Small island tourism economies and the tourism area lifecycle

Why Aruba and Sint Maarten have exceeded their carrying capacity

Alberts, A.J.

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Introduction

Resilience is more than the absence or opposite of vulnerability. As a measure of susceptibility, vulnerability is indicative of the extent of exposure: the degree to which a shock or stressor is impacting a society, group or household. Resilience, on the other hand, is coping ability: the degree to which an entity can effectively react to mitigate the effects of a shock or stressor by taking measures or changing its behavior. Each entity can therefore be both vulnerable and resilient simultaneously, to some degree (Briguglio 2004; Briguglio et al. 2009; Philpot, Gray, and Stead 2015).

High degrees of economic openness, export concentration and dependence on strategic imports constitute the main drivers of economic vulnerability in small (mainly island) states and territories (Briguglio 2004, p.44). Small island tourism economies – or SITEs, after (McElroy 2006) – fit this template to a great extent, with a heavy reliance on tourism as the main source of foreign currency, and conversely on the need to import the vast majority of energy, food and industrial products. On the resilience dimension, the question is how successfully a country or jurisdiction is able to cope with adverse circumstances and shocks. This ability relies heavily on adequate government policies and the quality of governance in general. Briguglio (2004, p. 47) proposed indicators for goods, governance, macroeconomic stability, market reform policies (meaning the degree of market competition and labor productivity), social cohesion and environmental management to arrive at a set of measurable indicators of ‘resilience’.

Looking closer at export concentration as an indicator for intrinsic vulnerability, this seems to be based to a large extent on the experience of countries that rely on the classic monocultures: oil and other minerals (bauxite, phosphate, guano, nickel) and unprocessed agricultural products (coffee, banana, pineapples, sugar, tobacco). These exports suffer from declining terms of trade, vulnerability to technological and lifestyle changes (such as the introduction of substitutes or shifts in dietary habits) and price volatility (as in the current case of oil).

Export concentration in services is incorporated into Briguglio’s vulnerability index. However, one wonders whether the same argument for vulnerability stemming from export concentration in primary goods is equally applicable to

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tourism service exporters like the SITEs. Tourism, as a finished product marketed to the final consumer based mostly in the global North, is at the opposite end of the production chain from the markets of primary goods that generate the economic volatility and vulnerabilities to which the classic monocultures are subjected. Research suggests a close relationship between tourism performance in the destination markets and income developments in the sales markets, but no long-term deterioration in price levels or in terms of trade. For Aruba, Ridderstaat (2015, p. 252) cites a very favorable ‘average terms of trade’ index of 1.23 for the period 1986–2004. As to vulnerability, with income elasticities in relation to separate target markets that are significantly larger than one in the short run, it is important to diversify over different countries of origin (Croes, Robertico R. 2000; Croes, Robertico R. 2011; Ridderstaat 2015, p. 65).

This chapter makes the case for the competitive advantage of small island economies as tourism destinations. It argues that the social and economic fabric of small island jurisdictions – which includes a canny disposition towards occupational multiplicity by the local labor force – breeds a form of resilience into which the local tourism economy, in both its formal and informal manifestations, nests comfortably and thus drives local development sustainably. This argument is made with special reference to Caribbean SITEs, and is based both on a select literature scan as well as semi-structured interviews undertaken by one of the co-authors (Arjen Alberts) in spring 2016. The data in this article was gathered in three Caribbean SITEs. Two of these – Aruba and Sint Maarten – are constituent countries of the Kingdom of the Netherlands; Aruba is located in the south-western corner of the Caribbean basin, close to the Venezuelan coast, while Sint Maarten, a jurisdiction that shares an island with the French collectivité d’outre-mer of Saint Martin, is situated in the north-eastern arc of the lesser Antilles. The third, the US Virgin Islands, are located to the west of Sint Maarten, close to Puerto Rico. They are an unincorporated territory of the USA.

Vulnerability and Resilience: Shocks and Stressors

Vulnerability\(^{10}\) is mostly defined in terms of the impact of sudden, time-limited external shocks such as economic disturbances affecting trade, natural disasters or terrorist attacks. Less attention is generally paid to stressors: long-term factors that build up over time to adversely influence a tourist destination’s development. This is especially relevant to Caribbean SITEs that are not particularly vulnerable to shocks but, through their islandness and small scale, must all somehow cope with heavier waste generation, infrastructure decay, stronger environmental degradation and other, slow-moving processes. These developments threaten to

\(^{10}\) In this chapter, the term vulnerability refers to vulnerability of national economies, to be distinguished from other types of vulnerability that are regularly the object of development studies, for instance household vulnerability.
strangle the tourism product once a slow but steady build-up reaches an irreversible tipping point (Westley et al. 2011). In this respect, the concept of a Destination Sustainability Framework (DSF) introduced by Calgaro et al. offers a useful extension to the vulnerability concept by distinguishing between shocks and stressors, thereby further shaping a framework that adapts the dimensions of vulnerability and resilience (i.e. actions taken in response to stressors and shocks) to the realities of tourist destinations (Calgaro, Lloyd, and Dominey-Howes 2014).

Vulnerability, similar to the somewhat archaic term volatility, is a relative concept. To assess the vulnerability generated by a one-sided reliance on tourism, it makes sense to compare SITEs to neighboring countries relying on alternative exports. Croes (Croes, Robertico R. 2006, p. 455) argues that tourism revenues are two to five times less volatile than those secured from the export of material goods, be they unprocessed or manufactured. Indeed, the Caribbean region has outperformed Central and South America in terms of growth and, particularly on the smaller islands, tourism has become by far the dominant economic sector. Tourism is the largest earner of foreign exchange in 16 of the about 30 countries in the region, all of these 16 being island states or territories (Bryan, Anthony T. 2001; Croes, Robertico R. 2006). There is no evidence of tourism rendering tourism-oriented Caribbean economies more vulnerable to external developments than other countries in Central America and the Caribbean, regardless of their degree of diversification. In the cases of Aruba and Sint Maarten, real gross domestic product (GDP) has grown consistently over the past 20 years, with interruptions by such events as 9/11/2001 and the financial crisis of 2008/9 affecting growth, but not to a larger extent than the global impact. Whatever the systemic shortcomings of the Caribbean SITE model may be in terms of lagging real per capita GDP and productivity growth (Alberts 2016), there is no proof of above-normal vulnerability to external shocks.

Several features could explain an intrinsically low-level vulnerability for the tourism industry in the Caribbean, and by extension for the SITEs who are particularly reliant on this type of activity. Most importantly, fluctuations in demand from the target markets do not translate immediately into lower income for the tourism destinations. First of all, many of the accommodations in Aruba, Sint Maarten and the US Virgin Islands consist of timeshare units: Sint Maarten has the largest proportion of timeshares in the Caribbean as a percentage of total capacity. Timeshare owners are remarkably indifferent to fluctuations in their own economy, and even quite impervious to external shocks in general. Even after the catastrophic damage by Hurricane Luis in Sint Maarten in 1995, timeshare owners were the first to return and generate income for the devastated island. The high proportion of timeshare owners is universally credited by stakeholders for preventing a near total economic collapse, and for contributing to a recovery
that was faster than that experienced on the surrounding islands. A timeshare impact study for Sint Maarten, commissioned by the Government of the Netherlands Antilles in 1996, states:

“Caribbean owners in 1994 reported that they expect to return . . . twice as often after purchasing timeshare than before. The commitment to return was amply displayed during the period following Luis when it is widely recognized that returning timesharers saved the island from serious economic decline.” (Symonds Travers Morgan 1996, §7.7)

Secondly, true to the perishable nature of the tourism product, hotels typically tend to drop the room price in the face of an inward-shifting demand curve. This will bring down the average room price, but the short-term goal is maximizing total revenue as reflected for instance by the revenue per available room (RevPAR) indicator. Occupancy rates could still drop somewhat, but most of this loss is compensated by price reduction. Modern information communications technology (ICT) and Internet marketing tools make quick fine-tuning of price in the face of changing demand easier than before. Furthermore, once the tourist is on the island, the complementary expenditure by the visitor on items other than lodging will still contribute positively to the economy. Finally, short-term profitability fluctuations do not greatly affect the local economies of SITEs, as most large-scale accommodations are under foreign ownership or management.

For the cruise market, the effect is comparable. Cruise ships aim for maximum occupancy as well and, when ticket prices are lowered, this does not directly affect the economies of the ports of call. The number of passengers may not shrink much, and the damage done by a decrease in demand may be limited. For the receiving islands, it is mainly the potentially lower purchasing power of these ‘cheaper’ passengers that could reduce the benefit to local economies.

In both the stay-over as well as the cruise ship market, targeted marketing efforts rather than heavy price cuts may also restore occupancy rates. This is because of the substitution effect that takes place in the total tourism and recreation markets. If we look at each market segment in isolation, an economic downturn may cause a Caribbean destination to lose a percentage of its original visitors due to a loss of purchasing power in that market. However, tourists previously belonging to a more affluent market segment who now can no longer afford their more expensive vacation, will opt for a Caribbean island instead, partly restoring occupancy levels even without a price change (Ridderstaat 2015, p. 65). The resilience question is then how to bring this alternative choice to the attention of the down-trading traveler through the right marketing channels. The mid-budget position that the Caribbean occupies vis-à-vis the US market, with more expensive European and Pacific destinations on one side and continental US vacations on the other, is a positive factor in this respect.
The Natalee Holloway affair: a case study of limited vulnerability and active resilience

The disappearance of a young US tourist, Natalee Holloway, on 30 May 2005 on the island of Aruba – a ‘country’ within the Kingdom of The Netherlands – constituted an incident whose impact on tourism numbers should theoretically be readily discernible in isolation from other factors (Wanzo 2008; Brown 2015). The incident caused a wave of negative publicity in the USA, Aruba’s main tourism market, and the source of some 70% of the island’s stay-over visitors. As a consequence, visitor numbers from the USA declined from a monthly number that seasonally fluctuates between 35,000 and 55,000 to 30,000–50,000, a pattern that faded out in the 2 years following the disappearance. Despite this being a widely publicized event, there was no measurable change in non-US visitor numbers. Moreover, among tourists from the USA, repeat visitors appeared to be almost unaffected in their decision to travel to Aruba again. The number of new visitors, however, did decline significantly: this shows that, in a situation where the destination choice was being made from scratch, without insider knowledge, the damage to Aruba’s reputation was considerable. Interestingly, the effect on first-time visitors lasted exactly as long as the impact (however small) on repeaters, suggesting a close causal relationship between an adverse decision and the level of immediate publicity. Furthermore, the decline of first-time visitors turned out to be concentrated in a well-defined region of the USA – in and around Holloway’s home state of Alabama – again suggesting a close relationship to the level of exposure in local news media. Hassink et al. estimate an aggregated loss of between 33,200 and 69,000 stay-over visitors, translating macro-economically into a loss of between 0.5% and 2.1% of GDP in 2005 and a range of 2.5 to 4.0% in 2006 (Hassink, de Kort, and Ridderstaat 2015). Some caution is warranted in interpreting this data, however. Concurrent with the Natalee Holloway incident, a sharp increase in oil prices and therefore travel costs took place. Repeat visitors, often timeshare owners, form a captive audience, and will not be equally influenced by travel costs compared with first-timers, who may postpone their vacation or choose a different destination closer to home, for instance within mainland USA (Ringbeck 2009, p. 44; Ridderstaat 2015, p. 65).

An alternative analysis of statistical data around the Holloway affair by Kock (2010) focuses on the assumed effect on US visitor numbers as compared to Venezuelan and Dutch tourists, the next two largest contingents in the Aruban market. Taken together, these three markets comprise 85% of Aruba’s stay-over visitors. Kock finds no significant influence on either of the three visitor number series; in contrast, the terrorist attacks of 11 September 2001 did produce such an effect. Kock also argues that the lack of statistical significance of the Holloway effect on US visitors may be due to a high degree of repeat visitors. A drilling down into distinct tourist segments within the US market – repeat versus first-time
visitors and regional effects in the USA – would reveal the micro-economic character of the impact found by Hassink et al. (2015).

On the vulnerability side of the Natalee Holloway case, it is hard to imagine a more devastating public relations incident on the level of personal safety – a recognized core factor in tourism destination marketing – short of a terrorism-related incident. In this light, it can be argued that the vulnerability of Aruba and arguably other Caribbean SITEs to this kind of incident is, however, limited.

The Natalee Holloway case is not only a story of limited vulnerability, but also of active resilience. There was the intervention by Aruba’s Tourism Office in redirecting and adapting marketing efforts; initiatives were quickly put in place to counteract negative publicity in the US media; and a concerted campaign was launched by government, the local private sector and civil society to create an atmosphere of safety and security for visitors present in Aruba. To prevent lower occupancy rates, additional marketing effort was put into the European and Latin American markets by the Tourism Office, while the Aruban government countered negative publicity in the USA about the alleged ineptitude of the local police and judicial system. Publicity campaigns and other initiatives in Aruba were aimed at putting the tourists’ minds at ease and displaying empathy for the victim and her family. For instance, all civil servants were given a half day off to participate in search efforts (Luidens-Daryanani 2016).

**Mechanisms of Resilience in SITEs: the Macro Level**

Economic resilience is mostly defined as the result of sound policy and adequate measures in reacting to adverse external shocks. However, not all resilience is government driven. In the case of heavy external shocks, SITEs in the Caribbean have shown other coping mechanisms. One of the most notable stabilizing forces has been that of in/out and circular migration. As islands with patterns of fast economic growth accompanied by attracting large numbers of foreign workers, the presence of a reservoir of temporary or recent immigrants creates a shock absorber in the labor market and the economy as a whole. These movements are primarily driven by social and economic factors – mainly labor market opportunities in the SITEs that render them more attractive than surrounding islands – rather than by government policies per se. Governments may play a facilitating role by, say, issuing residence permits; but – in the cases of Aruba, Sint Maarten or the US Virgin Islands – governments do not usually actively attract, encourage, dissuade or expel immigrants in response to economic growth, or lack thereof.

In 1986, Aruba was still a budding SITE that experienced the quite unexpected closure of the Exxon-owned Lago refinery (Ridderstaat 2007). Although this event caused a dramatic drop in production and therefore GDP, it was also accompanied
by a massive outflow of workers and their families, most of whom migrated back to their Caribbean islands of origin. This movement was government facilitated rather than government induced: former oil workers were allowed to cash out their state-pension entitlement on the condition of leaving Aruba; but it is plausible to claim that few would have remained even without this incentive. The next phase in Aruba’s resurgence was a classic response strategy, however, including: (i) a concerted public–private effort to expand the tourism sector by attracting foreign investors; (ii) creating or revamping the basic infrastructure; and (iii) allowing a fresh wave of immigration to accommodate the demand for labor in the hospitality industry (Eman 2013). In effect, a large part of the labor force and the population was exchanged for a different one, with different skills and from different origins. In the span of a few years, Aruban GDP had surpassed its pre-Lago closure level (Haan 1998, p. 91).

In 1995, Sint Maarten was hit by Hurricane Luis, in what would be the heaviest impact natural disaster in the recorded history of the island (Basco 1995). Having an extreme geographical concentration of hotel rooms, Sint Maarten was indeed vulnerable to this kind of conflagration: local infrastructure, private homes and virtually all hotel and timeshare inventory suffered extensive damage. According to the Tourism Penetration Index, Sint Maarten was at an undisputed number one position in the Caribbean in terms of tourism intensity, and was surpassed in hotel rooms per square kilometer only by the Cayman Islands (McElroy and de Albuquerque 1998, p. 153). Even a full year after the storm, 30% of the island’s room capacity was still out of business (SHTA 1996). Among the losses was the entire 600-room flagship Mullet Bay Resort. The acute loss of employment did not lead to chronic unemployment, however. At the base of the social pyramid, many undocumented immigrants were hit twice, losing their job and their often ill-constructed dwelling at the same time. The majority was repatriated, with government assistance, thereby effectively exporting what could have become a social disaster (Begina 2015).

More recently, the closing of the Hovensa refinery on the island of St Croix, US Virgin Islands, in 2012 was another example of the effect of a sudden economic shock being dampened by migration. In this case, some 40% of the workforce, facilitated by their US citizenship, migrated to the continental USA to find new employment in the oil industry there (Joseph 2016; Bryan, Albert 2016).

The cases of Aruba, Sint Maarten and St Croix are examples of migration as an essential element of (not just Caribbean, but global) small island development, be it as a conscious governmental macro strategy or a micro (household) ‘security-centered survival algorithm’ (Brookfield 1972). The switch of many rapidly modernizing islands from net labor exporters to importers, for instance, has been described as ‘migration transition’ (McElroy and de Albuquerque 1988, p. 31): ‘Migration, as a form of livelihood mobility in response to long-term economic
fluctuations, has become institutionalized in the socio-economic fabric of West Indian island systems’.

**Limiting vulnerability and promoting resilience: ‘speciation’ and strategic flexibility in SITEs**

In many small island states and territories, higher vulnerability indicators coincide with higher per capita GDP (Baldacchino 2006b; Bertram and Poirine 2007; Baldacchino and Bertram 2009). Moving beyond the vulnerability debate to the question of resilience strategies, the case for intelligent specialization, and by extension against a one-dimensional identification of resilience with diversification, is made by Bertram and Poirine:

> “A key requirement for sustainability in a situation of hyper-specialization is flexibility and rapid response capability. Retention of the ability to mutate, or to undertake a rapid shift to a different ‘species’ in response to shifts in external opportunities, remains a crucial reserve asset in the small island’s portfolio of social capital.” (2007, p. 331)

The crux lies in this capacity to adapt or even mutate swiftly in the face of changing outside (regional, global) circumstances: a process labelled ‘speciation’ with a term borrowed from evolutionary biology (Baldacchino and Bertram 2009). Poon (1990, p. 113) has made such a case for flexibility, segmentation and diagonal integration with regards to tourism development; this was before the advent of the Internet, with its revolutionary impact on destination selection and tourism marketing.

Individual and household strategies make up an important dimension of overall societal resilience of Caribbean SITEs. These social and economic strategies beyond the role of government range from income-generating strategies (that include the number of hours worked, the type of employment or business venture sought and held successively or simultaneously) to the decision to migrate or re-migrate.

The flexibility found at the individual and household level comes in many forms. In a situation of declining employment, seasonal or structural, the availability or frequency of secondary income sources may decrease. A permanent formal job may be lost and traded in for something temporary. The quality of temporary employment or the yield of one’s business may decrease. This kind of fluctuation is of course inherent to a seasonal tourism industry, and a certain tolerance for medium-term income flexibility is already there. The possibility to save, invest or transfer money to relatives may likewise shrink. The level of fulfilled aspirations
may be reduced to getting by financially, or even falling back to survival in the local circumstances.

In the case of immigrants, these stages have usually been passed through in the positive direction and can be tolerated under adverse economic circumstances without leading to immediate personal or social crises.

Looking closer at occupational multiplicity

The term occupational multiplicity (or occupational plurality) was coined by anthropologist Lambros Comitas in his work about the practice in rural Jamaican communities of combining farm work with paid labor (Comitas 1963). Non-farming paid labor is typically engaged in when a farming family is confronted with exceptional expenses, when the farming season does not require much work, but also when agricultural income is insufficient, and non-farm income may be sought at the expense of the farm itself. In the cases researched by Comitas, occupational plurality was especially prevalent among men, in a measure increasing with age, from 33% of men between the ages of 15 and 24, up to 88% of men over 40 (Comitas 1963, p. 45).

Patterns of occupational multiplicity have been described throughout the Caribbean, not always as a defensive strategy, but also as an avenue to fulfil certain levels of aspiration. A study of informal sector activities in Martinique shows that emulating the lifestyle of the more affluent is a powerful driver as well (Browne 1995, p. 31).

Occupational multiplicity has been closely connected to the growth path of Caribbean SITEs in different phases. At first, in situations of labor shortage, local workers welcomed the chance to increase their income by working several concurrent jobs in what was often seen as a temporary windfall (Joseph 2016; Richardson, René 2015; Labega 2015). In later stages, however, immigration would generate a more adequate supply in the labor market and occupational multiplicity would extend to newcomers as well, albeit more as a strategy of necessity rather than opportunity.

The labor market effects of tourism development in SITEs are fairly well known (McElroy and de Albuquerque 1988; ECLAC 1998; CBS Aruba 2004; Croes, Rigoberto H. 2007). However, less attention has been given to the employment dynamics of individuals and households. To generate an initial understanding of the nature and extent of occupational multiplicity in Caribbean SITEs, field research has been done in Aruba, Sint Maarten and the US Virgin Islands during spring 2016. A total of 23 structured interviews with persons engaged in several concurrent occupations were conducted by one of the coauthors (Arjen Alberts) in the three territories. Supplementary data was gathered from eight personal interviews with experts in labor relations, economic development and socio-
economic issues on each island. The section below reviews the extent, causes and effects of occupational multiplicity and overemployment in SITEs as documented from this fieldwork exercise.

Hours worked

Persons move into a situation of structural overemployment by combining two or more part-time sources of income, or one full-time job and one part-time occupation, whether as an employee or as a small entrepreneur. Among interviewees, the average number of weekly hours worked in their primary occupation is 38.5, in a range between 20 hours and 70 hours a week including overtime, with half the respondents working the median workweek of 40 hours. The average total hours worked on additional occupations is 21, with a median of 20. Significantly, 21% of respondents combine two jobs of 40 hours each or more.

The division between primary and secondary sources of income overlaps somewhat with the distinction between the formal and informal economy. In the different combination strategies observed, the primary income is most often gained from a formal job, thus providing socioeconomic basics like a residence permit, medical insurance and job security. The second occupation, however, may very well be in the informal sector.

High cost of living

Over half of the respondents in Aruba, Sint Maarten and the US Virgin Islands cited the high cost of living as the primary reason for their situation of overemployment.

Housing prices have risen considerably on the SITEs because of their fast economic growth and limited surface areas. To make matters worse, the hospitality industry and residential development are competing for what is a sharply delineated and limited space, and the alternative utilization of many private dwellings as tourism accommodation – a trend bolstered by the Airbnb phenomenon – puts an additional upward pressure on housing prices. House and apartment rents are therefore high in Aruba, Sint Maarten and the US Virgin Islands. The same goes for buildable lots, which play an important role in the aspirational decisions of occupational multiplicity households.

Where immigrants are concerned, there is a paradox in the high cost of living argument, however. Immigrants, who typically have a lower average household income than locals, would be expected to have factored in the high cost of living when taking the decision to settle in one of the tourism growth poles. The high rents and energy bills notwithstanding, the possibility to earn a higher income than in their country of origin is apparently decisive. It appears from the responses received that, while the prior knowledge of the wage level in the SITEs is fairly
Resilience and Tourism in Islands: Insights from the Caribbean

accurate, the level of discretionary income to be gained in Aruba, Sint Maarten or the US Virgin Island is often overestimated by immigrants.

Savings and long-term investment

Long-term savings and/or loan repayments for durables like a car, or for building a house or starting a business, are mentioned by 40% of respondents as a motive for working several jobs. Aside from savings being a motive to work long hours, however, three-quarters of respondents claim to be able to save in some measure, with (down payments on) a car or a house mentioned several times. Local families aim at generating additional income to build a house, usually for the dual purpose of family dwelling and long-term investment.

Children’s education

One-third of all respondents mention the cost of children’s education or their children’s future in general as a reason for being overemployed. It is a motive shared equally among immigrants and locals. This factor weighs heavier in the US Virgin Islands than in the Dutch territories, probably because of the relatively higher tuition costs of tertiary education in the USA than elsewhere.

Transfers to overseas relatives

Transfers of funds to (extended) family members are a prime goal of immigrant workers, and they were mentioned by one-third of immigrant and naturalized respondents. As the motivation for migration was to gain a higher income than would be possible at home, and restrictions apply to accompanying family members, transfers to relatives are a logical consequence.

Problems related to overemployment

Respondents estimate that, out of the women and men they know, around 40% are working more than one job; locals and immigrants are equally disposed. Unsurprisingly, half the workers in a situation of occupational multiplicity indicate problems related to health, fatigue or lack of sleep. Furthermore, 25% indicate insufficient time to dedicate to their families.

Gender differences

Women are less choosy when considering additional or alternative occupations. According to 52% of the respondents, women are likely to quickly accept any available job, while men have the tendency to wait longer until a position more fitting to their skills becomes available. Another 18% indicated that women find jobs more easily or quicker than men, without specifying a cause. None of the interviewees indicated the opposite. Women were perceived by some to have it ‘easier to find jobs’, but upon closer scrutiny this turned out to be a supply-driven difference rather than a demand difference; women generally accept any
available job with less regard for the level of skill or payment than men do. Paradoxically, women are therefore often overemployed and underemployed at the same time; working long hours in multiple jobs while often doing work they are overqualified for, and earning less than they potentially could.

Categorization of occupational multiplicity strategies

Within the group of interviewees, three different types of primary/secondary job combinations were observed.

The first is the ‘sound basis’ combination: the preferable combination is one based on a permanent job with the government or with another employer that is perceived as sound and secure. Some 26% of respondents fell into this category. Banks, insurance companies, utility companies and teaching jobs were mentioned as providing a sound basis. Interestingly, in an economy based on tourism, permanent jobs at hotels and restaurants were mentioned less as a first preference.

Such a permanent reliable office job is sometimes combined with a side business rather than a second job. This can range from white collar, administrative or consultancy activities on the one hand to catering on the other hand. An important side activity in this category is the renting out of apartments, in many cases to immigrants. In Aruba for instance, the number of privately owned and rented apartments and other sub-units is stated by official sources as close to 7000 of a total of 35,000, or 20% of all housing units (CBS Aruba 2010, p. 197). At present the number of units is estimated as closer to 10,000 (Acosta 2016). Building a small apartment complex was and still is a favorite investment among local households, as the tourism boom brought opportunities for extra income coinciding with a surge in demand for affordable individual housing units among immigrants. Likewise, in Sint Maarten, the number of dependent units is established at 7,230 out of a total of 12,908 dwellings, or 56%. This reflects not only the higher proportion of recent immigrants in Sint Maarten society, but also the younger population as well as a slightly broader definition of a non-independent housing unit (Department of Statistics 2016). The sound basis combination is mostly found among locals, while the level of necessity of secondary income sources is less than with other combination strategies. The number of hours worked on secondary jobs was below the 21-hour average in the total sample.

The second is the ‘formal/informal’ combination: for people without access to a permanent government or white collar job needed for a ‘sound basis’ combination, the next best thing is to find any permanent or temporary formal job with a reliable employer, in order to secure the socio-economic basics like medical insurance or, in case of immigrants, work and residence permits. In some
cases, the primary source of income is a sole proprietorship or other business form. The primary job may be on the middle to lower levels in the hospitality industry (e.g. a casino, transport service, security firms or in qualified construction jobs). Next to this first job, secondary sources of income are sought, often in the informal sector. This can be any cottage industry, skilled services like car repair or plumbing, driving a taxi, catering, cake baking and other services. The secondary sources may vary and can be seasonal, but they are needed for long-run survival, as the primary job or business is not sufficient as a permanent sole income source. Formal/informal combinations are found among locals and immigrants alike, and 39% of respondents could be categorized as working in such an arrangement.

The third and final category is the ‘opportunistic’ combination: a more fluid situation is found at the base of the social pyramid, where workers juggle several part-time or full-time formal or informal jobs. Of all respondents, 35% fall in this category. Generally, these jobs are not permanent, and there may or may not be a full-time contract among them. Most of this category concerns unskilled labor such as hotel or private-home housekeeping, gardening, delivery jobs, low-skilled construction jobs or work as a security guard. This category is almost exclusively made up of immigrants, who in some cases work below their qualifications especially in the early stages of residence. The number of hours worked in the primary job was below the overall average at 33 hours, while the number of hours worked on the combined secondary jobs was 26, which was above the average in the total sample.

Drivers of resilience: occupational multiplicity strategies and migration choices

Workers in a situation of occupational multiplicity indicate the wish to move to a more formal and more secure combination of jobs; in other words, up the ladder of combination strategies. In reality, however, adverse economic circumstances may push them down the ladder instead. Likewise, many acknowledge their situation of overemployment and the problems it entails. Respondents indicated the wish to work fewer hours, or they saw it as a temporary fix, with push (high cost of living) as well as pull (opportunity to earn and save more money) factors. These combined vertical (between categories) and horizontal (number of hours) flexibilities lend a high degree of resilience to households individually and by extension to the economy collectively, by absorbing volatility in the level of economic activity without causing immediate social and economic disruption. It is clear, however, that this degree of flexibility takes a significant toll on the workers involved and their families, and may be unsustainable in the long run.

Moreover, in the event of long-term failure to secure sufficient employment, migration is seen as just another option in the array of employment choices. For
the US Virgin Islands, US citizens see outmigration to the mainland as a ready and obvious scenario. Many even tried and came back if acculturation in the continental USA did not work out. Sint Maarten has the heaviest presence of immigrants in the workforce for whom remigration is always a latent option. Aruba has a relatively somewhat smaller immigrant population from the Caribbean and many from nearby Colombia, with return migration always being an option in case of economic adversity. In this way, remigration to the country of origin creates a socio-economic safety valve or cushion for the SITEs in question, as noted above. The tourism development in Aruba, Sint Maarten and the US Virgin Islands has been mostly one of (intermittent) growth, without deep recessions with a large-scale return of redundant workers. In exceptional cases, as with the large-scale destruction of the Sint Maarten tourism industry by Hurricane Luis in 1995, thousands of immigrants, legally residing and undocumented alike, repatriated, taking the edge off a possible social crisis. Moreover, there has always been a strong element of seasonal and circular migration connected to the tourism industry. Migration acceptance as part of a wider pattern of occupational multiplicity, therefore, is a definite factor engendering resilience.

Discussion: Sponges in the Sea?

Both scholars and international organizations have argued that a heavy concentration (or dependence) on one export product or service, such as tourism, is a clear manifestation of economic vulnerability to external shocks (Briguglio 1995; Liou and Ding 2002; Witter, Briguglio, and Bhuglah 2002; Briguglio et al. 2009). And yet, a micro-approach suggests otherwise: SITEs in the Caribbean are not particularly vulnerable because of their one-sided reliance on tourism as the engine of export earnings. If anything, long-term stressors are a more important threat to SITEs than sudden external shocks. Several mechanisms may help explain a certain intrinsic lack of vulnerability in Caribbean tourism economies, among them the high proportion of timeshare owners and other repeat visitors who are relatively impervious to negative incidents, and the short-term tendency to lower accommodation prices in the face of falling demand where price elasticity is sufficiently high. The Natalee Holloway affair in Aruba and the relatively fast recovery of Sint Maarten after Hurricane Luis in 1995 are cases in point. In these examples, however, low vulnerability is mixed with active resilience as well: this being the successful implementation of strategies – by governments, but more significantly ‘on the ground’ by individuals, households and businesses – to counter the effects of such external shocks. Occupational multiplicity is one important plank in such a strategy.

At the macro level, an important factor contributing to resilience, or coping capacity, is the tendency of the Caribbean SITEs to attract immigrants in times of
growth and ‘shed’ parts of the labor force after heavy external shocks, like the sudden closing of the refineries in Aruba in 1995 and St Croix in 2012, or the 1995 hurricane in Sint Maarten. This process of ebb and flow in the labor force, however, is not limited to situations of sudden external shocks: it takes place with seasonal labor and milder recessions as well. It could be argued, however, that this process challenges the meaning of ‘national’ in national economy or national resilience. All Caribbean SITEs have developed by virtue of importing a vast amount of regional labor, to such an extent that approximately 50% of Sint Maarten’s population and 55% of its labor force consists of first-generation immigrants. In this demographic sense, the SITEs are like sponges in a Caribbean Sea, attracting and ejecting people from surrounding areas in tandem with the pace of economic growth or adversity. If this constitutes resilience, it should be recognized as resilience of an inter-territorial, or regional setting: SITEs like Aruba, Sint Maarten or the US Virgin Islands serve as growth nodes rather than entities that can be meaningfully analyzed in splendid, sovereign isolation.

In the sense of active, strategic government policy, resilience in the Caribbean SITEs is arguably linked to the successful implementation of radical specialization on tourism as the main export product, while at the same time displaying strategic flexibility towards new developments in the global arena, diversifying target markets and developing niche products or unique selling points, also known as ‘speciation’.

At the micro level, an important dimension of resilience is found in occupational multiplicity and related household income strategies, the flexible attitude towards finding and combining several concurrent jobs. While, in a situation of long-standing economic growth through tourism, the labor market is continually replenished by immigration, existing and new workers find different combinations of jobs and businesses to gain income. There is a hierarchy distinguishable from opportunistic combinations at the foot of the social ladder, via increasingly long-term and formal employment (formal/informal combinations) to jobs in government and with other solid employers (sound basis combinations). At the lower end of the scale, however, immigrants returning to their country of origin is always a latent option.

Persons engaged in occupational multiplicity indicated somewhat paradoxically that the high cost of living is an important motivation to be overemployed, while at the same displaying different positive, aspirational goals, such as saving for their children’s education. For immigrants, transferring money to relatives overseas is a critical inducement.

In the social circles of the persons interviewed, some 40% were engaged in occupational multiplicity. Men and women are working multiple jobs in roughly the same measure, yet women were universally observed to be less discriminating
in accepting new or additional jobs, and therefore more often work below their qualifications.

**Conclusion**

A combination of vertical (type of employment and combinations thereof) and horizontal (number of hours worked, overemployment) flexibility of individuals and households on the labor market, with the additional migration conduit to the regional labor market, makes for a high degree of socio-economic resilience in the Caribbean SITEs. Such an occupational multiplicity/ migration system provides the flexibility necessary for successful strategies of ‘speciation’ in these SITEs. The high degree of mobility and adaptability in the labor force makes possible a fast reorientation of (tourism) products and markets in the face of external challenges and opportunities.

Whereas macro-economics suggests a dangerous level of vulnerability of small islands to external shocks, a different epistemic and more micro-economic frame and methodology suggest otherwise. We concur, in line with other studies, that the vulnerability–resilience nexus is more complex than one being simply the other’s opposite or corollary (Baldacchino 2011; Philpot, Gray, and Stead 2015). Rather, the condition of export concentration on tourism services in one particular SITE is argued to breed a cultural response that is remarkably not concentrated and therefore resilient and flexible; so much so that it typically involves more than one jurisdiction.