Small island tourism economies and the tourism area lifecycle

Why Aruba and Sint Maarten have exceeded their carrying capacity

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7. Epilogue

As with any research project, new developments arose while investigating, processing information and writing this thesis. Some external shocks had a profound impact on the islands observed and still have at the time of writing. However interesting and revealing, the timing was such that they could not all be incorporated in this work. At least two such events need to be mentioned in this postscript.

In September of 2017, the island of Sint Maarten/Saint Martin was struck by hurricanes Irma and Maria, the first one being the strongest hurricane in recorded Atlantic history, with a trajectory sending its center directly over the island. Many neighboring islands were severely hit by one or both hurricanes as well. The damage to Sint Maarten was by all accounts greater than that of hurricane Luis in 1995, so far the most devastating storm to hit the island. In the direct aftermath, great material damage was combined with mercifully few human casualties and an amazing degree of resilience of the population.

Nevertheless, as did hurricane Luis in 1995, Irma and Maria laid bare some of the specific characteristics and vulnerabilities of the Small Island Tourism Economy of Sint Maarten. At the best of times, many people who live and work on the island are undocumented and a large part of the economy is informal, a reflection of the SITE model and its weak governance structure. As an example, over the years a clear view on the number of inhabitants has never been reached. At the time of this disaster estimates based on data from the 2010 census arrived at a number around 50,000 while amazingly the number of officially registered residents was around 60,000. The lack of reliable data severely hampered impact and damage assessments as well as relief efforts, a situation further compounded by the obvious reluctance of undocumented residents to make their needs known to the authorities. In another example of the hurricane ripping the veil off the shortcomings of society, in some areas a structure built in accordance with hurricane resistance building codes would withstand the onslaught relatively unscathed while a building next to it would be utterly destroyed. These weaknesses notwithstanding, in early 2020 the tourism sector on the island had mostly recovered, with a few heavily damaged large resorts still in the process of being rebuilt or repaired. Cruise ship visit numbers were approaching pre-Irma levels again.

Overall, the hurricane Irma disaster confirmed SITE resilience, or at least the resilience of SITE tourism demand. In many other aspects, vulnerability was higher than it needed to be, and resilience did not quite bring the island back to the situation before. This seems to be parallel to the post-1995 development, when stay-over tourism declined in quality and only haltingly recovered in quantity,
while a shift towards cruise tourism took place. The lack of governance capacity and the socio-economic divisions were again painfully uncovered. Finally, despite the recovery efforts so far, and in spite of massive Kingdom aid, a debate about the qualities and future of the SITE model has not yet emerged.

An even more profound challenge to the SITE model comes from the recent Covid-19 pandemic. Starting in March 2020, Aruba and Sint Maarten have seen their export earnings reduced to almost zero due to the near complete suspension of international travel. It stands to reason that a global systemic shock like this would affect SITEs as well, but unlike other nations, SITEs are completely dependent on travel connections for their export earnings and are therefore disproportionally hit. At the time of writing, it is too early to gauge the medium- and long-term effects of this global health crisis. It is clear however that this crisis has an unprecedented socio-economic impact and will rapidly deplete government finances and monetary reserves. Due to travel restrictions, not even the customary return migration in times of crisis, characteristic of SITEs, can take place. Again, social divisions are painfully laid bare, especially in Sint Maarten, where most of the Covid-19 fatalities – a number higher than that of all other Dutch islands combined – are due to (undocumented) immigrants seeking medical assistance too late. Only Kingdom financial assistance stands between the islands and socio-economic freefall. It is as yet unclear for how long such assistance will be needed, what conditions will be set, or how far the willingness to offer support will stretch.

Even after the pandemic itself subsides, it is yet unclear what the ‘new normal’ will look like for SITEs or the economies that constitute their tourism markets, let alone for air and sea travel. Worse still, demand will probably be hit hard by the economic damage sustained by the US and other main SITE markets. Far more than the localized and supply-affecting hurricanes, the Covid-19 crisis will shake the SITE model to its core by affecting global demand as well as the logistical backbone of the tourism product. The era of cheap air travel may be over, and the effects on the cruise industry may be even more far-reaching. Even before Covid-19, cruise ships were hit by outbreaks of contagious diseases with some frequency, and this crisis may well challenge the entire business model of transporting thousands of passengers and crew over long distances while sharing amenities in a confined space.

The Covid-19 crisis uncovered SITE risks and vulnerabilities that were thus far unknown or at least heavily underestimated. It remains to be seen how this will affect the concept of ‘speciation’ that served the islands so well until recently. The urgency of the problems that already confronted the mature-stage SITEs is now compounded to a point that may force fundamental decisions about the future of the model. Unlike the aftermath of a hurricane, there is probably no status quo to return to. Circumstances rather than conscious decisions may dictate much of the
SITEs future. A lasting implosion of tourism demand for instance, may force the islands to continue on a much smaller scale of industry, economy and population, regardless of any policy decision. In that case, the Tourism Area Life Cycle may discontinue altogether for the SITEs and start over at a very different point, if at all.

The brightest scenario would be a transformation into a more robust, sustainable, and probably smaller scale model, made possible by a strong governance framework. In the absence of strong choices however, a prospect looms along the lines of the most negative of the post-stagnation life cycle scenarios, that of a catastrophic decline and a sudden conclusion to a once promising development model.