A scenic photograph of a waterfall cascading over mossy rocks in a lush, green forest. The water is captured with a long exposure, creating a soft, white, silky texture. The surrounding rocks are dark and covered in vibrant green moss and small plants.

Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

THERESE BAPTISTE-CORNELIS & TENISHA BROWN

International Conference on

'Turtle Conservation, ecotourism and sustainable community development'

July 28-29, 2009

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**THE UNIVERSITY
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ST. AUGUSTINE CAMPUS



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

Presentation Layout

- 1. Introduction**
- 2. *Entrepreneurship***
- 3. Relationship between *Traditional Tourism* and *Entrepreneurship***
- 4. Sustainable Tourism Development**
- 5. Sustainable Entrepreneurship**
- 6. Conclusions**
- 7. Recommendations**



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

1. Introduction

National and global bodies are increasingly relying on market forces to generate economic growth whilst still protecting the environment (Schaper, 2005).

- **‘There is a need to encourage endeavors to focus on entrepreneurship in the Caribbean region’**
 - Jan 2009; Bahamas Prime Minister- Rt. Hon. Hubert A. Ingraham
- **For a very long time the Caribbean has been mainly associated with Tourism.**
 - Tourism is widely considered as **an effective contributor to socio-economic development.**

Cont'd



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1. Introduction (Cont'd)

- **Entrepreneurship** on the other hand has also in recent times been linked to the **development of nations**
- The tourism industry is thus considered to be the **fastest growing in the world economy and one of the largest global employers.**

Cont'd



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

1. Introduction (Cont'd)

- **Australia - \$73 billion in 2003/04** (Tourism NSW, 2009)
- **St. Lucia - 42.8% of the GDP** (WTTC, 2005)
- **Santa Catarina, BRAZIL- an estimated 12.5% of the state's GDP, or US\$6.4 billion and nearly 510,000 jobs** (11.9% of total employment) in 2009 across the wider Travel & Tourism economy.
 - Moreover, between 2009 and 2019, its contribution is forecast to become even more significant. It should grow by 4.5% a year, in terms of GDP (WTTC, 2005)

Cont'd

1. Introduction (Cont'd)

- **Tourism Industry?**

- **Tourism is** not an industry in the traditional sense, but rather **an activity that takes place over a number of industry sectors**

- ❖ *As a result* measuring the economic impact of tourism is complex.

- The economic significance of tourism can be assessed in terms of: (a) **the contribution it makes to the total value of goods and services** produced in the economy, (b) **the export dollars** it creates through the sale of goods and (c) **services** to overseas visitors and the jobs it creates.

Tourism Australia 2003



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1. Introduction (Cont'd)

- Tourism can be traced back to the very start of civilization and according to Gartner (1996), the attempt to detail the history of tourism development is equivalent to writing the history of humanity.
- Concurrent with the development of tourism is the concept of entrepreneurship and the entrepreneur.

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1. Introduction (Cont'd)

- Entrepreneurship and entrepreneurs are not part of a new phenomenon “**the common misconception that entrepreneurship theory and research are relatively “new” grows out of the recognition that classical and neo-classical economics has, until recently, largely ignored the subject.**” Wadhvani & Jones (2005),

Cont'd

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1. Introduction (Cont'd)

- BUTLER LIFECYCLE MODEL**

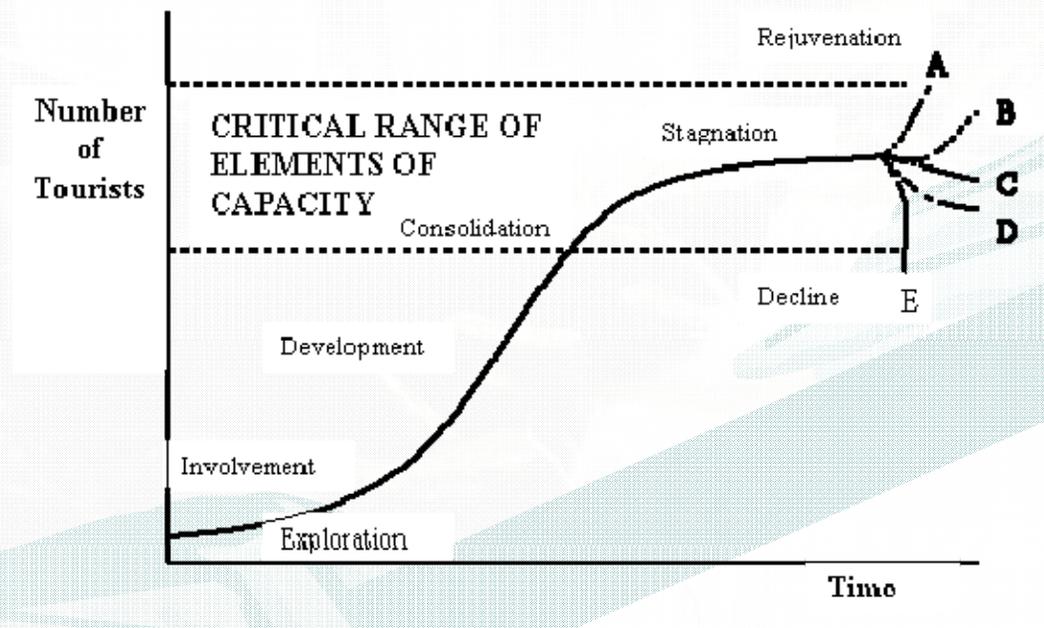


Figure 1.1 Hypothetical Evolution of a Tourist Area (Adapted from Miller and Gallucci, 2004)

SOURCE: Life Cycle of a Tourist Destination <http://www.destinationrecovery.com/destinationlifecycle.html>



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1. Introduction (Cont'd)

- Early tourism entrepreneurs, who saw opportunities and were set on wealth creation, facilitated many of the benefits of **mass tourism**.
- However, they also contributed to the overwhelming **negative effects incurred by many tourism destinations**.



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2. Entrepreneurship

- “Entrepreneurs, driven by an intense commitment and determined perseverance, work very hard
 - ... are **optimists who see the cup as half full rather than half empty**
 - ... strive for integrity
 - ...**burn with the competitive desire to excel.**
 - ... use failure as a tool for learning
 - ...they have enough confidence in themselves to believe that they personally **can make a major difference in the final outcome of their ventures.**” - Kuratko (2007)

Cont'd



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2. Entrepreneurship (cont'd)

- An entrepreneur is not limited to one typology; rather different categories can be presented based on the type of activities that they are involved in.
- Seven types of entrepreneurs (Price, 2004)
 - 1) **small business, lifestyle and family** entrepreneurs;
 - 2) **franchise** entrepreneurs
 - 3) **professional fast growth and serial** entrepreneurs
 - 4) **corporate** entrepreneurs and intrapreneurs
 - 5) **creative disrupters and innovators**
 - 6) **extreme** entrepreneurs and
 - 7) **social and non-profit** entrepreneurs



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3. The Relationship

- Tourism has the potential to **create many small businesses and generate employment** within each of its sub-sectors
 - *“entrepreneurs who, through a combination of perceptiveness, creativity and the fortuitous confluence of events, are constantly identifying opportunities as they arise and create the organizations to pursue them.”*
[(Bygrave 1993) & (Russell and Faulkner (2004:557)]
- Greatest Impact seen on Travel Industry - **THOMAS COOK**

Cont'd



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3.1 The Relationship - Positive Side

- Regional Example – **Sandals Resorts**
 - “The story of entrepreneurship begins with an act that would make the lords of the MBAs cringe - Stewart dropping out of school at 14 and shortly after using a 12-foot boat to go up to the Plantation Inn Hotel and offer rides for a price.” *Jamaica Gleaner, 2006*



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3.2 The Relationship - Other Side

Negative impacts?

- **Tourism Entrepreneurs – Mass Tourism?**
 - Tourism entrepreneurs saw many opportunities and invaded a number of regions to pioneer a number of tourism ventures.
 - *Tourism related infrastructure controlled by wealthy investors*
 - **Lack of experience of C'bean govts** allowed **HEAVY CONCRETE** structures along **COASTLINES**
 - **HILTON in TOBAGO & BARBADOS** Cont'd



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3.2 The Relationship - Other Side (cont'd)

Negative impacts?

- **Tourism Entrepreneurs— Environmental Impact?**
 - Antigua & Barbuda coastal strip **FILLED**
 - Disregard of **FRAGILE ECOSYSTEM**
 - Residents of community no longer can swim in sea (*Pattullo, 1996*).

Cont'd



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

3.2 The Relationship - Other Side (cont'd)

Negative impacts?

- **Tourism Entrepreneurs– Contributing to economic welfare?**
 - Chronic problems facing Caribbean economies is the matter of leakages (70%) and the poor creation of backward linkages (*Pattullo, 1996*).
 - Corporate Tourism Entrepreneurs
 - Revenue goes to C.O.O. (all inclusive)

Cont'd



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

3.2 The Relationship - Other Side (cont'd)

Negative impacts?

- **Tourism Entrepreneurs – Fostering Entrepreneurial Community Sprit?**
 - It is without a doubt that the tourism industry can facilitate the creation of backward linkages especially in the field of agriculture and manufacturing.
 - “...we should recognize that there are a range of backward linkages within tourism, and that their utilization depends on entrepreneurial activity”

.” Shaw and Williams (2002: 156)

Cont'd



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3.2 The Relationship - Other Side (cont'd)

Negative impacts?

- **Tourism Entrepreneurs – Insensitive to socio-cultural landscape of their community?**
 - **Tourist Dollar = Deny Access to local residents**



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3.3. Sustainable Development

- There are over 100 definitions of sustainability and sustainable development, but the best known is the World Commission on Environment and Development's.
 - This suggests that **development is sustainable** where it "**meets the needs of the present without compromising the ability of future generations to meet their own needs.**"

Cont'd



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3.3. Sustainable Development (cont'd)

- The emergence of **Agenda 21** has aided in linking environmental, social and economic issues as having a direct impact on development. **Agenda 21**, along with the **Rio Declaration on Environment and Development**, and the **Statement of Principles for the Sustainable Management of Forests** were adopted by *more than 178 Governments* at the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro, Brazil, 3 to 14 June 1992.
 - It is run by the United Nations (UN)
 - It is a **comprehensive blueprint of action to be taken globally, nationally and locally** by organizations of the United Nations, governments, and major groups **in every conceivable area in which humans have an impact on the environment.**

Cont'd



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3.3. Sustainable Development (cont'd)

- In the early phases of its development, sustainability was perceived as ‘**environmental sustainability**’ which ignored **social development**. (Dalal-Clayton & Bass, 2002)
- The **notion of development** could **not** be interpreted **only in economic terms but** also taking into account the **social and environmental perspectives** – under this view, the notion of ‘sustainable’ or ‘**integrated development**’ was developed and adopted- [Katsikis & Kyrgidou (2007)]

Cont'd



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3.3. Sustainable Development (cont'd)

- Sustainable development entails **balancing the economic, social and environmental objectives of society** - the **three pillars** of sustainable development - **integrating them wherever possible, through mutually supportive policies and practices...**” Dalal-Clayton & Bass (2002:12)



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4. Sustainable Tourism Development

- **SIDS** - Low-lying coastal countries that share similar sustainable development challenges
 1. **small population,**
 2. **lack of resources,**
 3. **remoteness,**
 4. **susceptibility to natural disasters,**
 5. **excessive dependence on international trade**
 6. **vulnerability to global developments.**
- SIDS suffer from **lack of economies of scale, high transportation and communication costs, and costly public administration and infrastructure**

Cont'd



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4. Sustainable Tourism Development (cont'd)

- TOURISM
 - Resource-based activity
 - Interaction in the early 1980s
 - *Acted an economic panacea for many developing countries and regions and as a result, they sought after the mass tourist.*

Cont'd



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4. Sustainable Tourism Development (cont'd)

- *“...the tourism industry has been obliged to respond to both the mounting criticism directed at certain forms of tourism development, in particular mass tourism development that is considered to pay little or no respect to the local physical and socio-cultural environment...”* Sharpley (2002)

Cont'd



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4. Sustainable Tourism Development (cont'd)

- *EcoTourism*
 - Source of **degradation of local ecological, economic and social systems?**
 - Intrusion of large numbers of foreigners with **high-consumption and high-waste habits** into
 - natural areas
 - towns with **inadequate waste management infrastructure**

Cont'd



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4. Sustainable Tourism Development (cont'd)

- Its unique structure produces **unique social impacts upon the local tourist community**, including
 - the interruption of local customs and lifestyles,
 - the spread of infectious diseases,
 - changes in local demographics, and
 - changes in local housing and labor markets.

Cont'd



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4. Sustainable Tourism Development (cont'd)

- *Evolution of Sustainable Tourism literature and research has led to **four main principles***
 - *economic,*
 - *ecological,*
 - *cultural and*
 - *social sustainability*

Cont'd



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4. Sustainable Tourism Development (cont'd)

- *Ecological Sustainability*
 - the maintenance of ecological processes, biological diversity and biological resources in the development and execution of tourism. Sofield (2003)
- *Cultural Sustainability*
 - ability of people in the destination to retain and adapt elements of their cultural expression which defines them as a people (Mawforth and Munt, 1998)
- *Social sustainability*
 - the ability of people to absorb additional demand and be able to continue functioning without social disharmony (Vanhove 2005)



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5. Sustainable Entrepreneurship

- Defined as *“the teleological process aiming at the achievement of sustainable development, by discovering, evaluating and exploiting opportunities and creating value that produces economic prosperity, social cohesion and environmental protection.”* Katsikis and Kyrgidou (2007: 6)

Cont'd



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5. Sustainable Entrepreneurship (cont'd)

- *“Sustainability entrepreneurs are those who attempt to combine the environmental, economic and social components of sustainability in a holistic manner and are said to have a different organizing logic to more conventional entrepreneurs”* (Tilley and Parrish, 2006 cited in Gibbs, 2009)

Cont'd



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5. Sustainable Entrepreneurship (cont'd)

- *“Sustainability entrepreneurs are those who attempt to combine the environmental, economic and social components of sustainability in a holistic manner and are said to have a different organizing logic to more conventional entrepreneurs”* (Tilley and Parrish, 2006 cited in Gibbs, 2009)
- **RESEARCH** indicates however this still relies on **CREATIVE DESTRUCTION**

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5.1 Social Entrepreneurs

- **Social entrepreneurs.**
 - **COMBINING commercial enterprises WITH social impacts.**
 - Entrepreneurs have used *business skills and knowledge* to **create enterprises that accomplish social purposes in addition to being commercially viable** (Emerson and Twersky, 1996).
 - Social entrepreneurship at its best it said to be distinguished by its ability **to generate incremental changes in the short term** that then echo through current systems leading to a **forcible catalyst of significant changes in the longer term**



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5.2 Economic Sustainability

- **PILLAR 1- ECONOMIC SUSTAINABILITY**
 - Level of economic gain from the activity sufficient either to **cover the cost of any special measures taken to cater for the tourist and to mitigate the effects of the tourist's presence** or
 - **to offer an income appropriate to the inconvenience caused to the local community visited** *-without violating any of the other conditions* or **both** (Mawforth and Munt, 2003).

Cont'd

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5.2 Economic Sustainability (cont'd)

- FINANCES – Who controls, benefits, loses?
- RECENTLY
 - Entrepreneurship
 - *has been favorably linked to an alternative and sustainable type of tourism referred to as **rural or nature based tourism***
 - *is seen as an important driving force for innovations within rural communities and economic sustainability that is encouraged by the sustainable tourism strategy*

Cont'd

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5.2 Economic Sustainability (cont'd)

• EXAMPLES FOUND:

Caribbean

- Barbados
 - *Barbados Wildlife Reserve*
- Jamaica
 - *Hotel Mocking Bird Hill*
sixteen-room ecotourism project

International

- Sweden
 - *Soderslatt*
- Finland
 - *different forms of nature tourism*



SOURCE:

<http://www.metsa.fi/sivustot/metsa/en/Projects/LifeNatureProjects/SyoteLife/Ecotourism/Sivut/Ecotourism.aspx>

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5.3 Ecological Sustainability

- Dwyer (2005) purports, “there is presently no accepted single standard for measuring the combined economic, environmental and social performance...”
 - Some may believe this is **an unachievable aim**
- Emergence of **ecopreneurs**
 - *Social activists, who aspire to restructure the corporate culture and social relations of their business sectors through proactive, ecologically oriented business strategies’*

Cont’d

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5.3 Ecological Sustainability (cont'd)

- **Ecopreneurship** ... far from being antithetical to environmentalism, research is showing entrepreneurial activity **may be increasingly central to market success.**
 - **EXAMPLE FOUND: SIAM SAFARI in Phuket, THAILAND**
 - provides eco-tours, **BUT** also educates tourist and local communities, **AND** reinvests a proportion of profits in environmental projects and programs.

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5.4 Socio-Cultural Sustainability

- Are firms really considering the local community and ensuring that **their quality of life is enhanced and their culture preserved?**

- **EXAMPLE FOUND: 3NEPAL SISTERS.**

- 3 Nepal Sisters is a private business that is aimed at **Women from mountainous areas in west Nepal.**



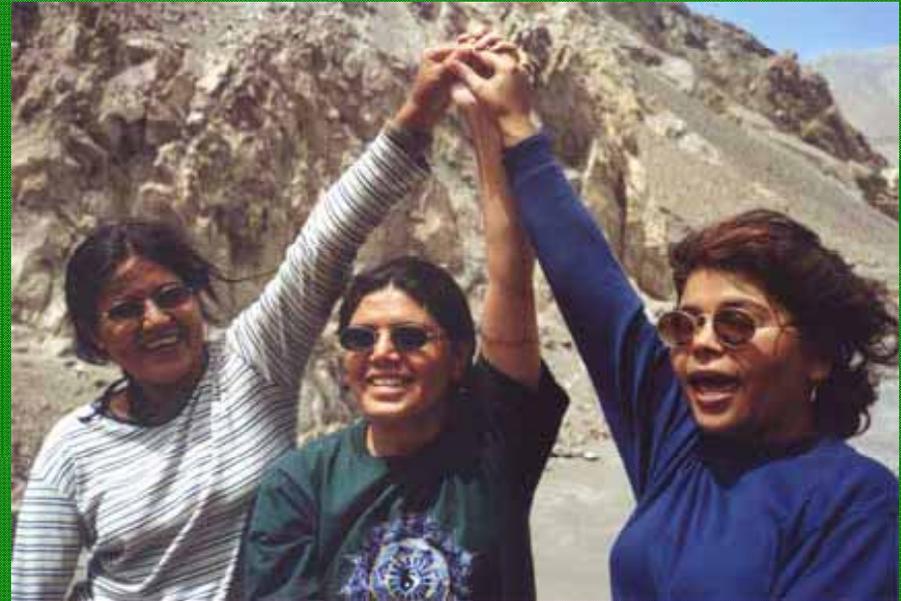
It is generating **greater social well-being** while covering its costs through their trekking program, making it a **classic social enterprise**

Cont'd

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5.4 Socio-Cultural Sustainability

Training Nepalese women as trekking guides, leading to educational and employment opportunities never before known by rural Nepalese women.





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6. Conclusion

- Whilst this paper outlined the traditional interaction of **ENTREPRENEURSHIP** and **TOURISM** and highlighted the **many positive benefits** that have accrued.
 - It was noted that **many negative impacts** occurred as a result of this interaction which *are still being felt by many destinations today.*

Cont'd



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6. Conclusion (cont'd)

- **ANSWER**
 - It is currently **TRYING ITS BEST** not to hinder the development of responsible tourism.
 - Through emerging concepts as **sustainable entrepreneurship** and a refocus on
 - *Social entrepreneurship* and
 - *Eco-entrepreneurship*
 - there is quite an effort to become an advocate rather than *an adversary*.



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

7. Recommendations

- (a) **International cooperation, foreign direct investment and partnerships with both private and public sectors MUST BE ENHANCED**
- (b) **Programmes MUST BE DEVELOPED *in order to improve the protection of the environment, natural resources and cultural heritage***
 - (a) To **educate and train people** at all levels
 - (b) To encourage people to **participate in eco-tourism**,
 - (c) To **enable** indigenous and local communities **to develop and benefit** from eco-tourism, and
 - (d) To **enhance stakeholder cooperation** in **tourism development and heritage preservation**,

Cont'd



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

7. Recommendations (cont'd)

- (c) **Technical Assistance** is needed to stimulate *entrepreneurial development*. **There is no need to “reinvent the wheel”**
- (d) **Governments MUST DEMONSTRATE greater support for the role of sustainable entrepreneurship** in ensuring sustainable tourism development at the varying tourism destinations by **placing incentives for entrepreneurs** to ensure that their ventures satisfy the **three pillars of sustainability - *Economic sustainability, ecological sustainability and socio-cultural sustainability.***

Cont'd



Does Entrepreneurship Help Or Hinder The Sustainable Tourism Development Strategy?

7. Recommendations (cont'd)

(e) **FURTHER RESEARCH** by academics to aid in the development of an **accepted single standard** for measuring the combined economic, environmental and social performance of entrepreneurial firms

- However, it is important to note that **the relationship between entrepreneurship and tourism** like any other relationship is a work in progress .
- **Revision of strategies and recommendations must be ongoing. .**



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THANK YOU

We pass the BATON over to YOU!

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