SAILING INTO THE SUNSET: THE CRUISE SHIP INDUSTRY

The first journeys across the Caribbean Sea were made by Amerindian canoeists who settled the island chains, paddling north from the river systems of the Orinoco and the Amazon. Hundreds of years later the Spanish explorers arrived, and when other European powers joined the fight for control of the Caribbean it was the sea, not the land, which saw their greatest battles. Then the sea became an economic highway: for slavers, traders, buccaneers and fishermen; or it became a passageway for escaped slaves, indentured labourers and settlers, and later still a watery flight path for emigrants and boat people.

These shipping channels (except for those traditionally used by Caribs and fishermen) were linked with the economic and political power blocs of Europe and North America rather than with each other, for each harbour was a juncture of imperial arrival and departure. Caribbean ports are still working places. Container ships arrive with imports from tableware to tractors, mostly from the US, or cars from Japan, and they depart for Europe with bananas from Martinique or St Vincent. Now, however, by far the biggest vessels in port are cruise ships, also from the US, on pleasure journeys that no longer pay attention to those old colonial lines.

Crisscrossing the Caribbean Sea, these great white whales come and go quicker than the banana boats loading up alongside them. There is time though for seven hours or so on land – arriving in the morning and departing late afternoon.

Down the gangway come the cruise ship passengers, straight into a purpose-built, duty-free shopping mall, or into streets packed with tourist shops. Just like at the last port of call, most terminals have pizza joints, ice cream parlours, souvenir shops, perhaps a casino or two and hoardings with familiar transnational names: Dollar Rent a Car, Colombia Diamonds, Benetton, Gucci and Little Switzerland. There is time to fit in shopping, an island tour or a trip to a beach or to the cruise line’s private island. Ranks of minibuses line up to whisk the tourists away on their pre-booked, pre-paid tours arranged by the
The cruise lines with chosen ground operators. Those who have failed to book can take their chances and get a cheaper deal with the many freelance taxi drivers and tour guides.

The most popular ports of call are the ones with the best duty-free shopping and casinos. The shops are ice-cold and imitate Fifth Avenue: the gifts, under glass, are much the same whether in Ocho Rios or Antigua – jewellery, perfumes, or china figurines of pastel-coloured cottages or simpering milk maids. Each destination is in competition with the next to provide a shoppers' paradise. St Kitts, for example, with its modest duty-free mall in Basseterre, must try to compete with St Maarten, its flashy Americanised neighbour, stiff with shops and casinos. 'We would like to see a greater turnover so we are upgrading our duty-free outlets,' said an official from the St Kitts division of tourism.

Armed with leaflets on shops recommended by the cruise ships, cruisers know which are the best and cheapest destinations. Not St Kitts, for sure, and even Antigua is not a star attraction. A young couple in Antigua's duty-free Heritage Quay did not plan to spend much money there. They were saving it for St Thomas, in the US Virgin Islands. 'We might as well go back on board and get some breakfast.' They had heard that shopping was better in St Thomas, where the average expenditure in 2002 was US$260.77 compared to US$254.7 in Grenada.1

By afternoon, the passengers drift back to the ship with their purchases to eat (food is included in the cruise price) or to join those who have never left, preferring to glimpse the island from the rails. The last somewhat drunken stragglers, with T-shirts reading 'Drink Till You Sink', are scooped up the gangway. Soon, the quayside will be almost empty, as shopkeepers count their takings and taxi-drivers give up for the day. Only beggars and scavenging dogs remain as the ship disappears over the horizon, lights twinkling, on its way to another sunset at sea.

The Cruise Boom
The Caribbean cruise business is booming; it grows still larger as the numbers and sizes of ships visiting ever-bigger terminals increase. 'The untapped potential in the Caribbean – where we're putting more tonnage over the next several years – is vast,' claimed Julie Benson of Princess Lines, a subsidiary of P&O Cruises in the early 1990s.1 A decade later that boast seemed well founded with the industry running at a remarkable capacity of more than 90 per cent, far higher than land-based tourism.

The 1990s saw particularly spectacular growth. At least 28 new ships were delivered to the cruise companies; most were destined for the Caribbean. The biggest companies, Royal Caribbean Cruise Line (RCCL), Carnival Cruise, Holland America and Princess, led the way. RCCL had three ships on order, all with a capacity for more than 1,800 passengers; Princess had spent almost US$1 billion on three ships, one, Grand Princess at 105,000 tonnes, the biggest liner ever. Carnival also had added 11 ships to its fleet by 1996, and spent US$400 million on the Italian-built boat Tiffany. Disney Corporation also entered the cruise market, with its first ship in operation in 1999. Even the smaller companies had increased their fleets, building vessels for 300 hundred or so passengers for the luxury market or for the even more select sailship market.2

The emphasis, however, is on size – and the bigger the better. Of the new ships built between 1995 and 2001, nearly 80 per cent had 1,500 or more berths. The largest, Mariner of the Sea, built for Royal Caribbean International at a price of US$520 million has a tonnage of 140,000, and a capacity for 3,835 passengers and more than 1,000 crew. Another giant, Carnival Glory, which was due to launch its seven-day cruises in mid-2003, boasts 14 passenger decks with 22 bars and lounges, a 15,000 square foot health club, four swimming pools and three restaurants, including an upscale 'steakhouse-style' supper club serving prime US beef.3

The Caribbean has nearly half of the world capacity of cruise 'bed days'. However, its share of the cruise business has declined from a peak of 60 per cent of all bed days out of North America in 1991 to 48 per cent in 2000. According to the CTO this is because the cruise industry has 'sought to add itineraries for the burgeoning capacity.' Even if its share has decreased, its awesome volume of business continues to expand. In the Caribbean itself, it has grown much faster than land-based tourism – from 7.8 million passenger arrivals in 1990 to an estimated 20.5 million in 2004. The Bahamas, a traditional cruise destination close to Florida, was the busiest port of call, with nearly 3 million cruise ship passenger arrivals in 2003. Next most popular destination was Cozumel (2.7 million) on the Mexican coast, the Cayman Islands (1.8 million), the US Virgin Islands (1.7 million), followed by Puerto Rico (1.2 million), St Maarten (1.1 million) and Jamaica (also 1.1 million).4
Many destinations have recorded spectacular growth. St Lucia, for example, had 58,000 cruise arrivals in 1986 but 393,000 in 2003, when Dominica recorded 177,000, up from 11,500 in 1986. Other islands with an expanding cruise ship market were St Kitts and Nevis, Aruba and Curaçao. Belize and the Dominican Republic were late, but expanding, entries and even Haiti, abandoned by the cruise ship industry in 1993 when sanctions against its military regime were announced, was back on the itinerary by 1995. Only Trinidad, perhaps, with an industrial rather than a tourist base to its economy, has not seen a massive rise in cruise visitors, along with some of the very small islands that do not have cruise facilities, such as Anguilla, Saba, and St Barthélemy.

Most cruises begin in either Miami or Port Everglades in Florida or in San Juan, Puerto Rico. Of non-US bases, Aruba, Antigua and Martinique also play their part, all being significant airline hubs for the European market. From these starting points, the ships crisscross the Caribbean Sea, dropping into islands here and islands there as they see fit, depending on the duration of the cruise and the range of attractions that the destinations can muster.

Rocking the Boat

Yet while the cruise lines steamed ahead, unloading more and more passengers off bigger and more luxurious ships onto the dockside of small Caribbean states, fundamental questions began to be asked by the mid 1990s about the benefits of the cruise industry to the Caribbean and its people, and its long-term effect on the region’s own land-based tourism.

Taxation has been a thorny issue. Departure taxes for both airline and cruise passengers have traditionally been set by individual governments. This head tax is one way in which the cruise industry contributes to the expenses involved in providing appropriate port and airport facilities. In the case of the cruise tax, this ranged in 2000 from US$1.50 in Guadeloupe and St Maarten (an increase from zero in the mid 1990s) to US$15 (Jamaica and the Bahamas). Inter-country rivalry and what are considered to be differences in the quality of facilities offered to cruise ships by each destination were said to explain such a discrepancy.

To eliminate these discrepancies, in January 1992 the Organisation of Eastern Caribbean States (OECS) had agreed to adopt a standard head tax of US$10 to take effect in October of that year. The decision did not please the cruise lines. "To solve the hotel problem by raising taxes on cruise ships is stupid and punitive," said Bob Dickinson, president of Carnival Cruise Lines. Retaliation was not long in coming. The RCCL announced that it would drop St Lucia, one of the seven OECS states, from its itinerary; the Nordic Prince, which had made 18 calls to St Lucia in 1991, also decided to go elsewhere. The boycott of St Lucia resulted in calls of solidarity from other CTO members, but in the event they were empty promises.

The OECS position was, however, strengthened when Caricom, the wider regional organisation, also came up with a plan to adopt a unified tax (Jamaica had already taken the lead). It was to be set at US$5 in April 1994, to be raised to US$7.5 in October that year and to US$10 by 1995. For the Caribbean this was a major step forward, since earlier discussions about increasing the head tax had only taken place bilaterally, giving the cruise operators the in-built advantage. The operators could play off one country against another by threatening to skip one destination for another with a lower tax. This time the region as a whole seemed to be flexing its muscles. As Jean Holder said: "The concept of the minimum tax, set at a reasonable level, was intended to enable the weak destinations to earn a little much needed revenue, to create some Caribbean solidarity and thus effect an adjustment to the strategic advantage which is held largely by the cruise lines. Its success is dependent entirely on each country keeping the agreement."

Caricom’s move raised the possibility of a regional approach, not just about the head tax but about other important issues surrounding the cruise industry. John Compton, St Lucia’s prime minister, expressed the opinion that the region would "no longer accept mirrors and baubles for the use of its patrimony."

The tax issue was symptomatic of the tensions between the cruise ships and the region’s land-based tourist industry. Those on the side of the cruise ships express barely disguised contempt for the Caribbean’s hotel industry. Without the cruise industry, said Joel Abed in Travel Trade News, "to both promote and present its attractions and facilities to potential vacationers, the Caribbean resort industry, as we know it today, would all-too-quickly become a virtual tourist desert." Bob Dickinson of Carnival expressed his position only marginally less aggressively. "They’re not only biting the hand that feeds them, they’re yanking off the whole arm."

The tax row provoked similar outbursts of passionate rhetoric from
the region. There was a general distrust of what was considered to be imperious behaviour by the cruise lines. Yet despite this, and the agreement made at the highest level in Caricom, the unified passenger head tax was not achieved within the agreed time span. (St Lucia even aborted its decision to raise the head tax in 1994 according to the OECs decision.) Indeed, as has been seen, it has yet to be achieved.

Royston Hopkin, then president of the Caribbean Hotel Association, conceded in the wake of the row: 'The cruise ship lobby is very strong and the governments have been very weak. The cruise lines sweetened the governments who were not united. We gave our best shot, but by the time the heads of government got to it the three-tier system was introduced and this weakened our position.' The Caribbean's failure dismayed many sections of its tourist industry. It demonstrated the inability of the region to take a unified stand and also showed just how powerful the cruise industry's grip was.

Peter Odle, then president of the Barbados Hotel Association, was another aggrieved hotelier. 'I was against cruise ships from the beginning,' he said. 'The Caribbean will not realise the cruise business is a disservice until it's nearly too late. The cruise ships are using our most precious asset - the sea - polluting it like hell and not making any significant contribution to our economy. And instead of taking a firm stand, the governments are all over the place; there is a lack of political will.' Similar sentiments were expressed by Allen Chastenet, a former Director of the St Lucia Tourist Board: 'If anyone is sucking the Caribbean dry it is the cruise ships.'

A further row developed in 1997 when the Organisation of Eastern Caribbean States, representing seven islands in the eastern Caribbean, decided to impose an environmental levy of US$1.50 per capita on all visitors, including those from the cruise ships, entering its member countries. The fee would help pay for a waste management project, partly financed by the World Bank and aimed at improving the collection of waste from sources such as cruise ships. The Florida-Caribbean Cruise Association objected, saying that its ships had 'zero discharge' and that each vessel 'usually' had 'about US$10 million worth of waste disposal facilities, including incinerators, pulpers and compactors'. It argued that an across-the-board levy was not needed. Finally, the FCCA agreed to pay. It was a rare victory for regional unity.

The CTO has continued to take the position that Caribbean governments have the right to take action to make the competition between land and sea tourism more equitable. On the other hand, it has also recognised that the Caribbean doesn't hold many cards in relation to the cruise industry. 'The cruise lines have the ability to move their ships and they do move them when they are not happy,' said Jean Holder in 2000.

From the shore, foreign cruise lines are seen as having built-in advantages over land-based tourism - which generates greater local revenue and employment per passenger - and these advantages are used, it is argued, at the expense of the Caribbean, in a particularly rapacious manner.

Despite the row over head taxes, cruise ships do not pay as many taxes as the land-based industry, where taxation either doubles the price of many purchases or restricts the hotelier to buying regional products only. Hotels must also pay corporation tax and casino tax profits. In contrast, cruise ships are seen as moveable feasts which sail away into the sunset, their bars and casinos untaxed. Secondly, raising money to build hotels is problematic even though construction work employs local labour and supports local financial institutions. In contrast, cruise ship contracts go to overseas shipyards largely in Europe, where long-term, low-interest loans are also available. Thirdly, more and more hotels are now owned by Caribbean nationals; no cruise ships are owned by Caribbean nationals.

The contrast continues. Caribbean hotels provide jobs for locals, with work permits required for the employment of non-nationals. Cruise lines operating in the Caribbean, on the other hand, are free to employ whom they wish. Their ships are not registered in the United States, their home base, but use flags of convenience to avoid its labour laws, taxes and regulations. Thus, as the president of the Carnival Corporation, whose ships are registered in Panama, wrote in his book, Selling the Sea: 'Of course, ships registered in these flag-of-convenience nations pay lower wages and taxes on an aggregate basis than those registered in the United States (or Norway or Italy for that matter). But that makes it possible for them to offer cruises at a much lower cost than if their ships were registered in countries with restrictive hiring policies.'

Many lines employ European officers, with North American and western European staff in areas like business and entertainment, supported by a Third World crew. Around 50 countries may be represented as cruise employees. The officers on the Carnival's Fantasy, for instance, are Italian, while what is called its 'international' crew is drawn from Latin America, India and the Philippines. Crew members, often from the poorest parts of the Third World, are paid
low wages, labour in shoddy working conditions and endure an authoritarian management code, according to a 2002 study. ‘Conditions for workers below deck haven’t improved in decades,’said Tony Sasso, a Miami-based inspector with the International Transport Workers Federation. ‘Many are reluctant to come forward and complain. To most people, workers on cruise liners are nonentities. They have an almost invisible existence.’”

In contrast, work in the land-based industry may seem more attractive with many employees being paid union rates and enjoying trade union representation. This may be one reason why so few Caribbean nationals have jobs on cruise ships. Meanwhile, other nationals – from the Philippines or Bangladesh, for example – find the wages better than at home.

The proportion of Caribbean products purchased by cruise lines also remains small. Caribbean supplies to the cruise industry are estimated at between one and five per cent of total requirements. According to the FCCA, member cruise lines spent US$51.2 million on Caribbean supplies in 1993. Technical inputs such as petro-eum products, parts and chemicals represent US$30 million (59 per cent of total expenditure), while handling services such as warehousing and stevedoring at ports account for US$7.1 million or 14 per cent of total expenditure. Just over a quarter of the cruise lines’ expenditure in the Caribbean was on food and drink (US$13.8 million), of which half was on beer and liquor. Foods included fruit and vegetables, dairy products, bread, water, spices, seafood, coffee and sugar. If this figure is at all accurate, only US$6 per passenger was spent on food and drink grown and produced within the Caribbean.

The list of significant Caribbean suppliers is short: Bico Ice Cream and Pine Hill Dairy, both of Barbados; Dominica Coconut Products; Commonwealth Brewery of the Bahamas; Tropical Beverages of Trinidad and Desnoes & Geddes; Red Stripe Beer, Jamaica. Toilet paper from Trinidad and Tobago also joined the list after what the managing director of Savvy Traders Ltd called ‘a long and frustrating battle’. The result is that not only are most cruise supplies bought from US companies, but that fresh produce from outside the region is also flown or shipped into the Caribbean during a cruise. Thus, in one ridiculous example, a barge from Venezuela filled with bananas was seen to supply the cruise ships in St Lucia, one of the Caribbean’s major banana producers.

Since the tax row, however, the FCCA has been seen to play a more sensitive role. There have been opportunities for purchasers and Caribbean producers to talk to each other at trade shows and conferences. Such meetings, said the FCCA, enabled these companies ‘to strengthen their contacts within individual cruise lines, make new contacts and learn from other successful suppliers of cruise lines.’

The difficulties (quantity, quality, regularity of supply, delivering on time) faced by Caribbean producers are similar, and even greater, to those they face in supplying the land-based industry (see Chapter Three). In a commitment to high standards, the cruise lines make tough demands on their suppliers. Part of the RCCL’s mission statement, for example, pledges ‘to locate, buy and deliver the highest quality of specified goods and services at the fairest overall cost possible in a timely manner.’ The supplies must be competitive with products from Hong Kong and Taiwan; they must be on time and they must be delivered in an appropriate condition. They must also fit US tastes. According to RCCL’s head of purchasing, American cruise passengers expect steak from grain-fed cattle and brand-familiar products, such as yoghurt and cereal. Such demands are beyond most Caribbean producers.

From this low base, selling Caribbean goods to the cruise lines has proceeded painfully slowly. It began in the early 1990s with a CTO initiative which, according to Jean Holder, brought together the Caricom Export Development programme and cruise lines to discuss their needs. Even the successful and efficient Dominica Coconut Products, now a Colgate-Palmolive subsidiary, took three years to sign a contract with the RCCL to supply three million bars of soap a year. Most producers and tourist boards have been only vaguely aware of the needs of the cruise lines and even less able to deal in the quantity and the quality required. The small scale of many producers and the lack of developed regional exporting and marketing groupings have further limited the opportunities.

One successful link-up between producers and cruise ships shows just how small – and rare – are such occasions. In 2001 up to 10,000 tons of tomatoes from St Kitts-Nevis found their way each week onto the dining tables of Royal Caribbean International ships. The contract was the result of collaboration between the producers, shippers, cruise lines and the Republic of Taiwan’s agricultural mission on St Kitts-Nevis. It was trumpeted as a major achievement, with further opportunities for other crops to reach the cruise shippers sometime in the future.

Yet the cruise lines have always made it clear that servicing their ships is ‘no easy task’ and ‘cannot be taken lightly’. ‘This is a very
price competitive business, often with very little differentiation in price. The key difference is who has what we need and who can deliver it 100 per cent accurately,’ said the director of purchasing for Carnival Cruise Lines in 1998.

Despite what appears to be an uneven match between sea and land tourism, regional governments continue to give the cruise ships their blessing, boasting of the increase in passenger arrivals over the years. Responding to the needs of bigger ships, for example, the Fitch countries have to expand and improve port facilities. The FCCA is in no doubt as to its requirements: ‘Ports must be welcoming, modern and comfortable in order to effectively accommodate upwards of 3,000 “guests” and crew arriving at the same time. Services must be first-class, and ground excursions must be efficient, dependable, and offer visitors the best of the destination,’ is the FCCA’s line. In an article, ‘Keeping Up With The Megaships’, it continued: ‘When the passengers disembark they should receive the same seamless attention and service that they do on board the cruise ship.’

The ships tie up at ports which have been especially deepened, widened and modernised by local governments. To be able to offer a home porting facility (using a cruise destination as an arrival and departure point, as in San Juan, Puerto Rico, for example) is another reason behind port improvements. But San Juan has faced criticism from the cruise industry. While Puerto Rico had spent money on land-based facilities, similar developments had not taken place at the port, the FCCA complained. The cruise industry had been treated with ‘an astonishing indifference’ with the infrastructure lagging behind the needs of the ever-increasing size and numbers of cruise ships and San Juan had become ‘unappealing’. This remained the case until early in 2001 when a new administration had, according to the FCCA, decided to stop the drift to indifference and to begin a ‘new wave of investment’ for all those future cruise ship visitors.

This sort of criticism from the FCCA makes both old and new cruise destinations scramble to invest millions of dollars on new facilities. In the eastern Caribbean, all the islands have sprung into action to improve their cruise facilities. Dominica spent US$28 million on a new dock extension at its Roseau port and a wharf and terminal building at the Cabrits, a national park on the north of the island, to boost its cruise ship arrival figures. The facilities opened in 1991, and in that year alone cruise arrivals increased from 6,800 to 65,000. St Kitts, too, has sought to expand its cruise business. In 1994, a US$16.25 million loan agreement was signed with the Bank of Nova Scotia to construct a new cruise ship berth, separate from the dust and cargo of the old port. In 2002, it opened later than planned, the construction twice having been demolished by hurricanes. In 1995, St Vincent also announced a cruise ship berth development at its capital, Kingstown, to be funded by the Kuwaiti Fund and the European Investment Bank. The latest destination to publicise a major upgrade of what is called its ‘cruise-tourism product’ is the US Virgin Islands. A US$30 million expansion of its second pier was announced in 2002. ‘If it is not built, St Thomas, which is now number 4 in the world in cruise ship destinations, within a decade will drop to number 10,’ said Gordon Finch of the Virgin Islands Port Authority.

Even larger islands with established cruise ship facilities sometimes have to run to keep up. The logistics of providing such facilities and service for these mega-ships is an enormous challenge. Ocho Rios in Jamaica, a popular cruise ship destination, was, by the beginning of the 21st century, considered to have an inadequate port for the forthcoming mega-liners. A lack of cleanliness at St Vincent’s capital, Kingstown, and harassment of visitors led to cruise cancellations; similarly, the Princess Line decided to drop Jamaica from its itineraries in the 2001 to 2002 season citing ‘very poor comments from visitors’. The Caribbean is constantly addressing such problems – many of which require massive investment to overcome. It’s not easy being a host to the cruise ship industry.

**Big Spenders?**

The cruise lines also have another winning card: their very own islands. Cruise lines can reduce the number of days in port by buying or leasing their own island or by anchoring off a deserted stretch of beach. As Caribbean Travel News noted: ‘Increasingly, the trend is for cruise lines to go one step further from taking their passengers around the Caribbean islands – and to give them one all to themselves.’ This policy was begun in the early 1980s by Norwegian Cruise Line, which owns Great Stirrup Cay in the Bahamas, now ‘remodelled’ with a wider beach, a barbecue area and water sports. A key point is that the island is uninhabited. Holland America’s 1997 brochure about Half Moon Cay, also in the Bahamas, paints an appropriate picture for the cruisers. ‘Half Moon Cay recalls the idyllic Caribbean of 30 years ago. There are no hassles. It’s just you and a balmly island with a white-sand beach, coral reefs and a clutter-free arrangement of attractive facilities.”
designed for casual roaming.' One inference is that it's desirable because it has no inhabitants – no needy locals to get in the way of the fantasy. By the end of the 20th century, six out of the eight major cruise lines operating in the Caribbean owned their own private islands.31

On these islands, the cruise lines show off their private beaches, where what is called 'cruise-style service' is on hand with barbecue and bar provided by cruise staff. Princess Cruises owns Princess Cay on Eleuthera, Bahamas, (For total tropical tranquility, it's hard to beat this land of Lotus-eaters) and Saline Bay, Mayreau, in the Grenadines ('every castaway's first choice'). The RCCL owns Coco Cay, also on the Bahamas, and leases Labadee in Haiti, an isolated promontory on the north coast where tourists spend a day on a beach surrounded by a high wall patrolled by guards. When cruise lines create their own version of paradise, they avoid port fees and passenger head taxes while protecting their customers from the less than paradoxical reality of much Caribbean life.

Desert-island days, days at sea, island tours booked through the cruise ship: all are ways in which cruise lines can persuade customers to buy their services and thereby control the quality and quantity of the holiday experience. Another way is to attract customers to spend money on board in the shops, boutiques and bars, available at all times (except when the ships are in port) and often at competitive prices compared to goods sold on land. The Princess Line brochure states: 'There's no need for you to be in port to go shopping. Both Canberra and Sea Princess carry a remarkably comprehensive selection of goods...' As an Economist Intelligence Unit report on the Caribbean pointed out: 'On board shopping, which by definition is duty-free, is being promoted increasingly aggressively as a means of maximising their share of a passenger's overall holiday expenditure.' This continues to affect the land-based duty-free outlets, which find that the outlets on the cruise ships can outbid them.

The Fantasy of Carnival Cruise Lines is a typical giant cruise ship that provides its customers with just about everything they could desire. Sailing out of Cape Canaveral bound for Nassau and Freeport, its 2,634 passengers have paid as little as US$249 in 2002 for a three-day cruise. It has two dining rooms, nine bars and lounges, including Cleopatra's Bar (decorated with hieroglyphics and Egyptian statuary) and the Cat's Lounge with its tables in the shape of bottle tops and the cats' eyes glinting from the ceiling. There is a casino and concert hall for 'Las Vegas style revues', and 1,022 'accommodation units', most of which convert to 'king-size beds', while 28 have bathtub whirlpools.

There are three outdoor swimming pools, a 500-foot banked and padded jogging track and a health club. The belly of this gleaming ship boasts two glass elevators that surround the Spectrum, a twirling lump of coloured geometric kitsch.

The cruise industry continues to introduce more elaborate and more unusual attractions in its ships. Appealing to a broader market of cruisers – away from the stereotypical image – cruise ships have introduced ice-skating rinks, rock-climbing walls and basketball courts. No Caribbean island can compete with such an array of delights.

'This is a tremendously dynamic industry. It's great value for money; everyone can afford a cruise. Everything is done for you and the marketing is tremendous. The passengers see the ship as the destination,' claimed Robert Stegina of the Fantasy. Or as a Carnival spokesman said: People do not come to us to visit the Caribbean, but to be on our boats.35 If this is so, what then is left for the land destinations? How much do customers spend on land if the ship becomes the economic centrepiece of the holiday?

Cruise lines argue that they make a major contribution to the economic well-being of the region. Their reasoning is affirmed in periodic reports commissioned by the FCCA. The Economic Impact of the Passenger Cruise Industry on the Caribbean, for example, drew its material from surveys of passengers and crew undertaken in the first quarter of 2000. It reported that passengers and crew accounted for a total annual economic impact of US$2.6 billion throughout the Caribbean of which US$1.4 billion was in direct spending and US$1.2 billion in indirect. It estimated that a typical ship, carrying 2,000 passengers and 900 crew members generated almost US$259,000 in passenger and crew expenditure during a port visit. In a survey of 10 ports, average spending per passenger per call totalled US$104 ranging from US$173.24 in the US Virgin Islands (USVI) to US$53.84 in San Juan, Puerto Rico. Crew members spent an average of US$72 per port and were similarly most attracted to goods and services in the USVI. Other figures showed that cruise-related indirect expenditure generated 60,000 jobs throughout the Caribbean.36

The CTO's own figures for passenger spend at various ports in 2002 shows a different pattern. The USVI scored highest in passenger spend, with an estimate of US$260.77. At the bottom of the CTO's scale is St Vincent with a passenger spend of US$15.36. Whatever the statistics, most of passenger on-shore expenditure went on duty-free shopping, with much less on tours and attractions and little on food.
In 2000, however, the CTO reported on ‘the gradually increasing economic contribution from the cruising sector.’ It commented that while cruise passenger expenditure was just under 6 per cent of all visitor expenditure at the beginning of the 1990s, this had increased to 12 per cent in 2000. Statistics threw up an infinite variety of claims in that decade; the EIU similarly plumped for a total cruise ship contribution of 6 per cent in 1990. The Bahamas, the largest of the cruise destinations, put the industry’s contribution at 10 per cent in 1993, while Jamaica’s 1994 OAS report concluded that cruise ship passengers contributed only 3.6 per cent of tourist expenditure, ‘more than a quarter of which was for goods at in-bound stores which contribute little to the economy.’

* Big Business

Conflicting statistics, major leakages of spending, especially of duty-free goods, and a generally low contribution to the overall income generated by tourism in the Caribbean are themselves indicators of the economic limitations of the cruise industry. But even more fundamentally, who earns the money spent by the cruise industry? Who benefits from the government’s expenditure on port and shopping facilities and such expenses as extra police security?

The cruise ship disembarkation points, with their car rentals, taxi services, helicopters, and tour-operator booths all under one roof, are largely controlled either by transnational chains, by local elites or by established expatriates. These groups make private contracts with the cruise lines to act as their agents; they also own many of the retail outlets.

The Bridgetown Cruise Terminal, for example, which opened in January 1994 is a joint venture between the port authority, three local companies (Cave Shepherd, Harrison’s and Beer & Beverage Ltd) and the public (25 per cent of the shares). Its financial structure was criticised by commentators including Professor Hilary Beckles of the University of the West Indies at Cave Hill, who commented: ‘Those three companies have used their position to franchise to the duty-free outlets. They have restructured the white corporate structure of Broad Street [the capital’s main shopping area] and duplicated it at the cruise terminal.’ Indeed, there are replicas of local streets and a chattel-house village - all accessible without leaving the terminal. While the chairman of the Port Authority, Edmund Harrison, denied any such monopolisation of the terminal, opportunities for the smaller entrepreneur appeared to be limited.

The extent of the interlocking of interests between cruise ships and local big business at the expense of local small business is at the heart of the debate about the cruise industry’s economic contribution to the region.

Complaints by small businesses in the Cayman Islands, for instance, illustrate this issue. Some years ago, taxi drivers, watersports businesses and tour operators threatened to hold demonstrations against cruise ships if their grievances were not addressed. The main complaint of the Committee against Cruise Ship Abuse of Local Watersports/Taxi Owners was that cruise lines pre-booked passengers on island and watersports tours with a few, foreign-controlled companies. ‘Small operators like us do not have the financial resources, marketing infrastructure or contacts to approach the cruise lines in Miami,’ said the committee’s chairman, Ron Ebanks. Cruise passengers were charged US$30 by the cruise ships for a snorkelling trip that was minutes from the cruise dock, where equipment could be rented at the site from local suppliers for US$8. Ebanks also charged that cruise ships told passengers not to use local taxis but to take a tour sold on board.

There have been similar complaints from small retailers in Nassau and Freeport in the Bahamas, where T-shirt sellers claim that cruise ship staff accompany cruisers on shopping trips, recommending certain stores which pay for advertising space or are big enough to offer concessions. The retailers allege that shopping is controlled by the few large outlets which have made financial deals with the cruise lines.

Such difficulties, together with occasional insults and patronising behaviour from some cruise officials, have further reinforced suspicions that the cruise industry is a foreign-controlled body that seeks to make deals to its own advantage rather than in partnership with the Caribbean. While the immediate bitterness sparked off by the tax row has simmered down, even the CTO’s diplomatic Jean Holder remarked that while some cruise lines seek a partnership in cooperation, others ‘seem to see the Caribbean simply as an area of exploitation for profit.’

On the other hand, many of the islands now have a population that has come to depend on the cruise ship visitors. In Dominica, for example, where by the end of the 1990s the banana industry was in disarray, many people in the informal economy had turned to finding
a source of income in tourism, and, in particular, the cruise ships. The
CTO recorded average spending per cruise visitor to Dominica of
US$277.70 in 2002, the third lowest of all reported destinations after St
Vincent and Grenada. During the tourist season, four boats a week tie
up in the capital, Roseau. Across the road, at the converted old market
place, vendors' booths are crammed together selling craft that varies
little from one booth to another. If the tourists only buy sporadically,
it is better than nothing and 'better than staying at home', according to
one vendor. For other vendors, like the Rastafarian who sells
attractively printed T-shirts and incense sticks, every little dollar
counts as it does for the women who provide the ice for the vendors
at the entrance to one of the island's main sites. Whatever the tourist
buys, however little, makes a difference.

Whatever the temperature of the relationship, cruise companies
remain fierce and powerful competitors. They also spend large sums
promoting themselves. Behind the campaigns is the 'concept', spelled
out by Bob Dickinson of Carnival Cruise Lines when he listed six
aspects of the cruise 'product' which, he said, were superior to a land-
based holiday: value for money; a 'trouble-free' environment;
excellent food; the 'romance of the sea'; superior activities and
entertainment; 'an atmosphere of pampering service.'39

These factors are emphasised in cruise advertising, a constant
presence on North American television and in magazines and
newspapers. Indeed, cruise ship brochures dazzle with descriptions
of a life of luxury on board. As the FCCA's executive director, Michelle
Paige, told Caribbean Week, the passengers require excellent service on
land because they are accustomed to the high standards on board. The
Caribbean, she said, 'could do a better job of providing a better
service.'40

The Princess brochure, for instance, exudes self-congratulation
and pampering includes a 'fluffy white bathrobe' and 'delicious petit fours
to welcome you to your cabin and a foil-wrapped chocolate left on
your pillow each night.' Then there is the gala buffet, which, according
to the same brochure, is an 'ingenious display of gastronomic artistry
that's a tribute to the skills of ice-carving and sugar-sculpture... But
for sheer flamboyance, nothing can match the Champagne Waterfall,
a glittering pyramid of 600 glasses with bubbly cascading from top to
bottom. Magnifique! And the perfect introduction to the night ahead.'41

Such flourishes have little to do with the Caribbean but if the ship
is the destination, the Caribbean itself loses relevance except as a
vague and shimmering backdrop. Or, as Carnival's Bob Dickinson
put it: 'The limited number of countries and ports offered is not a
deterrent to Carnival customers; after all the ship is the attraction, not
the port of call.'42

Both the covert message of the cruise industry and its upfront
promotional material compare cruise tourism favourably to land-
based tourism. 'Should anyone be in doubt that the cruise ships are in
competition with us, the attached photocopy of a Royal Caribbean'
advertisement should set their mind at rest,' was the curt memorandum
sent by John Bell, executive vice president of the
Caribbean Hotel Association, to his board of directors and member
hotel associations. The advertisement was headed 'Why A Hotel
Should Be Your Last Resort', and the introductory blurb began:

There's not a lobby on earth that can stack up to the Centrum on a
Royal Caribbean ship. Now compare all that a Royal Caribbean
cruise offers versus a typical resort and you'll stop pretty quickly.
There just is no comparison... A Royal Caribbean cruise ship is a
resort of the very first order. Choosing anything less should be your
last resort.

The cruise lines combine that sort of aggressive promotion with a
hard sell system to retailers. Nearly all cruises in the US market are
sold through travel agents who are visited by armies of sales
representatives. The commission on sales paid to the agents tends to
be higher than that paid for hotel-based holidays. At the same time,
the cruise business has been discounting, anxious to fill the berths
and so maintain its high occupancy rates. Carnival's pricing strategy is
budgeted for an amazing 100 per cent occupancy, which means that
prices can be kept down. Caribbean hotels are unable to respond.

While some cruise analysts have pondered the wisdom of the
rampant expansion in ships and berths, the big cruise lines continue to
report healthy figures. In the third quarter of 2002, for example,
Carnival announced profits of US$500.8 million. Increasingly the giant
lines are becoming an oligarchy as economies of scale push out the
smaller operators. The third largest cruise operator in 2003, P&O
Princess Cruises, was discussing a merger in 2002: this would make it
the biggest single cruise line overtaking Carnival Cruise Lines - with
its 43 ships and five in construction (at an estimated value of US$3.2
billion).

And the passengers, mainly American, keep on coming, and no
longer just the old and the rich. The market is changing: the young are
being targeted by advertising and are responding. Cruises now attract
honeymooners and families, and other ‘niche’ markets; there are conference cruises, theme cruises around sports, music and education and so on. The populist Carnival Cruise Lines announces in its on-line information that around 30 per cent of its passengers are under 35, with 40 per cent between 35 and 55 and 30 per cent over 55.

The cruise lines argue that they market the Caribbean as well as the ship. A cruise, they say, provides an introduction to the region, a floating showcase for the charms of the Caribbean. One study suggested that up to 25 per cent of stayover tourists had first sampled their holiday choice from the rails of a cruise ship. Another survey indicated that 40 per cent of cruise passengers would like to return to the Caribbean for a land-based holiday.

The Caribbean often misses opportunities to entice cruisers back on to dry-land holidays, say the cruise lines. According to the FCCA’s Michelle Paige, destinations do not package themselves as well as they could or advertise their attractions. ‘If we don’t make the passengers feel comfortable, they are going to get right back on the ship.’ The FCCA’s 2000 survey also asked the tourists whether they would be likely to return to 10 named destinations on a cruise or on a land-based holiday. The answers showed that the passengers were more likely to return on a cruise. Between 59 per cent (Bahamas) and 90 per cent (USVI) of passengers wanted to return on a cruise. Only Jamaica and the USVI (and Cozumel in Mexico) scored above 60 per cent as places where the passengers would be likely to return as stayover visitors, with only 39 per cent, for example, likely to return to St Kitts. The CTO’s strategic plan of 2002 calls for an increase in the conversion of cruise ship tourists to stayover tourists.

Possibilities of partnership, stressed by both the CTO and the FCCA in their more conciliatory moods, have begun to be explored in marketing, employment strategies, sourcing and so on. There is also much talk within the region of a more concerted approach towards the unresolved problems presented by the cruise industry. These more conciliatory tones, perhaps born of desperation, were made official at the end of the Caricom tourism summit in 2001 when a further attempt to ease the tensions between the sea and land industries was launched. A Caribbean cruise committee, co-chaired by the tough-talking Paige and the equally robust figure of Butch Stewart, was formed in an attempt to promote ‘effective collaboration’ and to maximise benefits to the region.

Yet the introduction of some sort of licensing system for cruise ships in which contracts and guidelines would be observed on both sides, seem far away. In the meantime, the cruise lines are often perceived as using the Caribbean islands as a chain of low-charge parking lots, coming and going as they see fit. The problem is that without them there would be more hardship and less opportunity for those hundreds of thousands of people who watch for the great white whales to appear over the horizon each morning.

Of course, the cruise lines are not the only users of the Caribbean Sea. There is a growing group of tourists who also use the sea as the focus of their holiday for water-skiing, surfing, windsurfing, fishing, sailing, diving or snorkelling. Fishing and sailing, chartered and bareboat, remain the up-market pursuits. Fishing, in particular, has been a sport for tourists from the early days, and it remains particularly popular in the Bahamas where record catches are made in deep-sea game fishing, while in the shallows fishing for barracuda and bonefish is popular.

The British Virgin Islands, one of the region’s largest watersport destinations, stresses the attractions of its unspoilt islands and cays. ‘One can imagine no better holiday for a fisherman than cruising in a motorboat among the islands, with a tent for shore at nights, with food and conversation enriched from the day’s catch,’ enthused a circular from the West India Committee in 1921. Then, there was no mention of sailing, but by 1958, McKay’s Guide mentioned that the islands had ‘wonderful sailing in the waters off their coasts’ and advised: ‘With time on your hands in St Thomas and a liking for the sea, you couldn’t do better than to charter one of the many boats available for the purpose, and cruise among these islands for as many days as you can spare.’ Ten years later, another guidebook commented that ‘this part of the Caribbean is becoming known as a yachtsman’s paradise.’

The British Virgin Islands has forbidden obtrusive development, but encourages marinas and luxury secluded resorts. The main focus of development has been the yacht charter business, which began in 1967. There are now more than 500 yachts for hire out of the British Virgin Islands, which makes it one of the largest bareback charter fleets in the world. Charter yacht tourists outnumber hotel tourists and spend more money than them. Much of the business is in flotillas where beginners in groups of 12 to 15 sail in small dinghies under expert supervision.

Modern-style marinas now dot the Caribbean, hang-outs for a largely young, American clientele, who pay handsomely for a week’s charter. For the yachties, the Caribbean is the fashionable place to be in the winter months, when the sailing elite of the world converges on
Martinique after the Route du Rhum transatlantic run or St Lucia for Christmas following the Atlantic Rally for Cruisers. The regatta season then moves on to St Maarten, Puerto Rico and the Virgin Islands before ending in April with Antigua’s Sailing Week at English Harbour, where Nicholson’s Yachtyard, an expatriate stronghold, was one of the first charter bases in the Caribbean in the 1940s.

Marinas are big business and Jamaica has a new project on hand: a marina at Port Antonio, one of the oldest tourism locations in the Caribbean. Promoted as a ‘mega yacht destination’, it will, according to the Port Authority of Jamaica, ‘compare favourably with any waterfront tourism development in the world.’ It will accommodate a range of craft from ‘boutique’ cruise ships to the mega yachts of the mega rich. The argument is that Port Antonio will benefit from such up-market visitors. ‘The last yacht that came here for a week bought £670 worth of flowers every day,’ said Noel Hylton, the president and chief executive of the Port Authority. The opportunities for linkages into the local economy are there.

Fishing, sailing and windsurfing tourists are different from the beach-based tourists. They tend to be more up-market, and traditionally were socially and racially select (in an island like Barbados, this is still the case). However, at another level, they are more informal than other tourists. On Bequia, for example, the yachting, who cultivate a lotus-eating manner, hang around St Elizabeth Bay and its bars, owned by barefooted expatriates. While the tourist establishment eyes the boat people with some suspicion (they may be rich but they are scruffy), the yachts themselves appear less affronted by authentic Caribbean life than nervous package tourists. And they can make a significant, and direct, contribution to island economies, depending on local suppliers for provisions. In many cases, farmers supply direct to sailors at the marinas. In the British Virgin Islands two types of trading go on. There is the merchant who supplies the flotillas with fruit and vegetables from the US, shipped in on containers from Florida. The alternative is to buy from individuals who provide Caribbean fruit and vegetables to the more discerning boat captains and owners from a boat-to-boat shop. In Grenada, a small farming cooperative relies on business with sailors for its success and expansion (see Chapter Three) while for the yachting at the uninhabited Tobago Cays in the Grenadines, young men from Union Island arrive by boat to sell whatever service is required.

Much of the ownership of watersports business, however, remains in expatriate hands. This is partly because of the capital expenditure involved and partly because of the ambivalent nature of the relationship of Caribbean peoples to the sea. While the sea is all around them, and while as fishermen and boatbuilders they are linked to it, they have not traditionally seen it as a place to be exploited for sport. Hence, watersport tourism has originally been run by and for white foreigners; with some exceptions this remains largely the case, along with such subsidiary businesses as ships’ chandlers and marine supermarkets.

In the watersports business, outsiders dominate both as employers and employees. The yacht charter owners tend to give jobs to other expatriates, often well-connected young men who spend the winter seeking work around Caribbean marinas. So says Jeremy Wright, who owns Boardsailing BVI and is chairman of the Caribbean Windsurfing Association:

My business employs outsiders due to the skills required in looking after the tourists who arrive with differing abilities. I occasionally employ locals yet find that they generally do not get that excited in the teaching and the beach operation side of things. This is the opposite to the outsider who, of course, loves the chance to work in this environment.

Diving and snorkelling have also emerged as an important niche market, for the Caribbean has some of the best diving in the world. Islands like Bonaire and the Cayman Islands, for instance, are both long established and have promoted themselves almost exclusively as dive destinations. New destinations, such as Dominica, are also beginning to gain reputations.

Divers, like yachtsmen, are adventurous, relatively wealthy and, most important, conscious of the environment. In the Bahamas, the Exuma National Park, administered by the Bahamas National Trust, has developed a ‘support fleet’ of yachtsmen, who each contribute US$30 a year to its upkeep. Nick Wardle, of the National Trust, says that the wellbeing of the Park, the first in the Bahamas, relies on goodwill and that the scheme is a strong replenishment exercise. ‘The Park is remote; we want to keep it like that. No one is allowed to take anything from it.’ The Exuma National Park has become a model of its kind and prompted the Bahamas government to announce the protection of 20 per cent of the Bahamian marine ecosystem in 2000.

The Caribbean Sea is the resource of all who use it. Yet it is under threat from a range of environmental problems, from dumping to sewage disposal and the destruction of reefs (see Chapter Five), and
all its users, whether cruise ships or jetskiers, are to some extent to blame. The only way to regulate the operations of cruise ships and to protect the marine environment would be to create regional regulatory bodies embracing every state. The CTO has, on many occasions, appealed to the region 'as a matter of urgency' to put together a joint environmental plan to regulate behaviour, enforce regulations and punish offenders. Other organisations have also called on the region to establish a body to safeguard the marine environment.

Meanwhile, the use of the Caribbean Sea for transporting nuclear waste has made the region even more aware that its waters are a vital component of its patrimony. As Jean Holder points out, the Caribbean has 'few resources left which give us any real bargaining power.' One of those is the Caribbean Sea.

NOTES

1. Caribbean Tourism Organisation, 2002
6. Ibid
8. Travel Trade News Edition, 7 June 1993
9. Jean Holder, 'Getting the Most from Cruise Tourism in the Caribbean', address to conference at Coopers Lybrand International, Barbados, 1993
10. Ibid
11. Caribbean Weekly, Barbados, 26 June 1993
12. Ibid
13. Holder, op. cit.
15. Ibid
16. IPS agency, November 2000
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21. Edward G. Bollinger, Vice-President of Purchasing, Properties and Logistics, RCL, address given to the CTO, San Juan, Puerto Rico, 9 July 1992
24. Caribbean Cruising, Second Quarter 2002
25. Caribbean Cruising, Fourth Quarter 2001
26. The Democrat for St Kitts St Kitts, 26 March 1994