean holds over the rest of the world. (Comparative advantage is an economic term referring to an inherent advantage that one nation or region holds over all others in one industry or service.) The climate and natural landscape, as well as ample shoreline of the region, give The Bahamas this huge advantage in the tourism industry. Its location close to the United States adds to this. Thompson claims that there are very few places in the world that can match the potential of the Caribbean for tourism. Thompson also notes that since The Bahamas is relatively small, it cannot host many large industries and factories that are necessary for production to be efficient enough to compete internationally. The Bahamas also lacks many natural resources and is not fertile for agriculture. This leaves tourism as the only industry in which the nation can dominate.

The Bahamian Tourist Industry

By Trent Mohnney

The tourist industry has been a major staple of many Caribbean economies for some time. Its role in the modern days seems to be increasing in importance. This is especially true of The Bahamas, where over 90% of the economy is based on the tourism industry. This figure is expected to rise substantially in the near future. The industry has developed in the region for a number of reasons and has brought a plethora of positive and negative results for the Caribbean peoples.

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Many Caribbean nations, The Bahamas especially, have followed the Puerto Rican model of economic development and created great incentives for foreign investment. These include low taxes, increased infrastructures, few corporate profit restrictions, and easy leases. This policy has produced tremendous investment in the tourism industry. This foreign investment also brings experts in to train the employees and manage the resorts. This further increases the advantage of the industry in attracting visitors from around the globe. The capital, technology, and know-how supporting the tourist industry due to the Puerto Rican model have further augmented the quality of the industry.

The industry has brought a number of positive benefits to The Bahamian people: development of the infrastructure, modern utilities, and sewers. The tourist money has also increased police presence and social awareness, especially since tourism, technology, and education obviously cannot thrive in lawless countries. The industry has led to the transference of The Bahamas from a more subsistence-like economy into a modern player in the world market. Tourism benefits other industries also. The tourists spend money in Bahamian shops, eat at Bahamian restaurants, drink Bahamian beer, purchase native Bahamian wears, and support many other areas of the economy. Tourism spurs development in many other Bahamian industries. The money brought in supports the local economy and can further spur modernization with the purchase of newer technologies from overseas. Sir Lynden O. Pindling, the former prime minister, predicted nearly a decade ago that the vast majority of development in all industries would be fueled by the tourism. This truth has only augmented itself in recent years. Professor Anthony Thompson believes there is no faster way to modernize the region.

He also points out that tourism is more sustainable and reliable than industries relying on natural resources, such as minerals or oil because these resources might expire and world prices might fluctuate. Tourism will likely never expire, however, and has much smaller variances in demand. Tourism also forces The Bahamas to become a better place on the whole. The people, as well as the government, know that the country must be stable and safe if the country is to survive in the tourism industry. This gives everyone a monetary incentive to pursue security and stability.

Despite these advantages, the tourism industry has had some negative effects on both The Bahamas and the Caribbean. The dominating tourist industry makes the nation more reliant on one source of income. If the tourism industry were to go into massive decline, the entire economy of the Bahamas would follow. Tourism also attracts workers away from such industries as agriculture, which could make the country slightly more self-sufficient. Resorts are also sometimes built on sacred or ecologically important lands. This can slight the natives and ruin beautiful habitats. Professor Michael Stevenson points out that the attitude of servitude the industry creates can cause deep-seated anger and resentment in the populous. This has led to The Bahamas having the highest per capita murder rate in the world. Natives are often allowed in resorts only to work and are barred entrance for reason of pleasure. Foreign ownership of the industry often affronts Bahamian pride and leads to a feeling of inadequacy. A large attempt at Bahamian governmental ownership of resorts, however, led to massive failures and bankruptcies, according to economist Thompson. The influx of foreigners due to tourism also has led to an assault on native culture. Bahamians are now more concerned about creating art for sale to tourist rather than expressing their own native heritage, according

to Professor Ian Strachan. The low taxes and other incentives necessary to attract foreign capital and know-how to the industry have led to a lack of governmental revenues. Governments have had few funds, therefore, to spend on increasing social welfare. Programs such as education, welfare, and national health services have been left behind without ample government funding. Professor Thaddeus McDonald noted that the reliance on tourism, especially American, has led to an influx of American culture. This has in many ways displaced native culture. American materialism has seemingly swept this island, and the decline of the Bahamian family and values has paralleled America's. The fact that foreigners own so much of the industry also gives them huge power over the Bahamian economy. They often use this power for what is in *their* best interest, not what is best for the Bahamian people. This foreign ownership also means that many of the profits from the industry leave the country and do not always go into reinvestment in the industry. Members of the Bahamian Ministry of Tourism all agree that the tourism industry

Despite arguments over the benefits and drawbacks of the tourism industry, it is likely to continue and even grow in the future. The current condition of foreign ownership is likely to prevail, since there is simply not enough capital in The Bahamas to finance private resorts. The Bahamas lacks any kind of an effective capital market, according to Livingstone Evans. The government, additionally, has shown its complete ineptitude for competing in the industry. The new FTAA (Free Trade Association of the Americas) is opening many international markets to increased competition. This will open Bahamian industries to greater competition. The only Bahamian industry likely to prosper in this environment will be tourism.

The second-home market is growing also in The

Additionally, the recent Patriot Act in the U.S., as well as other legislation, has essentially doomed the offshore banking industry in The Bahamas. This industry made up approximately ten percent of the economy. According to Mr. Thompson, in the few weeks after the legislation went into effect, nearly half the banks in The Bahamas closed their doors. The legislation has nullified the many advantages that the nation's offshore banking community has enjoyed. Without these advantages, the industry can no longer attract clientele. It is likely that the complete demise of the Bahamian offshore banking industry will be witnessed in coming months. The void left by this industry will likely be filled by the booming tourist industry. The skilled professionals unemployed after the banking demise will probably bring their talents to the equally lucrative tourist business. It would be of little surprise if the tourism industry accounted for near 100% of the Bahamian economy in the next few years. Mr. Livingston Evans, Mr. Thompson, and Ms. Renee Mayers of the Bahamian Ministry of Tourism all agree that the tourism industry will continue to prosper and expand in the coming years. No support has been found for the opinion that tourism will likely decline in importance anytime in the future.

Many goals have been set for the industry in coming years. Increased competition is expected from other Caribbean islands and other regions. Ms. Renee Mayers of the Bahamian Ministry of Tourism outlined these in a lengthy interview. The Ministry is doing everything in its power to attract additional investment for the industry. Big resorts are most effective at attracting tourist but require the most capital investment. The ministry is hoping for additional investment so the industry can grow and offset the losses in the banking sector. They have encouraged the purchase of various cays by cruise companies as temporary stop-off points. The second-home market is growing also in The

Bahamas. This is encouraged by the ministry because it brings additional tourism. Many of these second homes are rented and are inhabited, therefore, nearly year round. International business conventions are another target of the Ministry of Tourism. Wealthy business travelers often stay in high-end hotels and spend large amounts of money in casinos, restaurants, etc. Tax incentives have been created in order to attract additional business conventions and meetings. The Ministry vehemently pushes for increased tax breaks and financial incentives in order to achieve many of its goals.

The ministry is quite worried about the quality of service in the country. Many reports have shown that the average tourist is not impressed with the quality of service and would not recommend The Bahamas to others. This is nothing new, however. Even in the early 1990s, the minister of tourism, C.A. Smith, was quoted in the *Nassau Guardian* Newspaper that "Our work ethic and standard of service must be immensely improved." He continued, "Our tourism-awareness message must continue to be one in which we commit to working together in this vital industry to make life better for all Bahamians." Indeed, as the market becomes more competitive The Bahamas must raise the quality of service to outperform competitors. Recently, a tourism index has been created in local papers to relate the current view on quality of service and hospitality in the industry. Exit surveys are also conducted to gain the tourists' opinions about how the nation is doing in this arena. At a recent national tourism conference, the ministry supported doing away with the mandatory 15% gratuity charge in restaurants. They feel that this takes away all incentives for quality service in the restaurant sector. The ministry believes the dropping the tax would prompt service that is competitive with most tourist destinations.

A smart training program, additionally, has been introduced. The ministry believes that large corporate-owned resorts have quality service because corporate leadership trains and sets accountability requirements for employees. Most small businesses, however, lack the kind of training and accountability seen in the large corporate businesses. The smart training program has been set up, therefore, to educate small business owners on the importance of training and accountability. This program trains owners and employees how to meet the service standard they believe is competitive with other tourist destinations. They also hope increased service in these businesses will create competition, further driving up the quality of service in the country. This increased standard will attract even more tourists from all over the world.

The ministry is also pressing for Bahamians to become more imaginative in inducing tourist to spend money on native Bahamian products. This benefits not only merchants but also manufacturers. This theme has been pushed for quite a while, and Bahamians have made some notable strides. The large array of wares sold in the straw market, for example, is a tribute to this success. As early as 1991, the finance minister Paul Adderley said that "we have never been innovative, we have not been inventive, we have not been imaginative. But for the most part we have merely been merchandisers, because the economy in the good old days lent itself to the merchandisers" (Symonette). Mr. Adderley pressed for the sales of native goods, which spur growth in native manufacturing and merchandising. Despite some success in this area in the past decade, the ministry still supports this goal.

The future of the tourism industry in The Bahamas is very bright. The country has a large advantage in this industry and is making very notable strides to outperform

competitors. With the decline of the offshore banking industry and increased freedom of trade, the industry is likely to fill the void left by other shrinking industries. Foreign investment is growing and the Bahamian people are rising to the challenge of providing competitive service. The close proximity to the United States and innate hospitality of the native Bahamians give The Bahamas an advantage over other Caribbean states. I would expect the industry to comprise nearly 100% of the Bahamian economy in coming years.

In conclusion, the tourism industry is best suited for the Bahamian nation. It is probably the only Bahamian industry that could survive in a fiercely competitive market. The small size of the nation and the lack of resources limit it in its options for efficient production. This industry brings a number of benefits and drawbacks. It has brought The Bahamas into the modern age quite quickly. It also brings modern technology, education, and infrastructure to the nation. The Bahamians have suffered a loss of culture, however, as well as autonomy, and they are very subject to market volatility, as are other one-industry nations. The tourism industry, nevertheless, will prosper, as will the whole country. For as the world becomes increasingly interconnected, The Bahamas will likely be a dominating force in this fairly lucrative international industry.