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SECOND HOME TOURISM IN RURAL TOBAGO- THE PERCEIVED SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS

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ABSTRACT

Despite the growth of Second Home Tourism (SHT) in Tobago particularly over the past 2 decades, there remains a lack of research about the nature or effects of such. Based on the acknowledgement of this phenomenon, this thesis is likely the first step towards investigating the matter at a local level. The study seeks to examine the perceptions of SHT within local communities, through the use of a sustainable tourism framework (perceptions as they apply to environmental, social and economic effects). The methods employed include literature reviews; semi-structured, key informant interviews with island-wide stakeholders; and structured interviews with local residents and second home tourists in the villages of Castara, Englishman's Bay, Parlatuvier and Bloody Bay. Based on perspectives within these study areas, this research concludes that under its current operations, SHT provides substantial economic and social stimulation, with minor socio-cultural impacts and perhaps improves the environmental quality of the area. Perceptions are, however, recognized as only a small portion of the investigation necessary to determine the sustainability of any operation, and further empirical studies are therefore deemed necessary.

Keywords: Second home tourism, Tobago, effects, perceptions, sustainability

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1.0 INTRODUCTION

In today's global environment of increased wealth and disposable income, leisure time and cheap and accessible transportation routes, second homes have become a key component of the tourism and mobility industries (Hall & Muller, 2004). The widespread demand for recreational second homes over the past few decades extends throughout Europe, North and South America, and a host of other locations in between. Despite its large distribution, research into second home tourism is still lacking. The majority of research that does exist is based on the southern United States, the United Kingdom and the Mediterranean Coasts (Visser, 2003) while the minority is centred around Africa, Latin America and the Caribbean.

The small island of Tobago (located in the south east of the Caribbean archipelago) is one of those locations in which little research has been performed. Although the island utilizes high level marketing strategies to promote tourism, Second Home Tourism is not one of its identified niche markets¹ and, hence, is not subject to governmental research.

This situation perpetuates despite the fact that second home tourism development produces potential benefits to the local economy through increased spending and incomes where applicable. It may also encourage employment in real-estate, crafts and retail; foster the introduction of new ideas; encourage land use control and preservation; while conversely acting as a stimulant for increased wildlife disruption due to vegetation clearance; and increased levels of pollution (Hall & Muller, 2004). Even in the presence of the long list of potential effects and the obvious presence of recreational, second home owners throughout Tobago, little or no research has been performed on the socio-economic and environmental impacts, specific to the island.

1.1 Research Questions

Small island states are often considered to have few options for development owing to their small land masses and relatively fragile resource pools. While tourism is sometimes seen as a viable development option for less resource endowed islands, it must be properly managed to avoid environmental and cultural disruption and detriment to other sectors (United Nations, 1994). The effects and management strategies on each island are, of course, dependent on the type of tourism that is promoted in the community, the management strategies and the innate nature of the island and resources.

This exploratory thesis seeks to investigate the impacts of second home tourism in rural Tobago, within the specific case study area which entails the villages of Castara, Englishman's Bay, Parlatuvier and Bloody Bay. Marketed as the last un-spoilt island in the Caribbean, Tobago holds a plethora of appeal, particularly to non-nationals seeking a "simple" or "basic" way of life, rooted in community and natural surroundings. With little to no restrictions on land sales to non-nationals for

¹ Tobago's niche markets are identified to be dive, wedding/honeymoon, leisure, ecotourism and soft adventure, sports, cruise, festival and events and yachting tourism.

over three decades until 2007 (Key_Informant_1, 2010), an influx of second home tourists on the island has meant an influx of changes.

In the absence of scientific or government reports on the status of second home tourism in Tobago, the researcher deems an exploration of this complex subject necessary. As a starting point for such, this research seeks to delve into one aspect of the matter - the perceived effects of this activity on the local community. The thoughts and opinions of local residents and second home owners were sought, in an attempt to answer the following research questions:

Main Research Question

- What are the perceived social, economic and environmental impacts of second home tourism in the rural areas of Tobago?

To answer this question, the following sub-questions will be employed:

Sub questions

- What are thought to be the major economic impacts of this form of tourism at the community level in Tobago?
- How has the presence of second home tourists altered the social and cultural lifestyles of local residents?
- How, and to what extent, do second home tourists affect the natural environment?
- Based on perceptions, could this form of tourism be considered sustainable?
- How does legislation affect SHT and inherently, the local population?

1.2 Justification for Research

Statistics regarding managed, *mass tourism* and its core activities in Trinidad and Tobago are currently researched and reported by the Ministry of Tourism, through the Tourism Development Company (TDC) - a state enterprise of the Government of Trinidad and Tobago, mandated to develop and market Trinidad and Tobago's tourism product and improve the local tourism sector. However, much of these reports are statistical, and based on limited tourist characteristics such as country of origin, length of stay, type of accommodation ^[2] and purpose of visit.

Despite its prevalence, second home tourism has to date, not been investigated on any level by the ministry or its management arms. The situation regarding second home tourism on the island has yet to be defined. There are currently no official and publicly accessible findings regarding the number, type, or location of these tourists, nor any research conducted regarding the impacts of their presence. In the vast absence of this information, this thesis seeks to investigate some of the impacts of this form of tourism in rural Tobago. The perceptions of both local residents and second home tourists are believed to provide a valuable guide to these impacts, given their direct involvement in the activities.

Residents' perceptions are particularly relevant, given their major stakeholder role, and the belief that resident input and positive resident attitudes are essential for the long-term stability of tourism (Liu, Sheldon, & Var, 1987). Hall (2000) and Mowforth & Munt (2003) also highlight the fact that even though the views of local communities are rarely

heard, this is an important and perhaps basic starting point in achieving sustainable tourism development and planning.

1.3 Scope and Limitations of the Study

Due to a lack of documented and publicly available research in this area, this exploration of second homes in Tobago is being done with very little information, derived mainly from key informant interviews, local resident and second home owner interviews, and observance.

A lack of time and human resources has restricted information to a less in-depth level than would be otherwise achievable. As such, only a few issues were selected for investigation within a small case study area. This exploration is, therefore, not entirely thorough, neither necessarily representative of the situation in all of Tobago, as only a small number of issues and communities were examined. It does however aim to explore the situation as it pertains to the specific case study area, and to provide a basis for research into a situation yet to be defined.

Given their involvement and interactions with second home tourist activities, local resident and second home tourist perceptions are vital to elucidate the impacts of the activity in this subsection of Tobago. Based on the above, a small number of residents within the rural villages of North-western Tobago (Castara, Englishman's Bay, Parlatuvier and Bloody Bay) were interviewed to determine their concept of the impacts of second home tourists in their communities.

2.0 BACKGROUND

2.1 Tourism – The Global Industry

Tourism refers to “the activities of people travelling to and staying in places outside of their usual environment for no more than one year for leisure, business and other purposes not related to an activity remunerated from within the place visited” (The World Bank, 2008).

Over the last few decades, it has grown into one of the world's largest industries, accounting for approximately 7.6 % (almost 220 million) of total international employment and 9.5% (US\$5,474 billion) of global GDP as of 2009 (World Travel and Tourism Council, 2009). International tourism receipts in 2009 reportedly amounted to US\$942 billion in 2008 and US\$852 billion in 2009, with expenditure of over US\$46 billion occurring in Latin America and the Caribbean, and approximately US\$28 billion in North and Sub-Saharan Africa (United Nations World Tourism Organisation , 2010).

However, experts warn against the guise of tourism as a key driver for economic development and poverty reduction in the developing world. The UN Conference on Trade and Development and the UN environment Programme, have acknowledged that tourism comes with many hidden costs, particularly for developing countries that sometimes see tourism as a panacea to overcome poor socio-economic conditions (Pleumarom, 2009). Thus, while it can provide huge opportunities for resource-scarce countries, tourism is also capable of wreaking its share of harmful effects on the global and local environment, culture and society.

From a global perspective, perhaps the biggest threat posed by tourism is the release of harmful green house gas emissions associated with extensive land and air travel, and its implication for climate change. At the local level, the two main areas of environmental threats of tourism are pressure on natural resources and ecosystem damage (Neto, 2003). From a socio-economic perspective, it has been known to cause localised inflation and real estate speculation, while also potentially increasing crime and eroding culture (Hall & Page, 2006).

Alternatively, tourism is capable of eliciting a list of advantages such as local economic gains, creating job opportunities, infrastructural development, cross-cultural learning and environmental preservation in areas in which the natural environment is a major tourist attraction (Perez-Salom & Jose-Roberto, 2001).

The type and extent of such impacts are dependent on the goals of tourism development within the host community and form of tourism being offered. The era of mass tourism is slowly diminishing, while other new forms of tourism rise to take a part of its previous share- eco-tourism, alternative tourism and sustainable tourism are marketed as superior options for both the tourist and host community and environment (Mowforth & Munt, 1998). If managed responsibly, this “new” tourism could significantly reduce some of the negative impacts on host communities and work to increase benefits to local people and environments.

Another rising trend in tourism since the 1970s is the expanse of foreign real estate investment for the purpose of second home tourism. Such tourists purchase, lease or do long term rentals of residential properties, with the intent of multiple returns to the same destination. Depending on the context, second home tourists may spend as little as weekends in their holiday homes, or live in their second home for months on end. This type of tourism shall be expanded upon in Section 2.3.

2.2 Tourism in Trinidad and Tobago

The twin-island republic of Trinidad and Tobago is the southernmost country in the Caribbean - one of the most tourist intensive regions in the world. Despite its location, the country has historically been less reliant on tourism than its neighbouring islands. Collectively, the majority of national GDP is derived from energy and energy-related industries (oil, natural gas, ammonia and its by-products). However, when looked at independently, Tobago’s economy is driven largely by tourism and real estate (Tourism Development Company Limited, 2009).

The country’s tourism industry is currently in its growth stages, and according to the Central Statistical Office (2008), it contributes approximately 12.8% to the country’s GDP. In comparison, the manufacturing and energy sector (oil, natural gas, ammonia and its by-products) contribute 5.5% and 45% of GDP respectively (Tourism Development Company Limited, 2009). When the islands are analysed separately, however, Tobago’s earnings from tourism amounted to approximately 46% of GDP in 2005, highlighting the industry’s major influence on the island’s economy (Ibid).

Unlike Trinidad, Tobago remains largely unspoilt in the absence of heavy industry. As such, it has been able to secure its place in the Caribbean tourist market based not only on its distinct culture, but also largely on the natural resources of the island - its variety of flora and fauna and turquoise bays. Its niche markets include diving, weddings and honeymoons, leisure, ecotourism and soft

adventure, sports, cruises and festivals (annual Jazz Festival) and events (Great Race), which attract people the world over (Tourism Development Company Limited, 2009).

Despite the glaring reasons to invest in tourism in the islands, government policies have focused on the energy sector since the 1970s, while limiting and controlling tourism. However, under the current government's plans for the achievement of developed nation status by 2020, it aims to develop the tourism industry as a tool to reduce reliance on the energy sector (Ibid).

Part of the plan to achieve this, is to expand the current room stock in Tobago. As of 2007, of the 62,994 arrivals to the island, about 54.1% of these visitors stay in hotels, while 28.6% stayed in private homes and 7.1% used guesthouses when visiting Tobago. Approximately 18,000 visitors stay in private homes (Tourism Development Company Limited, 2009). These visitors have not been formally identified as second home owners or guests in private dwellings², nor as local or non-national. Precise information of the incidence of non-national second home tourism in the islands has therefore not been part of current investigations nor direct policy inclusions.

2.3 Second Home Tourism

Definitions

Second homes are often referred to under a myriad of names, including cottages, recreational, summer, and vacation homes. And while some authors identify different groups of second homes depending on their mobility levels (stationary, semi-mobile and mobile) (Hall & Muller, 2004), this research focuses on stationary, privately owned homes in rural Tobago, which are used primarily for seasonal migration during vacation periods.

Murphy, 1986, describes second homes very broadly as follows:

a privately owned dwelling which provide self catering vacations to its owners, as well as income to the host community. (Murphy, 1986)

Second home tourism is also difficult to define, and there is some debate about the issue. Hall and Muller suggest that such terms as residential tourism and summer migration are synonymous with second home tourism (Hall & Muller, 2004), while other authors such as Pedro (2006) disagree. Pedro suggests that the difference between second home tourists and residential tourists, lies in the length of time spent at the second home destination; trips which last under a year are considered to be touristic in nature, while those that last one year or above, no longer qualify as tourism.

Authors such as Cohen (1974) tend to agree with Pedro, and go further by defining tourists by non-recurrence to a single place. As such, Cohen argues that second home owners who return to the

² Although "private dwellings" are included in these statistics, Second homes are not explicitly differentiated private homes, to which tourists may be guests at.

same destination year after year can be considered to be marginal tourists at best (Girard & Gartner, Second Home Second View- Host Community Perceptions, 1993).

Jaakson R (1986) tends to disagree. His view is that “second home use is a normative type of tourism, characterised by recurrence” and that all forms of tourism may be characterised by some degree of recurrence. Second homes therefore cannot be disqualified based on the grounds that it is non-touristic (Jaakson, 1986). Furthermore, second home owners often participate in tourist associated recreational activities and hence contribute to the tourism industry (Girard & Gartner, Second Home Second View- Host Community Perceptions, 1993).

Given the lack of consensus on a definition for second home tourism and the second home tourist, the author presents the following definition for the purpose of this research:

Second home tourists refer to individuals:

1. who are owners or long term leaseholders of property,
2. who spend less than one year at the property destination,
3. who use funds generated outside the tourism destination,
4. who participate in leisurely or formal activities while contributing to sector stakeholders.

The Development of Second Home Tourism

Second home tourism is not a new phenomenon - it has existed in some form or fashion since the Roman times, when villas and spas were built outside many of the cities of the Empire (V.L. Smith, 1992). It also presented itself in other ancient societies where the house in the countryside was an exclusive asset for nobility (Coppock, 1977c; in Hall and Muller, 2004). Later on, second homes became more common in the 18th century in spa towns and coastal areas, where they were occupied seasonally as a way to escape busy city life (Lofgren, 1999 in Hall and Muller, 2004).

New means of transportation expectedly had a significant impact on second home tourism (Hall & Muller, 2004) as travel via the family vehicle, frequent trains and cheap air transport became available.

Today, second homes are common phenomena across the globe, with nationals and non-nationals alike taking leave from their primary residences to seek recreation in different parts of their own or other countries. Extensive research has been invested into this form of tourism in Scandinavia, the southern United States, the United Kingdom and the Mediterranean Coasts (Visser, 2003) to determine the various levels of implications of this form of tourism.

Prior research shows that second homes are typically purchased in order to achieve a lifestyle that is not afforded at a home owner's primary residence. The desire to be removed from the hectic nature of daily urban life - to “get away from it all”, is perhaps among the greatest attractions of second homes, particularly those in the country-side (Hall & Muller, 2004). It is for this reason that many second homes are typically located in the countryside, coastal or rural areas.

Present day Second Home Tourism

Today, with greater wealth spread across nations and fast and ready transport, second home tourism continues to grow, far exceeding that of the past. Having such a large presence increases the significance of impacts that these tourists will likely have on their social and natural environment.

In the United States, the US census of 2000 counted 4.5 million second homes which accounted for 3.09% of the US housing stock (Atkinson, Picken, & Tranter, 2009). In England, there are debates over the numbers: the Office of National Statistics reported 166,000 second homes, while Barrow estimated as many as 350,000, out of a total of 22.5 million homes in England in 2001 (Office of National Statistics, 2001) (Barrow, 2006). In addition to this, numerous Britons also have second homes outside of the country, particularly in France and the Caribbean (Barrow, 2006).

Even in 1997, when second home numbers were considerably less than today, Coppock had identified a number of problems associated with second homes in Europe and the United States. Among them is the dominating concern about social effects, similar to those in France in which weekend homes impose additional costs on local communes for refuse collection and other such activities, without providing any benefits in return (Parsons; Clout, 1974 in Coppock, 1977). Second home tourism are is also likely to result in: the input of new ideas into communities, the preservation of a traditional way of life and the unfortunate loss of cultural identity and limited access to recreational areas. Another effect for consideration is the potential for tensions among local and second home tourist groups as a result of differences in culture and even income disparities (Hall & Muller, 2004).

Additionally, major environmental concerns associated with second home tourism include wildlife disruption due to vegetation clearance, disposal of human wastes and aesthetic disruptions (Hall & Muller, 2004). Meanwhile, rising prices, land speculation (high risk land investment, aimed at re-sale at considerable profits) and squeezing first time home owners out of the housing market are widely acknowledged across the globe (Reilly in Coppock, 1977), (Hall & Muller, 2004).

The effects of SHT are likely to be magnified within a third world context in which such countries are more vulnerable to exploitation but also have more to gain from properly managed systems. While mainstream tourists typically stay within or close to the environmental bubble of their hotel compounds (Mowforth & Munt, 1998) wearing rose-coloured glasses to view their third world destinations, Second Home Tourists' long term stays result in higher integration with local communities. They are more likely to have an authentic experience with the community. They are also in a better position to make a valid contribution to sustainable tourism development, by supporting local community entrepreneurs as opposed to external investors often responsible for hotels and large touring companies. Likewise, in the absence of control mechanisms, the often fragile ecological, economic and social systems of these communities are more easily disrupted or destroyed than SHT destinations in other parts of the globe.

2.4 Second Home Tourism in Trinidad and Tobago

Non-nationals have been buying into the real estate market of Tobago for decades. At the point of repeal of the Alien's Landholding Act in 1990, the Foreign Investments Act No. 16, allowed for license free land acquisition by non-nationals. This lack of restrictions opened the real estate market to competitive foreign investors of all types, including those seeking to purchase property for residential holidays. Based on the research of Patricia Philips of Island Investments - one of the larger and renowned agents on the island - there has been an estimated influx of fifteen to sixteen thousand adult, second home tourists into Tobago within the last 18 years. These sales to non-nationals for residential purposes account for approximately 40 to 45% of all land purchases.

The majority of these individuals tend to settle in the south west of Tobago, in areas from Plymouth, to Crown Point and Bacolet which provide quick access to the city, as well as the predominant laid back lifestyle of the island. There are also considerable numbers of non-national second home tourists in the rest of the island, albeit in lesser densities (Philips, 2010).

Observation has shown that the lifestyles of tourists in the southern, urban part of the island are much different from that in the northern, rural areas. The homes of second home tourists in the urban south are generally characterised by their excessively large-sized, barricading walls, sprawling driveways and security surveillance warnings, usually built within a posh community of other non-nationals. With the exception of tourists' homes at Miss Mills at Englishman's Bay, the general trend is for simpler homes which blend into the natural landscape and place themselves within the local community.

Community dynamics also differ from urban to rural areas, and as such, so do the relationships held between locals and non-nationals. Within the small village environments of northern Tobago (populations under 500 persons - awaiting reference from Central Statistical Office) observation showed that rural lifestyles tend to allow for closer and longer interactions and greater dependence in day to day activities among residents. Denser populations and a faster pace of life in the urban south alternatively limit extensive interactions and reduce direct dependence among persons, inclusive of foreign second home owners.

As is a common trend across the globe, the majority of second home owners in rural Tobago are retirees, or persons on the verge of such (Key_Informant2, 2010). With assumingly little economic responsibility at this stage of life, such tourists make ideal candidates as contributors to the local economy in which they settle.

Second home owners make up only a small proportion of the total number of tourists entering the Caribbean, however due to their frequent returns and longer stay times, their economic and social impacts are expectedly different from the regular mass tourist (Coppock, 1977). The presence of second home owners in Tobago is assumedly similar.

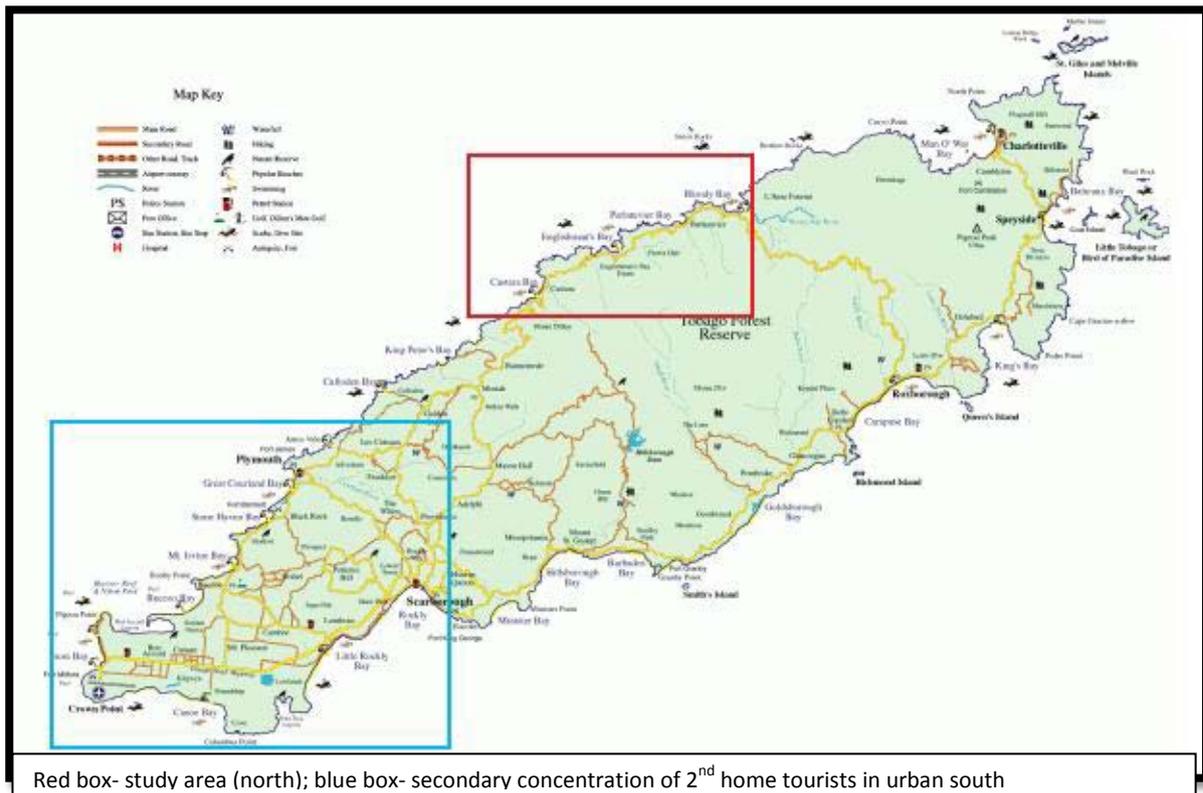


Figure 2.0 Map of Tobago highlighting 2 of the main settlement areas for Second Home Tourists. Source: <http://sipreal.com/sipreal/maptob.html>

Legislation

The Foreign Investors Act of 1990 was made to replace the Aliens Landholding Act, and thereby remove restrictions to foreign investors when acquiring land for business or residential purposes. (Fitzwilliam, Stone, Furness-Smith and Morgan). Under this Act of 1990, foreign investors were free to purchase land or property within Trinidad and Tobago, up to 1 acre without applying for any form of license or permission.

In 2007, the Government of Trinidad and Tobago opted to reintroduce stricter investment policies which directly affected the purchase of land in Tobago (Trinidad excluded) for residential (and commercial) purposes by non-nationals. The newly amended act, referred to as the Tobago Land Acquisition Act of 2007, has designated 6 areas in Tobago, within which foreigners will be permitted access to purchase, following the approval of a permit to do such. These areas are Arnos Vale and Culloden Estate, Bacolet Estate, Buccoo and Golden Grove Estate, Englishman's Bay, Lowlands and Diamond Estate, and Mount Irvine and Grafton Estate.

The selection criteria for these areas have not been publicly disclosed, nor have sound reasons or reports suggesting the need to reintroduce stricter policies in Tobago than Trinidad.

The Act also stipulates that in some (undefined) circumstances, permits may be granted for land acquisition outside of the specially designated areas, though this seems unlikely. (Philips, 2010)

The Act of 2007, was actually only finalized in October of 2009, 33 months after its introduction. During the interim period, all sales of land or property had been halted. (Key_Informant2, 2010). As of January 2010, still no permits had been issued.

While no official documents or interviews could be obtained from ministry personnel about the reasons for implementing the said Order, key informants have provided their personal beliefs about why it was introduced. One such belief is that the THA's Chief Secretary was operating under the understanding that non-nationals were responsible for land speculation and thus raising the prices of land to a degree above the means of locals. The claimed truth however, was that the vast majority of land speculation (approximately 99.9%) was being performed by Trinbagonian³ locals and only a very small portion was attributable to foreigners (Key_Informant2, 2010). Other key informant's interpretations include mention of unspecific and irregular government activities.

When questioned about suitable alternatives to such a restrictive order, it was suggested that one way to protect local interests while simultaneously maintaining investment, would be to simply enforce the previous legislation entailed in the Foreign Investment Act of 1990, or alternatively, stipulate a deadline in which to develop land or else run the risk of being fined- this would essentially reduce the amount of speculation, as properties won't be left on the market for long periods of time, of resale was the intention.

The distribution of official results of research conducted on behalf of the government, to justify the implementation of the new legislation is still forthcoming, even for major stakeholders like the Hotel and Tourism board and real estate companies.

2.5 Description of Study Area

Tobago is the smaller and more pristine of the two islands which makes up the twin island Republic of Trinidad and Tobago - the southernmost nation in the Caribbean peninsula (off the coast of Venezuela in South America). Located at 11 degrees North of the equator (32 kilometres north east of Trinidad - see Figure 2.0) Tobago has an area of only 300 km², but has vast tourist appeal due largely to its sandy white beaches and its biodiversity-rich tropical rain forest (Tourism Development Company, 2008).

³ A citizen of the country of Trinidad and Tobago - the term does not differentiate between residents of either island, who are individually referred to as Trinidadians or Tobagonians.



Figure 2.1 Location of the Island of Tobago within the Caribbean. Adapted from: (King & Cole, 2007)

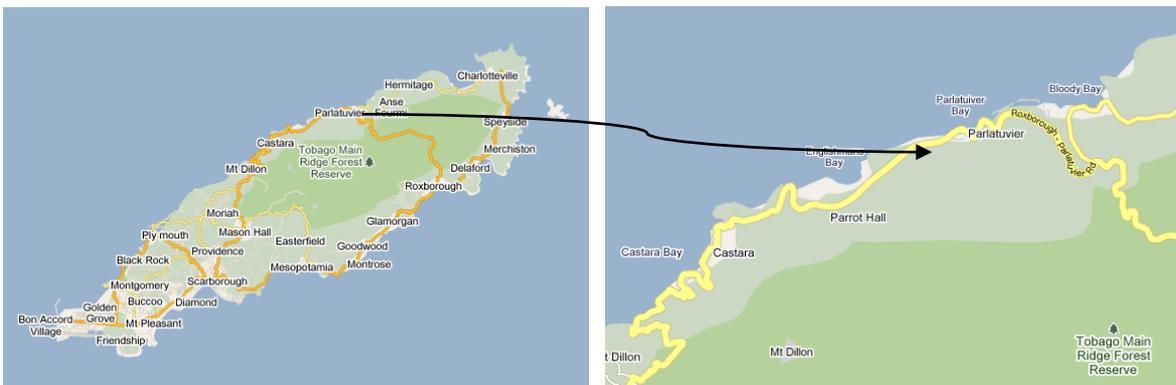


Figure 2.2 Map of Tobago highlighting some of the major towns and villages. Figure 2.3 Case Study Areas on Tobago's North-Western Coast. Source: google.com/mapmaker

The case study area, which consists of 4 small villages - Castara, Englishman's Bay, Parlatuvier and Bloody Bay - is located along the north-western end of the island, in the Parish of St. John. These villages are sparsely populated with small populations. No exact information exists on the exact numbers of foreign second home tourists in these villages, but it is estimated that out of a total population of about 500 people in Castara, there are at least 10 non-national second home tourists with no previous links to Tobago, and at least 10 more, who had migrated and since returned to build a holiday home (Fitzgerald, 2010). In contrast, Bloody Bay has a very small population estimated at 125 people, inclusive of only 4 second home tourists (Marta, 2010), while Parlatuvier and Englishman's Bay were estimated to have populations of 150 each, and second home tourists in the range of 6 to 20 persons, respectively.

The villages investigated all lie along the coast and are heavily reliant on the ocean both for food and employment. The Tobago Forest Reserve, located on the hilly northern end of the island, restricts all housing, agricultural and hunting activities to coastal areas. Subsistence farming exists nearer to coastal areas, but the majority of fresh produce and other goods are imported from Trinidad.

The entire area is rural, yet well fitted with basic amenities. Infrastructural development is fairly well established - main roads are paved and well maintained; water supplies are generally reliable and electricity has been available in Tobago since 1946 (Ministry of Energy and Energy Industries, 2009). Almost every village has their own primary school, though observation showed very modest facilities. There is a single hospital on the 3000km² island, which is located in the capital of Scarborough. However, health centres are scattered throughout the island, with the closest to the study areas being in Moriah (approximately 20 minutes away from Castara and 50 minutes away from Bloody Bay).

Castara and Englishman's Bay have been reviewed to be among the most attractive beaches in Tobago - picturesque, secluded and safe for swimming. Hillsides embrace the coastline and are covered in tropical rainforest, albeit scattered with hillside houses and occasional villas. The coasts are scattered with numerous small reefs which provide easy access to snorkelers, however, based on personal experience over the past 8 years, the integrity of these reefs is now questionable. This is a likely consequence of sediment runoff from nearby hillsides as a result of construction. Despite declining marine resources across the globe, fishing still provides the basis for numerous livelihoods in these areas, particularly Castara, Parlatuvier and Bloody Bay which are referred to as fishing villages.

The rural area of St. John is generally not very affluent - people live simple lives with minimum modern conveniences. The estimated monthly income and expenditure of the average Tobagonian household is TT\$5,171.29 (US\$820.00) and TT\$3,795.81 (US\$602.00), respectively (Central Statistical Office of Trinidad and Tobago). If typical income structures apply, the incomes of households in rural Tobago are likely less than this island-wide average⁴. As of 1991⁵, some of the more popular job sectors were agriculture/fishing (6.5%), construction (48.4%), restaurant/hotel (6.5%), transport and communication (8%) and community/personal services (22.6%) (Inter-Amecian Institute for Cooperation on Agriculture, 1994). It can be assumed that given the increase in second home tourism in the last 19 years since 1991 that the number of restaurant/hotel, community/personal services and transport services, has also increased.

2.6 Profile of Second Home Tourists

Based on the advice of the Second Home Tourists, as well as a major real estate agent, most of these tourists in the areas under study originate from Great Britain or other European countries and the USA. They tend to fall into different categories:

1. Retirees who use their second home as a vacation getaway for part of the year (particularly during winter)

⁴ The WTO recognizes the urban-rural income disparities among transforming countries, such as India, Pakistan and Guatemala, where as of 2008 the ratio of urban to rural incomes are 1.5 or more. (World Bank, 2008)

⁵ No references beyond this date could be found.

2. Soon to be retirees, who visit their second homes on shorter vacations than type “1”
3. Retirement or near retirement aged persons who see their second home both as a vacation getaway for part of the year, as well as a rental investment for personal income.

Those interviewed all stated directly or indirectly that they considered themselves “regular” working people, or middle class, with fairly average lifestyles in their home country. However, such a classification is no longer accurate when placed into the context of the developing world. In such a state, these tourists from industrialised countries are automatically perceived to be financially very well off, by developing nation residents.

2.7 Theoretical Framework

Sustainable tourism development

Tourism is a resource industry which is largely dependent on nature and society’s endowment. It would naturally therefore require sound management of these components in an attempt to secure the industry’s survival and growth (Murphy & Price, *Tourism and Sustainable Development*).

Muller (1994) recognises, however, that environmentally and socially compatible tourism does not exist on its own, but is inextricably interlinked with qualitative growth. Sound tourism management would, therefore, entail an increase in the quality of life via economic health and subjective well-being, achieved via the use of less non-renewables with less stress on the environment and people. He conceptualises that for such a path to be realised there must be a re-weighting among the components within the tourism development process, to achieve a state of balanced tourism development.

Wight (1997) shares a similar discourse in which he states that tourism ought to be developed in a manner, which is sustainable over time and which does not impair the environment’s ability to support other activities. Because of this inseparable connection among resource activities, an implicit principle of sustainable tourism must be the integration of economic, social and cultural goals (Murphy & Price, *Tourism and Sustainable Development*).

Wight (1997) goes on to define sustainable tourism as follows:

*...tourism which is developed so that the nature, scale, location and manner of development are appropriate and sustainable over time and where the environment’s ability to support other activities and processes is not impaired, since tourism cannot be isolated from other resource activities (Murphy & Price, *Tourism and Sustainable Development*).*

While many models of sustainable tourism exist (Müller, Hansruedi (1994) - *Tourism Development’s Magic Pentagon*; Catibog-Sinha, Wen (1998) - *The 7Es Model for Tourism Planning and Management*; Cottrell, Vaske, Shen, Ritter, (2007) - *Prism of sustainability*), the one chosen to guide this research is that of Hall, Jenkins and Kearsley (1997) - *A Model for Sustainable Tourism Values* (see Figure 2.0). This model is based upon the core concept of sustainable development - the

integration of economic, social and cultural goals in such a way that no one is given preference over the other - in order to represent the intrinsic components of sustainable tourism.

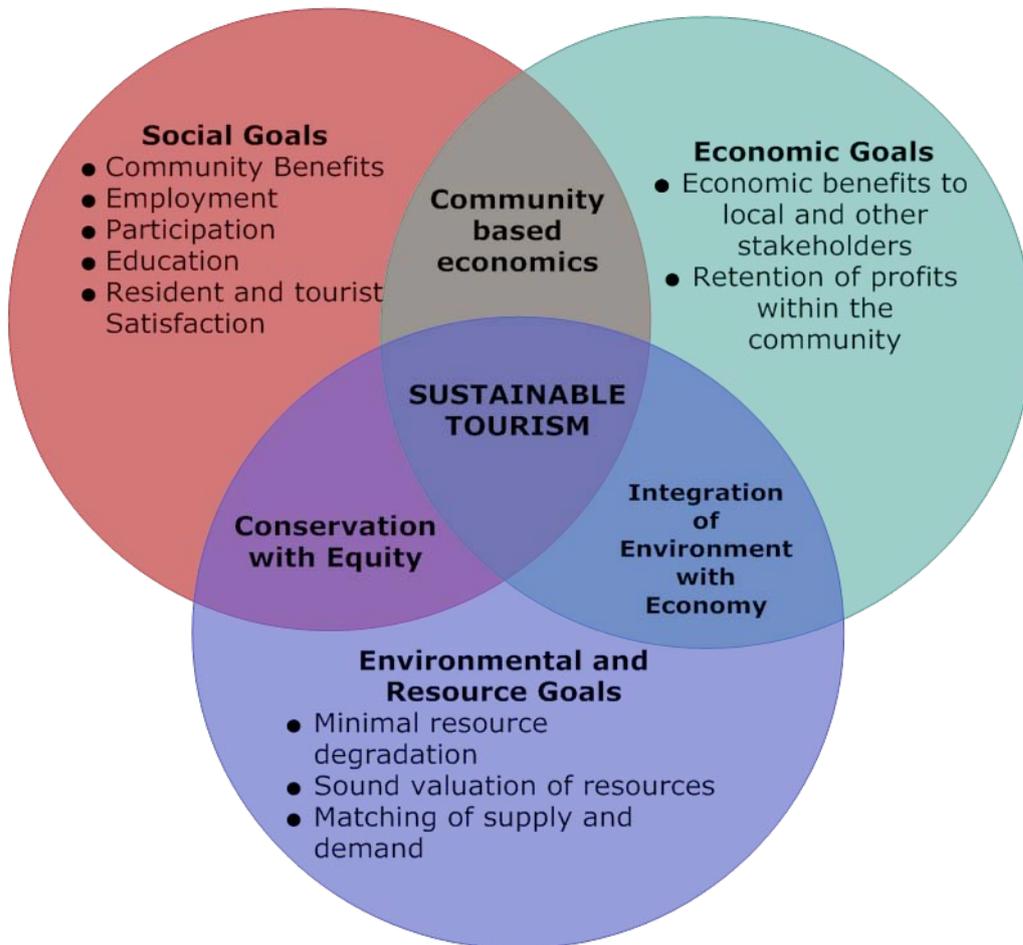


Figure 2.4 A model of Sustainable Tourism Values and Principles, Adapted from Hall, Jenkins and Kearsley (1997)

It is modelled based on the principle that when certain environmental, economic and social goals are achieved in conjunction with each other, then sustainable tourism has been achieved. At the point at which social goals and economic goals intersect, community based economics is said to be achieved; at the intersection of social and environmental and resource goals, lies conservation with equity; and when the economy and the environment intersect, there is an integration between the two. The ultimate state occurs where all three spheres each intersect with the other, to form a case of sustainable development at its core.

The concept of community based economics involves the “reintegration of social and economic goals in the context of community life” (O’Connel, 1991). The focus is not solely on federal currency, but also on additional exchange options such as informal loans, bartering and gifts. Within community economics, individuals not only participate through income generation strategies. Common ways of involving one’s self in the social and economic life of the community is also through acts of substitution for income generation (for example exchanging goods or materials for labour), or

activities which can be developed into income generators such as domestic production of crafts (O'Connel, 1991).

Community economics allows more flexibility, and as it pertains to employment, often allows for part-time or periodic employment, home-based employment that fits into family life, family and community businesses, and the use of community resources for income generation (Ibid). Overall, it seems to lend for a system in which the players are more interlinked and dependent on community resources as opposed to outside resources and formal economies.

At the intersection of social and environmental goals, lies the concept of conservation with equity. Social equity identifies with meeting everyone's right to a good standard of life with fair distribution of costs and benefits. According to the IUCN, social equity is the key to ensuring conservation and sustainable use of natural resources (IUCN, 2000). However, it must be acknowledged that social groups and individuals have different needs and rights to resources and they experience acts of conservation intervention in different ways. Thus, any conservation initiative must be considered in the light of these differences, if the two concepts are to operate in synergy (IUCN, 2000).

The integration of environment with economy is perhaps one of the broadest sustainability challenges of our time. The relationship between the economic and environmental spheres is often characterized by the polar interactions between economic investment, technology and productivity, which historically tend to result in declining environmental quality and resource exhaustion (van den Bergh & Nijkamp, 1994). Attempts to integrate the two, through such industry efforts as green procurement and sustainable supply chain management, are increasingly gaining footing in an attempt to integrate the two spheres. As it applies to second home tourism, it could involve such aspects as responsible procurement of timber products or other products that work towards environmental conservation, while simultaneously injecting revenue into the local economy.

Perceptions

Relevance of local perceptions

Residents' perceptions can be a relevant indicator of the health of a tourism activity in a given area, given that they may be the largest stakeholder group and are likely to be the most affected by tourism activities. Furthermore, given the close interaction that local residents and second home tourists may share, the former are likely to be in a good position to observe the activities and first-hand effects of tourist presence.

Perceptions of the various impacts of tourism have been extensively studied since the 1970s; however, additional research based on different geographical positions is still necessary to further the theory in the field. Furthermore, the support of residents can be vital to the survival of tourism in a given area (Ramchander, 2004).

What drives perceptions?

Factors such as the number of tourists, the nature and pace of tourism development, and the current socio-economic and environmental conditions of the community, affect the degree to which impacts are experienced by the host community (Ramchander, 2004). Furthermore, the way these impacts are perceived can be dependent on existing social and economic factors such as economic dependence on tourism and community attachment (Ibid), as well as environmental resource availability and the level of tourism development planning.

Faulkner & Tideswell (1997) theorise that perceptions are affected by two main dimensions: an extrinsic dimension - which encompasses variables in location characteristics which impact the entire community (nature, the level of tourism development and types of tourist activity); and an intrinsic dimension - which recognises that perceptions may vary based on individual characteristics such as proximity to or association with tourism.

When extrinsic variables such as tourist numbers and characteristic change, the impacts become more pronounced and community reaction passes through phases from initial euphoria, to eventual antagonism (See Figure 1.3 - Doxey, 1975 in Faulkner & Tideswell, 1997). When tourist numbers are few and benefits relatively large, there is a general feeling of euphoria, which eventually shifts towards apathy, irritation and then antagonism as numbers increase and costs outweigh perceived benefits. Likewise, when there is wide gap in compatibility (culture, economic status, race and nationality) community reactions will likely fall at the negative end of the spectrum (Shaw & Williams, 1999).

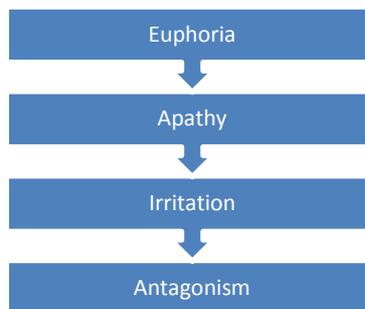


Figure 2.5 Representation of Doxey's Irridex (Irritation Index) Model

An intrinsic variable such as involvement and dependency on tourism is also highly responsible for the “favourable/unfavourable” dichotomy of responses which may be present within a community (Butler, 1975 in Faulkner & Tideswell, 1997). It has been highly recognised that there is strong tendency among residents who rely on tourism for their livelihood, are more likely to emphasise positive impacts, and downplay or accept the negative impacts of tourism in their community (Faulkner & Tideswell, 1997).

3.0 **METHODOLOGY**

3.1 **Data Collection Methods**

A combination of several qualitative research methods were employed to gather data required for this research.

The initial phase of research involved reviews of literature on the subject of tourism and second home tourism. Sources included online journals, articles, books and credible websites (such as the World Tourism Organisation). This was conducted to gain general information about the

phenomenon of second home tourism, its history and acknowledged effects from global perspectives and varying environments.

The Second phase of research involved obtaining background information on a local level as it pertained to second home tourism in Tobago (demographics, impacts and relevant legislation). In the absence of documentation on the subject, semi-structured interviews with key informants were used to obtain background information on second home tourism on the island. A list of open ended questions was prepared and used to guide the interviews. These informants were selected based on availability⁶ and their willingness to participate. They include: a representative from the Tourism Development Company, representative of Tobago's Hotel and Tourism Board⁷ and the manager of a major real estate companies in Tobago. Several attempts were made to hold face-to-face and telephone interviews with the Director of Tourism and Transport (the author was told that this is the only person within the THA who is knowledgeable on the subject), but the researcher was unsuccessful in this endeavour. An open ended questionnaire was eventually emailed to the Director; however, no response has been received to date. Supplementary information on tourism was also obtained from government and ministerial reports and websites.

3.2 Site Selection

The island of Tobago was chosen to be investigated based on previous experience while visiting the island and on occasional newspaper editorials highlighting the presence of second-home tourists, and in particular the effect of inflated land prices.

The process of specific, site selection involved a toss-up between choosing areas with high concentrations of second home tourists in the south but limited access opportunities, and rural areas in the north with a lower concentration of such tourists, but greater access opportunities. This access consisted of a contact who acted as a gatekeeper, trying to interview particularly non-nationals, and physical visibility of local residents due to the nature of their jobs and daily activities⁸. The final selection was made based on convenience and access to the case study area: four villages in the north-western parish of St John, namely Castara, Englishman's Bay, Parlatuvier and Bloody Bay.

3.3 Respondent Selection Criteria

During the third research phase, the opinions and perceptions of Tobagonian locals and second home tourists were sought through the use of structured interviews. Selecting respondents among non-nationals was performed based upon availability, snowballing and 'gatekeeping'. As an example,

⁶ When the ministry of Tourism and Transport in Tobago was contacted on several occasions, the researcher was informed that there was only a single person who was qualified and capable of providing answers on the subject.

⁷ these two representatives wished to remain anonymous, and for these purposes, shall from now on be referred to as Key Respondent 1 & 2 respectively

⁸ Fishermen often come in from sea around the same time and are easily approached on beaches; the less hectic environment in rural areas of Tobago makes it possible for restaurant and shop owners to easily find time to chat and indulge in an interview.

an acquaintance introduced the researcher to one second home tourist who then recommended another friend who lived close by.

These select persons were residents from the Northern villages of Castara, Englishman's Bay, Parlatuvier and Bloody Bay areas. Areas in Southern Tobago such as Mt. Irvine, Plymouth and Crown Point are home to more second home owners than areas in northern villages. However, the choice to explore the phenomenon in the north was based on convenience⁹ and a prior assumption of closer interactions between locals and foreigners in village communities.

Local respondents, comprising among others: restaurateurs, owners of guest houses, fishermen, persons employed by second home tourists, community centre workers and shop owners, were questioned about their perceptions of second home tourists and their impacts on their community.

Local resident respondents were specifically selected based on their occupation, in an attempt to get the perspectives of a wide range of stakeholders, likely to experience the effects of second home tourism in differing ways.

Similarly structured interviews were held with four foreign home owners (one from each mentioned village), to obtain their perceptions of the roles which they play in the local community. All the second home owners which were interviewed were selected based on convenience and snowballing. That is, the first second home owner was identified, based on the suggestions of locals who felt that they would be helpful and willing to participate in the research process, and then, they in turn suggested other tourists who they felt shared similar willingness to participate.

The interview schedules comprised of a range of closed, 5-point Likert scale¹⁰ questions which guided topic structured interviews with respondents. While the questions were specific and responses were limited to those printed on the interview schedules, the interviews were kept fairly casual and open. This approach was adopted to encourage discussion with respondents and to gain additional information which might not have previously been explicitly covered within the schedules. Keeping the interviews open also allowed the respondents to be relaxed and hopefully provide more honest responses. Depending on the fluidity of conversation at times, questions were not always asked in the order as they appeared on the guide, but filled in as they surfaced naturally during the course of discussions.

Creation of a sampling frame among local residents and a shifting population of tourists would have been excessively time and resource consuming. Owing to the lack of accessibility to such a frame, respondent selection was accomplished via the process of snowball sampling as suggested by Bryman (2008). This process manifested itself as some persons were also made accessible for interview via referrals from a previous respondent.

⁹ Second Home tourists in the urban parts of Tobago tend to cluster in posh, less accessible areas- high walls and long driveways- as opposed to those in the rural areas, who were frequently identified within the village centers, sometimes appearing less intimidating or inaccessible.

¹⁰ A Likert scale is a multiple indicator scale used in questionnaires when trying to determine attitudes and intensity of feelings about a specific subject. Scales usually comprise of 3, 5 or seven points utilizing a range of opinions using terms such as 'strongly agree' to 'strongly disagree'. (Bryman, 2008)

3.4 Analysis Methods

In order to determine the overall opinions gathered from the local resident and second home tourist interviews, a thematic analysis of the questions was performed. This involved grouping the questions into themes guided by the sustainable tourism framework mentioned (See Figure 2.4), in which questions were identified as either environmentally, economically or socio-culturally related.

Under the circumstance that only 14 local residents and 4 second home tourist households were interviewed, a statistical analysis was deemed an inappropriate analysis method. The responses to Likert scale questions were therefore analysed by determining the mode of responses (those responses which occurred most frequently) in an attempt to unearth the general perception about the given issue. The range of responses from a selection of these questions was then graphed into bar charts in an attempt to provide a clear, visual indication of variations among responses (Mogey, n.d.). The responses from key informant interviews are often incorporated throughout the text, as they pertain to a particular theme/topic being referred to at the point in time.

4.0 RESULTS

4.1 Local Resident Responses

More than three quarters of the local residents interviewed felt that second home tourists made at least some contribution to the local community's economy and that the money spent in there was not transferred outside of the community.

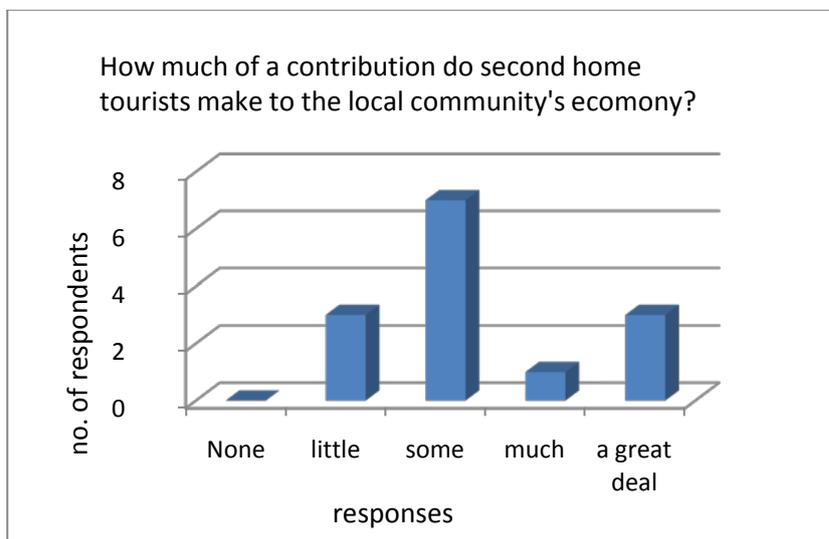


Figure 4.0 Tourist Contributions to the local economy

As a negative effect however, more than one quarter of the respondents agreed that second home tourists were responsible for the increases in the prices of goods and eleven out of fourteen felt that

land prices were raised beyond the means of locals, as a result of second home tourists and the value of their foreign currencies.

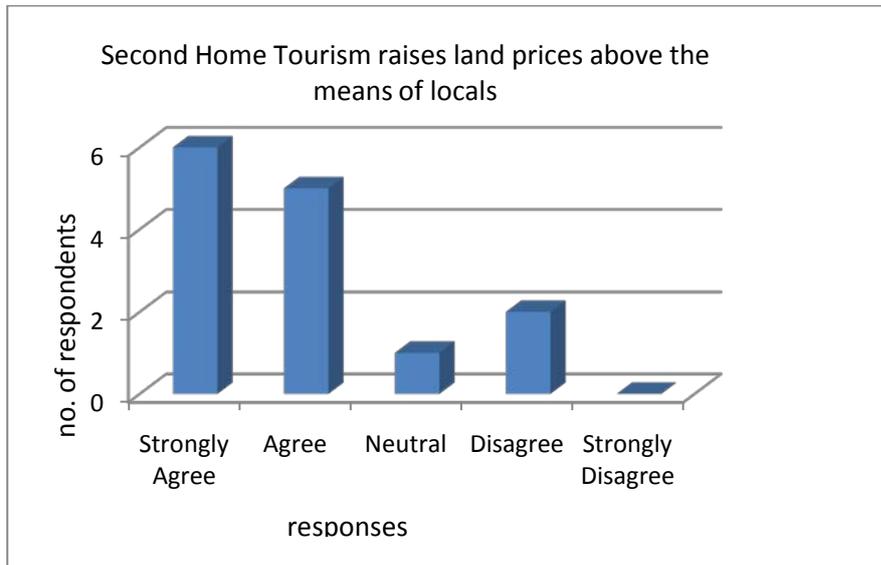


Figure 4.1 Second home tourism’s effect on land prices

The vast majority of locals do not think that second home tourists are largely responsible for vegetation clearance and land use change. Rather, a few have praised the non-nationals for replanting the land which they cleared during construction and even described non-nationals as sometimes taking better care of the environment than locals. When asked about other environmental changes, ten out of fourteen respondents thought that second home tourists were responsible to little or no change, and ‘disagreed’ or ‘strongly disagreed’ that they harmed the environment, while two respondents described the positive changes which the tourists effected-organizing beach clean-ups and replanting their lands after construction. Overall, only one respondent felt that second home tourists harmed the environment.

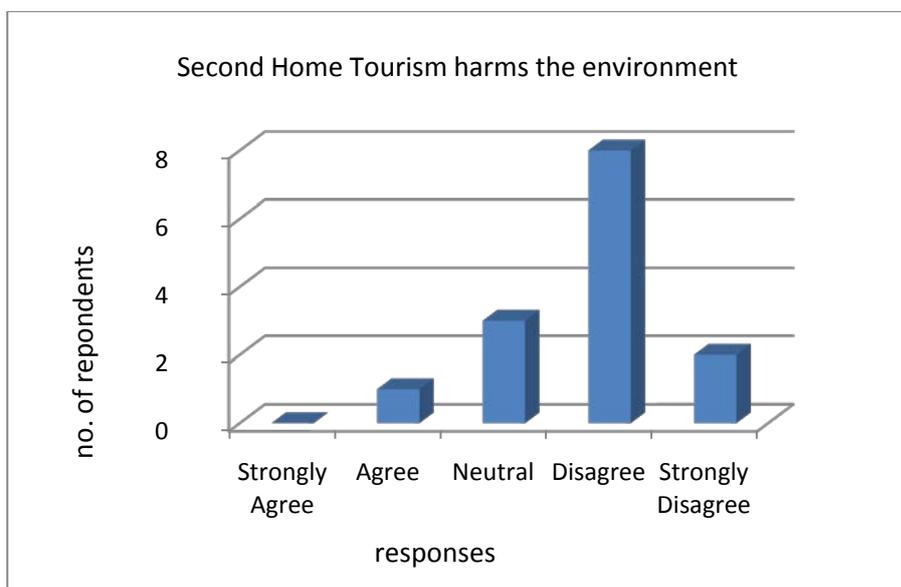


Figure 4.2 Second home tourism’s impact on the environment

Finally, almost ¼ of the respondents questioned felt that second home tourists generated excessive wastes which placed a strain on the local waste collection system. When coaxed to elaborate on this issue however, no one opted to describe the process exactly.¹¹

Six out of fourteen persons felt that second home tourists interrupted or changed local lifestyles and cultures, or attempted to do so. The most common examples cited for this, were complaints of tourists who objected to playing loud music and mention of displaying glamorous lifestyles to locals, possibly creating a different mindset. Fishermen answered that foreigners don't approve of it when they catch sea turtles, even though it may be during the hunting season, and not include any endangered species within their catch.

When asked about how they felt about the contributions that second home tourists in their area made to local development, over 35% of people felt that they made "some" contribution, while the majority felt that it was little or none. On the issue of stimulation of local culture and crafts however, half of the respondents were in agreement or strong agreement that that second home tourist helped this cause.

Twelve of fourteen respondents felt that the local communities had no control over the second home tourists or their activities in the community, while the other two were neutral on the matter. Another issue which seemed to be controversial among locals was the access to areas which tourists use. Common within discussions was mention of a single foreigner who purchased a ridge of land which encircled Englishman's Bay- rated as one of the most beautiful bays on the island- and attempted to block public access to it. Other similar stories told of persons trying to restrict access to rivers, and sections of beachfronts which have traditionally been free and open for public use for generations.

¹¹ Given a lack of ability to explain their reasons for their responses, the researcher began to wonder what the contributing factors to the perceptions were, if not physical, describable evidence.

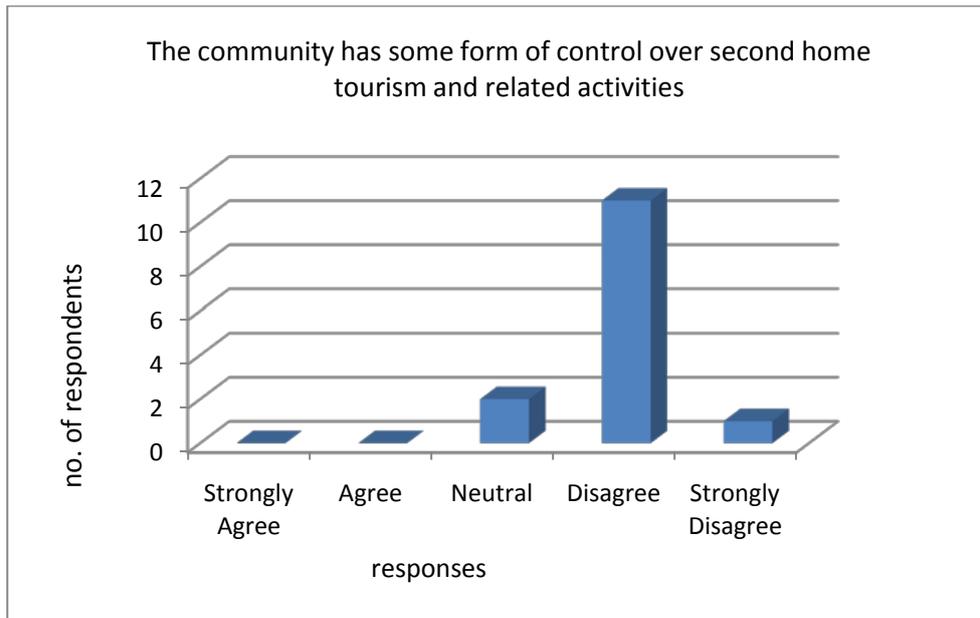


Figure 4.3 The extent of community control over second home tourism

When asked if the presence of second home tourists has spurred the government to provide improved infrastructure in their area, the local residents interviewed did not feel that such bonuses occurred in their communities. Less than 15% of the respondents agreed that they received improved roads, hospitals or electricity from government as a result of the tourist presence. Twice as many were neutral on the issue, while more than half disagreed or strongly disagreed.

When questioned about whether second home tourists provided jobs for local residents, the most common responses (12 out of 14) showed “agreement” or “strong agreement” that they were in fact responsible for providing jobs in the community. Mention was made however, about the antagonism felt between those employed and those not employed by tourists, as the former were privy to receive relatively far superior wages to the local average. In fact, cleaners and gardeners are often paid minimum wages (TT\$9 or US\$1.42) in Trinidad and Tobago whereas the estimated pay out from second home tourists interviewed was TT\$60(US\$9.45) to TT\$75(US\$11.81) per hour. On the other hand, due to the types of jobs, there is limited opportunity for promotion and cleaning jobs may be seasonal and hence provide instable income.

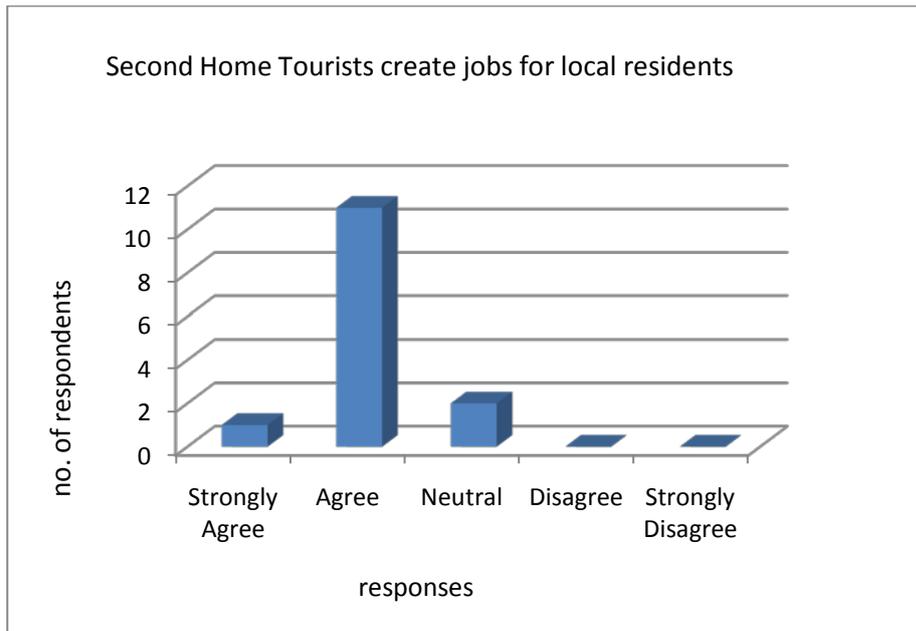


Figure 4.4 Job creation via second home tourism

Based on their overall perceptions of second home tourists in their community, only one respondent wished that there were less SHT's in his/her community, while the majority were satisfied with the existing numbers and a few thought that more or much more would be favourable.

While only three persons responded that they personally benefitted from second home tourism, half of them agreed that the phenomenon was good for the community, while only two disagreed, leaving the rest neutral on the matter.

4.2 Second Home Tourist Responses

Four second home tourist households were interviewed. The couples were interviewed as a single entity and their responses handled as such. Of these, two were American and the other two British. One couple was approaching retirement age and of the three other official retirees, one was in the process of setting up a business investment in the community in the hopes of obtaining permanent residency.

Three out of four had been living part time in Tobago for ten to twelve years, while one couple reported to be there for only two and a half years. The length of stay per year ranged between two and a quarter and eleven months.

All four of the respondents stated that they rent or lend their home or extra apartment to others when they are not occupying it themselves; while two of them stated that they had an extra apartment/s or cottage solely for this purpose. The length of time the properties were rented or lent ranged from one to five months.

All of the respondents had hired help on their properties for at least part of the year. Three out of four hired more than one local under the capacity of gardeners, domestic cleaners, care-takers or

construction workers. The three who responded about their workers' salaries indicated that all their workers were paid well above the minimum wage of TT\$10, where most workers were paid double that about, but were required to work less than twenty hours per week on the property.

Half of the respondents said that they preferred to buy food and everyday goods from a local shop, whereas the other half preferred a supermarket somewhere else on the island, citing the main reason as a lack of availability/ a narrow range of options at the local shops as well as a lack of opportunity for bulk purchases.

Those persons most patronized within the community were shop owners and fishermen, whom tourists claimed to have bought goods from either very often or always. Only one respondent said that they ate at local restaurants, and classified the frequency of such as sometimes. Others stated that they ate at restaurants in other parts of Tobago either sometimes (2), very often (1) or never (1). Those who only sometimes or never frequented the island's restaurants gave such reasons as excessively high prices and price segregation, as well as not favouring some of the local cuisine. Not surprisingly, 3 out of 4 tourists stated that they only rarely purchase local crafts from artisans in the community, while one said despite the length of time they had been living there, they still "sometimes" buy souvenirs from the local craftsmen (proof provided when one of the gentlemen came to deliver some bird feeders during the interview). Other than that, the main "other" business that tourists claimed to support either "sometimes" or "very often" was hardware stores. Observation also identified that at the time of the researcher's stay in Tobago, all of them had at the time, been performing some degree of home refurbishment.

When asked about their social habits and activities, three out of four of the respondents stated that they spent their time among Tobagonians and other tourists about equally, while the other respondent spent most of their time with locals. Among the activities cited, were providing extra teaching and support for village children, supporting events from groups such as TSPCA and YMCA, socializing, sailing or fishing, and most commonly, performing home repairs or renovations.

While two of the four respondents said that the most common form of transport on the island was their personal vehicle, one couple preferred the use of a rental vehicle from an agency within the community, while the other respondent couple opted for walking most of the times, or hiring a private taxi or a rental vehicle on rare occasions where it was deemed necessary.

All the respondents interviewed reported that they had cesspit tanks and associated soak away pits installed on their properties to deal with sewage wastes. As for their solid waste/garbage, they reported making use of designated garbage disposal facilities (provided by the local waste collection company) closest to their home.

Among those persons interviewed, the size of property in which they invested vary widely between just one lot (5000 sq ft) and over an acre (one acre = 43 560 sq ft), however none claimed to have removed significant amounts of vegetation nor any valuable species. Rather, most claimed to have cleared mostly brush and a fruit trees, in the range of 0¹² to 3500 sq ft.

¹² This particular couple constructed their home on an existing foundation, and so did not have a need to clear any vegetation.

4.3 Responses from Key Informant Interviews

Another viewpoint, provided by the president of the Tobago Hotel and Tourism Board, suggests that second home tourists provide far more economic stimulation than traditional mass tourists. This he believes is due to the fact that most of them tend to be retirees, or on the verge of such, and therefore, with limited commitments, have more money to spend when on vacation. Furthermore, unlike holidaymakers/short stay tourists who often bring goods with them from home, second home tourists are “forced” to purchase products while they are here, due to the length of their stay. Because of the length and nature of their stay, they also contribute to more aspects of the economy- construction labour and supplies, clothing, grocery stores, among others.

Effects of the new legislation-up till January 2010, no licenses had been issued for the sale of land since the inception of the Land Acquisition Order in 2007. This has in effect halted all new foreign investment, including second home tourists, and put a strain on local real estate agencies that rely largely on sales to foreigners. According to Phillips, manager of the real estate company Island Investments, the real estate market has been suffering, as they have lost 40-45% of sales previously attributed to foreign investment. In addition, she has since reported (May 2010) that assumingly due to said legislation, non-nationals have been putting their existing properties up for re-sale.

5.0 ANALYSIS AND DISCUSSION

This analysis shall attempt to answer the sub-research questions (and thus the research question) posed in section 1.1 above, based on the results generated from respondent interviews. Further discussion on the validity, reasons and additional dimensions of perceptions will follow. The discussion will close with some suggestions for improvement of the sector.

Addressing the Research Questions

Sub-question 1: What are the major economic impacts of this form of tourism?

Second home tourists may have the positive effects of restoring land values, increasing local employment opportunities and creating a new economic base; alternatively, their investment and presence may also send land prices beyond the means of locals and cause the cost of local goods and services to rise (Hall & Muller, 2004). These impacts are particularly well mirrored in the perceptions of locals in the study area.

The major positive impacts, thought to be incurred by the presence of foreign home tourists, are the result of direct income generated from business activities – sales in shops, supermarkets, and product vendors (fishermen and farmers). On the other hand, the vast majority of respondents also felt that a major negative effect was increasing land prices, and an inability for locals to afford current prices. To a lesser degree, the high price of goods was sometimes attributed to the presence of second home tourists within communities. An important consideration regarding higher prices of foods, however, is that Tobago is generally known for its higher food prices, due in some instances

to tourism, and in others, to the fact that goods are bought from producers or wholesalers in Trinidad. In the latter instance, prices are understandably higher in Tobago due to transaction and transport costs and an absence of Government intervention to subsidise such incremental costs.

Out of the five questions raised specifically on economic subjects, clearly positive perceptions (at least 8/14 respondents “agreed” or “strongly agreed” on the stated effect) were reported on two of them, clearly negative perceptions were held on one, and the other two showed neutral results. Overall, the perceptions on both positive and negative economic effects at this local level, were mixed. There was no clear leaning towards either side.

Perhaps the most considerable economic impact that occurs as a result of second home tourism, is the influx of foreign exchange as a result of land purchases. Land prices in Tobago are highly variable and dependent on a number of factors. Some of these include supply and demand; inland/coastal positioning; aesthetic views; terrain; existing infrastructure; and urban/rural location. Additional factors might involve the proximity to neighbours, or the type of neighbours (local or foreign) and the relationship with the seller (personal relationship with the seller, or business relationship with a real estate company).

As an example, here is a table showing prices of land across different communities in Tobago, as advertised through a real estate agent.

Location	Square acreage (sq. ft)	Price (US\$)	Price per sq. ft	Marketable features
Englishman’s Bay	1 acre (43 560 sq ft)	125 000	2.87	Utilities, road, easy terrain
Englishman’s Bay	≈3.25 acre (143 000 sft)	511,820	3.58	Magnificent beach and forest view, landscaped for homestead
Parlaltuvier	12 000 sq ft	400 000	33	240 ft beach frontage
Castara	1 acre (43,560 sq ft)	59 500	1.37	Overlooks the sea
Castara	3 acre (130680 sq ft)	134 920	1.03	Overlooks sea
Mount Irvine	22 000 sq ft	257 000	11.68	Prime residential villa site, close to golf course and police station
Store Bay	20,018 sq ft	198 400	9.91	Residential, close to restaurants and airport

Table 1 Land Prices in Tobago (US\$) (Created based on quotations from <http://www.isreal.com> Island Investments webpage; and <http://www.tobago-almandoz.com/land.html> Almandoz Real Estate)

With an exchange rate of \$TT6.3 to US\$1.00, it is clear that there are substantial economic gains to be made by those who are fortunate to own land. Conversely, many of these prices, by far, supersede the means of the average citizen whose average salary is TT\$4 400 (US\$698) (Central Statistical Office of Trinidad and Tobago, n.d.).

In addition to land sales, house construction is another means by which the community experiences economic inflows. In an area such as St. Johns, in which the majority of persons have been

employed within the construction sector (Inter-American Institute for Cooperation on Agriculture, 1994), this activity is likely very relevant to the community economy. In addition to this, shops, small grocers and fishermen also stand likely to receive the most financial gain from second home tourists. While employees of Second Home Owners are often paid very well above the minimum wage, their short working hours means that their salary is not sufficient for complete sustenance. Moreover, based on discussions with second home owners, housekeepers are much more likely to have seasonal jobs for part of the year, while gardeners or all-round caretakers may be paid year round to maintain the grounds.

In summary, economic gains from second home tourism are potentially extensive, due to the large nature of their investments such as those in land or property, construction, vehicles, furniture and ongoing renovations. Other contributions to the economy include utility payments and property taxes, as well as day to day provisions. The range of expenditure products are therefore greater for the second home tourist than the short-stay mass tourist, and the spending of the former are also likely to be dispersed over a greater portion of society.

On the other hand, there can be economic disequilibrium which leads to social conflicts, based upon income disparities between locals and tourists. Although the researcher acknowledges that the results of the four second home tourist questionnaires cannot be extrapolated to be representative of the norm, it is noteworthy that two of the respondents estimated that they spent at least TT\$10,000.00 (US\$1,587.00) per month - suggesting a minimum expenditure of TT\$5,000.00 (US\$793.60) per individual. This is comparative to the average household income in Tobago - TT\$5171.29 (US\$820.80) - and the average per capita monthly household expenditure of TT\$998.18 (US\$158.44)¹³ (Central Statistical Office of Trinidad and Tobago, n.d.).

Another economic concern is tourism leakage. Many small island and developing states often suffer large amounts of tourism leakage, particularly when tourism investment activities are owned by foreign investors (Mowforth & Munt, 1998). While the extent of leakage among second home tourists may not be as severe as that for hotel/mass tourism, it still occurs. Three out of the four second home tourists interviewed said that they rented out their private home or a separate apartment for albeit a small portion of the year.

It is difficult to determine the effects of this, because while money is being funnelled out of the country, visiting/renting guests are likely to contribute to the local economy while they visit. Due to the nature of their short stays, such guests are also likely to perhaps spend more money at restaurants, on rental vehicles and local crafts, due to the seeming novelty of the experience.

Therefore, while second home tourism provides some level of economic stimulation in the case study area, there are also areas such as tourism leakage and income disparities which need to be further addressed.

¹³ This online source for this document bore the signs of the Central Statistical Office of Trinidad and Tobago, yet, despite its official status, there was no date to identify what year these income and expenditure figures referred to. This of course makes it difficult to compare expenditure with any degree of accuracy.

Sub-question 2: How and to what extent do Second Home Tourists affect the local, natural environment?

The vast majority of residents were of the opinion that non-nationals in the community took good care of their natural surroundings, and perhaps helped to improve it, through processes such as replanting trees cleared on their own properties after construction and organising beach clean-ups. On occasion, mention was made to their support for wildlife preservation and speaking out against hunting.

Second home tourists were also keen to highlight the replanting efforts on their land, and also to clarify that they were fully aware of the special environment that they were part of, and keen to impose only as little impact as possible. Such an approach may be acceptable enough, if only small numbers of tourists exist. However, if numbers increase, even under best management practices, the effects on the environment are sure to be felt eventually. Furthermore, both locals and tourists tended to focus on one part of the ecosystem - the plants - without considering the fact that when an area is clear-cut, a habitat is lost. Even when vegetation is replanted, the original fauna may never return.

Based on local perception, and on tourist claims on their activities, waste generation (solid and sewage) and disposal activities were not identified as a major problem accruing due to second home tourists. The division of Town and Country planning which is responsible for the management of these issues, therefore seems to be doing so effectively at the current population levels.

In summary, second home tourists are perceived to cause minimal to no severe harm on the aspects of the environment covered in the questionnaires. Rather, they may be responsible for reforestation and other contributions to environmental conservation and management. Absolute and actual effects however, remain to be examined, particularly since so many potential impacts were excluded from interviews. Outstanding issues include the release of improperly treated sewage runoff and sediment runoff during construction which can be detrimental to coral reefs as demonstrated in other reefs in Tobago.

Sub-question 3: How has the presence of second home tourists altered/affected the social and cultural lifestyles of local residents?

Perhaps the most tangible social effect of second home tourism in this case study, is the provision of jobs to locals. This positive effect was mirrored in the interview responses of locals, tourists and key interviews alike. Based on responses of second home tourists, not only are jobs created, but salaries are well in excess of what is typical for the jobs being provided ("unskilled labour" such as cleaning and gardening are required to receive at least minimum wage of TT\$10.00. There is, however, limited opportunity for improvement or promotion when employed as household cleaners, gardeners and general caretakers.

A relatively high salary is nonetheless attractive to persons with little skills and opportunities. This, however, ironically creates a structure of dependency which to some degree mirrors the "historical patterns of colonialism and dependency" (Sharpley, 2010) whereby Tobagonians have a reliance on Caucasian foreigners.

Vast gaps in employment opportunities may also exist, among those who are and are not employed by second home owners. Although not covered in the interview schedule, past and present employees spoke about feelings of jealousy from persons who were not privy to the high wages provided by Second Home Tourists.

Muller and Hall (2004) identify the input of new ideas into communities as one of the positive social implications of second home tourism. A key example of this in the study area was the described attempts by one tourist, to share his knowledge of solar power with a local friend in the village and assist him with installation of the equipment. Additionally, two second home tourist respondents said that they have attempted to provide additional tutoring to primary school pupils in their community. Only one was successful however, and still has free tutoring sessions for students wanting the extra help with homework and assignments. Although it may be a small scale, it still contributes to expanding/furthering the education in the village.

Other forms of community benefits identified by second home tourists were volunteering their time and knowledge to explain and suggest issues of solar energy and panel installation; and monetary contributions for special events such as harvest festivals and fundraisers. Contradictory however, was the perception of local residents, 65% of whom felt that the contributions were "little" or "none".

Based on direct responses to questions, slightly less than half of the people interviewed found that the tourists altered their way of life or culture. However, the researcher was not able to elicit solid examples of such during questionnaires and interviews. The most common form of "interruption" referred to was the fact that foreigners sometimes objected to things like loud music - that foreigners do not understand that "playing music for the neighbourhood" is part of local culture. One fishermen raised the topic of hunting sea turtles, saying that he had been "given a hard time" by second home tourists, because he caught sea turtles, although it was done within the legal hunting season, and that he did not catch protected species such as the leatherback turtle. He felt that this was part of his culture and right, and that "foreigners" should not intervene.

Another contradictory set of perceptions lies in the contributions made to the stimulation of local culture and crafts: none of the tourists interviewed stated that they support local craft on an "often" or "very often" often basis; however, half of the locals interviewed agreed or strongly agreed that they did support the trade. The contradiction may be based on false perceptions which lie in the difficulty in differentiating second home tourists from mass tourists. Likewise, given the small sample of tourists interviewed - it is also very possible that the second home tourists who do patronise craftsmen were not interviewed.

An important aspect of the social dimension was found to be clearly missing. Local resident participation in any sort of planning process as it relates to second home tourism, was concluded to be non-existent, as no one "agreed" or "strongly agreed" that they had any control over related activities.

Sub-question 4: Do these activities meet the criteria of sustainable tourism?

Given the extreme complexity of second home tourism, an assessment of its sustainability is difficult to perform. Firstly, the outstanding debate surrounding the meaning and objectives of sustainable tourism development makes it difficult to impossible to achieve. Such understandings and interpretations of sustainable tourism development depend largely upon the question of for whom, and for what purpose, is tourism development sustainable (Sharpley, 2010). Even if a common understanding could be found, the fact remains that it is to date quite difficult to thoroughly assess the impacts of tourism on host communities (Simpson, 2007). This difficulty is due largely to a lack of proven methodologies and theoretical frameworks to determine, in particular, the non-economic impacts of tourism (AP, 1990, 1992 and Husbands, 1989 in (Faulkner & Tideswell, 1997)). Furthermore, whether the outcome of tourism is considered to be positive or negative is largely dependent on local circumstance (Gallent, Mace, & Tewdwr-Jones, 2005).

Despite these obstacles, a review of resident perceptions, made it possible to identify which goals within the sustainable tourism framework (see Figure 2.5) are or are not potentially being met. Residents and second home tourists were asked questions which pertained to key components of the framework for sustainable tourism, as proposed by Hall, Jenkins and Kearsley's (1997). Based on responses, many of the social, environmental and economic goals were met, through components such as community benefits, employment, local resident satisfaction, economic benefits for local stakeholders and minimal resource degradation.

On the other hand, some aspects of sustainable tourism were clearly absent. The most thoroughly agreed-upon topic among residents was the lack of control that they have over the activities of second home tourism. Participation therefore seems to be grossly lacking in decision making practices. This opinion was reinforced by key informant respondents who also claimed that despite their role in the tourism sector, they had no hand in ministry decisions regarding the newly introduced Foreign Investors Act.

A key objective of the nation's tourism sector should therefore be the formation of a forum which allows for the connection of stakeholder groups in decision making processes. The researcher believes that the Foreign Investment Order (2007) for example, should have at the very least been based on discussions which included members of the construction and real estate sectors.

The importance of participatory methods was highlighted by Innes and Booher (2004) who identified a number of reasons for utilizing participatory approaches. Such purposes include: the inclusion of the public preferences in decision making; improvement of decisions as a result of incorporating local knowledge; the advancement of fairness and justice; increased legitimacy of decisions through the use of democratic methods. The final reason cited by Innes and Booher, lies within the context of their research which is based on American policy, in which participatory approaches are utilized because it is the law (Innes & Booher, 2004). It is therefore suggested that a similar approach be considered in Trinidad and Tobago, whereby Government decision making must lawfully encompass stakeholder participation. Some techniques for utilization during consultation or participation include meetings, public attitude surveys, stated preference surveys and the contingent valuation method (Mowforth & Munt, 1998).

While the framework for sustainable tourism included “intersection areas” (community based economics, conservation with equity and the integration of environment with economy) these areas of intersection were not explicitly explored during the research process. Observation prior to this research has none-the-less found that at least the state of community based economics is present among locals. Examples of such are “paying in kind” and exchanging skilled labour. The influence that second home tourism has on these “intersection areas” is, however, unknown. It would be interesting to investigate the degree to which second home tourists participate in and encourage these practices among locals, and thus contribute to a more sustainable level of tourism development at this local level.

In the absence of an analysis of these “intersection areas”, the basic indicators for sustainable tourism development (for example community benefits, minimum resource degradation and economic benefits to stakeholders) outlined in the framework of Fig 2.4, are useful enough in their own right, in the determination of the sustainability of local tourism development. Through the use of these indicators, it was determined that while second home tourism in the study area promotes many of the individual social, economic and environmental goals of sustainable tourism, there are still some goals which need to be catered to.

Sub-question 5: How does legislation affect SHT and inherently, the local population?

Government land use controls such as stipulations on minimum and maximum land size that can be sold, often influence land and housing stock values. Such regulations are often justified as being implemented for landscape or environmental protection; however, in the process, they have severe effects on land availability for second home development. (Hall & Muller, 2004)

This situation has been mirrored in the views of key informants (Real Estate Agent Manager, P. Philips and Tobago Hotel and Tourist Board, Key Informant2) who determined that the newly introduced Land Acquisition Act effectively halted all forms of foreign investment in Tobago since its introduction, up till the point of interviews in January 2010. It has actually killed foreign investment and dramatically slowed real estate investment in Tobago for three years, because of the length of time that it took for the Order to be finalised (Key_Informant2, 2010). According to Phillips, some non-nationals are also in the process of putting their properties up for re-sale.

In the absence of this legislation, an estimated 400 more commercial and second home rooms would have been built into the current Tobago room stock (Philips, 2010). It is therefore inferable that numerous down-wind stakeholders, most particularly those involved in the construction and real estate sectors, have likely been affected by this legislation. A reduction in foreign exchange earnings is also quite likely to have been effected, although this thesis has not officially researched such. More relevant to the local level, is the fact that rural residents have in effect been restricted from gaining substantial incomes which they may be unable to obtain otherwise. This would have direct economic impacts on land-holding locals, and indirect effects on persons who otherwise benefit from second home tourism.

Unlocking some of the contradictions between perceptions and reality

This section will concisely discuss some of the likely driving factors behind perceptions, and the heterogeneity among them.

While it is recognised that resident perceptions may be an important indicator of sustainable development (Mowforth & Munt, 1998) they are not absolute measures of effects. This is because perceptions are based on a number of factors, some of which were described in Section 2.7.

Given the lack of research in the case study area, it is difficult to determine the level of impacts caused by second home tourists, and also to determine if the situation is nearing its threshold for capacity or not. In the absence of this, observation and interviewer judgement, concluded that the level of local resident irritation described by Doxey (1975), lies within the range of “apathy” and “irritation”. This range of irritation or heterogeneity of attitudes, as perceived by the researcher, has two dimensions for discussion: why is there a range of irritation levels; and what accounts for each level.

The reason for the heterogeneity among perceptions is likely due to the different levels of involvement and second home dependency, as suggested by Faulkner and Tideswell (1997). The most verbal respondents who showed their open irritation (level 3 of Doxey’s Irridex Model) were young people employed in office activities, indicating that not only do they benefit nothing from second home tourists, but that there is also concern that their land (Tobago) was being taken away from them.

Conversely, the majority of other individuals (shop owners, restaurateur, fisherman, fresh food vendor) interviewed tended to benefit from the presence of second home tourism, even if only on an infrequent or limited basis. Such individuals tended to share attitudes which could be classified as apathetic, when referred back to the Irridex Model. There was definitely no respondent who showed any form of “euphoria” regarding the presence of second home tourists in their community.

This raises the question of “why” this euphoria is lacking. Butler (1980) suggests that the phases of irritation or strongly related to the stage of tourism development in the community. That is, as time passes and tourist numbers increase, their effects magnify and local residents become continuously dissatisfied (Faulkner & Tideswell, 1997). Given that some of the second home tourists have been in the villages for quite some time, and that the ratio of second home tourists to local residents is relatively large, Butler’s theory is likely quite applicable to this situation.

Suggestions for the improvement of second home activities in Tobago

In order to maintain the integrity of rural communities, while simultaneously encouraging the growth of minimum impact second home tourist activities, the following suggestions have been made:

- Introduction of a separate legislative act which applies solely to residential or second home tourism and excludes commercial activities. This Act should stipulate:
 - A maximum amount of land that can be sold to non-nationals (the previous 1 acre could be re-introduced)

- Removal of restrictions which prevent land to be sold in certain villages, unless those areas are deemed environmentally protected or fragile. In such a case, land sale for housing/construction should be completely prohibited, regardless of the nationality of the buyer.
 - An application for licenses that allows for monitoring of second home activities, as opposed to one which restricts the areas in which such development occurs.
 - A clause which disallows the construction of a separate apartment or annex (in addition to the investor's home) built with the intent of rental or re-sale
 - A possible restriction on sales to non-nationals, but an allowance of long term leases, that can be renewed based on agreement between sellers and buyers. This would prevent "losing land" to non-nationals as some locals fear.
-
- Environmental monitoring and furtherance of education campaigns to spread awareness among locals and non-nationals, of environmental sensitivity and need for conservation.
 - Incentives for reforestation with native forest species.
 - Open forums which allow for resident participation and input on issues which affect their community. Switching from government decisions to resident informed decisions.
 - The performance of a thorough analysis of second home tourism, including demographics, spending habits and impact chains (what are all the sectors they affect, and how so?)
 - the formation of a forum which allows for the connection of stakeholder groups in decision making processes

6.0 CONCLUSION

This thesis uncovered the opinions of local residents and non-national second home tourists in rural Tobago, regarding key issues of second home tourism in their community. The study was performed owing to a current lack of exploration and documented information on the subject, despite its likelihood to produce significant, measurable effects. The author therefore considers this thesis to be an exploration and introduction to a set of much needed research into second home tourism in Tobago. While it may not be suitable for decision making, it is hoped that it will provide insight into the situation, and thereby stir interest which spurs further research.

The results of this study have uncovered a range of varying perceptions among respondents, which suggest that while there are areas such as participation and education that need to be improved upon, there are also a host of positive outcomes resulting from second home tourism in these areas. It shows that despite a lack of direct management, some of the broad aspects of sustainable tourism development are being met in these local communities, while others are sorely lacking and need to be addressed. It also postulates that in the presence of current restrictive legislation which limits sale of land to certain specific areas, a restriction on possible positive effects in other areas is applied.

While this study provides introductory insights into the phenomenon of resident and tourist perceptions, more extensive studies that cover a wider sample set are necessary to extend the validity of this research to other areas of Tobago. Additional work is still needed to determine empirical impacts on the environment, society and economy in this study area, and also across the island. Further to this, a specific, tourism sustainability plan which includes second home tourism, is thought to be necessary.

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8.0 APPENDICES

8.1 Interview Guides

Local Resident Interview Guide

This questionnaire was designed for use in a thesis project for Lund University, Sweden. Its aim is to anonymously identify the general perceptions of *second home tourists** in your village. The responses provided in this questionnaire shall be treated confidentially, and shall be used solely for the purpose of this research. Your participation in this survey will contribute to the assessment of the environmental, economic and socio-cultural impacts of such tourists in your community, as seen by you and your community.

*A foreign second home tourist is person who is a non-resident of Trinidad and Tobago, who purchases land or property, with the intention of living in that property on a temporary or part-time basis.

Please tick the appropriate box and give examples wherever you can or wish to.

1. What is your occupation?

- Shop-owner/worker
 Restaurant Owner/worker
 Fisherman/Farmer
 Other
 (specify)

2. How many years have you been living in the community

- 1-5
 6-10
 11-15
 16-20
 more than 20

3. Would you want more or less foreign second home tourists in your community?

- Much less
 Less
 Same
 More
 Much more

4. How much of a contribution do second home tourists make to the local community's economy? (purchasing goods from community shop owners, restaurants, fishermen, farmers etc)

- None
 Little
 Somewhat
 Much
 A great deal

5. To what extent are foreign home owners responsible for vegetation clearing and land use change?

- None
 Little
 Somewhat
 Much
 A great deal

6. Are there any other environmental changes which occur because of foreign second home tourists?

None Little Some Much A great deal

7. How much do second home tourists alter/interrupt the local lifestyle and culture?

None Little Somewhat Much A great deal

8. How much contribution do foreigners make to local development? (Eg. community projects, contributions to infrastructure-roads, pipe-borne water, electricity)

None Little Some Much A great deal

Please tick the response which you feel best defines your feelings about second home tourists

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
9. Second Home Tourism is good for my community					
10. I personally benefit from Second Home Tourism					
Second Home Tourism has the following effects in my community					
11. Consumes natural resources needed for local residents eg water					
12. Helps stimulate local culture and crafts					
13. Creates jobs for local residents					
14. Helps the community obtain services from government (roads, hospitals, schools, electricity, water)					
15. Raises crime rates					
16. Raises prices of goods for local residents					
17. Disrupts local activities					
18. Harms the environment					
19. The community has some form of control over second home tourism					
20. Second home tourists tend to spend money in the community					
21. The money spent in the community, stays here					
22. Local residents have easy access to the areas which					

tourists use					
23. Tourist homes/properties block scenic views					
24. Tourist homes/properties negatively change the landscape (vegetation clearance, hillside grading etc)					
25. Tourist homes/properties prevent access to areas which were previously used by local residents (eg beach fronts)					
26. Second home tourists generate excessive wastes which place strain on the local waste collection system					
27. Raises land prices above the means of locals					

Further Comments

Second Home Tourist Interview Guide

This questionnaire was designed for use in a thesis project for Lund University, Sweden. Its aim is to identify and assess the effects and contributions of *foreign second home tourists** in Tobago. The responses provided in this questionnaire shall be treated confidentially, and shall be used solely for the purpose of this research. Your participation in this survey will contribute specifically to the assessment of the environmental, economic and socio-cultural impacts that second home tourists have on the communities in Tobago.

*In the context of this research, a Foreign Second Home Tourist refers to a person who is a non-resident of Trinidad and Tobago, who purchases land or property, with the intention of living in that property on a temporary or part-time basis.

1) What is your nationality?

2) Are you a retiree?

Yes

No

3) What were the most influential factors affecting your settlement in Tobago?

Serenity/other natural features of the island Family ties Easy to settle(little/no legal restrictions)

4) How many years have you been "living" in Tobago?

5) How many months per year do you stay in Tobago?

6) If you encountered any obstacles to purchasing property or generally settling here, what were they?

a)

b)

7) Do you rent your home to others when you are not occupying it yourself?

8) Do you lend your home to family and friends when you are not occupying it yourself?

9) If you lend/rent your home, please estimate the number of months per year that it is occupied by others

10) Do you pay any property or other taxes to the Trinidad and Tobago Government?

11) Would you be willing to pay additional taxes if you could be ensured of improved infrastructure?

12) On average, how much money do you spend per month in Tobago?

- Less than TT\$ 10 000 TT\$10 000 to 20 000 More than TT\$20 000 No
comment

13) Do you employ locals to work on your property?

- Yes No

If you answered "no" to question 13, please skip to question 17.

14) For what purpose/s are they employed?

- Gardener Cleaner Care taker (when you are not in Tobago) Other

15) Please estimate their salary in TT\$ per hour

Employee 1

- Less than \$10 \$10 - \$15 \$16-20 more than \$20 no
comment

Employee 2

- Less than \$10 \$10 - \$15 \$16-20 more than \$20 no
comment

16) How many hours per week do you employ your worker/s for?

Employee 1

- Less than 5 hours 5-20 20-35 more than 35

Employee 2

- Less than 5 hours 5-20 20-35 more than 35

17) Where do you buy most of your food/goods for consumption?

- Shop in your village Supermarket in your village Shop/supermarket in
 another village Other

18) If you prefer to purchase goods outside the community in which you live, why is this?

- Quality Availability Convenience of bulk buying Other
(please specify)

19) What type of transport do you use when in Tobago?

- Personal vehicle Rental vehicle Public transport Other

20) What type of sewage disposal system is employed on your property?

- Soak away pits Connected to sewerage system Piped to sea
Other (specify)

21) What type of rubbish/garbage disposal technique do you use?

- CEPEP collection bins Burning Composting Other (please
specify)

22) What is the average size of your property?

- 1 lot (5000sq ft) 1 lot - 1/2 acre (20000sq ft) 1/2 - 1 acre more than 1 acre

23) If you built the house yourself, please estimate the area of land cleared for construction

24) What type of activities do you participate in within the community? (how do you spend your days?)

25) With whom do you spend the majority of your free time when in Tobago?

- Tobagonian locals Other international tourists Both groups, approximately equally

26) Do you make any contributions to the community?

- Monetary Volunteer work Other (please specify)

27)

I provide sales to the following persons in the community(C)/all of Tobago: (T)	never	rarely	Some-times	very often	always
Car rental agencies (C) (T)					
Restaurateurs (C) (T)					
Fishermen (C) (T)					
Fresh food vendors (C) (T)					
Shop owners (C) (T)					
Supermarket owners (C) (T)					
Souvenir salespersons (C) (T)					
Other (please specify) (C) (T)					

Further Comments

Key Informant Interview Guides

Island Investments(Real Estate Agency)- Patricia Philips

1. Can you estimate the number of foreign, second home tourists on the island?
2. Where do the majority of 2nd home tourists come from?
3. Can you identify some of the areas which are most densely populated by this type of tourist?
4. What do you think draws them to the island?
5. Does the Tobago Land Acquisition Order apply to foreign second home tourists?
6. Why was it implemented?
7. Do you think that the THA had the right to intervene and create an entirely new Order because of this?
8. To your knowledge, was any research done, or claimed to have been done prior to the implementation of the Order?
9. Has the Order been affecting you and your business?
10. Do you think it should be altered in any way?
11. Can you tell me a bit about the regulations prior to the Order of 2007?
12. Can you explain a bit clearer how the new Order applies to foreign, residential investors?
13. What do you think are the effects of the Order on Tobago?
14. What do you think is responsible for the increase in land prices in Tobago?
15. Do you have any further comments or information that you would like to share?

Tobago Hotel and Tourism Board- Representative

1. Why was the Tobago Land Acquisition Order implemented? Do you know if any studies were performed prior to the Order's implementation, which necessitated such action?
2. Do you think a different form of control could have been implemented in order to have some sort of regulation, but also maintain investment?
3. How do you think the Order has affected Tobago?

4. Was the planning for the enactment of this Order a Participatory process? Who was involved in the planning?
5. As a hotel owner yourself, do you think that second home tourism is a good investment for Tobago? If you think they contribute (or do not contribute) please describe how.
6. Do you think that they detract from hotels and guesthouses?
7. Would you like to share any more comments or information?

Interview Guide intended for Warren Solomon, Director of the Tourism at the Tourism and Transport Division of the THA (Tobago House of Assembly)

1. Does the THA acknowledge second home tourists* within their tourism planning processes and policies?

If yes, how so? Which policies specifically?

If not, is there any particular reason?

2. Have studies been performed on the impacts – ie. social implications, economic contributions, ecological impacts- and relevance (the amount of contribution) of this form of tourism in Tobago?

If yes, what did the study entail? Are such studies publicly available?

If no studies were performed, please elaborate on the reasons for this

3. Are there plans to consider second home tourism within a separate framework?

If yes, could you briefly describe how this will be done?

If no, do you think that there is a need to do so in future?

4. The Foreign Investment Order (Tobago Land Acquisition Order 2007) controls and restricts land acquisition by non-nationals and persons outside of the Caricom community. What sorts of implications are expected as a result of this (particularly with respect to second home tourists)?

5. a) The Tourism Investment Guide, produced by the TDC, states that the guiding principle of the National Tourism Policy is “to develop tourism in a controlled and gradual manner through a participatory approach”. Could you kindly describe that approach as it applies to the Tobago

Land Acquisition Order (2007) and outline the list of stakeholder participants and their roles in the process?

5b) If stakeholders weren't included in the planning process, could you briefly describe the decision making process?

6. According to the Order, controlled investment is permitted in designated development areas- Arnos Vale and Culloden Estate, Bacolet Estate, Buccoo and Golden Grove Estate, Englishman's Bay, Lowlands and Diamond Estate, Mt. Irvine and Grafton Estate. Why were these areas selected in preference of others?
7. According to your personal opinion (or that of the department), do you think that the residents, particularly in rural areas, outside of these designated development areas, could benefit from the presence of non-national second home tourists?
8. The TDC's Tourism Sector Profile, further states that Tobago's economy is driven by tourism and real estate. Given the potential impacts on the real estate industry, why then was such a harsh restriction (the Land Acquisition Order) implemented? What effects do you foresee on the industry's future?
9. In retrospect, do you think that there are any losses that might have been incurred as a result of the implementation of the Order? What about the effects on real estate agencies? On local employment opportunities? On the construction sector?
10. Do you think that the impacts of second home tourism are relevant to Tobago? Could you please explain why, or why not?

*For the purposes of this research, Second Home tourists refer to non-nationals who purchase or lease land or property from Tobagonian locals, with the intention of setting up a privately owned residence, allowing frequent returns to the same location. It excludes persons purchasing land for business investment purposes.

8.2 The Structure of Tourism Industry Management in Trinidad and Tobago

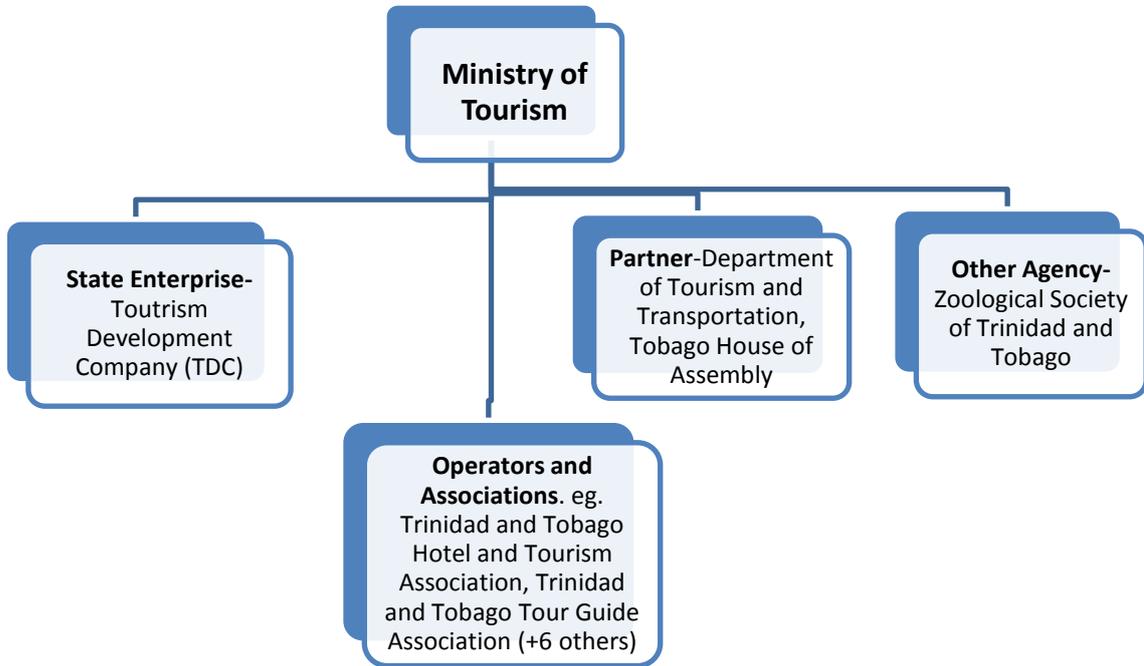


Table 2 Industry Stakeholders under the Ministry of Tourism (Trinidad and Tobago). Created based on information gathered from the Ministry of Tourism website (Trinidad and Tobago Hotel and Tourism Association (Tobago Chapter)

8.3 Images

Photographs which display the income disparities among local residents and second home owners



Second home tourist dwelling- South Tobago



Typical home of a local in Tobago



Home of a second home tourist in Parlatuvier Source: Steve Wooler <http://www.mytobago.info/>



An example of the degree of poverty which still exists for some locals- these homes located just outside of a large development of second home tourist homes in the Mt. Irvine(South Tobago)

8.4 Legislation

Guidelines and Conditions for the acquisition of Land in Tobago, post the introduction of the Foreign Investment (Tobago Land Acquisition) Order, 2007

GUIDELINES AND CONDITIONS FOR LICENCE UNDER THE FOREIGN INVESTMENT ACT, 1990

These Guidelines will help you, as a foreign investor, in the submission of your application for a licence to acquire an interest in land in Trinidad and Tobago, whether for residential or trade/ business purposes.

CONFIDENTIALITY/PRIVACY

1. You should be aware that, although the Government respects the privacy of personal information that you provide in your application, relevant information may be disclosed in accordance with the Freedom of Information Act, Chap. 22:02. Personal information may also be forwarded to other Government Departments and agencies, such as the taxing authorities and the Ministry of National Security and in particular the Immigration Department.

WHO IS A FOREIGN INVESTOR?

2. These Guidelines apply if you are a foreign investor wishing to acquire land in Trinidad and Tobago. You should therefore obtain independent advice on whether you are considered a foreign investor for the purposes of the Foreign Investment Act, Chap.70:07 and are required to comply with the provisions of this Act.

WHO IS REQUIRED TO OBTAIN A LICENCE?

3. A foreign investor is required to obtain a licence prior to acquiring an interest in land in Trinidad and Tobago in the following instances:

- Where the Minister of Finance issues an Order prescribing areas in Trinidad and Tobago (regardless of size) in which a foreign investor may not acquire land without first obtaining a licence;
- Where the area of land to be acquired is more than ONE ACRE, in the case land for *residential* purposes;
- Where the area of land to be acquired is more than FIVE ACRES, in the case of land for *trade or business* purposes;

4. By *Legal Notice No. 53 of 2007*, all foreign investors seeking to acquire an interest in land in any part of Tobago (regardless of size) must obtain a licence prior to such acquisition.

5. A foreign investor will not be required to hold a licence prior to the acquisition of land in Trinidad and Tobago in the following instances:

- On an annual tenancy or for any less interest for the purpose of his residence, trade or business where, in total, the land does not exceed FIVE ACRES;
- As an executor or administrator under a will or intestacy, for a period of ONE YEAR from the date of death of the testator or intestate or for such extended time as the Minister of Finance may grant;
- In pursuance of his rights to foreclose or enter into possession as a mortgagee for a period of ONE YEAR from the acquisition of such land or for such extended time as the President may grant;

- As a judgment creditor for a period of ONE YEAR from the date of acquisition of such land or for such extended time as the President may grant;
- Jointly with his spouse, where that spouse is a citizen of a Caricom member country who is resident in Trinidad and Tobago within the meaning of section 5 of the Immigration Act, Chap. 18:01.

6. Consideration for land acquired by a foreign investor shall be paid in an internationally traded currency except in the case of a company incorporated in Trinidad and Tobago where such consideration is financed out of capital reserves or retained earnings.

RESTRICTIONS ON ACQUIRING LAND IN TRINIDAD AND TOBAGO UNDER LICENCE

7. Except in the case of land to be acquired for residential purposes, there are no restrictions on the number of properties a foreign investor may acquire. In the case of residential land, a licence will be granted for the acquisition of only one (1) parcel of land. A foreign investor must nevertheless submit a separate application for each property he/she wishes to acquire.

8. If you want to enter into a contract for the sale of land, it is recommended that the contract remains conditional until after you receive your licence. For instance, the contract can state that it is “subject to a foreign investment licence. If such licence is not obtained, this contract is terminated and all monies deposited will be refunded.”

APPLICATION FORMS

9. All application forms are available for download from the Ministry of Finance website at www.finance.gov.tt.

10. You should submit your application to the following person:

Permanent Secretary
Ministry of Finance
Level 8
Eric Williams Finance Building
Independence Square
Port of Spain
Trinidad and Tobago

11. Applications for foreign investment in Tobago may be submitted directly to the Chief Administrator, Tobago House of Assembly, Calder Hall Administrative Complex, Scarborough, Tobago.

12. You should attach all required documents to your application. Applicants should also provide any additional documentation that may be requested by the Permanent Secretary, Ministry of Finance or the THA during the examination process. Incomplete Application Forms **WILL BE RETURNED FOR COMPLETION** and will delay consideration of the Application. If sufficient space is not provided on the Form, please attach the relevant information on a separate page or pages.

APPLICATION DOCUMENTATION

13. Where applicable, an applicant is required to provide the following documents when submitting the application:

- a) In the case of an individual, the passport of the Applicant; or a true Photocopy of the relevant pages (showing the name and entry/travel records) of the applicant's passport notarised by a Notary Public or designated officer at the relevant Embassy/High Commission; and in the case of Trinidad & Tobago, by a Commissioner of Affidavits.
- b) Town and Country Planning Outline Approval for the erection of a building on the land in respect of which a licence is sought;
- c) Credit references and evidence of adequate financing (from an acceptable source, such as a reputable accounting firm or registered financial institution) to maintain the applicant pursuing acquisition for business or residential purposes;
- d) Where an applicant is proposing to use the property for business purposes, a Business Plan must be submitted, showing the following:
- i. The proposed business activity to be undertaken;
 - ii. Level of capital investment;
 - iii. Credit references and evidence of adequate financing from an acceptable foreign source such as a reputable accounting firm or financial institution;
 - iv. Significant impact on local employment and proposals for training;
 - v. Foreign exchange earnings/savings; and linkages with the rest of the economy.
- e) Where the Applicant is a Company, a copy of the Certificate of Incorporation must be provided;
- f) Certified Copy of Will and Grant of Probate, or Letters of Administration must be submitted with the application where the application is to hold interest in property inherited by will or intestacy;
- g) Applicants who are individuals must submit Certificates of Good Character from the Police Authorities in the country of residence of the Applicant. In the case of companies, Directors are required to submit Certificates of Good Character from the Police Authorities in the country of residence of the Director

14. Designated Development Areas. To further encourage foreign investment, the Tobago House of Assembly (THA), in consultation with the Tobago Private Sector (TPS) and with the approval of the Minister of Finance/Trade/Planning and Development??, has identified a number of Designated Development Areas which are listed below:

- Arnos Vale and Culloden Estate.
 - Bacolet Estate;
 - Buccoo and Golden Grove Estate;
 - Englishman's Bay;
 - Lowlands and Diamond Estate; and
 - MT Irvine and Grafton Estate;
- a. These are areas in Tobago earmarked for tourism-related development approved by the THA.
- b. The Tobago House of Assembly may, in consultation with the TPS and with the approval of the Minister of Finance, designate additional areas for tourism development as considered necessary.
- c. The list of approved designated areas will at all times be made available via the Ministry of Finance and/or the Tobago House of Assembly.

15. Other Investment/other areas. Consideration will also be given to applications for licences in respect of non tourism-related investment in areas other than those designated for tourism-related development.

GRANT OF LICENCE

16. The grant of licences shall be subject to the conditions stated below:

Conditions For The Grant Of Licence

17. Land Acquired for Residential Purposes

- (i) The land that the foreign investor is seeking to acquire shall be used only for the purposes for which the licence is to be granted, that is, as a residence;
- (ii) Only one residential structure is to be erected on the land to be purchased;
- (iii) The land to be purchased cannot thereafter be sub-divided;
- (iv) A foreign investor can *only* acquire one (1) parcel of land for residential purposes, regardless of the size of the land;
- (v) Construction must be completed within thirty-six (36) months of the issuance of the licence or for a further period of up to two (2) years where approved by the Minister of Finance. Failure to complete construction within the specified period may result in the revocation of the licence;
- (vi) Any other condition as the Minister of Finance may determine.

18. Land Acquired for Business/Trade Purposes

- (i) The time permitted after a licence is granted for effective completion of construction and/or start-up of business with regard to -
 - a. land acquired for an Integrated Resort Development, is sixty (60) months;
 - b. land acquired for hotel development, is sixty (60) months;
 - c. land acquired for non tourism-related investment, is sixty (60) months;
 - d. completion timeframes which have not been complied with, the Minister of Finance may approve extensions of up to three years in the case of (a), (b) and (c) above.
- (ii) Where unlawful activity is conducted by a foreign investor employees or agents (with the knowledge of the foreign investor) on business premises in respect of which a licence has been granted, the licence may be revoked by the Minister;
- (iii) Where restrictions are placed on the types of business activities to be conducted by the foreign investor, the licence may be revoked where unapproved activities are promoted by the foreign investor, or by his employees or agents with his knowledge; and
- (iv) For any expansion of business operations, the foreign investor must obtain the prior approval of the Minister of Finance or the relevant Government Department or other agency;
- (v) Any other condition as the Minister of Finance may determine.

19. Where a foreign investor fails to fully comply with 17 (v) and 18(i) above the licence shall be cancelled and the State shall embark upon judicial procedures to have the land/property forfeited or take such other legal action as may be deemed appropriate.

20. These applications are complex in nature and, where ALL of the required information is provided, it may take up to 20 working days to process.

DISPOSAL/PURCHASE BY FOREIGN INVESTOR FROM FOREIGN INVESTOR

21. A licence granted under the Foreign Investment Act, Chap. 70:01 is not a form of property and is not transferable to another foreign investor. A foreign investor seeking to acquire land which was previously owned by another foreign investor who was granted a licence to own that land, must also obtain a licence prior to the acquisition of that land.

OTHER PENALTIES

22. You should be aware that a person who knowingly does any act or thing causing or calculated to cause the vesting in a foreign investor of any land without obtaining a licence is guilty of an offence and is liable on summary conviction to a fine of \$100,000.

23. Land that is required to be held under licence and not so held may also be forfeited by the State. This is in addition to any other penalty which may be incurred under the Foreign Investment Act.