

ABSTRACT

Small island nations, such as those in the Caribbean, have to find new points of competitive advantage in a rapidly changing and increasingly complex global market place. Some traditional exports are no longer competitive, lack of scale and relatively high transport costs effectively preclude many options, but tourism, which is now the Caribbean's largest industry, has considerable scope for further expansion. As the Region's dependence on tourism is likely to increase, it is critically important that the tourism system should serve as an engine of a wider process of economic and social development, and that environmental damage and social tensions are minimized, so that the tourism industry is seen to provide a clear net benefit to the receiving nation. That will, in turn, give the tourism industry a secure basis for long-term growth.

The tourism system is itself a complex structure, including the generating market, the transit route, the transport infrastructure, the destination and the industry. This further divides into public and private components, and into the directly and indirectly employed labour and infrastructure. Clearly, there is scope to improve the coordination between these elements, build inter-sectoral linkages, and to increase any multiplier effect. More fundamentally, however, it is possible for a government that understands the tourism system to manage it more strategically, with better public/private sector cooperation, and more focused interventions, to develop a competitive advantage

This thesis therefore seeks to answer this question: can tourism in the Caribbean be managed in such a way so as to increase the flow of revenue and ensure a wider distribution of benefits while stimulating the development of a more diverse set of businesses, thereby increasing the rate of growth in GDP, *per capita* productivity and new business formation, thus reducing vulnerability? Can Caribbean tourism drive a wider process of economic development and raise the quality of life of its citizens?

The thesis approaches tourism from both a quantitative and a qualitative perspective, and uses an exploratory approach to identify the complex social, economic, political and environmental issues associated with tourism in a small island developing state.

Key words: Carolyn Hayle, tourism policy, Caribbean tourism, tourism system, trade, integrated assessment, strategic competitive policy.