

CHAPTER 18

Ecotourism and Sustainable Tourist Development

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Abstract: Cuba since the early 1990's has made a fundamental shift in economic policy toward hard currency endeavors such as tourism and trade. The shift was thought to come from the fall of the Soviet Union and the loss of billions of dollars in economic subsidies, but the changes towards development of tourism was completed prior to the fall of the Soviet Union. The present paper will discuss the history of the development of tourism in Cuba and the current state of tourism as well as provide insight into the future growth of tourism. The paper also discusses a project underway in Cuba to develop sustainability in tourism growth as Cuba moves forward. The current project funded by the World Wildlife Fund and working in conjunction with the Fundacion Antonio Nunez Jimenez del Hombre and MINTUR will be presented. This project addresses the process of developing sustainable tourism measures as well as development of ecotourism in 4 poles in Western Cuba; Vinales, Las Terrazas, Cienega de Zapata and Varadero, utilizing the Blue Ocean Strategy process, and will serve as a roadmap for a rollout of sustainable tourism to the rest of Cuba's tourism industry.

In the early 1990s the collapse of the Soviet Union started the special period for Cuba. This was a period of economic hardship for Cuba and its citizens and the government was required to make serious decisions. These decisions included preliminary looks at currency and GDP. Decisions regarding shifting currencies to a new peso (de-dollarization) were discussed and rejected until 2003. The other major shift which was announced in the Cuban Economic Resolution in 1997, that called for a fundamental shift in production of the economy away from agriculture towards tourism which could bring in hard currency. This was allowed due to Ley 77 "Foreign Investment Act" in 1995, which allowed for foreign joint ventures to be introduced into Cuba. The law is designed to allow for up to 100% foreign ownership for the first time since 1959, but this is not found in practice. The current mechanism for tourism is through joint ventures with Cuba holding as much as 80% of the joint

venture. Typically, the foreign investment involves management training and capital, while the Cuban partners put up the land, building material and labour.

Through this partnership, currently more than 300 joint ventures exist. In the area of tourism, there are more than 50 joint ventures. The resultant shift in GDP has seen tourism grow from 6% of GDP (services and tourism) to nearly 69.3% of GDP in 2007, while agriculture fell from 75% to just 4.6% in the same period, however, this should be considered with caution as Cuba made a shift in the inclusion of medical services employed in other countries as part of the calculation of GDP, and this represents a greater contributor to GDP than tourism.

History

Cuban Tourism has been developing steadily since the 1950s. The centralized planned development of Cuba's tourism has been concentrated in the Havana-Varadero (70%) core with other poles, notably Guadalavaca and some of the keys such as Cayo Coco and Cayo Largo also receiving attention. In the 1950's the U.S. congress was putting added pressure on the Crime Syndicates in Las Vegas and they were on the lookout for a new playground if the U.S. Congress shut down Las Vegas. This fuelled the growth of tourism in the 1950's up until the time of the Cuban Revolution in 1959. Between the 1950s and 1970s tourism growth slowed, but then started again with the development of Varadero. Cuban tourism grew from 340,000 in 1990 to over 2.3 million in 2006. Varadero has undergone many growth spurts, with the largest coming in the early 1990s following the announcements of the Ley 77 which allowed for foreign ownership following the collapse of the Soviet Union. A major problem, however ensued from this growth in that the focus of the growth was in the area of development of hotels and tourism products in an attempt to accumulate hard currency without consideration of sustainable development and any significant discussion or focus on the environment, despite the introduction of Law 81 which calls for environmental assessments to be conducted, especially when foreign investment is involved.

A common misconception is that the growth and focus on tourism in the early 1990's was the result of the collapse of the Soviet Union, however the focused plan by the development group at MINTUR, a group of 8 individuals had completed their growth plans for Cuba 8 months prior to

the collapse of the Soviet Union. The resulting growth in hotel rooms and tourism was achieved as tourism in Cuba grew from under 30,000 rooms in 2000, to the current 70,000 rooms, and planned growth to 90,000 in 2010, with a planned maximum capacity of 207,200 rooms for future development in Cuba. In Varadero, growth is expected to expand from the current 15,200 to 27,100 rooms, while other planned major expansions in Havana (10,400 to 36,600 rooms), Jardines del Rey and Camaguey combined (5,200 to 52,300) and Holguin (4,500 to 15,300). Growth in these areas over the past 20 years has come at a cost due the lack of consideration of the environment. Implicit with this growth, there have also been a substantial decline in the quality of the reef and beach in Varadero. Since that time, CITMA, Centro de Investigacion de Tecnologia y el Medio Ambiente has shown a destruction in the beachfront property.

FIGURE 1. Beach Erosion



Note in the above photograph to the left the destruction of the grass where sand has been allowed to overrun the grass areas to accommodate the easy access for tourists to the beach area, while the property on the right has had little erosion of the beach area, and is limited to the entry location for tourists. This erosion has caused the natural changeover cycle of the beach every 10 years to be changed and has resulted in the destruction of virgin sand that Varadero enjoyed prior to the 1990s.

Other problems which have occurred due to the lack of focus on sustainability and the environment has been the destruction of property in Las Terrazas in the western part of Cuba in the Sierra de Rosario moun-

tain range. This complejo de Las Terrazas was originally settled by the French escaping slavery from Haiti and settled in this area. To build their houses and farm the land, they clear-cut much of the forest region, causing major destruction to the land. The Cuban government, in 1968 embarked on a re-forestation project which saw much of the land reclaimed with natural landscape, but the underlying destruction can still be viewed today.

FIGURE 2. Deforestation



Today, the development group of MINTUR has major expansion plans for growth of tourism in the Cuban economy. This growth must be done with sustainability in mind.

In 2003, the Association of Caribbean States (ACS), working on the initial works in sustainability by the World Tourism Organization meetings in 1995 in the Canary Islands and the 1992 Earth Summit in Rio de Janeiro, in a meeting determined that Cuba has 4 major areas which could be looked at to evaluate sustainable tourism. The four areas determined by the ACS were Varadero, Cienega de Zapata, Vinales and Las Terrazas. To this end the current project was developed and proposed and has been supported by the World Wildlife Fund as the principle agent working in conjunction with Transat A.T., the largest tour operator in Canada and 5th largest in the world, The Foundation Antonio Nunez Jimenez del Hombre y la Naturaleza and the Ministry of Tourism of Cuba (MINTUR).

The Locations:

The current project is situated into the 4 poles identified by the ACS. Tourism figures from 1996 indicated Varadero had 880,961 visitors, followed by Vinales with 180,774 visitors, Cienega de Zapata with 156,366 visitors and Las Terrazas with 34,210 visitors.

A brief listing of the locations are presented below:

1. Varadero: Varadero is located on the north shore of Cuba representing a peninsula of more than 20 km. Currently, Varadero has a total 17,306 hotel rooms and is separated into 7 sectors, averaging 47,000 visitors per day. Varadero is considered well developed and is expecting major growth in the next 10 years which will see the number of rooms nearly double to 27,000. To accommodate this growth, new hydro-electric facilities have been built and new infrastructure and roads are being designed. Major expansion and growth is planned along the coast toward the airport and the Oasis Zone. Varadero has historically had one of the best beaches in the Caribbean and has attracted many tourists worldwide for its beaches and nightlife, as well as its beach and marina facilities which is expected to grow to 1900 total yacht births.

2. Cienega de Zapata: Well known for its historical place in history as the failed US attempt in 1961 to overthrow the Castro government, it is also referred to as the Bay of Pigs. It was awarded a UNESCO world heritage biosphere reserve in 2001, and its 600,000 ha. makes it the largest and best preserved wetland in the Caribbean. It represents the largest collection of crocodiles on the island of Cuban and is a natural location offering bird watching with in excess of 150 species of birds, manatees and fishing, both for bone fish in the flats and such fish as tarpon in the inlets and mangrove swamps. The area only has 2 major hotels and few casa particulars. There are 2 small beaches in the area and it is also a haven for scuba diving directly off the shore, including a big blue hole.

3. Vinales: The vinales region is known for its unique geography of mogotes and hills as part of the mountain region. The Vinales was designated a UNESCO World Heritage Site in 1999. The caves inside the chain of hills go on for 43 km. representing some of the largest in the Caribbean and is studied by la escuela de espiologia (School of Caves). The area also has unique flora and fauna with dense jungles and offers medicinal baths for health tourism. At night, tourists can see thousands of bats as the leave

the caves or can explore the *cueva del indio* (Cave of the Indian) or explore the *Murales prehistorico* (Prehistoric Murals). The Vinales area is controlled as a national park. The Vinales has 193 hotel rooms and 342 *casa particulares* to accommodate guests, although the majority of tourists are day-trippers from Havana, about 2 hours away.

4. *Las Terrazas*: This is a unique *complejo* (zone) in the Sierra de Rosario mountains and represents a UNESCO biosphere reserve awarded in 1985. It has 50km of mountain range within the national park representing *Las Terrazas* and is between Havana and the Vinales region. It is unique in that it is totally integrated with the local population, with the 2000 people living in the park working there as well. The major hotel Moka complex has 22 rooms and is integrated into the environment completely. In 2006 it was awarded the National Award for the Heritage Conservation.

FIGURE 3. Moka Hotel Complex



Las Terrazas offers a number of recreation activities including hiking, canopy tours with zip lines, medicinal baths and is controlled by the *consejo de vecinos* (neighbourhood council).

A unique feature of *Las Terrazas* is that this is only one of two locations to be able to maintain the tourist dollars in the continued development. The other being *Havana Vieja* (Old Havana), which is using the tourist dollars for the reconstruction of the *malecon* and old Havana region.

The Project

In response to the ACS conference, the current project was proposed by the WWF in conjunction with the Fundacion Antonio Nunez Jiminez del Hombre y la Naturaleza and the Ministry of Tourism. The main focus of the project is as follows:

- i) Determination of problems in each of the four selected zones.
- ii) Coordination an integration of actors involved in each selected zone and with Canadian Tour operators.
- iii) Determination of effective indicators which can be used to determine the effectiveness of the current strategy in sustainable tourism development and growth.
- iv) Development of new tourism products which coordinate between sustainable development and ecotourism to promote conservation and allow tourists to be able to experience the unique environment that Cuba offers.
- v) Development of a methodology to expand the current process to other tourism zones within Cuba and the Caribbean.

The Team

The project was officially started in 2007 with the development of an implementation team.

The WWF contacted the author as a consultant in the project as the author has experience in Cuba having worked in projects in tourism for more than 10 years and completed his Ph.D. at the University of Havana in development of the Balanced Scorecard in the tourism industry between Cuba and Canada. The author is an assistant professor at Carleton University, Ottawa, Canada, where he instructs courses in Management Accounting, Performance Measurement Systems, Enterprise Development, Finance and Strategic Management. He is also certified in Blue Ocean Strategy from INSEAD University, France and is utilizing the process in the development of ecotourism products in Cuba.

Telmo Ledo works in the development department of the Ministry of Tourism with 25 years experience in the development and growth of

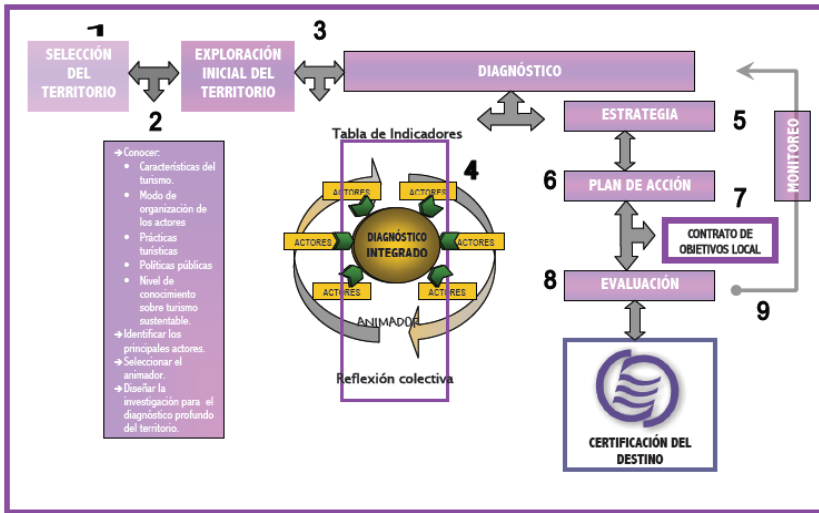
Cuban Tourism. His knowledge of the government requirements and contacts has been instrumental in the success of the project to date.

Esther Velis and Halema Prado from the Fundacion Antonio Nunez Jiminez have coordinated the project and have made all arrangements necessary to be able to implement the project. They have also been involved in the strategic direction and policy analysis of the project.

Dr. Alfredo Norman and Dr. Gisela Diaz, where contracted by the ACS to develop the indicators utilized in the ACS project, coordinating information from the World Tourism Organization, the Caribbean Tourism Organization, the Caribbean Alliance for Sustainable Tourism, AFIT-GEOSYSTEM and other organizations specializing in Tourism in the Caribbean, and are spearheading the development of indicators and workshops in the current project.

The methodology implemented in the first phase of this project is utilizing that which was determined in the ACS process as elaborated below in Figure 4.

FIGURE 4. Process for Sustainable Tourism in Tourist Destinations (ACS)



The Process

Once the implementation team was assembled, the first stage was to prepare a diagnostic of the problems and issues facing each location. A site visit was conducted with the initial team and coordinated with actors in each location. This allowed the implementation team to see first hand the conditions, problems and opportunities that could exist in each location as well as to be able to determine a plan of action for the process.

Next, workshops were established in each location with various levels of governments, tour operators, hotel chains, directors of national park lands, FORMATUR (the National Cuban Tourism School), and CITMA (The Ministry of Science and Technology and the Environment) as well as police, city and municipal officials and other stakeholders. The purpose of this was to avoid the mistakes made in earlier tourism development and include all parties involved in the process from the beginning to ensure complete and total buy-in of relevant stakeholders and make a coordinated effort where everyone was aware and had a say in the future development and growth of tourism in Cuba.

In each of the workshops, diagnostics of problems identified in the initial meeting were discussed in a root-cause analysis. The workshop was led by team leaders who aided in the process of discussing each of the problems in small breakout groups which were later unified to discuss the problems, solutions and indicators that could be used to monitor the problems.

The following day, the team leaders again led the sessions and identified the need for the indicators in developing sustainable tourism and aided smaller breakout groups in discussing possible indicators. The basis of the indicators, were those identified in the ACS process developed by Alfred Norman and Gisele Diaz. Discussion of each indicator, included determination of whether they were adequate for the region as each of the four poles are unique and require different sets of indicators to determine sustainability, for example, Cienega de Zapata and Varadero have concerns with water, beach and reefs while Vinales and Las Terrazas have soil erosion and mountain range destruction. Each has unique flora and fauna which must also be monitored.

An additional aspect to the workshop was discussion around development of unique ecotourism opportunities which would meet the need of

growth, while monitoring and maintaining the environment. Discussions in Cienega de Zapata focused on the use of the wetlands, marshes and flats for fishing and river tours, Vinales focused on the unique system of caves, bats and animals, Las Terrazas will focus on the undeveloped parkland for hiking, camping and ecology, while Varadero will focus on new opportunities in the surrounding region such as golf courses and water activities, as well as determining the number of tourists per zone that is sustainable, thus leading the maximum number of hotel rooms per zone. Raúl Castro, in 2008 indicated that Cuba would likely open an additional 10 golf courses; however these do have a dramatic impact on the environment which must be weighed in these delicate environmental regions.

As a final aspect to the workshop, discussion around developing a unique slogan and logo for each pole were discussed which could act as a unifying phrase that could be used to identify the region and could be used in advertising as a branding technique to identify a customer value proposition for each of the 4 poles. Each participant was asked to identify a unique slogan. The slogans were discussed and improved upon until a final slogan was determined.

Continuation and Reflections

The major focus of this process is 3 fold:

i) Education of tourists and local Cubans about guarding the environment.

In Canada, the effort to development an effective recycling program took nearly 20 years to change the mentality of the Canadian public. This process is starting in Cuba, but needs to be expanded. The project has an aim of developing local commercials and eventually a program for University for All to discuss guarding the environment and recycling programs. Many Canadians now are conscious of the changes in the environment, global warming and energy crisis with rising petroleum prices. However, despite the focus in their home country, this way of thinking is often relaxed when on vacation. It is our goal to keep this in the forefront of tourists. To this end, the project has an aim of developing a 5-7 minute video, to be played on airplanes traveling to Cuba for tourists. The focus of this video will be on conservation of the environment

primarily and eventually to include aspects of available ecotourism products.

Our partner Transat A.T. is also involved in this process by promoting the project in their corporate literature, including the annual report, corporate website and in-flight magazine. The project is also being promoted on the WWF website.

ii) Development of Sustainable Tourism Indicators

The workshops in each of the 4 poles will be the key promoter of sustainable tourism indicators to monitor the environment and promote sustainability. The indicators will aid in further development of the strategy of the Ministry of Tourism in developing tourism in Cuba. It is not enough to just develop the indicators, but they must be incorporated into the strategy of tourism development, similar in nature to the use of the Balanced Scorecard in measuring and supporting a corporate strategy, which focuses on understanding the linkage of profitability, customer, internal management processes, and infrastructure growth, such as training and development. The development of indicators must achieve the same purpose as the balanced scorecard which is to allow for both evaluation as well as formulate growth plans in each pole.

iii) Development of a methodology

A third critical output of this process is the development of a methodology for the implementation of sustainable tourism measures. The current project is working in 4 poles, but it is the goal to eventually roll this process out to other areas of Cuba, and the Caribbean including Camaguey/Savannah, Trinidad, Holguin, Santiago de Cuba, and Baracoa and the Isle of Youth as well as other destinations.

Problems and Future

In the evaluation of this present project, concerns lie in adequate participation of key stakeholders and the ability to successfully implement the changes necessary to tradeoff environmental concerns against the profits that can be attained by tourism growth. Cuba's government has learned from the destruction of the environment caused by the last rapid growth. To this end, the present project organizers have been adamant in engaging all stakeholders in the process. The process is being led by well respected

international organization WWF and local key stakeholders of the Ministry of Tourism as well as the Fundacion Antonio Nunez Jiminez del Hombre y Naturaleza.

Time is another issue as the project has a defined time-limit and budget. To this end, a key outcome will be the methodology to continue the current work in other tourism zones in Cuba. The recent hurricane season has caused significant damage to three of the four locations under study and the project has moved to the back burner from the Cuban side as the struggle to maintain infrastructure and repair damage is strategically significant in getting operations running.

It is hoped the present paper will be updated in 2009 upon completion of this project, but this provides an insight into the process and work being done to ensure sustainability in the growth of Cuba's Tourism industry.