



## How far, and how fast? Population, culture, and carrying capacity in Aruba

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### ABSTRACT

Our paper outlines the preparation of a Framework for Sustainable Tourism on the Caribbean Island of Aruba from the standpoint of futurists involved in public policy. Despite remarkable success with tourism over nearly half-a century, Arubans have become periodically concerned about the long-run sustainability of their major industry, their culture, and their Island. The paper explains the historic industrial epochs that have led to the demographic layering and cultural division of labor, the development of tourism from its beginnings in the 1950s, and to present-day concerns about over-development and migration behind the setting up of a National Tourism Council (NTC) in 2001. The basic issues confronted by the NTC were set within the overarching question of “how far and how fast” tourism in Aruba could or should expand. Following on from three exploratory scenarios, the Framework prepared by the authors makes proposals for expansion of tourism in distinctive culture regions and corresponding tourism products over the next two generations of Arubans at a pace that matches emerging needs, but below the carrying capacity of the Island. The paper explains the historic context, pragmatic assumptions made, empirical evidence used, and connects the approach to other papers in this issue.

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### 1. Preamble: a futurist's perspective

As futurists involved in planning we share a belief that working with any community requires a deep historical perspective, a systemic understanding of the community, and a normative outlook based on the resources and needs of the community. That said, we approach the subject from quite different directions. Razak, as a cultural anthropologist, studies issues of identity politics and cultural performance, while Cole, as physicist-turned-economic planner, adopts a more systemic and quantified approach [1,2]. Both have been involved in planning in Aruba for 25 years: Cole, in order to comprehend how small territories interface with globalizing economies, Razak, to understand the politics and construction of native identity. This activity provided also a vehicle for debating and occasionally bridging their disciplinary differences.

Although the authors have worked on tourism related issues in Aruba and elsewhere, neither would claim to be an authority in the field. Nonetheless, when confronted with the challenge to assist the newly formed National Tourism Council, both shared a body of research and local contacts sufficient to build on the work of previous tourism and other plans to develop a framework for assessing the Island's possible alternatives [3]. The basic task was to provide a context for policy discussions, development, and project evaluation, rather than a definitive plan.

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## 2. Globalization and the historic layering of community

Aruba's success in tourism is attributed to its natural endowment of "sun, sand, and sea" which it shares with other tropical destinations.<sup>1</sup> More especially, it is attributed to the warmth and hospitality of the population that is attested to regularly by visitor surveys contributing to a high level of return visitors and the enviably high occupancy rates in the hotels.<sup>2</sup> Aruba markets itself as One Happy Island and indeed the Island is widely recognized as a friendly, secure destination. One reason for this is that the majority of Arubans enjoy high living standards, generous welfare services, and public security and so on, often exceeding those of visitors to the Island.

Aruba's success may be seen from Fig. 1 showing the growth of the Island population from 1925 (first oil industry) to the present. Also shown are international tourist arrivals (the most common measure of performance) and the construction of new tourist accommodation. Between 1965 and 1985, arrivals grew fourfold, and more than threefold between 1985 and 2000, respectively, nearly three and twice times the worldwide growth over the same periods (also shown).

Considered from the broad sweep of history, or even from the narrower standpoint of population migration, Aruba has experienced at least five epochs of globalization: pre-Colombian Indian settlement colonial occupation by the Spanish and later the Dutch; transformation to a more multi-ethnic society via a large American oil-refinery; a prolonged negotiation for independence; and the modern wave of globalization. Each epoch has led to a new wave of immigration so that the present-day society comprises peoples from all parts of the world. The result is an island community with a familiar cultural division of labor—a horizontal divide across sectors arising as new arrivals come to the latest emerging industry, and a vertical divide as lower-skilled migrants and expatriate managers and entrepreneurs enter the economy [6].

This divide manifests itself in political and religious affiliations, language and customs, income and place of residence, and the extent to which one is regarded as "Aruban". However, while divisions are tangible (i.e. statistically significant and everyday experience), they are also flexible and evolving so that in practice identity and inclusiveness tend to be pragmatically deployed according to circumstance and need (e.g. more inclusive nationally when negotiating independence). While these divisions obviously reflect imported tastes and prejudices (for example, the oil refinery brought sharp social divisions to a previously more assimilative society with the importation of thousands of British West Indians), Arubans are adept at appropriating imported ideas – whether cuisine, language, or architecture – into a welcoming relatively prosperous multiethnic society. Today, Aruba comprises several distinctive groups, including native Arubans, Afro Arubans, and Émigré Arubans [7]. It is the cultural remnants of these epochs of globalization that provide the unique heritage upon which tourism – especially that aimed at providing a unique experience to visitors – must build.

## 3. Swings and roundabouts

Before 1950, only modest hotels serving cruise visitors and business were in operation. Nonetheless, even by this time, the potential for tourism in Aruba was recognized and a far-sighted Tourism Commission began to scope the possibilities for a new hotel on what eventually became the Tourist Strip [8]. As the oil refinery systematically automated production after the war, the Government initiated tourism development with a "sun, sand, and sea" theme (plus gambling), as a means to offset layoffs. A 100-room hotel, modeled on those in Florida and Puerto Rico, opened in 1959. This was followed by two more 200-room properties in the mid-1960s, followed by ten similar-size high and low-rise properties by 1980, by which time Aruba had become a well-known and popular destination. In stark contrast to other islands, such as Barbados, this large-scale accommodation became the cornerstone of the Aruban style of tourism.

This scale of operations was quite different from the traditional smaller scale family-centered Aruban mode of production. Nonetheless, several factors, beyond the favorable climate, favored its adoption. The available labor force for the American-owned Lago Oil Refinery was drawn from Arubans and domiciled British West Indian workers (with prior experience in the plantation sugar refineries) whose skills transferred well into the rigorously structured management regimes of the hotels. The hotel developers received substantial subsidies from the Government through Dutch assistance programs. Indeed, combined with tax holidays and waivers, it is plausible that every hotel room on the Island was then, and most since, directly or indirectly, subsidized up to a sizable share of its fair market value. This was despite the fact that occupancy and visitor return rates in Aruba have remained among the highest in the Caribbean for most of its tourism history.

Despite considerable public involvement in tourism, the "First Aruba Tourism Plan" was not prepared until 1981 [9] as the Island began final negotiations for greater independence from Holland. Simultaneously, tourism growth came to a near-standstill because of recession in Aruba's North American major markets. The Plan questioned whether Aruba might have already reached the end of its resort-life cycle and, to forestall hotel closings, recommended that new hotel development be considered only when occupancy rose above 80%. The Plan indicated that four thousand additional rooms could "realistically be created in the coming decade." A parallel "Macroeconomic Plan for Independence," prepared by the authors [10], warned that the projected Island labor force simply could not meet that ambition, and that the Island would be better served by

<sup>1</sup> The WTTC ranks Aruba 7th in the world in terms of tourism employment (38% of total) and 5th in terms of tourism investment (62.7% of total) [4].

<sup>2</sup> See especially the Annual Tourism Profile of the Social Economics Statistics Division of the Central Bureau of Statistics. This includes the results of surveys from 1996 to 2002 including tourism expenditures, length and place of stay, and visitor satisfaction [5].

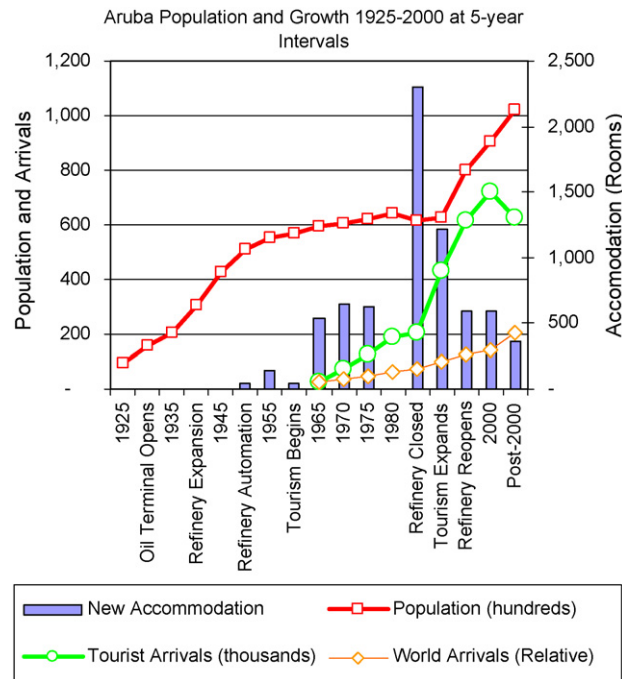


Fig. 1. Aruba tourism and population and significant events from 1925 to present.

greater diversification in markets, regions within the Island, and a more Aruba-style of tourism—broadly similar to those presented in the Framework 20 years later.

When the “final” shutdown of the refinery occurred in 1985/6, some 30% of all jobs on the Island were lost and the population fell due to out-migration [11]. With the added uncertainties of independence (*Status Aparte*)<sup>3</sup> tourism arrivals further declined. To offset unemployment, the government accelerated the First Tourism Plan. The decline rapidly reversed and between 1985 and 2000, another 10 hotels with some 4000 additional rooms were constructed—about half dedicated to timeshare.<sup>4</sup> While this demonstrated the ability of the Island to overcome potential economic disaster, the exaggerated pace was only possible through offering unsupportable open-ended “guarantees” to investors. Tourist arrivals boomed and markets expanded, but two new hotel properties remained unfinished for several years and another was demolished. This “overshoot” led to the second major slowdown, a crippling financial obligation for the government, and uncertain economic prospects.

The overbuilding and operation of the new hotels also created an unanticipated new wave of immigration, mainly from the Spanish Caribbean basin where populations are ethnically quite similar to the Arubans, but not necessarily culturally or linguistically. Ironically, this appeared to be more disturbing to native Arubans than previous waves of more distinctive populations, since it queried their own sense of identity. Thus, differences that are generally relatively benign in Aruba with its high rates of domiciliation and intermarriage became an issue once again as the resident population felt swamped by excessive immigration.

The accelerated growth of population and within – island migration led to urban sprawl and increased attrition of the Island’s natural landscape – primarily adjacent to the Island’s Tourism Corridor and the capital, Oranjestad, and now merging into a contiguous urban area that encroaches onto the undeveloped and fragile North-shore of the Island. In contrast, the southern end has seen almost no tourism development but has attractive beaches previously reserved mainly for the American oil refinery staff, and has less-developed areas that could potentially support a variety of recreational activities.

Today, tourism in Aruba, directly and indirectly accounts for around 60–65% of GDP and 65–70% of employment [12]. The Island also has one of the highest densities of tourism in the Caribbean [13]. Another consequence of the present-day Aruban style of tourism is that, relative to the rest of the Caribbean, Aruba has the highest level of foreign investment and control with about 60% of rooms marketed through international chains [14]. Many reports by international tourism organizations point to the difficulties that this poses for small island nations [15]. Not least, there is tension with international hotel chains that encourage guests to identify with their brand wherever it is located. Destinations, in contrast, even when they cooperate

<sup>3</sup> The term ‘*Status Aparte*’ refers to Aruba’s withdrawal from the Federation of the Netherlands Antilles (Curacao, Bonaire, Saba, St. Maarten and St. Eustatius) in favor of a one on one fiscal and governmental relationship with Holland.

<sup>4</sup> This pace of development was supported by IMF, World Bank, and other agencies apparently underestimating the tourism employment multiplier to the extent that twice as many rooms as required to offset local unemployment were constructed.

among themselves, must bring visitors and income to a given location. Whilst this relationship has enabled Aruba to develop a competitive industry, public and household income derived from tourism is less than some competitor islands. Further, the Island has developed a rather homogeneous tourism product oriented to a limited segment of the North American market, neglecting other opportunities for “destination branding” based on authentic cultural experience, heritage, and other local attributes that could provide a counterpoint to international chain hotel branding. Thus, a combination of factors led to a perceived need to find a more “sustainable” path for tourism development.

#### 4. Uncommon agendas

Table 1 summarizes the “timeline” for policy-making over the history of tourism in Aruba over the last half-century, described earlier, and the NTC activities. The authors were primarily involved in the first three NTC stages. The formation of

**Table 1**  
Time line for Aruba tourism, tourism styles and policies.

Stage/approach	Policy/event	Style of accommodation	Objective/outcome
Late 1940s–1960	Cruise ship visitors stay-over	Small and mid-scale accommodation	Familiarity of former US refinery employees
Early 1960–1980	Setting up of Aruba Tourism Commission	Large Chain Hotel/Casinos oriented to US market	Identify tourism resources and style of tourism
	Initiation of Mass Tourism through Public Subsidy		Offset unemployment due to refinery
Early 1980s	• First Aruba Tourism Plan	Shift to timeshare and upgrading of properties	Occupancy-driven investment prescription and physical plan for tourism corridor
	• Macro-Plan for Independence	Add Aruban scale and diversity	Cautioned against rapid expansion given low unemployment
Mid-1980s– Emerging Crisis and Concerns	US recession, refinery shutdown, transition to status aparte	Increasingly large scale properties based on “speed-up” of First Tourism Plan	Considerable overbuilding leading to delays and demolitions of new properties and rapid immigration
National Tourism Council (NTC)	Public and tourism industry-related concerns	Clarify existing tourism product and possible new options	NTC and annual conferences-bridge public, private, and political divides
NTC 1 (2002) Issues and goals	Consultants presentations and local brainstorming	Employment, income and revenue impacts of hypothetical alternatives	Exploration of past policies agreement on goals
NTC 2 (2003)	• Scenario 1	• Luxury large chain	• Reproduces variability and stop-go growth of past policies
	• Scenario 2	• Aruban-owned mid-size	• Reduces variability but accelerates approach to limits of tourism development
	• Scenario 3	• Small boutique and increments to stock	• Provides starting point for new style with smoother expansion
NTC 3 (2004) Culture Region Framework	Match to income, fiscal, demographic cycles	Improve existing style and successively augment with new culture regions	Demonstrate smoother expansion paced to Aruba needs and carrying capacity with illustrative Aruba-centered projects
NTC 3 (2005) Variants and policy challenges	Match to contingencies, immigration policy, fiscal, policy, etc.	Compare scale, composition, and timing of new accommodation and other policy	Anticipate “surprises”
			Island-wide focus groups Tourism education programs Quality Improvement Programs
Series of events, controversies, and delays	“Unforeseen” events, investments and policies	Strategic Tourism Plan	Implement first phase of evolved framework Begin strategic (mid-term) Plan
NTC Future?	Regular strategic adjustment	Fine-tune to visitor and Aruban Needs	Extend time-horizons via culture-region considerations

**Table 2**  
 Framework for sustainable tourism development in Aruba: goals, strategies, and analysis.

NTC goals	Framework						
	Slow growth rate to match Aruban needs	Tourism portfolio as a strategic asset	Regionally distribute tourist rooms	Consolidate and improve existing products	Evolve additional small-scale tourism	Develop new culture-based activities	Improve institutions and planning tools
Long-run environmental sustainability	s		s				
Improved economic well-being			s	s	s	c	
Sustainable competitive advantage		s		s	s	c	
Limit economic and social vulnerability		s	s		s		
Enhance culture and heritage	c		c		c	c	c
Foster public private cooperation	c	s	c	c		c	s

Entries show statistical (s) or culture (c) based approach used to link goals and strategies.

the NTC and the new Tourism Framework grew from the circumstances described above, and the widely shared perception of the need for some new direction. This was driven largely by the Minister of Tourism who realized that earlier policy of growing tourism as fast as possible – faster than the average for the Caribbean, or both – had unwelcome side effects. He framed the issues within the overarching question of “how far and how fast tourism in Aruba could or should expand?” The NTC membership included the Ministry of Tourism and leaders from relevant departments (finance, culture, social affairs, environment, and education), the Tourism Authority, and from the private sector the hotel association (controlled by the major hotel), timeshare association, the chamber of commerce, and the banking community.<sup>5</sup>

The First Aruba National Tourism Conference in 2002—attended by a wide-spectrum of interests across the industry and the Island communities identified goals for tourism (shown on the left-hand side of Table 2). These included Long-Run Environmental Sustainability, Improved Economic Well-Being, Sustainable Competitive Advantage, Limit Economic and Social Vulnerability, Enhance Culture and Heritage, and to facilitate Public/Private Cooperation. While, as indicated in the earlier discussion, each goal carries a sub-text for a variety of social and other issues, it was sufficient to start the process of creating a new plan that ultimately identified the Framework strategies required to meet these goals (shown in the top line of Table 2).

The NTC First stage assembled statistical studies, supplemented by historical reviews, surveys, interviews, and projections, for example, revising estimates of the economic impacts of various styles of tourism (as discussed below). Data were drawn from a wide variety of local, Caribbean, and international sources and surveys, national archives, site visits, and interviews. The Second NTC stage developed and evaluated three tourism “scenarios.” These projected the previously suggested tourism strategies for the Island: “Occupancy-driven,” “Grow faster than the Caribbean,” and “Matching growth to Aruban needs.” The aim was to understand the economic and demographic impacts and growth dynamics inherent in each style of tourism development—primarily indicated by the “scale” of activity in terms of the “style” of accommodation and ownership, visitors and their activities, and the phasing of new construction.

The three strategies, the style of tourism involved, and the outcomes are summarized in Table 3, with the associated projections to 2045 illustrated in Fig. 2. The principle point to note here is that the growth of hotel development and resident population is slowest in the last scenario, even though the per capita income is highest.<sup>6</sup> The reasons for this are discussed below.

Unsurprisingly, given the motivation for the NTC, the last strategy (Matching growth to Aruban needs) was “agreed” as the starting point for NTC Stage 3. With many refinements to account for ongoing tourism-projects, budget, proposed immigration and land-use reforms, this approach became the envelope for the proposed phased evolution of tourism on the Island, including a “culture-region” strategy. Together these would provide the basis for future tourism-related project evaluation. The timescale spanning the next two generations of Arubans reflected a profoundly kinship-oriented Aruban society.

In discussing aspects of the study, we focus on some of the underlying concepts used in the Framework that apply more widely to the futures of small tourism-dependent communities.

<sup>5</sup> The strength of the NTC initiative was that it built upon an already established relatively high level of cooperation between the public and private sectors (at least compared to many other Caribbean destinations) evidenced, not least by the Island’s rapid turn-around following the closing of the refinery. That said, all these actors have diverse and somewhat opposing agendas and interests: moreover, several ministers including the Prime Minister have sovereignty over specific tourist-related resources.

<sup>6</sup> Projections are based on annual calculations using a discrete choice model of hotel investment linked to a demographic cohort model [16]. The trends are shown here at 15-year intervals and so do not show the considerable year-to-year fluctuations that would continue in Scenarios One and Two, because of the disruptive impact of each new increment of new investment in these “large-scale” styles of tourism.

**Table 3**  
Alternative tourism styles and policies.

	Policy	Style of hotel	Outcome
Scenario 1	Occupancy driven tourism	Luxury chain hotels	Reproduces problems in past policies
Scenario 2	Growth targeted tourism	Aruba average hotels	Accelerates approach to limits of tourism development
Scenario 3	Match growth to Aruban needs	Smaller boutique hotels	Provides starting point for framework

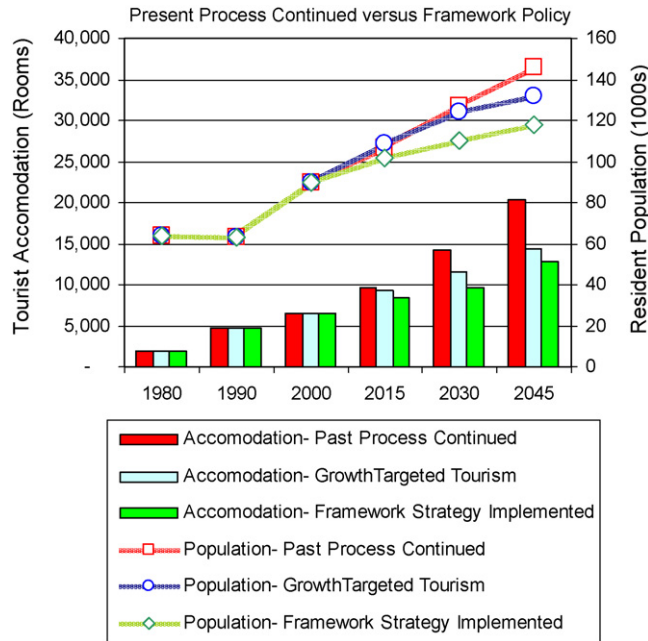


Fig. 2. Comparison of growth of population and accommodation across NTC scenarios.

## 5. A question of style?

The rationale given for adopting the luxury casino-hotel as the foundation for tourism in Aruba has consistently been that this style of tourism would bring a more affluent visitor to the Island. However, it is widely accepted that chain properties have higher leakage than local enterprises, so “direct” spending by tourists is a rather unsatisfactory measure of the contribution to the Island of different types of accommodation or tourist. It does not account for leakages from the economy due to imports, repatriation of income, etc., or of various “indirect” or “multiplier” effects of tourism on the rest of the economy. Estimating and understanding these contributions was an important first step in developing the new strategy.

Fig. 3 characterizes the present and discounted income streams to businesses, households, and government of different types of accommodation, and the corresponding visitors.<sup>7</sup> While luxury and ultra hotels appear to provide the greatest direct income per room and the greatest contribution to GDP and household income, on this basis, such hotels appear to be the most desirable. However, it is quite clear that the contributions to GDP and revenues between the two most prevalent styles of visitor accommodation – pre-paid luxury hotels and timeshare – are far less than the differences in direct spending, especially when tax holidays and other incentives are taken into account. Moreover, other hotel styles—ultra-hotels, independent luxury hotels, and especially smaller boutique hotels that appear to provide at least as much retained income for the Island and, as next considered, could help moderate growth instabilities.

## 6. Population pump

Like most small territories, growth of Aruba’s economy is driven by events elsewhere in the world. Typically, each new export industry or expansion brings new waves of migrants to work in the primary industry and to provide for the needs of a growing population. With Aruba, it is evident that the rapid growth of the oil refinery and later tourism—both

<sup>7</sup> These are based on several data sources: as well as confidential surveys and interviews for the present project [17–19].

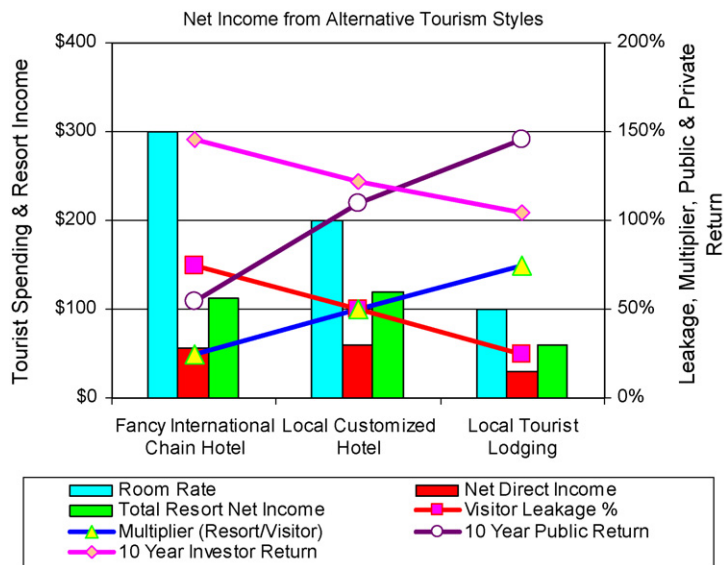


Fig. 3. Variation in income per room from contrasting tourism styles and policies.

served to “pump” new population into the Island community.<sup>8</sup> This historic process is summarized by the bold lines of Fig. 4.

Invariably, the jobs required to build and operate a new large hotel exceed the unemployed willing-to-work residents, leading to a new round of immigration. In Aruba, as in many societies, “problems” arise whenever immigration proceeds at a rate faster than can be absorbed into the resident community, or when development approaches some intangible “carrying capacity,” or if the government faces new financial burdens. A further consideration here is that, with a high domiciliation rate, each wave of immigration induced by hotel expansion, leads to an echo in the domestic labor force, a decade or so later. This demographic cycle may interact with the investment cycles and other less regular shocks—to incite a variety of “complex” behaviors. This includes, on the one hand, the possibility of systemic collapse due to an unforeseen event, and on the other, a means to identify cost-effective ways to protect and advance the tourism industry.

The process just described provided a basis for understanding the short-term behavior of tourism, migration, and public finances in Aruba, and provided clues for modifying long-term growth.<sup>9</sup> The broken lines in Fig. 4 indicate the basic approach. This builds upon the existing successful style of development in Aruba, but attempts to limit the disruptions from variability in demand or the “lumpiness” of new large hotel construction, by expanding the mix of tourism products. In essence, the Island develops a more robust portfolio (beyond its existing transient and timeshare operations) via new tourism clusters based on smaller hotels and regional assets. Marketing would build on the high visitor return rate enjoyed by the Island, capitalizing on Aruba’s established reputation through its international chains.<sup>10</sup> Because, of the income effects described earlier, income targets would be maintained at a slower pace of tourism and population growth and this, in turn, would reduce the pressure on land use and ensure that natural areas are preserved. This would facilitate other environmental policies under consideration, such as limiting development to well below the Island’s “carrying capacity.”

## 7. Tourism’s footprint

Given the amount of land remaining for development, and an estimate of a tourist’s land-use footprint (based on Aruban lifestyle preferences and a given style of tourism development), it is possible to estimate the carrying capacity of the Island for new dwellings, and hence new tourism development. As with other impacts, the footprint per room, beachfront per room, and other land-use “multipliers” vary across different styles of hotel, tourists, residents, and their homesteads. For example, low-rise beachfront luxury suites have a larger beachfront to tourist ratio than high-rise timeshare, ranch-style residences use more land per family than apartments, and so on. For Aruba, the average total land use, including all support activities – hotels, tourism, residence, and supporting business, and government – was found to be some six times that required for

<sup>8</sup> This same process occurs on a shorter-run investment-occupancy cycle if a new hotel appears whenever island-wide occupancy hits a specified target, or why an incentive is offered whenever unemployment rises above a certain level.

<sup>9</sup> It also provides an alternative explanation of aspects of the resort life cycle that is empirically widely observed but varied explanation [20,21]. When coupled with market and policy-mediated objectives gives rise to varied behaviors that may be “fitted” to past behavior in Aruba, and other Caribbean resorts.

<sup>10</sup> In this sense, alternative tourism piggybacks on mass tourism [22]. A related “tourist life cycle” building on Aruba’s high visitor return rate, from honey moon to occasional family holiday, timeshare ownership, retirement condo, even end-of-life care was envisaged in evaluating potential tourism products.

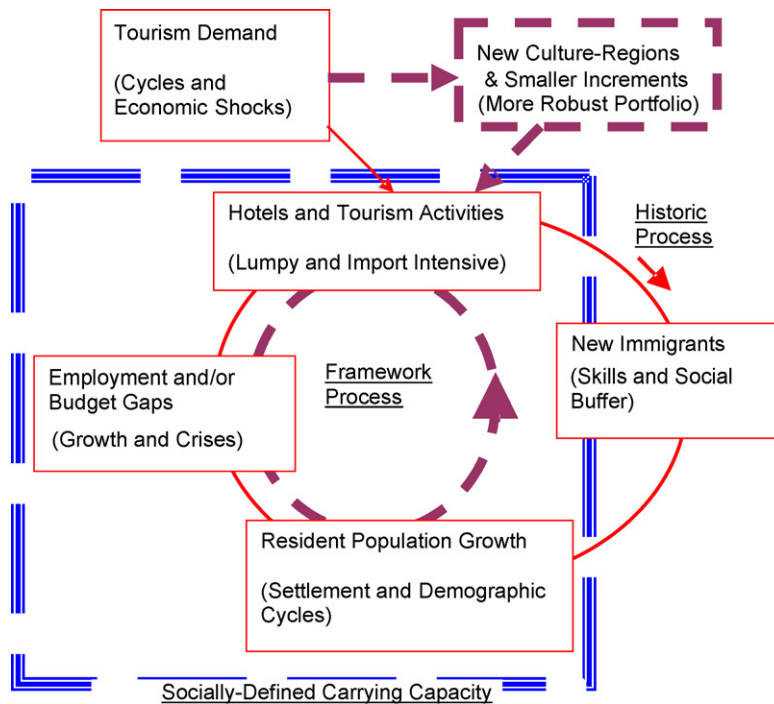


Fig. 4. Combined economic and demographic forcing factors and remedial tourism policies.

tourism accommodation and associated tourist activities. The carrying capacity of the remaining beachfront was estimated similarly. While a variety of technologies, changes in policy or tastes might extend carrying capacity considerably up to a “Caribbean Singapore,” these would simply not fit within the image of Aruba that the Arubans articulate, and the population would no longer be “Aruban.”

The contemporary Aruban aspiration for a suburban single family homes with attached land, accessible to beaches and nature pays homage to the traditional Aruban “cunucu” – a one-storey rural homestead and smallholding. About 85,000 new dwellings (over the present 29,000) could be built if all presently undeveloped land was used. However, since another goal for the Island is to protect unspoiled areas such as the National Park and the North Shore, the lower figure of 40,000 dwellings, corresponding to a population of up to 120,000 is appropriate. The average intensity of land use would then remain below 60% of the maximum level. With average levels of employment in hotels, average job multipliers, number of residents per dwelling, this “target carrying capacity” corresponds to around 6000 new hotel rooms.

## 8. How far and how fast?

The next question for the Framework, was whether this target tourism capacity was sufficient to support the demographic, family income, and budgetary needs of the Island, and for how long? A two-generation horizon is not an abstraction for Aruba’s family-oriented society. Thus, for this estimate, “Aruban” included everyone living on the Island at present and new immigrants required to support development, their children and grandchildren. Income was to be an increase that kept pace with visitors to the Island, and the budget deficit was to reduce.<sup>11</sup> On average up to the time horizon of 2045 some 50–150 net additional rooms, say a cluster of small lodgings, a mid-sized hotel or limited expansion of an existing property would suffice.

Within this overall long-run target for development, tourism and population might grow and locate in a variety of ways to contain urban sprawl around the Tourism Corridor, and foster expansion at the southern end of the Island. This would still leave considerable flexibility to cope with new crises and contingencies. The sequential development of tourism across the selected Island regions is shown in Fig. 5. Over the entire period, the pace of development of the tourism sector is relatively smooth.<sup>12</sup> Local unemployment stabilizes at a relatively low level and the rotation of migration is steady. Moreover, the

<sup>11</sup> In recent years, about half of all immigrants domicile on the Island with a high rate of intermarriage with Arubans, while temporary migrants stay an average of about 3 years [23].

<sup>12</sup> In the short-term, this requires coordination between public sector layoffs and speeded up construction to offset the ripple effects of previous construction cycles. Fluctuations decrease as the increments in new accommodation are synchronized to labor force demands.



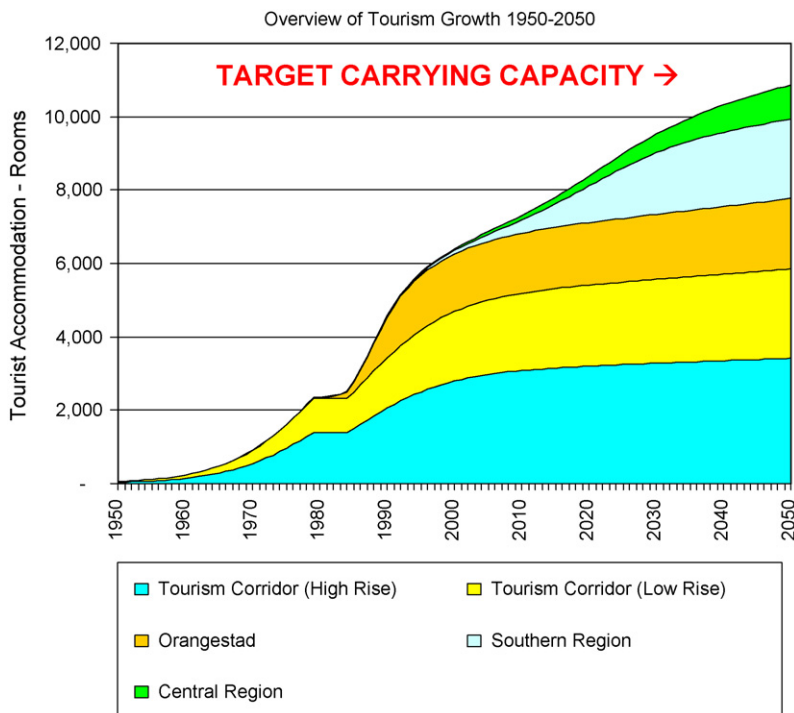


Fig. 5. Carrying capacity and phased regional growth strategy. (Note: The relative employment for each project is indicated by the area of circles.)

strategy is comparatively effective in terms of reducing imbalances in public sector finances and maintains average household income at or above the level offered by other strategies.<sup>13</sup>

## 9. Culture regions

The quantitative analysis described provides a rationale for a new direction towards adding more Aruban styles of tourism. Nonetheless, there are three further outstanding issues: what is the “Aruban” style; whether there really are marketable Aruban-based tourism products, and whether the various communities have the confidence and willingness to develop these. With respect to the last, as a national perspective, after 20 years of independence, and 50 years of tourism, Arubans have greatly improved education, administration, and management, and are more self-confident. This contrasts with the situation in the 1980s when, despite independence, Arubans were still psychologically beholden to Holland and the international agencies and, given the uncertainties, any dramatic change of course was considered too risky.

A goal of the Framework was to draw upon the cultural diversity of the population in the development of new tourism products, and to extend tourism activity into regions of the island that had not yet benefitted from tourism in any substantive way.<sup>14</sup> This said, there were differences in the desire of the different communities across the Island to engage in additional tourism. For this reason, as well as the need to bring the clusters of activity up to a sufficient threshold (to take advantage of agglomeration and scale effects), the process was viewed as a succession of overlapping culture-region cycles “piggybacking” on existing mainstream Aruban hotel and timeshare-based tourism, again indicated in Fig. 5. The order in which regions might develop followed on previously expressed desires for tourism, comments to the NTC, and previous efforts to bring tourism to localities.

While there are many Aruban artifacts included in current tourist attractions – the most spectacular being the Island’s pre-Lenten carnival – these are used to accessorize the mainstream American-style products, or primarily for local

<sup>13</sup> In the short-run, this is due to the reduced labor costs. Over the longer-run, public finances improve because the level of local-ownership is higher, and with this the possibilities for more successful tax collection.

<sup>14</sup> The ‘culture area’ concept actually appears to have originated with both anthropologists (Leo Frobenius, 1873–1938, and Fritz Graebner, 1877–1934) and geographers (Friedrich Ratzel, 1844–1904) in the late nineteenth century that has endured [25]. A general challenge here was to avoid considering traditional culture and heritage as static in the manner embodied in international declarations and most local tourism planning and adopting a more emic perspective. This concern is especially acute for any territory that has already attained what might aptly be called an ‘Appadurayan ethnoscape.’ [26]. This is partially addressed in the Framework through, for example, at the micro-level, the choice and presentation of tourism products based on a deep historical perspective, as suggestions to be refined, replaced, or dismissed through community-level focus groups, and at the macro-level through the emphasis smaller scale that is more compatible with communities, the phasing of culture-region development.

consumption [24]. Moreover, given the multicultural nature of the Aruban population (primary groups are native Arubans, Afro-Arubans, Latin-American, Dutch), and more problematic, the hybrid nature of native Aruban culture, delimiting one small culture region on one small island may appear futile. In fact, this is not the case since people hold on to customs and traditions that help maintain their sense of self, security and group identity – especially migrants and minority groups that hold a weak position within the majority culture – as well as appropriating traditions and material culture from others that are then re-defined as part of their culture [7]. As a result, these communities consciously feel the need to deploy symbols of identity in order to define and sustain them. These provide the foundations for the culture areas and diversification of tourism products across the Island.

The identifying of collections of potential products (based on material culture, traditions, and history) that, when “bundled” together, might constitute themes for each culture region became an iterative process based on previous studies, identifying and gathering ideas (from NTC members, industry, potential investors, consultant reports, general public), and a series of 30 focus groups across a wide cross-section of communities.<sup>15</sup> As background, many culture-specific foods, festivals, regional sites, and historic spaces, social practices, and other items were used to illustrate possible products. Many projects aimed at improving the quality of the Tourism Corridor were proposed, including maintaining beach access and vistas for Arubans and visitors.

The Native Aruban community has long been embedded within a nest of other, different diasporic communities within its own territory, extending across the central reaches of the Island. While this area has the cultural and physical attractions to develop into the ‘traditional’ or ‘folkloric’ center of Aruba, it has not participated greatly in tourism, and expressed less inclination to do so in the immediate future. That said, there are many possibilities for re-establishing a culture that felt repressed during the years of Dutch tutelage and an economy dominated by the oil refinery and American tourism. Thus, many tourist-products suggested in the Framework were directed as a heritage-rebuilding exercise that would strengthen self-confidence in local culture, rather than tourist attractions per se, with further development to be reconsidered in a decade or so.<sup>16</sup>

This approach contrasts with that suggested for the refinery town, San Nicolas—widely recognized as the ‘musical heart’ of the Island at its southern tip. For decades, the town has served as the entry-point for new migrants from the Caribbean and elsewhere. Ironically, because fewer resources were allocated to the town, its center and many original small wooden houses remain relatively intact as a 1950s-style Afro-Caribbean town, now lost in many “mature” Caribbean destinations. This style renders it quite distinct from other towns on Aruba. Recent aesthetic and residential improvements have not undermined this character. While the residents are resistant to large hotels that would change this character, the town abuts the compound previously reserved for management at the refinery—now fallen into decay. This site has attractive beaches and access to the “wild” side of the Island offering a viable location for clusters of smaller family and boutique hotels, that together meet the “economic” requirements (in terms of scale, agglomeration, and so on) proposed for the next phase of tourism development in Aruba.

Fig. 6 illustrates the distribution of suggested projects over the next decade or so and their relative contribution to new employment opportunities in relation to the prevailing distribution of populations across the Island.

## 10. Back to the future?

With the Framework to hand and other Island civil institutions proposing complementary strategies, consultants were hired to prepare a strategic plan, quality improvement, and an awareness campaign to encourage Arubans to appreciate their dependence on tourism and tourists.<sup>17</sup> But, while most Aruban intellectuals, many residents, and even the Chamber of Commerce, appear to embrace the strategy, others take refuge in the status quo.

Unfortunately, history has a way of recycling itself. In the aftermath of 9/11 – a major event worldwide – the slowdown in international tourism severely impacted the Caribbean. Soon after, a more local but widely reported event – the unexplained disappearance of a teenage American charged to Aruba – triggered a comparable decline, after which arrivals fell by around 10% from previous years, more than 20% below expectations.<sup>18</sup> With this new crisis, the Island’s residual post-colonial fear of failure drove a perceived need to “demonstrate investor confidence in Aruba.” Given the opportunity, several upscale hotel developments, only cosmetically based on the Framework, were solicited. Most fantastic was a proposal for a cluster

<sup>15</sup> The Framework included a training manual for the focus groups to be undertaken by local consultants. To his credit, the Minister of Tourism attended every session.

<sup>16</sup> The cautious approach to rural development in Aruba is possible because the Island’s relatively prosperity and low unemployment rate, the Dutch system social welfare and supportive family networks, the allocation public sector employment. This is only one small part of an effort led by the University of Aruba, FUNDINI, and the Government to strengthen Aruban identity [27]. It is especially notable, that the patois language Papiamentu, since independence has become the introductory language for schools.

<sup>17</sup> At the twenty-seventh annual Caribbean Tourism Conference, the Prime Minister of Aruba, Nelson Oduer, welcomed the delegates and announced that, “By supporting a smaller scale of tourism and making better use of Aruba’s varied tourism potential through new tourism products and projects; improving and consolidating existing tourism products within defined geographical areas; limiting urban sprawl and unnecessary travel, whilst maintaining agglomeration and scale economies; controlling direct and indirect burden of tourism activities on the island’s natural environment and putting into practice an agreed upon timetabled master plan for the next 10 years, we will be able to secure a sustainable development for the future.”

<sup>18</sup> Nonetheless, it was evident that the high proportion of timeshare in Aruba’s tourism portfolio cushioned the effects after 9/11 and the disappearance. Occupancy returned to near-normal levels after 3 months compared to several years for transient visitors.

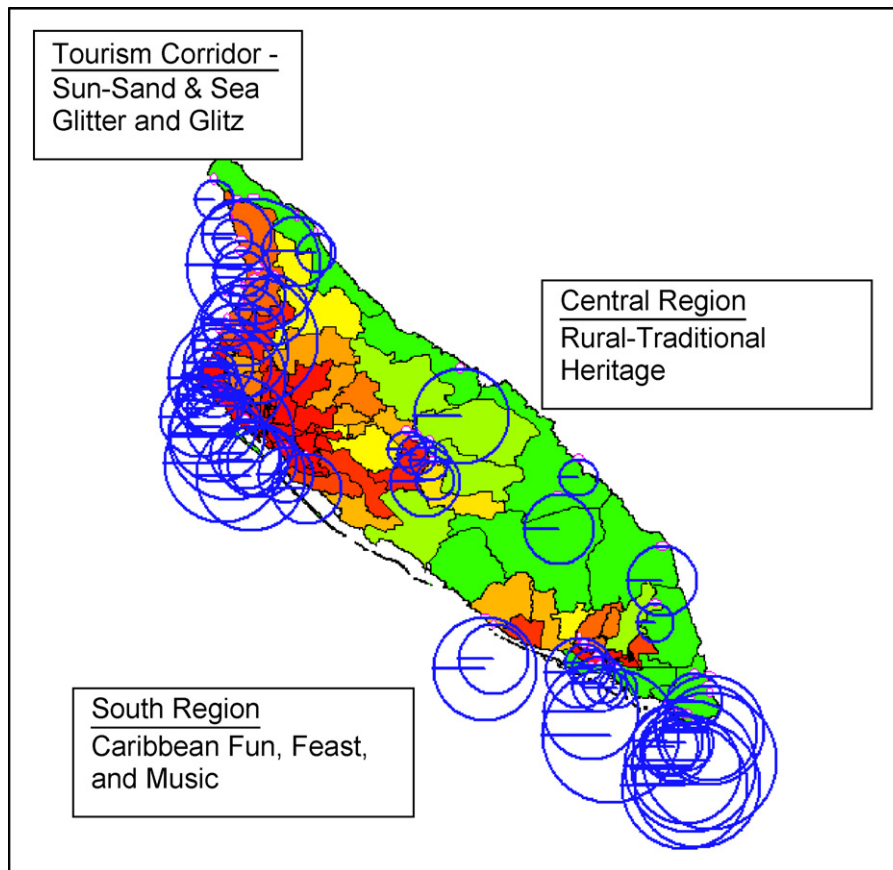


Fig. 6. Culture regions and products showing present population density and anticipated new employment by 2020.

development on the San Nicolas site of three 400-room “boutique” hotels with a 36-hole golf course and another thousand second homes [28]. Given the arguments in this paper, the inevitable outcome would be new rounds of boom and bust echoing into the future [29].

Aruba’s tourism future is still in question. The influential National Geographic travel guide recently scored Aruba close to bottom of one hundred and eleven island destinations in terms of its “integrity of place,” describing the Island as “A vacation factory with fabulous beaches, overbuilt, gaudy, fast losing its culture.” It is among 44 “Islands in the Balance” sharing “a mixed bag of successes and worries, with the future at risk” [30, p. 120]. Thus, although the strategy outlined in the Framework proposes a future of tourism that draws on a past, other aspects of that past – still unremediated – may still prevail.

Our paper and others in this volume attest that tourism, like small island planning, is a volatile, fickle, opportunistic, and difficult to define, some factors are explicit, others implicit, or inadmissible. It is a complex activity with tipping points and opportunistic moments when relatively small shocks or modest incentives might shift trends in a new direction. When the complexity and dynamics of tourism, international tastes, politics, business, and diverse destinations compound, it becomes impossible to make precise forecasts. Nonetheless, we have no option but to attempt to assess whether particular proposals or combinations of events are likely to contribute to, or undermine, particular goals in the short-run, and over the longer-term. An appropriate metaphor in planning small islands is that of small sailing boat attempting to reach a particular headland, with crosswinds, reefs and tides, and mutinies, the journey is likely to be opportunistic, and indirect. That said, practiced sailors can reach their goal, and if another more favorable destination or new hazard appears, can chart a new course, accordingly.

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