

## The Barriers to Inclusive Growth in Bonaire's Tourism Industry



Simone Treur

# **The Barriers to Inclusive Growth in Bonaire's Tourism Industry**

Simone Treur

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Wageningen University & Research, Wageningen

Supervisor: Dr.ir. KBM (Karin) Peters

Examiner: Prof. Dr. EH (Edward) Huijbens

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## Abstract

This research investigates the barriers to inclusive growth in Bonaire's tourism industry. The tourism industry continues to perform well globally and is expected to continue this positive performance in the future, despite the temporary setback of the global Covid-19 pandemic. This positive trend is a promising indicator for the Caribbean, and specifically Bonaire, given that the tourism industry represents a significant economic sector. Therefore, it is crucial to comprehend the relationship between tourism and poverty reduction. Inclusive growth is a comprehensive approach, aiming to create productive employment that increases the incomes of poor and excluded groups while simultaneously improving living standards and economic well-being.

This research addresses a research gap in the relationship between inclusiveness, poverty, and tourism on Bonaire and it contributes to the Social-ecological Transformation for bottom-UP Integrated Approach in Caribbean Landscapes project. Furthermore, this research offers policymakers valuable insights on inclusive growth in the tourism industry. The Tourism-Driven Inclusive Growth framework was employed to identify the barriers to a more equitable tourism sector, employing document analysis and semi-structured interviews. The constraints identified were 'access to land', 'access to finance', 'access to education', 'monetary outcome', and 'non-monetary outcome'. By understanding and addressing these constraints, the tourism industry of Bonaire has the potential to facilitate inclusive growth in the tourism industry.

Nevertheless, the research is constrained by a lack of qualitative data for the valid use of the Tourism-Driven Inclusive Growth framework and unaddressed root causes of the constraints. Future research should seek to quantify the indicators in question in order to facilitate benchmarking and should also explore the underlying causes. The policy recommendations include the implementation of microfinance schemes and targeted interventions with the objective of reducing the cost of living.

**Key words:** *inclusive growth, tourism industry, Bonaire, Tourism-Driven Inclusive Growth framework.*

## **List of Acronyms and Abbreviations**

Bibob	Promotion of Integrity Assessments by Public Administration Act
F/M	Female/Male
GDP	Gross Domestic Product
GM	General Manager
HRV	Hausman, Rodrik, and Velasco
MPE	Marxian Political Economy
T-DIGD	Tourism-Driven Inclusive Growth Diagnostic
TLGH	Tourism-Led economic Growth Hypothesis
TRUPIAL	Transformation for bottom-UP Integrated Approach in Caribbean Landscapes
USD	United States Dollar
WEB	Water- en Energiebedrijf Bonaire

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# 1. Introduction

## 1.1 Background

The tourism industry continues to perform well globally and is expected to continue this positive performance in the future, despite the temporary setback of the global Covid-19 pandemic (Mackay & Spencer, 2017). The global receipts from international tourism<sup>1</sup> grew from 2 billion United States Dollar (USD) in 1950 to 1,260 billion USD in 2015, and to 1.4 trillion USD in 2023 (United Nations World Tourism Organization, 2016; “International Tourism To Reach Pre-Pandemic Levels in 2024”, 2024). Global receipts from international tourism have reached 1.4 trillion USD, representing a 93% recovery of the tourism industry from the 1.5 trillion USD earned before the onset of the Covid-19 pandemic (“International Tourism To Reach Pre-Pandemic Levels in 2024”, 2024). In 2023, the tourism industry contributed with 3% to the global gross domestic product (GDP), a figure that is identical to the pre-pandemic level observed in 2019 (*UN Tourism World Tourism Barometer | Global Tourism Statistics*, 2023).

This positive trend is a promising indicator for the Caribbean’s economy, and specifically Bonaire, given that the tourism industry represents a significant economic sector for a considerable portion of the region (Mackay & Spencer, 2017). The World Travel and Tourism Council (2016) has identified the Caribbean as the world’s most tourism-dependent region based on the relative contribution of tourism to GDP. This is also true for Bonaire where tourism is the largest sector, accounting for 38.4% of its GDP. Additionally, 42% of companies on the island are active in the tourism industry (*The Economy - KVK Bonaire*, 2023).

Since the early 1990s, sustainable development has become a dominant paradigm in tourism (Torres-Delgado & Saarinen, 2014). The concept of sustainable development originated in the Brundtland Report, entitled, “Our Common Future”, which was issued by the World Commission on the Environment and Development in 1987. This report presented two key principles. The first principle was the intergenerational equity of development, which was defined as “*meeting the needs of the present generation without compromising the ability of future generations to meet their own needs*” (WCED, 1987, p.43). The second principle was about the conservation of the biological diversity and the ecological integrity, which may be achieved by constraining economic activity. Tourism has an economic, environmental, and social impact and is therefore linked to all three dimensions of sustainability, and sustainable development (Streimikiene et al., 2021).

However, the tourism sector has been relatively slow to engage with the development debate and to recognize its role in development (Sofield, 2003). During the period following the Second World War, when development was a priority, tourism was not included in the development plans of most countries in the Third World (Sofield, 2003). For example, Sofield (2003) states that the tourism industry was only mentioned in the eighth Five Year Development Plan for Fiji (1981-1985), despite the industry’s success in terms of foreign exchange earnings and its contribution to employment in the region. However, in the Caribbean, tourism was described by Kadt (1979) as a “passport to development”, underscoring the importance of tourism for development. Therefore, the majority of the Caribbean countries have adopted a positive attitude towards the value of tourism for development (Sofield, 2003).

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<sup>1</sup> The term “international tourism receipts” is defined as “*expenditures by international inbound visitors, including payments to national carriers for international transport*” (*Glossary | DataBank*, n.d.).

Sustainable tourism development aims to increase and maintain economic welfare through tourism, while promoting social and environmental responsibility (Matarrita-Cascante, 2010). Furthermore, Angeleveska-Najdeska and Rakicevik (2012) elaborate that sustainable tourism development balances economic, social, and cultural development, without endangering the environment. The World Tourism Organization (1998, p.20) defines sustainable tourism development as follows:

*“Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to the management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.”*

Sustainable tourism is a broader concept that encompasses all aspects of sustainability across the entire tourism industry, with a particular focus on socio-economic objectives. However, these objectives appear to be complementary to the central focus on environmental sustainability (Neto, 2003). As a result, pro-poor tourism, a new approach aimed at poverty alleviation emerged. This pro-poor tourism development approach is defined as tourism generating net benefits for the poor (Bakker & Messerli, 2016). The objective is to increases the net income of the impoverished part of the population (Gascón, 2015).

As Bakker and Messerli (2016) note, the pro-poor growth approach has employed tourism as a means of eliminating poverty since the late 1990s. In particular, this type of tourism is regarded as a potential avenue for economic development among the poor in developing countries, given that these countries often possess assets such as wildlife, landscapes, and cultural heritage experiences that can be leveraged even in the absence of financial resources to attract tourists (Bakker & Messerli, 2016).

Neto (2003) argues that there are three ways in which tourism development can be an effective tool for poverty alleviation. Firstly, tourism offers employment opportunities for unskilled labour, migrants, and lower-income women. Secondly, the links of tourism with the informal sector could cause a positive multiplier effect to poorer groups relying on that sector. Thirdly, tourism frequently depends on the conservation of natural capital, such as wildlife and scenery, as well as cultural heritage. These resources are valuable even in the absence of financial resources (Neto, 2003). So, pro-poor tourism is a tourism development strategy that aims to increase the opportunities for paid work, to create local micro-businesses, and to generate community income through a series of interventions. These interventions include providing funding for community-based tourism projects, supporting tourism business policies with large investments that could create jobs and other benefits, and promoting the link between tourism businesses and local agriculture and livestock sectors for food provision (Gascón, 2015). Pro-poor tourism encompasses mechanisms to facilitate opportunities for the poor at various levels and scales of tourism services (Neto, 2003).

Nevertheless, pro-poor tourism is perceived to have a narrow focus, as it has been constrained to the micro level. It is frequently concentrated on community-based tourism projects and lacks the scale to achieve a significant impact (Ashley & Goodwin, 2007). Additionally, Gascón (2015) posits that pro-poor tourism serves the business interests of the tourism industry, as pro-poor tourism is expected to combat poverty by providing income for the impoverished residents. The structural limitations of the tourism industry and the legitimisation of unsustainable business practices are ignored (Gascón, 2015). Consequently, pro-poor tourism is contingent upon the capacity to enhance the net income of impoverished communities. However, this does not necessarily entail poverty reduction or the equitable distribution of benefits at the individual level (Gascón, 2015).

## 1.2 Problem Statement

The abovementioned paradigms of sustainable development and pro-poor development have not sufficiently addressed the issue of poverty reduction. Inclusive growth would be a fitting paradigm moving forward. The definition of inclusive growth is more elaborate than pro-poor growth as it applies to all members of the community, irrespective of their situations, fostering collaboration to attain inclusive growth (Bakker, 2021). As Peterson et al. (2020) argue, inclusivity is rooted in development economics and the study of how economies and societies change and grow. The World Bank (2009, p.1) describes inclusive growth as follows:

*“[...] inclusive growth analytics has a distinctive character focusing on both the pace and pattern of growth”*

*“[...] rapid and sustained poverty reduction requires inclusive growth that allows people to contribute to and benefit from economic growth. Rapid pace of growth is unquestionably necessary for substantial poverty reduction, but for this growth to be sustainable in the long run, it should be broad-based across sectors, and inclusive of the large part of the country’s labour force.”*

As “The Inclusive Growth and Development Report 2017” (2017, p.vii) states, “*inclusive growth can be thought of as a strategy to increase the extent to which the economy’s top-line performance is translated into the bottom-line result society is seeking, i.e., broad-based expansion of economic opportunity and prosperity.*” So, inclusive growth can be defined as productive employment that increases the incomes of poor and excluded groups while raising the standard of living and economic well-being (World Economic Forum, 2018).

As tourism is one of the fastest growing sectors, it is crucial to comprehend the relationship between tourism and poverty reduction (Oviedo-García et al., 2019). Tourism can boost local economies by promoting the consumption of local products and services. Furthermore, tourism could create employment, especially among vulnerable groups such as women, youth, and ethnic minorities (Schep et al., 2022). It is assumed that steering economic growth in the tourism sector towards poverty reduction is possible (Oviedo-García et al., 2019). Small islands like Bonaire rely on tourism for income (Soma et al., 2022), and the number of tourists visiting Bonaire continues to rise (Statistics Netherlands, 2023a; Statistics Netherlands, 2023b). However, research by Soma et al. (2022) shows that only 27% of respondents work in the tourism sector, and just 4% rent out rooms to tourists. Of the residents who may be willing to rent out rooms, 18% would do so depending on the available opportunities. Currently, only 16% of the residents directly engage in tourism, and the larger share of earnings gained in tourism does not benefit Bonaire's residents. Therefore, it is questionable whether the increase in tourism can increase local earnings and employment while reducing poverty levels for residents born in Aruba, Bonaire, and Curaçao (Soma et al., 2022).

## 1.3 Research Aim and Research Questions

Based on the problem statement, the aim of this research is to identify the barriers to inclusive growth in Bonaire's tourism industry. Therefore, the following research question is proposed:

*What factors limit the tourism industry's potential to foster inclusive growth on Bonaire?*

With the following sub questions:

1. What barriers negatively impact growth in Bonaire's tourism industry?
2. What barriers limit the inclusivity of Bonaire's tourism industry?
3. What barriers negatively impact the equality of outcomes in Bonaire's tourism industry?

## 1.4 Relevance

This research aims to address the research gap in the relationship between inclusiveness, poverty, and tourism on Bonaire that Soma et al. (2022) have identified. For that reason, the application of the diagnostic of Bakker (2021) that aims to identify the binding constraints to a tourism sector that is more equitable, contributes to this research gap.

Additionally, this research contributes to the ongoing research project of Wageningen University & Research, the Social-ecological Transformation for bottom-UP Integrated Approach in Caribbean Landscapes (TRUPIAL) (P. Verweij, Personal Communication, December 4, 2023). TRUPIAL is a project active from January 2023 till December 2024 (3.2 *Social-ecological Transformation For bottom-UP Integrated Approach in Caribbean Landscapes (TRUPIAL)* (KB-36-008-002), n.d.). The TRUPIAL project is focused on the integration of nature in sectoral planning, so called nature-inclusivity. As part of this project, Wageningen Research proposed in collaboration with multiple stakeholders on Bonaire research on '*resident inclusive revenues from tourism*' (P. Verweij, Personal Communication, December 4, 2023). The link between nature-inclusivity and resident inclusive revenues from tourism is founded upon the following. Bonaire's economy relies heavily on inbound tourism, and the tourism sector of Bonaire acknowledges that its success is closely tied to the preservation of a healthy and attractive natural environment (Slijkerman & Henkens, 2019). However, this natural environment is deteriorating due to climate change and human impact (Soma et al., 2022). To maintain the economic benefits of tourism based on environmental attributes, it is imperative to improve the natural environment. However, the poverty experienced by Bonaire's residents and the lack of inclusivity in the tourism industry have resulted in limited investment in the improvement of the natural environment (Soma et al., 2022). Therefore, this research aims to contribute to the TRUPIAL project and research by providing insights in the barriers to the inclusivity of tourism growth on Bonaire.

Besides, this research has the potential to provide policymakers with valuable insights. On the one hand this study's outcomes could assist policymakers in balancing the economic benefits of tourism with social benefits and, consequently, environmental conservation. This is of value for 'nature inclusivity.' On the other hand, the outcomes on this study can enable policymakers to create evidence-based policies fostering inclusive growth in Bonaire's tourism industry. Policy changes based on well-researched information can aid the success of tourism-driven inclusive growth (Bakker, 2021).

## 1.5 Outline

The next Chapter, Chapter 2, presents the theoretical framework. A theoretical framework serves as a guiding structure for interpreting, understanding, and analysing the phenomena of this research. This framework draws upon established theories, concepts, and perspectives from economic and sociological disciplines to inform the research process. This research will elaborate on tourism-led economic growth, inclusive growth, inclusive tourism, and the Tourism-Driven Inclusive Growth Diagnostic (T-DIGD). These concepts are important to understand the value of identifying the barriers to inclusive growth in tourism. By grounding the research in this theoretical framework, the research can offer deeper insights into the underlying meanings, contexts, and relationships, and enrich the understanding of the research topic.

Chapter 3, the methodology, outlines the approach and techniques employed to collect and analyse data. It explains the research design, including the overall strategy, sampling methods, and data collection procedures. This section also elucidates the rationale behind the chosen methods, addressing issues of validity, reliability, and ethical considerations. By providing transparency about the research process, the methodological section provides a base for evaluation on thoroughness and credibility of the study's findings and conclusions.

Chapter 4 provides a description of the case of Bonaire that is used in this research. This case description serves multiple purposes. Firstly, it provides a detailed illustration of Bonaire, offering understanding of the case. Secondly, it enables the researcher to contextualise the findings within a real-world setting, thereby enhancing the relevance and applicability of the research. Thirdly, it enables comparison with other cases, thus facilitating the identification of patterns, trends, and variations across different contexts. Finally, a case description serves as a foundation for theory-building and hypothesis formulation, thereby contributing to the advancement of knowledge within the field.

Chapter 5 elaborates on the results of this research. The Chapter presents the findings that are obtained from the data analysis as explained in Chapter 3. The results will be presented and are structured following the T-DIGD framework to provide clarity. The pillars and constraints of this framework are presented in the theoretical framework (Chapter 2). The indicators on which the constraints, and consequently the results, are based are presented in the Tables 4, 5, and 6 in Annex I. The indicators and constraints are grouped per pillar. Therefore, Table 4 presents the indicators of Pillar I, Table 5 Pillar II, and Table 6 Pillar III.

Chapter 6 contains the discussion and conclusion. This Chapter presents a summary of the key findings and their significance in relation to the study's objectives. The results are then compared with the contents of the theoretical framework, with the aim of identifying consistencies, contradictions, or gaps in knowledge. Besides, the interpretation of the results in light of the research' objective is presented, providing insights into the implications, limitations, and contributions of the findings. Finally, recommendations for future research directions or practical applications based on the study's outcomes are presented.

## 2. Theoretical Framework

This chapter presents the theoretical framework. The theoretical framework provides a structured approach to interpreting, understanding, and analysing the phenomena in this research. The following Sections will be presented:

Section 2.1 provides insights on tourism-led economic growth. This theory posits that tourism can be an important driver to long term economic growth and development. This is achieved by leveraging tourism activities to stimulate growth in tourism and its related economic sectors.

Section 2.2 explains the concept of inclusive tourism. Inclusive tourism has the objective of ensuring that the benefits of tourism development reach local communities, small-scale entrepreneurs, and vulnerable populations. Transcending the sole objective of driving economic growth.

Section 2.3 elaborates on inclusive growth, which emphasises that the benefits of economic growth should be shared equitably among all segments of society, particularly marginalised groups. This section explains the concept of inclusive growth and provides the link between inclusivity in tourism and tourism-driven inclusive growth.

Section 2.4 provides insights into the Tourism-Driven Inclusive Growth Diagnostic. The Tourism-Driven Inclusive Growth Diagnostic can be used to identify the constraints to the inclusiveness of growth in the tourism industry.

The Sections provide insights in theories and concepts that are important to understand the value of identifying the barriers to inclusive growth in tourism. Following from this, the next Section starts with the theory on tourism-led economic growth.

### 2.1 Tourism-Led Economic Growth

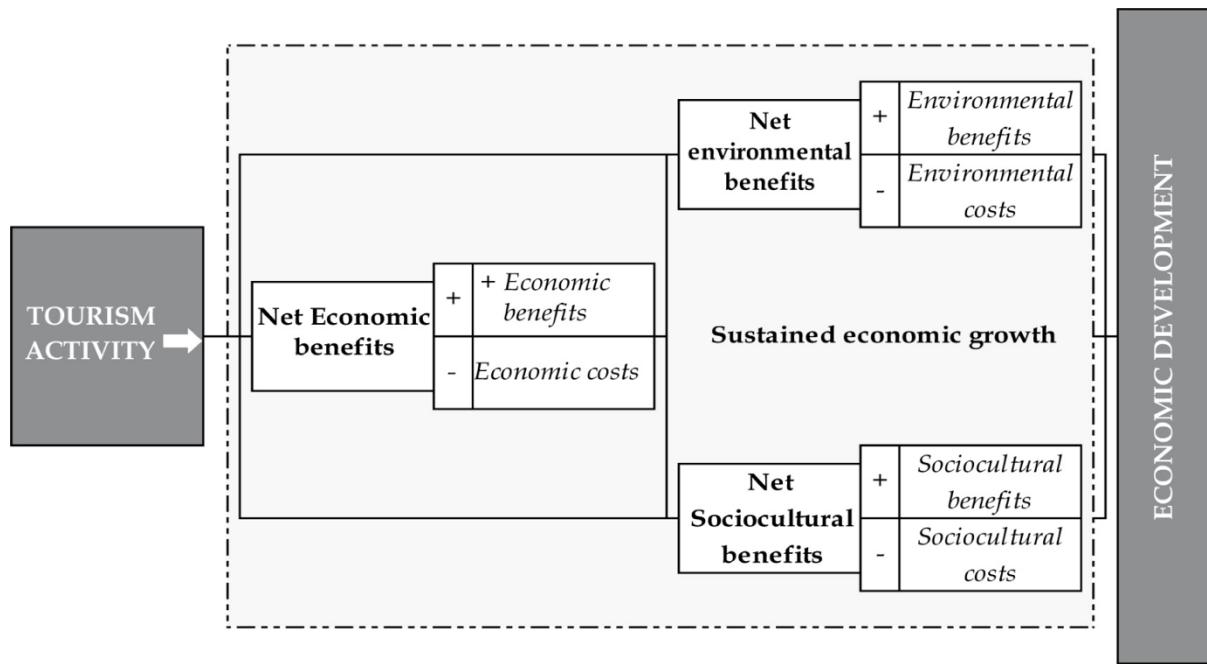
Tourism is seen as an important driver for developing countries to achieve economic growth and development. It is an economic growth strategy and tourism can be used for job and wealth creation, contributing to the welfare of the residents (Aslan, 2014). Consequently, increased tourism demand benefits the local economy by means of the flow of locally produced goods and services sold to the tourists. This process will be beneficial for economic growth, and thus potentially increases welfare and economic development (Sánchez-Rivero et al., 2013). This is corroborated by the tourism-led economic growth hypothesis (TLGH), which posits that the tourism sector exerts a positive influence on other economic sectors, thereby contributing to overall growth (Antonakakis et al., 2015). According to Balaguer and Cantavella-Jordá (2002), TLGH implies that tourism can act as a primary driver of long-term economic growth. Growth within the tourism industry can potentially contribute to long-term economic growth in the wider economy (Brida et al., 2008).

The initial publication on the TLGH was released in 2002 by Balaguer and Cantavella-Jordá, which demonstrated that inbound tourism positively affects economic growth. As Brida et al. (2016) note, economic growth can be achieved not only by increasing the amount of labour and capital within the economy, but additionally by expanding exports. Export contributes to economic growth by means of improving efficiency in the allocation of production factors and by expanding in volume (Balassa, 1978). Furthermore, the level of investment has been identified as a key factor in economic growth (Balassa, 1978). Brida et al. (2016) posit that international tourism represents an exceptional type of export, as the consumption of the product occurs on site with international receipts. Consequently,

measuring the value of tourism ‘export’ is a challenging task, and as a result, economic research tends to focus on manufactured products rather than including the tourism sector. Balaguer and Cantavella-Jordá (2002) posit that international tourism contributes to long-term economic growth, as it facilitates the inflow of foreign exchange. Consequently, the foreign exchange can be used to produce goods and services, thereby contributing to economic growth. Brida et al. (2016) add multiple reasons for tourism contributing to economic growth. In addition to tourism increasing foreign exchange earnings, the tourism industry encourages investment, alleviates unemployment due to tourism being based on human capital, and stimulates other economic industries via direct, indirect, and induced effects (Brida et al., 2016).

## 2.2 Inclusive Tourism

Inclusion is a fundamental principle of the UN Sustainable Development Goals (Butler & Rogerson, 2016). For example, SDG 8 is concerned with the realisation of inclusive and sustainable economic growth with full and productive employment (United Nations, 2018). Linked to the tourism industry, this goal aims for beneficial and inclusive tourism that enhances job creation and the promotion of local culture and products (United Nations, 2018). Furthermore, the United Nations World Tourism Organization et al. (2018) posits that inclusive tourism is predicated on both decent work and economic growth (SDG 8) and about the reduction of inequalities (SDG 10). Consequently, tourism development that is distributed equitably across society and generations is a key objective (Rains, 2009). Therefore, Tourism is not only an economic growth strategy for developing countries, but it is also widely acknowledged that tourism plays a pivotal role in the development of local communities (Lin et al., 2019). Sánchez-Rivero et al. (2013) state that it is crucial to identify the factors that support the transformation of tourism growth into economic development. They argue that *“the potential of tourism as an instrument of economic development is not a direct consequence of tourism’s capacity to influence the growth of an economy, but rather of the existence of a set of factors that facilitate the transformation of that growth into a flow of effective welfare for the local population”* (p.236). Cárdenas-García and Pulido-Fernández (2014) also recognise that tourism is a tool for economic development and add that tourism can be a tool for poverty reduction. This is due to the fact that tourism attracts capital investments, creates employment opportunities, stimulates foreign exchange earnings and facilitates innovation transfers (Lin et al., 2019). Furthermore, the economic benefits of tourism are not limited to the tourism sector but extend to other economic sectors through backward and forward linkages (Lin et al., 2019). Consequently, local governments and residents support tourism development in order to improve the economic conditions and to boost employment opportunities. Some economic benefits based in tourism also result in investment in public infrastructure, openness to foreign investment, and poverty reduction, which in turn improve the living standards of residents (Cárdenas-García et al., 2015). Consequently, tourism activity can contribute to economic growth benefits, and consequently influence environmental and sociocultural progress of society while contributing to economic development and improving the welfare of the residents (see Figure 1) (Cárdenas-García et al., 2015). However, it should be noted that the economic, social, and environmental benefits out of tourism are not generated without effort of governmental bodies or stakeholders.



**Figure 1.** Transformation of tourism into economic development (Cárdenas-García et al., 2015, p.207).

With tourism being criticised for causing environmental problems, cultural desecration, negative social impact, and economic inequality, ‘inclusive tourism’ can provide a solution (Biddulph & Scheyvens, 2018). Consequently, inclusivity will be essential for the long-term sustainability of a tourism destination (Butler & Rogerson, 2016).

It is argued that tourism development can be inclusive and contribute to poverty reduction if stakeholders in the industry are willing to create opportunities and share the potential benefits from tourism (Butler & Rogerson, 2016). As stated by Biddulph and Scheyvens (2018), inclusive tourism is defined as “*transformative tourism in which marginalised groups are engaged in ethical production or consumption of tourism and the sharing of its benefits*” (p.584). Those who are marginalised by or excluded from tourism can integrate into the industry or gain control as producers of tourism products, consumers of tourism, influencing policy and practice, benefitting from corporate policy, or as employees with assured rights and wellbeing. This definition describes the capacity of tourism to integrate the marginalised groups into participation in and benefit from tourism services (Peterson et al., 2020). The key aspects of inclusive tourism are tourist expenditure, employment, the origin of employees, human resource development and staff training (Hampton et al., 2018). An inclusive tourism destination is defined by the World Tourism Organization et al. (2018, p.26) as:

“[...] a destination that offers a tourism experience based on its own, singular attributes, transforms the industry by boosting its competitiveness, creates decent employment, and promotes equal opportunities for all, especially the most vulnerable groups with the principles of sustainable development.”

The degree of inclusiveness in tourism development has gained more academic attention. Discussions on 'inclusion' and the promotion of 'inclusive economic growth' align with the debates in the last 15 years about the role of tourism in alleviating poverty and pro-poor tourism approaches aimed at fostering local development in the global South (Butler & Rogerson, 2016). Research by Butler and Rogerson (2016) on inclusive local tourism development in South Africa indicates that tourism can be a catalyst for economic and social empowerment of marginalised communities in Dullstroom. The

inclusive development, guided by local and national government, and the private sector, has enhanced the lives of a considerable portion of local residents.

## 2.3 Inclusive Growth

The concept of inclusive growth is the most recent approach employed by international institutions with the objective of improving the living standards in developing countries (Bakker & Messerli, 2016).

Inclusive growth is defined as productive employment that increases the incomes of poor and excluded groups while raising the standard of living and economic well-being (World Economic Forum, 2018). It is not only about the growth of the economy but also about ensuring that citizens are part of the growth (Peterson et al., 2020). The World Bank (2018) states that the important policy instruments for inclusive growth are employment growth and labour productivity growth.

As Hampton et al. (2018) state, there is a consensus on the defining characteristics of inclusive growth. This encompasses the need for economic growth to yield fair and equitable outcomes for lower- and middle-income households. This is contingent upon the provision of equal opportunities to basic service provision, access to key markets (labour and credit) and social protection for vulnerable groups in society (Addison & Nino-Zarazua, 2012). The World Bank further asserts that inclusive growth necessitates a long-term perspective, as it prioritizes the generation of productive employment over the redistribution of income as a means of improving the financial well-being of excluded groups (Bakker & Messerli, 2016).

Inclusive growth is constituted by an economic, institutional, and social dimension. The institutional dimension plays a pivotal role in enabling growth and equal opportunities via governance and equitable policy development. In order for these policies to be effective, it is essential that they allow residents from all types of gender, ethnicity, and religion, across sectors, to contribute to and benefit from the economic growth. In order to achieve this, it is necessary to link macroeconomic fundamentals with microeconomic determinants of growth (Addison & Nino-Zarazua, 2012; Hampton et al., 2018). Consequently, an inclusive growth analysis that is useful for policies is predicated on the integration of micro-level indicators such as poverty, the business environment, with growth analysis at the macro level. This integration is illustrated in Figure 2 below. In contrast, pro-poor growth policy tend to focus on opportunity creation at the micro level and poverty alleviation, rather than on macro-level growth strategies (Bakker & Messerli, 2016).

Macro fundamentals	Micro determinants	Elements of Inclusive growth
Macroeconomic stability •Moderate fiscal and current account deficits •Low debt to DGP ratio •Moderate inflation	Investment in human capital •Health •Education •Water and Sanitation	High growth rates for several years •Particularly relevant for LIC
Political stability –democratic institutions	Investment in physical infrastructure	Sustained growth patterns •Avoiding collapses/crisis/environmental degradation
Progressive fiscal policies	Tackling horizontal inequalities in basic service provision •Discrimination by gender, ethnicity, religion, etc.	Structural transformation –finding country's own competitive advantage •Production specialisation •Export diversification •Good business environment
Social Protection for vulnerable groups		•Broad-based productive (and decent) employment opportunities
Openness to trade	Facilitate access to finance •Microfinance •SMEs finance •Capital markets	•Equal opportunities for all, in terms of education and health
Promotion of direct investment in key sectors (agriculture key for LIC)		•Significant reduction of absolute poverty
Vertical and horizontal industrial policies	Support broad-based skill development and employment	•Reduction in vertical and horizontal inequalities
Low population growth rate		

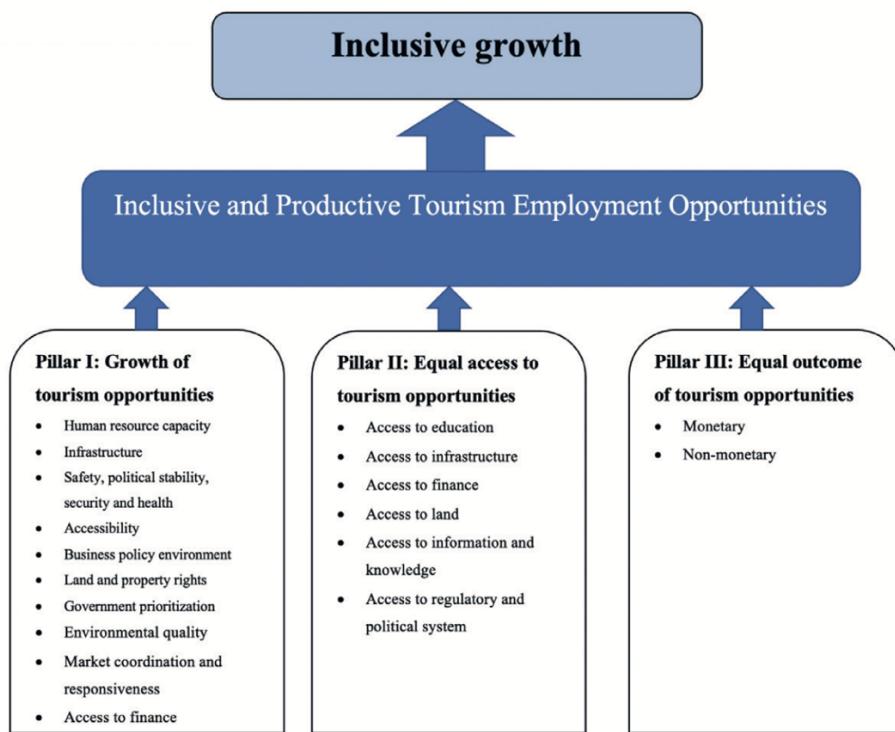
**Figure 2.** Determinants of inclusive growth (Addison & Nino-Zarazua, 2012, p.13).

The concept of inclusive growth is based on the premise that the impoverished segment of the population can be addressed by expanding the income and wealth distribution through productive employment and business opportunities. This approach is in particularly suited to non-resource sectors such as the tourism industry (World Bank, 2009). The tourism industry, among others, requires a greater human resource with a multi-skilled workforce to meet the demands of a rapidly evolving industry. This will lead to a more diverse range of employment opportunities, rising incomes and economic growth, which will in turn reduce poverty and inequality (Jeyacheya & Hampton, 2020).

## 2.4 Tourism-Driven Inclusive Growth Diagnostic

As Bakker and Messerli (2017) argue, for tourism to support inclusive growth, productive employment and economic opportunities for entrepreneurs in tourism need to be created, while ensuring that there is equal access to these generated jobs and opportunities. To achieve this, the identification, understanding, and prioritised removal of constraints that hinder the growth and access to tourism opportunities, and equal outcome of these opportunities is first needed (Bakker, 2021). This is what growth diagnostics initially were developed for: identifying the binding constraints to growth. However, this approach has also been used to identify the constraints to the inclusiveness of growth (Bakker, 2021). Hausman, Rodrik, and Velasco (HRV) (2005) were the first to introduce a growth diagnostic methodology. The HRV diagnostic framework is based on the endogenous economic growth theory and presents a systematic way for identifying binding constraints and prioritising policy reforms. The premise is that there are multiple reasons why an economy does not grow, and that each reason has its own distinctive symptoms (Hausman et al., 2005). Ianchovinchina and Lundstrom-Gable (2012) argue that the model demonstrates that development policy is country-specific, and that minor adjustments in the appropriate sequence could influence welfare in a positive manner.

Bakker (2021) proposes that for the tourism industry to drive inclusive growth, it must create productive employment opportunities that are accessible to all members of the country and that have equal outcomes. According to Bakker (2021), this depends on three aspects that are interlinked. The first aspect is the growth of productive employment opportunities. The second aspect is equal access to these opportunities. The third aspect is equal outcome of tourism opportunities, both monetary and non-monetary outcomes. Bakker (2021) uses these three aspects as pillars in the T-DIGD framework. The pillars are all linked with multiple general constraints, as listed in Figure 3. Consequently, the constraints encompass indicators. The following Section will explain the pillars including the associated constraints and indicators.



**Figure 3.** Tourism-Driven Inclusive Growth Diagnostic framework (Bakker, 2021, p.74).

The first pillar of the T-DIGD framework is the growth of tourism opportunities (Bakker, 2021). In order to achieve inclusive growth, it is necessary to increase the number of productive jobs and economic opportunities over the long term (Ali & Son, 2007). The objective is to enable the tourism industry to increase the volume and value of direct and indirect employment, as well as self-employment. As argued by Mitchell and Ashley (2010), achieving this goal can be the result of an increased number of arrivals, increased per-trip expenditure, a reduction in leakage, an increased number of linkages within the economy, or a combination of these aspects. Furthermore, Dieke (1989) proposed a number of external and internal factors that affect tourism development, including GDP growth, international competition, global security issues, climate, and the country's distance from the mainland (Crouch, 1994). Bakker (2021) subsequently concluded from a literature review that there are ten potential constraints to the growth of tourism opportunities. The constraints are incorporated in the T-DIGD framework. The ten constraints are presented below. The indicators on which the constraints are based are presented in Table 4 of Annex I.

(1) *Insufficient human resource capacity.* The human resources, or tourism workers, are of significant importance for the successful operation of tourism businesses. Therefore, a shortage of skilled labour can be identified as an explanation for an unsuccessful tourism industry. The reasons for this can be

identified with the indicators that are linked to this constraint. For instance, the ‘extent of staff training’ determines the extent to which employees are adequately prepared to work in the tourism industry. Moreover, the indicator ‘ease of hiring foreign labour’ indicates whether the recruitment of foreign workers presents difficulties or impedes the successful operation of a tourism business.

(2) *Inadequate infrastructure.* The quality of a destination's domestic transportation networks (roads, airports, trains) and energy and communication technology is a key factor in determining its attractiveness. Inadequate infrastructure may disadvantage a destination as a tourist destination and could limit businesses from being successful. A number of indicators may be used to determine the inadequacy of infrastructure. For instance, the quality of roads can be used to assess whether the infrastructure is sufficient for the destination to be attractive to tourists and convenient for them to navigate. Furthermore, the term ‘access to electricity’ refers to the extent to which a destination is connected to the electricity network.

(3) *Safety, insecurity, and health.* The occurrence of infectious diseases, acts of terrorism, and political instability has an impact on the ability of the tourism industry to create employment and affect tourism growth in the short and long term. One example of an indicator linked to this constraint is the ‘% percentage of enterprises that consider crime, theft, and disorder to be a constraint to doing business’. This indicator represents the proportion of businesses whose success is constrained by crime, theft, and disorder. The indicator ‘% enterprises who consider political instability as a constraint to doing business’ refers to the proportion of businesses whose success is impeded by political instability. These indicators provide insight into the safety and insecurity of the environment in which tourism businesses operate.

(4) *Limited accessibility.* The frequency and cost of travelling to a destination are determined by the level of transport connectivity. This is of particular importance for countries that are dependent on adequate airlift, as well as those where there is a strong link between air transport and tourism. The cost of air travel or the lack thereof will have a direct impact on the competitiveness of a destination. Examples of indicators that are linked to this constraint include ‘direct air connectivity’ and ‘available airline seat kilometres.’ Direct air connectivity refers to the number of direct flights available to different destinations. The available airline seat kilometres is a measure of the passenger carrying capacity of an airline, calculated by multiplying the number of seats per aircraft with the distance travelled in kilometres.

(5) *Restrictive business policy environment.* It can be argued that restrictive business policies may have a detrimental impact on the tourism industry. Examples of such policies include those related to tourism taxation or restrictions on seasonal labour. Examples of indicators linked to this constraint include the ‘ease of starting a business’ and the ‘corporate income tax rate’. The ease of starting a business is defined as the procedures and business enabling environment that facilitate the establishment of a business. The corporate tax income provides insight into the beneficial or detrimental impact of corporate tax on businesses.

(6) *Limited access to land.* Land to build a tourism business is needed for tourism development. Besides, a land tenure system, property rights, and an inadequate zoning plan could hinder tourism development. The extent of hindrance can be indicated by certain indicators. For instance, the ‘% of enterprises who consider access to land as a problem’ provides an indication of the share of business that is hindered by access to land for tourism development. Moreover, the ‘number of procedures to register a property’ exerts a significant influence on the development of tourism.

(7) *Lack of tourism prioritization.* The tourism industry is frequently reliant on the support of public sector organisations in the form of the creation of supporting organisations, the provision of political mandate and the allocation of adequate resources. Additionally, a strategic vision, research and the implementation of effective control mechanisms by the government are of significant importance, with the coordination and cooperation between governmental departments being of particular relevance. A number of indicators can be employed to ascertain the extent to which tourism is accorded priority. For instance, the proportion of government expenditure allocated to tourism in comparison to the total budget can be used to assess the relative priority afforded to tourism in the context of other budgetary allocations.

(8) *Poor environmental quality.* Issues in environmental management, such as pollution, have the potential to negatively impact the tourism experience, thereby limiting the opportunity for employment growth. ‘Threatened species’ is an indicator that presents an indication of the environmental quality of a destination, and consequently the tourism experience. Another example of an indicator is the ‘forest cover change’, which demonstrate the extent of environmental degradation.

(9) *Lack of market coordination and responsiveness.* The absence or inadequacy of private sector stakeholder coordination can impede the ability to innovate and meet market needs. A lack of communication and cooperation can result in the formation of fragmented institutions, individualistic behaviour, and an unwillingness to cooperate. Furthermore, a lack of responsiveness, such as limited entrepreneurship, and a mismatch of supply and demand can diminish market competitiveness and result in missed opportunities. The indicator ‘review score at hotel booking sites’ is indicative of the alignment between the supply and demand of tourism experiences. It can therefore be concluded that tourists are satisfied with the accommodation facilities on offer. The indicator ‘proportion of firms identifying practices of competitors in the informal sector as a major constraint’ indicates the extent to which there is unwillingness to cooperate among tourism businesses and whether this is perceived as detrimental to the business environment.

(10) *Limited access to finance.* A lack of access to finance represents a significant obstacle to the development of the tourism industry. This is due to a number of factors, including the lack of suitable collateral, the erratic nature of business income, and the high interest rates typically charged by financial institutions. To indicate the access to finance, the following indicators can be employed. The ‘% of enterprises who consider finance as a problem’ refers to the share of businesses that perceive financial resources to be a hindrance to the establishment of a business. The value of collateral needed for a loan represents the financial resources required to obtain a loan. A high level of collateral required could be considered a hindrance to the development of the tourism industry.

The second pillar is ‘equal access to tourism opportunities’ (Bakker, 2021). Britton (1982) posits that existing political systems and economies that perpetuate inequality, are reinforced by the nature of the tourism industry. Furthermore, complex economic, historical, political, and cultural conditions represent root constraints for the tourism industry in its ability to provide equal opportunities for all groups within a society (Hall, 1994). It is important to note that the term ‘inequality’ is often based on Western norms and may not be applicable to all societies and all groups (Deveaux, 2000). Nevertheless, policy makers can reduce the causes and effects of undesired inequalities. Scheyvens (2002) posits that race, gender, ethnicity, geographic location, and socio-economic status are important in identifying the reasons for inequality of access to tourism opportunities. The following six factors represent the most significant constraints to equal access to tourism opportunities for marginalised groups (Bakker, 2021). The indicators on which the constraints are based are presented in Table 5 of Annex I.

(1) *Unequal access to education.* The acquisition of skills and knowledge is essential for the enhancement of employment opportunities. Tourism literature frequently emphasises the lack of skills among the local population in comparison to the skills of those from outside the community (Liu & Wall, 2006). Furthermore, geographical location and low socioeconomic status are also contributing to the unequal access to tourism education. ‘Tertiary completion rate by socio-economic stratus’ and ‘mean years of education by ethnic group’ are examples of indicators that demonstrate the unequal access to education based on different demographic groups.

(2) *Unequal access to infrastructure.* Tourism development often concentrated around transportation gateways. It is less likely for tourists to visit areas further away from these regional concentrations. Furthermore, the access to economic opportunities and public services is determined by the availability of road infrastructure and access to drinking water, electricity, telecommunication services, and sanitation. Examples of indicators that demonstrate the unequal access to infrastructure among different demographic groups are ‘% of population using at least basic drinking water services, rural/urban index’ and ‘paved roads as part of the total road network (%)’

(3) *Unequal access to finance.* For certain demographic groups, such as ethnic minorities, women, entrepreneurs in rural areas, indigenous groups, and locals, it could be more challenging to gain access to finance for tourism development. ‘Women with an account at financial institution’ and ‘adults belonging to the poorest 40% who borrowed from a financial institution in the last year (%)’ are indicators of access to financial resources required for tourism development for different demographic groups.

(4) *Unequal access to land.* Bakker (2021) notes that tourism research indicates that various groups may consistently experience limited access to land. This is supported by findings from Hall (2004), Long and Kindon (1997), Sirima & Backman (2013), and Sofield (1993). The indicators that are linked to this constraint and demonstrate the inequality of access to land for certain demographic groups are ‘distribution of agricultural land area by sex’ and ‘access to land for rural people’.

(5) *Unequal access to information and knowledge.* The information and knowledge related to the tourism industry is unevenly distributed among the different societal groups. A lack of information about tourism development could result in the exploitation of the groups with limited access, which in turn would limit their participation and business opportunities. Two indicators are employed to demonstrate the participation and business opportunities, ‘internet users aged 15-54 as % of total’ and ‘households with internet access’.

(6) *Unequal access due to institutional barriers.* The implementation of excessive regulation, the establishment of an overbearing bureaucracy, and the concentration of governmental authority in a single entity could have the effect of marginalizing or excluding specific demographic groups to a greater or lesser extent. One example of an indicator that demonstrates the marginalisation or exclusion of specific demographic groups is ‘favouritism in decisions of government officials’. Another example is ‘firms identifying corruption as a major constraint’.

The third and final pillar of the T-DIGD framework is the 'equal outcome of tourism opportunities'. This pillar is constrained by two factors: monetary and non-monetary outcomes. As Bakker (2021) describes, unequal monetary outcomes, or wages, are often researched in relation to gender, proximity to tourism hotspots, and socio-economic status. In contrast, non-monetary outcomes, such as childcare and training, have received less academic attention. The indicators on which the constraints are based are also presented in Table 6 of Annex I.

### **3. Methodology**

As mentioned in the introduction, this research aims to identify the barriers to inclusive growth in Bonaire's tourism industry. To fulfil this aim, there is research needed on three topics. The first topic is the barriers that negatively impact growth in Bonaire's tourism industry. The second topic is the barriers that limit the inclusivity of Bonaire's tourism industry. The third topic is the barriers that negatively impact the equality of outcomes in Bonaire's tourism industry. The underlying paradigm of this research is Marxian Political Economy (MPE). This approach is rooted in the theories of Karl Marx and focuses on the analysis of the capitalist mode of production and its effects on society (Howard et al., 1988). The theory places great emphasis on the primacy of class struggle and the exploitation of labour by capital, viewing economic relations as central to understanding social structures and dynamics. MPE is an analytical framework that seeks to identify the inherent contradictions of capitalism and advocates for radical change towards a classless society based on collective ownership of the means of production. The epistemology of the MPE paradigm asserts that an understanding of social phenomena necessitates an analysis of the interplay between economic forces, social relations, and ideological structures within a specific historical context (Bianchi, 2010). Consequently, the researcher is engaged in the production of knowledge that could facilitate the emancipation of the affected class. Both quantitative and qualitative methods may be employed to identify and analyse the economic, social, and political structures and institutions that oppress people based on class (Bianchi, 2010).

This research looks among others into concepts such as wage and employment, and resource distribution. To gain deeper insight in the topics of growth, inclusivity, and inequality, a qualitative research design is considered most appropriate. This Chapter elaborates on this choice and provides additional insights into the methodology of this research.

#### **3.1 Research Design**

The design of this research is based on the T-DIGD framework proposed by Bakker (2021). The theoretical framework elucidates Bakker's (2021) research and the T-DIGD framework. The 96 indicators in the T-DIGD framework are categorised into eighteen factors, which are further grouped into three pillars. The T-DIGD framework argues that a sustainable tourism sector supports inclusive growth. Therefore, the indicators are based on sustainable tourism and are employed to identify factors that could impede the ability of the tourism sector in Bonaire to stimulate inclusive and productive employment opportunities.

The T-DIGD framework is employed as a diagnostic tool to assess and prioritise constraints, utilising a mixed-methods approach. The quantitative component comprises a set of indicators that permit benchmarking with five countries that have a similar geographical location, have a similar recent history, have a comparable population size, are also (virtually) landlocked, or are all actively pursuing tourism development. The indicators applied to the country of research allow for a trend analysis to examine historical patterns and the impact of policy changes (Bakker, 2021). The benchmarking process begins with the calculation of the distance between the country of research and the mean score of each indicator. If the indicator score is within the 90th percentile of the mean for the benchmark countries, it is considered non-binding. A score between the 90th and 80th percentiles is regarded as moderately binding. Any score below the 80th percentile from the mean is deemed a binding constraint. The qualitative data, as will be explained next, is used to validate the scoring. A heatmap is the output of

the benchmarking process. This heatmap presents whether the constraints are binding, moderately binding, or non-binding for achieving inclusive growth in the country of research. However, due to a lack of quantitative data for Bonaire, it was not possible to quantify the indicators. Therefore, benchmarking and the creation of a heatmap based on a mixed-methods approach was impossible. This implies that the information on the factors is fully dependent on qualitative data, and that the classification of the constraints is based on the qualitative data and the researcher's judgment.

The qualitative component of the mixed-methods approach concerns document analysis and interviews to facilitate a profound comprehension of the underlying issues of inclusive growth in Bonaire's tourism industry (Bakker, 2021). These methods are also employed to gain insight into the 96 indicators that are presented in the T-DIGD framework, with the intent to replace quantitative data.

Given the six-month time limit for this research, two months were allocated for data collection, during which the indicators were researched. DeepL is employed as a language editing tool for the final report. The following Sections will elaborate on the specific data collection methods employed in this research, the data analysis techniques used, and the ethical considerations.

## 3.2 Data Collection

### 3.2.1 Document Analysis

The analysis involved reviewing and evaluating electronic documents. The documents required for this method of data collection were found in online databases, the WUR library, and official governmental websites. The document types included national tourism plans and strategy reports, which were examined to identify constraints to the growth and inclusiveness of the tourism sector in the country. Additionally, published academic research reports and theses were useful. News reports provided additional insights into the topic and potential sources for research. The reliability of the documents was assessed before using the information in the research. Table 1 below presents the analysed documents with sources.

**Table 1.** The list of documents that were used in the document analysis.

Title	Type of Document	Source
<i>2017-2027 Tourism: Synergizing people &amp; nature for a better tomorrow. The Caribbean's 1<sup>st</sup> Blue Destination.</i>	Strategic Tourism Plan	Croes et al. (2017)
<i>A nature inclusive vision for Bonaire in 2050</i>	Environmental Research Report	Verweij et al. (2020)
<i>Tourism Recovery Plan</i>	Strategic Tourism Plan	Openbaar Lichaam Bonaire (2021)
<i>Repositioning of Bonaire in Harmony with Nature and Our People</i>	Marketing Plan	Tourism Corporation Bonaire (2022)

### 3.2.2 Interviews

Semi-structured interviews were used as a second research method. The interviews were conducted between 29 January 2023 and 3 April 2023, either on site at Bonaire or online. The interviewees were residents of Bonaire or born on the island, aged between 19 and 47 years old. The interviewees in Table 2 were either experts in the tourism sector on Bonaire or experts on Bonaire itself, a heterogeneous group of experts, selectively sampled. The participants were intentionally selected based on their expertise that is of significance for this research. The experts were contacted prior to the researcher's relocation to Bonaire for the purpose of conducting the interviews. However, only two of the participants responded to the researcher's request to schedule an interview. During the researcher's period of residence on Bonaire, the remaining participants were contacted directly, and snowball sampling was employed to find additional participants.

**Table 2.** Categories of interviewees with corresponding interviews.

Category (number of interviews)	Interview
Tourism authority (3)	4, 6, 10
General Manager (GM) (2)	5, 11
Local entrepreneur (tourism) (2)	3, 9
Local entrepreneur (other) (2)	2, 8
Student (2)	1, 13
Education expert (1)	12
Tour guide (1)	15
Nature conservation (1)	14
Data expert (1)	7

Prior to the interviews, a pilot interview was conducted in order to test the interview guide and audio equipment. This was done in order to identify any potential practical issues that might arise during the course of the interviews. The pilot interview revealed that the order of the interview questions needed to be altered and that the use of an additional audio device would enhance the audio quality of the interview recordings. The pilot interview was solely utilised for the purpose of refining the data collection design and did not form part of the data collection itself.

Within the eight-week data collection period on Bonaire, a substantial amount of pertinent data was gathered. Fifteen interviews were conducted, and voice recorded, and the interviewees provided corroborating information. Nevertheless, not all indicators yielded specific information. So, circumstantial supporting evidence was gathered through a literature review.

The interview questions presented to the interviewees were based on the indicators presented by Bakker (2021). The fifteen participants were interviewed using a semi-structured format, which allowed for flexibility in the questioning process. However, the researcher ensured that the participants were not manipulated in their responses by asking biased follow-up questions. Conducting the interviews one-on-one ensured that the interviewees were not influenced by external factors. The interviewees were permitted to select a location that afforded them a sense of comfort during the interview, ensuring that

they were not unduly influenced by external factors and that their responses were not subject to social conditioning.

The objective of the interviews was to gain insights into the barriers to growth, inclusivity, and equality on the island. In order to ensure that the participants were adequately informed, the interviews started with a comprehensive introduction to the research. The interviews were recorded with the consent of the participants, and the researcher took notes.

### **3.3 Data Analysis**

#### **3.3.1 Document Analysis**

Once the documents to be analysed had been identified, they were downloaded in PDF format and read in full. The researcher was able to highlight pertinent information in the documents by reading them in PDF format. The pertinent information was then collated and summarised in a separate document, which was subsequently coded in Atlas.ai. The segmentation and coding of the data were based on Bakker's (2021) T-DIGD framework indicators. Any data that did not fit within a specific indicator category was coded within one of the eighteen factors delineated in the framework. The data pertinent to the indicators, or factors, were incorporated into the results Section.

#### **3.3.2 Interviews**

Eleven out of fifteen participants consented to have their interviews voice recorded, contributing to the reliability of this qualitative research. Subsequently, the audio files were transcribed using the Microsoft Word transcription software. In instances where participants did not consent to recorded interviews, a summary was created based on the researcher's written notes. Once the transcripts had been generated by the transcription software, they were subjected to a second round of scrutiny by the researcher. This involved reading the transcript while simultaneously listening to the audio recording to identify any discrepancies. This was done in order to rectify minor errors and to enhance the readability of the transcripts. Once the transcripts had been edited, they were uploaded to Atlas.ai for the purpose of coding. The indicators of Bakker's (2021) T-DIGD framework were employed as the foundation for the segmentation and coding of the data. Any data that could not be assigned to a specific indicator was coded under one of the eighteen factors.

It is important to note that the transcripts are primarily written in Dutch, despite the fact that this research is written in English. The interviews were conducted in Dutch, with the exception of one interview with a tourism authority. The interview was conducted in Dutch and English. As this research is written in English, the researcher aimed to translate the quotes for the result Section (Chapter 5) from Dutch to English as literally as possible, ensuring that the meaning and intent of the original quote were not lost in the translation.

### **3.4 Ethical Considerations**

#### **3.4.1 Data**

In the data collection phase of this research, the researcher made sure that informed consent was obtained. That meant that the researcher clearly communicated relevant information about the research, such as the purpose, procedures, and data handling, to the participants. It ensured that the participants

understood what the research was for and about, and that they could make an informed decision to participate or not. Next to this, the researcher explained that they could withdraw from the interview whenever they felt to, without facing negative consequences.

Besides, the researcher ensured confidentiality and protects the privacy of the participants. Identifiers were used to ensure anonymity of the participants. The data is stored in the secure data storage of the WUR where only the researcher, or those the researcher authorizes to handle the data, can access the data. The transcription and coding software has been checked to be secure and reliable.

### 3.4.2 Positionality

Positionality is an important aspect of research. This Section will describe how the different aspects of positionality, as proposed by Tribe (2006) - *rules, position, ideology, person, and ends* - could influence the research.

*Rules.* During my primary education, I focussed on economics and geography, as these subjects were part of my program and introduced to me in a simplified manner. Both disciplines are part of the social sciences. Throughout my bachelor's degree, I adopted a positivist research approach combined with the knowledge I gained in economics and geography. However, as I continued with my master's program, I realized there is a value in exploring what motivates individuals and how they perceive reality. This alternative perspective, known as interpretivism, proved to be both interesting and useful. For that reason, I believe that combining both positivist and interpretivist approaches in social science research would provide me with a well-rounded understanding of the world. This framework used in this research, employing a mixed-methods design, fits this belief.

*Position.* My physical location and relative position have significantly influenced the research conducted during both my bachelor's and master's degrees. Growing up near Amsterdam, an urban region with a thriving economy, and now studying in a rural area at a University of Life Sciences, I have had the opportunity to broaden my academic and social networks. Being able to access international research at my current university has allowed me access to valuable knowledge. The master's program in Tourism, Society, and Environment has connected me with like-minded students who share an interest in sustainable tourism. The diverse courses offered by different chair groups has allowed me to expand my knowledge base and to find my interest. Moreover, living in a Global North country with easy access to education is a certain level of privilege.

*Ideology.* I think that my beliefs are influenced by one or several ideologies. Growing up in the Netherlands, with an individualistic culture, has shaped me into a person who values personal autonomy and individual choices. Furthermore, the Dutch work and study culture strive for excellence. Living in a democratic country where I have the right to vote has created a sense of being heard and wanting to express my opinion. Additionally, my background in Business Administration has exposed me to concepts such as commodification and value creation, causing me to recognize the monetary value in opportunities and align with capitalist principles. These influences shape my identity and are likely to be reflected in current and future research.

*Person.* To provide a brief description of myself, I am a white female resident of the Netherlands, a middle-class student enrolled in an academic program at Wageningen University & Research. Considering these characteristics, I am aware of the privileges. My decision to enrol in the master's program in Tourism, Society, and Environment originates in my passion for travel, exploring new cultures, and meeting new people. With my background in Business Administration, I approach these topics from a business perspective. Throughout my life, I have been curious and was looking for new opportunities and challenges, which could shape a future academic career.

*Ends.* The primary focus of my research practices is to serve practical purposes. Currently, my research involves working on cases that are part of the courses I have taken during my bachelor's and master's degrees. These cases focused on problem-solving for companies, contributing to their management and strategy. For instance, during my bachelor's degree, I had the opportunity to work on a case for Mondelez. During the sustainable business and innovation minor in my master's program, I worked on cases for SBM Offshore, Bayer, Signify, Simply Sustainable, Ericsson, Philips, and Unilever. In these projects, I tackled research questions proposed by the company, exploring the best solutions, and providing valuable insights to improve their business operations.

Reflecting on the rules, position, ideology, person, and ends, I am aware that these aspects would impact my research. The positionality influences the lens through which the data is collected and interpreted and shapes the narrative of the outcomes. The culture in Bonaire is different than the culture in the Netherlands. Therefore, I believe it is important to visit the different (touristic) sites at the island of Bonaire and local establishments to gain cultural and contextual understanding. Since it will be the first time that I conduct a project that takes over six months and the research concerns a case study at the other side of the world, I think it is important to consider my positionality during the research process and reflect on the influence of it at the end of the research. Also, I will, to the best of my ability, respect the cultural norms and values of Bonaire and will engage with the community in a respectful manner. I am aware of my positionality and the reason I am in on Bonaire, and as such I will try to avoid any harm and negative alterations to the community and environment.

## 4. Contextualisation

Bonaire is a special municipality of the Netherlands and one of the Lesser Antilles in the Southern part of the Caribbean Sea (*Waar Ligt en Hoe Groot Is Bonaire? | Beautiful Bonaire*, n.d.). The small-scale nature of Bonaire is evident from Bonaire's surface area of only 288 km<sup>2</sup> (Ministerie Algemene Zaken, 2024). Bonaire has a population count of 24,090, in comparison to the Netherland's population of 17.7 million (CBS Statline, 2023). The capital city of Bonaire is Kralendijk, where most residents live, with a population count of approximately 19,000. Rincón, the oldest village of the island and located in the North of Bonaire, has approximately 1,900 inhabitants (*Waar Ligt en Hoe Groot Is Bonaire? | Beautiful Bonaire*, n.d.). Figure 4 presents a map of Bonaire that shows the location of Kralendijk and Rincón.



**Figure 4.** Map of Bonaire (*Physical Map Of Bonaire - Major Physical Features Of The Island Of Bonaire*, 2024).

Approximately 77% of the population of Bonaire is of Dutch origin (CBS Statline, 2023). As the interview with a GM (11) reveals, *“Only 32% of the population is local, which could lead to a loss of culture and identity. We need to nurture that culture and identity to protect the authenticity of the island, because that is what makes our island a unique destination.”* Over the past few years, the population of Bonaire has grown considerably, from 15,679 in 2011, to 18,905 in 2015, 20,915 in 2020, and 24,090 in 2023. The increase in population is primarily attributable to immigration from the Netherlands (René, 2022). Following the constitutional change on October 10, 2010, or 10-10-10, it became easier for Dutch nationals to migrate to Bonaire. Consequently, the Netherlands is the principal country of origin for both immigrants and emigrants (Van der Lely et al., 2013). This migration has led to a significant increase in house prices on Bonaire, which contributes to poverty among the local population (Haringsma, 2022). A tourist authority (4)

illustrates this with the following quote: *“The population has doubled in less than ten years, and it is not because of the birth rate. There is an imbalance and segregation between locals and immigrants on the island. This is proving dangerous for local opportunities, and for the prices of houses, and food. The housing market in particular has been directly affected by the population growth.”* This is further explained by another tourist authority (6): *“The Dutch bring savings to Bonaire, and then you are already one step ahead. Where \$300,000 buys you a small shed in Brabant, you can buy a piece of land here. But the locals here don't have \$300,000.”* Interviewee (4) explains that the Dutch have developed a culture of saving, whereas in Bonaire this is not a particularly prevalent practice. In this context, it is evident that the population lacks the financial resources to engage in savings activities. Furthermore, there is a lack of understanding of the importance of savings. Consequently, those seeking to purchase a property often find themselves unable to provide the necessary savings to secure a loan. In most cases, the Dutch no longer need the loan (4).

One of the most important sectors on Bonaire is the tourism industry, since the island relies on tourism for income (Soma et al., 2022). Bonaire is a popular tourist destination due to its marine wildlife, coral, and fish fauna, which visitors can enjoy through snorkelling and diving (Uyarra et al., 2005). Mangrove kayaking, windsurfing, sailing, and bird watching are also attractive nature-based activities (Van der Lely et al., 2013). The island's tourism board promotes the environmental features for these activities. However, climate change may cause coral bleaching and beach erosion, which could impact the very features that attract tourists to the island (Uyarra et al., 2005). At the current rate of degradation, ecological functions such as erosion control and storm protection will disappear, resulting in a loss of nature's economic value worth 105 million USD, which accounts for 31% of the GDP (DCNA, 2018). As described by Verweij et al. (2020, p.4), "*Bonaire is an example of embracing nature for our livelihoods.*" Given that tourism is dependent on the value of nature, a decline in tourism demand is anticipated, resulting in a reduction in GDP ranging from 25 million USD to 173 million USD, contingent on the different climate scenarios (Schep et al., 2022). Verweij et al. (2020) emphasises the importance of increased investment in nature conservation. For instance, effective management of direct human impacts can help reefs recover and mitigate climate-related impacts, which can bring economic benefits when tourism depends on attributes that can be controlled by environmental management (Uyarra et al., 2005). This is reflected in Bonaire's Tourism Master Plan, entitled '*2017-2027 Tourism: Synergizing People & Nature for a Better Tomorrow, The Caribbean's 1- Blue Destination*' (Croes et al., 2017). The Blue Destination strategy aims to promote the sustainable use of ocean resources for growth, well-being, and job creation, while protecting the health of the oceans' ecosystems. (*About Blue Destination - Blue Destination*, n.d.). As Croes et al. (2017, p.2) state, "*Many residents and industry stakeholders feel that the tourism industry can direct and improve the future of the island.*" This is also reflected in the Tourism Recovery Plan, a document created to facilitate the recovery of the tourism industry of Bonaire following the global pandemic. "*Tourism must serve as the stepping-stone for development and well-being for all Bonairians. Tourism must enable all Bonairians to unleash their transformative and creative power to create a blue economy and live in harmony with nature*" (*Openbaar Lichaam Bonaire*, 2021, p.4).

The significance of the natural environment to the economy of Bonaire has become increasingly pertinent in light of the recent constitutional change affecting the island (Van der Lely et al., 2013). On 10 October 2010, Bonaire, Saba, and St Eustatius gained the constitutional status of a special Dutch municipality. Since then, the islands have been referred to as the Caribbean Netherlands. The new constitutional arrangement has policy and nature-related implications for both the Netherlands and the Caribbean Netherlands. The new legal status has implications for the local environmental legislation of Bonaire, whereby Dutch environmental legislation now affects the local legislation. Additionally, a significant area of nature and biodiversity has been added to the Netherlands' Kingdom, which must be conserved and preserved (Van der Lely et al., 2013). As Van der Lely et al. (2013) argue, a limited share of the governmental budget is assigned to the conservation and preservation of Bonaire's nature despite the fact that the economic benefits of tourism on Bonaire largely depend on the environmental quality.

The enhanced political and juridical stability after the constitutional change has increased the attractiveness of Bonaire for potential investors and entrepreneurs (Van der Lely et al., 2013). Furthermore, the ease with which the Dutch can relocate to this island has further enhanced its appeal. Consequently, many Dutch entrepreneurs have been drawn to Bonaire. As a tourism authority (6) elucidates, this is detrimental to the business opportunities of the locals. Local entrepreneurs are rendered as marginalised groups due to the difficulty of competing with foreign capital. More on this topic will be explained in the next Chapter.

With the new constitutional status of Bonaire, local residents of Bonaire now pay tax to the Netherlands' treasury and are entitled to governmental services and support (Van der Lely et al., 2013). However, the National Ombudsman and the Ombudsman for Children conclude that the Dutch government has not put sufficient effort in the improvement of the impoverished population of the Caribbean Netherlands (*De Eindjes Aan Elkaar Knopen*, 2023). The subsistence level is high in Bonaire, with a significant proportion of the population lacking financial resources to meet their day-to-day needs (Ministerie van Sociale Zaken en Werkelegenheid, 2023). The unemployment rate is only 3% (CBS Statline, 2023). As a tourism authority (4) reveals: *"The unemployment rate is low, indicating that almost everyone is employed. However, there is a high level of unhappiness and a low quality of life. Many people live in poverty due to the rising cost of living, which is outpacing wage growth. The minimum wage has been increased recently, but this also affects prices on the island. Therefore, this measure has limited impact without policy or control."* However, poverty is not solely a monetary issue, it also encompasses the availability and quality of housing, education, healthcare, and social support. The Ombudsman posits that poverty within families has ramifications for the daily lives and the development of children and could give rise to a problematic vicious cycle of poverty (*De Eindjes Aan Elkaar Knopen*, 2023). Furthermore, the Ombudsman asserts that the Dutch government should consider the lack of trust in the Dutch government and the small-scale nature of the Bonaire when supporting and making decisions about the island.

Following the constitutional change in status of Bonaire in 2010, the Dutch government made a series of commitments to enhance the basic amenities to the living standards of the Dutch. Nevertheless, the government has yet to fulfil this commitment, as no social minimum has been established, no unemployment benefit has been implemented, and no disability benefits have been enacted (Drayer, 2023). It is estimated that approximately 40% of the population of Bonaire has an income below the subsistence level (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2022). Consequently, 3,000 households are unable to achieve a satisfactory standard of living (Drayer, 2023). Many residents of Bonaire express frustration at the failure to implement the 2010 promise that provisions would be brought up to Dutch standards. Tuzgöl-Broekhoven et al. (2022, p.43) states, *"It has to do with a provision in the Dutch constitution that permits differential treatment due to the 'special circumstances of islands'. These include island economic and social conditions, scale and distance from the European Netherlands."*

In recent years, the Tweede Kamer in particular has made efforts to address these problems. Nevertheless, thirteen years later, there is no longer any confidence in its efficacy, as was evident during recent demonstrations (Drayer, 2023). As Tuzgöl-Broekhoven et al. (2022, p.43) argue:

*"Dutch Caribbean nationals have expressed feelings of disadvantage and disappointment with the outcomes of the '10-10-10' initiative. At least not in the manner that they had anticipated. In essence, this implies that Caribbean Dutch people, and by extension single parents and their children, are not always and automatically entitled to the same provisions that apply to European Dutch people. Provisions on which many people in the Netherlands depend for their daily livelihood."*

In conclusion, the Caribbean Island of Bonaire, a special municipality of the Netherlands, is confronted with considerable challenges. These include the rapid population growth resulting from Dutch immigration, the rising costs of living, and the environmental degradation that is affecting its tourism-dependent economy. Furthermore, the limited local financial resources and the unfulfilled governmental promises to improve living standards are exacerbating the situation.

## 5. Results

This chapter presents the results of research conducted on inclusive growth of Bonaire's tourism industry using a qualitative approach that involved document analysis and semi-structured interviews. The chapter is structured according to the three pillars identified by Bakker (2021): (I) Growth of tourism opportunities, (II) Equal access to tourism opportunities, and (III) Equal outcome of tourism opportunities. For all pillars, the corresponding constraints are shortly explained after which the result per constraint are given. After, the heat map in Table 3 summarises the results of the T-DIGD for Bonaire, indicating whether the different constraints are binding, moderately binding, or non-binding for inclusive growth. The constraints are coloured red, orange, or green. Binding is red, moderately binding is orange, and non-binding is green.

### 5.1 Growth of Tourism Opportunities

#### 5.1.1 Human Resource Capacity

The constraint of *Human Resource Capacity* highlights the importance of human resources for the successful operation of a tourism business. Consequently, the following indicators, which are linked to this constraint, are presented: the ease of finding skilled employees, the extent of staff training, the ease of hiring foreign labour, and the number of graduates from tourism schools.

The first indicator is the 'ease of finding skilled employees.' According to the interviews (3,4) with a local entrepreneur and a tourism authority, the population of Bonaire seems to be unwilling to work in the hospitality sector. This is exemplified by the following quotation from a tourism authority:

*"Working in hospitality has never been popular among the residents of Bonaire"* (10).

The reasons given for this are the low wages, the inconsistent working hours and the work on weekends and holidays (3,4,5,10). According to interviewees (10,11), a negative aspect of working in the hospitality industry is also the lack of a pension plan for workers. Local workers have little to no motivation to work in the hospitality industry when they can earn the same salary and have regular working hours in a supermarket. Working for the government, banks, schools, or WEB provides a better working environment (4,5,10,15). As the interview with a GM reveals:

*"[...] they want to work between 9 and 5, and preferably not during the weekends"* (5).

The interview with the tour guide (15) reveals that the colonial history of Bonaire still affects the daily life of Bonaire's residents. This is also true for the employment preferences, as the following quote illustrates:

*"[...] now they don't want to work outside, in the sun, because in the slavery period they had to work all day in the sun at the salt flats and plantations"* (15).

A tourism authority and GM (5,6) have indicated that in recent years, the island has attracted more Dutch students and trainees to the hospitality industry. This has been a positive development for addressing the shortage of skilled employees in the hospitality industry, as Bonaire does not have enough workers for the hospitality industry, and the trainees fill the gaps. As revealed in the interview with a data expert (7), Dutch students and trainees are willing to perform tasks that others or locals are unwilling to do, and they are easy and inexpensive to hire. As the following quotes illustrate:

*“The idea of interns was introduced to address staff shortages. It is certainly good for manpower, especially for the tourism sector now too many interns are on the island. They are definitely needed since there are not enough or suitable employees on the island to fill those jobs” (6).*

*“There is almost a surplus of interns on the island now. They are often employed as regular employees since it is hard to find others to fill the positions, but they get paid as interns. The interns are cheap and easy to hire. This is especially valuable for the hospitality industry because most people do not want to work in the evening” (5).*

Nevertheless, the students and interns do not stay long-term, which means that all the new knowledge gained by employees disappears from the island (6). As stated by a tourism authority:

*“All acquired knowledge of the students and interns disappears. It would be better if that knowledge remains on Bonaire, and employees continue to grow in the industry. For example, you could also bring people from Venezuela, who are also not local, but they stay” (6).*

The second indicator is ‘extent of staff training.’ While the population of Bonaire is generally qualified to work in hospitality, some locals have not had the opportunity to learn on the job. This necessitates the tourism businesses investing time and energy in training new employees. However, businesses often do not do this due to this investment, even though the new employee could be a valuable asset to the business (11).

The third indicator is ‘ease of hiring foreign labour.’ Some respondents argue that it would be advantageous to employ foreign employees who are driven to work and willing to invest in the island (6). However, there are regulations that make it challenging to hire foreign labour. Section 5.1.5 will provide further insight into this matter.

The fourth indicator is ‘number of graduates from tourism schools.’ With regard to Bonaire’s tourism students, the assumption is that the majority of them leave Bonaire to follow a study program, and do not return to Bonaire to work after they finished their program. However, there are currently no data to substantiate this assertion (4). Further details on the subject of education will be provided in Section 5.2.1.

In conclusion, it is notable that many locals of Bonaire are not interested in working in the hospitality industry. This has led to a situation where vacancies are filled by individuals from outside the island, in particular Dutch students and interns. However, the process of hiring other foreigners is proven to be a challenging one. With regard to the data on graduates from tourism schools, there is a lack of information. It is assumed, however, that the majority of students leave the island for work purposes.

### **5.1.2 Adequacy of Infrastructure**

*Adequacy of Infrastructure* refers to the quality of the domestic transportation networks, as well as water, energy and communication technology. The infrastructure in question is frequently a prerequisite for the operation of tourism businesses. Consequently, the following indicators are presented: the quality of roads, access to electricity, % of population using at least basic drinking water services, and the number of internet users.

The first indicator is ‘quality of roads.’ There is a mix of paved and unpaved roads (*The Infrastructure - KvK Bonaire, 2023*). The majority of paved roads are situated in the central area of the island, specifically in Kralendijk, and in the northern region, encompassing Rincon. The government is currently implementing a series of roundabouts with the objective of enhancing safety and optimising

traffic flow. Furthermore, the government has initiated initiatives to upgrade the roads in the vicinity of educational institutions. A comprehensive plan to further enhance the road infrastructure is currently under development. (*The Infrastructure - KvK Bonaire*, 2023). Consequently, the roads have undergone improvements in recent years and are still being developed (1,5,8). However, with the growing population and number of tourists, there is increasing pressure on the road network (6). As interviewee (1) states:

*“More people means more traffic, and that hinders daily activities of residents” (1).*

Verweij et al. (2020, p.18) add:

*“Road congestion occurs during disembarking and embarking of cruise ships.”*

The evidence of a growing population is clear. In 2012, the island had a population of 12,000, while in 2023, the population is estimated to be around 25,000 (10). As a tourism authority has argued:

*“In less than 10 years, the population has doubled. This is not caused by a higher birth rate. The majority of the population growth can be attributed to immigration” (4).*

The indicators ‘access to electricity’, ‘% of population using at least basic drinking water services’, and the ‘number of internet users’ are presented next. Regarding energy and communication technology, all residents of Bonaire have access to the internet, water and electricity (5). However, not all areas of the island are directly connected to the water and electricity network due to the high cost of connecting remote locations. In these remote areas, residents rely on water tanks and often use solar power. As illustrated by the following quote:

*“Not the entire island is connected, people in the Kunuku have to order water. They have a tank with water that is filled every now and then. Electricity can be solar power. The other option is buying a connection for around \$300 per meter” (5).*

According to the consultancy firm Royal HaskoningDHV (*Bonaire 2040 - A Viable Plan To Protect Drinking Water Supply*, n.d.), Bonaire’s population growth is putting increasing pressure on the capacity of drinking water supply. Water- en Energiebedrijf Bonaire (WEB) is responsible for the electricity, drinking water, and wastewater treatment. In order for WEB to continue to meet the increasing demand of a growing population, the company needs to free up capacity for the drinking water production and distribution network, while at the same time streamlining maintenance and keeping the prices affordable (*Bonaire 2040 - A Viable Plan To Protect Drinking Water Supply*, n.d.). WEB works together with Royal HaskoningDHV, as the following quote illustrates:

*“Bonaire now has a masterplan with flexible options. It fits closely with WEB’s vision and strategy to guarantee its drinking water supply and ensure future prices remain affordable for residents” (*Bonaire 2040 - A Viable Plan To Protect Drinking Water Supply*, n.d., p.1).*

According to the GM (5), the growing population and increased use of appliances is placing a significant strain on the electricity network. The interviewee (5,9) states that there is a blackout almost every month in a different region of the country. However, according to the respondents, businesses do not often experience significant hindrance to their business operations since the businesses are used to blackouts and prepared for them. As the GM states:

*“There is a power outage somewhere in a neighbourhood once a month, that is normal” (5).*

It can be concluded that the current quality of the roads is sufficient, and that the roads are continuously undergoing development. All residents of Bonaire have access to internet, water, and electricity services. Nevertheless, the growing population exerts a heightened strain on the infrastructure.

### **5.1.3 Safety, Political Stability, Insecurity, and Health**

*Safety, Political Stability, Insecurity, and Health* is a constraint that concerns the occurrence of infectious diseases, acts of terrorism, and political instability that have an impact on the success of the tourism industry. There is no specific data on the indicators that are part of this constraint: % enterprises who consider crime, theft and disorder as a constraint to doing business, intentional homicide victims, % enterprises who consider political instability as a constraint to doing business, number of countries which issued a travel advisory in the past three years, health travel warnings Level 2 and 3 past three years. Consequently, the following topics are presented: infectious diseases, political instability, and crime.

The first topic is infectious diseases. Since becoming a special municipality of the Netherlands in 2010, Bonaire has become an increasingly popular holiday destination for Dutch tourists (5). This trend continued during the Covid-19 pandemic, as Bonaire was one of the few holiday destinations that was safe enough for the Dutch tourists to visit, with the added convenience of a direct flight (5). Bonaire was part of the Netherlands, so tourists would technically not leave the country. This was even promoted during Dutch press conferences (10). As a GM states:

*“The tourism industry of Bonaire has significantly grown. Partly because of marketing, and some coincidence. Since Bonaire has become a special municipality in the Netherlands, it has become an increasingly important destination. This was further developed during the Covid-19 pandemic because for a long time it was the only place you could go. With a direct flight from the Netherlands where you can simply get off here. The island was closed for three months in the first year, but then everything opened up and you could travel freely”* (5).

According to the interviews with a local entrepreneur and tourism authority (3,10), Bonaire is an outdoor destination with sufficient ventilation for infectious diseases such as Covid-19. So, that means that Covid-19 was not easily spread and as such, Bonaire was ‘safe’ for tourists. Following the conclusion of the pandemic, the vouchers provided by airlines and tour operators were redeemed, and the popularity of Bonaire as a tourism destination has grown since (5). This is illustrated by the following quotes:

*“When the world opened up again, this occurred gradually. Everyone received vouchers from KLM and TUI for cancelled holidays, and only Bonaire or other destinations that were not desired were available. And then it started to boom, the 'champagne years', when all vouchers were redeemed. And now there is still an upward trend for inbound tourism”* (5).

*“Maybe Bonaire wouldn't even have become so popular if it weren't for Covid. Especially among the Dutch”* (11).

The second topic is political instability. Bonaire’s tourism industry has grown since the constitutional change in 2010 that made the island easier accessible for Dutch tourists. However, the recent change in the local government at the end of last year has caused uncertainty among tourism businesses on Bonaire (4). This uncertainty will be further discussed in Section 5.1.7, where the topic of tourism prioritization will also be addressed.

The third topic is crime. There is no recent history of terrorism in Bonaire. However, Bonaire is often used by drug smugglers to smuggle illegal drugs from South America to Europe and North America

(GOV.UK, 2023). CBS Statline (2023) reports that in 2021, 7.6% of the population of Bonaire was a victim of one or more crimes of violence, property, or vandalism. Theft was the most prevalent form of criminal activity.

In conclusion, despite the global pandemic, Bonaire remained accessible and safe for tourists. This was due to the fact that Bonaire is part of the Netherlands and an outdoor destination. Nevertheless, the recent change in local government has introduced a degree of political instability, which has led to uncertainty among the tourism businesses. It is important to note that crime is present on Bonaire, with the majority of incidents related to drugs smuggling and theft.

#### **5.1.4 Accessibility**

This constraint, *Accessibility*, concerns the transport connectivity. The transport connectivity is determined by the frequency and cost of travelling to a destination. This is particularly important for countries that depend on adequate airlift or have a strong link between air transport and tourism. The indicator linked to this constraint that will be explained is direct air connectivity.

Bonaire has one international airport, the Flamingo International Airport, with a 3 km runway that is able to accommodate all types of aircraft (*The Infrastructure - KvK Bonaire*, 2023). Currently, a significant challenge for Bonaire is the lack of sufficient airlift (5,6), causing underutilization of hotels. The underutilization of hotels is also caused by illegal holiday rentals in residential areas. This phenomenon will be further elucidated in Section 5.1.5. In the Tourism Master Plan '2017-2027 Tourism: Synergizing People & Nature for a Better Tomorrow, The Caribbean's 1st Blue Destination', there was an underestimation of the number of rooms for tourists that were planned to be built (4). The rooms were constructed with European tourists in mind, rather than American tourists, who have different requirements in terms of amenities. This deviates from the plan to diversify the market and attract higher-paying tourists (4). This is illustrated by the following quotes:

*" [...] there is a lack of airlift. Currently, there are more rooms than airlift, but it requires a substantial financial investment to establish a new route. Furthermore, the governor is the only individual that can sign for new flights" (5).*

*"There are an excess of rooms for a limited number of tourists [...] so, we have to find more airlift, preferably from countries with higher paying tourists" (6).*

As stated in the interview with a tourism authority (6), additional airlift is desired from markets with higher paying tourists. As a GM states (11):

*"There still is poverty [...] since there is a limited number of airline seats, those seats are preferably sold to an affluent tourist that spends more money" (11).*

However, preparing a new flight route requires a significant amount of money and can only be approved by the governor (5). Despite the recent change in government, no plans or decisions have been announced (4). The reason for this is that there is currently an acting governor, Reynolds 'Nolly' Oleana (*Openbaar Lichaam Bonaire*, 2024).

In an interview with a GM (5), it was revealed that the airport has sufficient capacity for additional flights and that all current flights have had a successful load capacity. However, past negotiations with airlines for additional flight routes to Bonaire have not resulted in any new routes being established (5).

To conclude, it can be reasonably deduced that the island of Bonaire is dependent upon the availability of sufficient airlift in order to achieve the optimal utilization of hotel rooms. It is desirable to have

additional airlift from higher-paying markets. Nevertheless, the recent change in government has introduced an element of uncertainty regarding the potential for new flight routes.

### **5.1.5 Business Policy Environment**

*Business Policy Environment* concerns business policies that potentially affect tourism businesses. For example, the ease of starting a business or taxation policies. Consequently, the indicators that will be explained are corporate income tax rate, the ease of starting a business, the ease of doing business, and VAT for accommodation facilities.

The first indicator is the ‘corporate income tax rate.’ The corporate tax rate on Bonaire is more favourable for entrepreneurs and businesses than in the Netherlands, with a rate of only 6% versus 21% (8). This makes the business climate attractive for foreign entrepreneurs (5).

The second indicator is ‘ease of starting a business.’ Even though the corporate tax rate is favourable, starting a business on the island can be challenging and time-consuming due to complex registration processes and procedures (3,8). As an interviewee (5) argued, permits are a significant problem and require a lot of time. It may be beneficial to have a network connection to facilitate the process (3,8,9). As a local entrepreneur states:

*“If you know the right people, this could speed up the process” (8).*

The third indicator is ‘ease of doing business.’ As previously stated, the hotels are underutilized. This is due to a lack of airlift and the practice of illegal holiday rentals. Two GMs have argued the following:

*“The biggest competitor for the hotels is the illegal holiday rent. Certain neighborhoods in [...] are not allowed to rent their homes for holiday purposes, but they still do it. Even the purchase deed states that it is not allowed to do holiday rent. Many people have a second home on Bonaire, which means that most of the year they are not here, and they can rent it” (5).*

*“The reasons that the hotels are underutilized, is because of the non-registered Airbnb’s and holiday rentals in residential areas. They are not allowed to do short-term rent” (11).*

A GM has stated that there is currently greater enforcement in place to address this issue. Nevertheless, the capacity to enforce illicit practice of holiday rentals remains inadequate. This is disadvantageous for the hotel business (7).

With regard to Section 5.1.1 on *Human Resource Capacity*, the results indicate that it is challenging to hire foreign labour. The process of hiring foreign labour can be complex and may not target the intended group (5). Obtaining a work visa is relatively straightforward for individuals from the Netherlands or the United States. However, for other foreign employees from South America who are able to fill vacancies permanently, are skilled and highly motivated to work, there is a longer and more costly process. Firstly, local vacancies must be advertised in order to provide the local workforce with an opportunity (5,6), despite the fact that the labour market is almost saturated and that foreign workers often already have a residence permit on the island. Research indicates that the unemployment rate is approximately 2% (4). This is illustrated by the following quotes:

*“Everyone is in need of staff, but the immigration policy is very strict, which hinders the wrong people. The Dutch and Americans who come to the island to do nothing can easily enter the country. In contrast, the people who want to work (Colombians, Venezuelans, Surinamese) have a difficult and complicated immigration process. A lot of paperwork is required, and the business must first place two advertisements for employees on the island itself. Even for positions that require, for example, three years of experience in a similar position, there are*

*very few people on the island who have that level of experience. The employment office on the island proposes people from here who are qualified while this is not the case at all. It is just to give the locals a chance first*” (5).

*“Before you can hire the wife of a foreigner who works on Bonaire, you need to look among the locals first. Then you can hire her and apply for a work permit. This process takes a lot of time. Even though she already has a resident permit and is willing to work”* (6).

A number of respondents have asserted that this process is not conducive to the interests of businesses (5, 6,11).

The fourth indicator is ‘VAT for accommodation facilities.’ The tourism tax previously charged by accommodations has been replaced with a local tax paid by all non-residents entering Bonaire (10). As a tourism authority explains, this broader tax base can potentially be used to improve tourism infrastructure and other related projects (10). As the following quote illustrates:

*“The tourism tax is a general tax that is included in a tax pool along with other local taxes. Therefore, the tourism tax cannot be used directly for the tourism industry. However, there is some guidance on the budget possible when distributing the funds”* (10).

In conclusion, the corporate income tax rate is beneficial for businesses. However, starting a business on the island can be challenging and time-consuming due to complex registration processes and procedures. The illegal holiday rent hinders the ease of doing business for hotels and the challenging process of hiring foreign labour is a general problem. Nevertheless, the tourism tax allows for a broader local tax base, which potentially benefits the tourism infrastructure.

### **5.1.6 Access to Land**

The constraint, *Access to Land*, regards the land needed for tourism business, and for example a land tenure system, property rights and zoning plans. Consequently, the following indicator is presented: enterprises who consider access to land as a problem.

The west coast of Bonaire is a popular destination for tourists seeking accommodation with a sea view (8,9). However, due to the lack of available seafront space, new hotels and resorts are often built in the second row (9). Tourists are more attracted to the seafront accommodations than those built second row (9). The zoning plan has been accepted and revoked with the government change, which currently causes uncertainty and is not beneficial for tourism development (6). In general, there is a scarcity of land for the development of tourism business, which makes it challenging to obtain space for new businesses (6).

It is evident that there is currently a lack of attractive land available for tourism development, which can be attributed to the revocation of the zoning plan and the current state of development.

### **5.1.7 Tourism Prioritization**

*Tourism Prioritization* is about the government expenditure, support, and vision for tourism. Consequently, the indicators presented are prioritization of tourism and travel and government expenditure on tourism as a percentage of total government budget. These indicators are interlinked and therefore presented together.

The tourism bureau of Bonaire has had the same budget for the past 20 years. As stated in the Tourism Recovery Plan (Openbaar Lichaam Bonaire, 2021, p.5), *“The total capital available for investment in TCB Funds is 750,000 USD. A request has been made to the Dutch ministries for an additional 2 million*

*USD to stimulate the economy in the short term, as well as in the long term. Furthermore, €750,000 has been requested from the EU RESEMBID funds.*” However, in order to diversify the market and to attract higher-paying tourists, additional funds are crucial (6). However, the plans that were made during the Tourism Summit for the future of tourism on Bonaire are uncertain due to the government's fall at the end of last year (4).

According to the interview with a tourism authority (4), there are two governing bodies, the local government, and the Dutch government. Each has different responsibilities. The local government is responsible for tourism but cooperation with the Dutch government is essential for acquiring additional funds to execute large-scale tourism plans (6). As the following quote illustrates:

*“Cooperation with the Netherlands is necessary. For example, if Bonaire itself cannot pay two to three million USD for United Airlines to fly to Bonaire in 2025, the Dutch government is needed for support”* (6).

However, at times, the Dutch government implements measures that do not align with the expectations and needs of tourism stakeholders on Bonaire. This is counterproductive as the stakeholders' planning is based on their vision (6). According to a tourism authority(10), new regulations implemented on the island may not consider local dynamics. For instance, the increase in the minimum wage has had unforeseen negative economic consequences for hotels and resorts that are already underutilised (7,10,11). This is stated in the following quotes:

*“The plan was to implement the new minimum wage in phases, this was in agreement with the tourism stakeholder on Bonaire”* (6).

*“Now a significant minimum wage increase at once, so hotels in particular are wondering how they can finance this”* (10)

*“The Netherlands are large, and Bonaire is small. Bonaire is not even a quota in the Dutch elections. The Dutch government want to cross things off their list, that is how the system works, because you [Bonaire] are so far away. Decisions that are made are sometimes too simplistic, customization is sometimes necessary to focus on groups that need it”* (6).

As a GM (5) elucidates, the increase of the minimum wage is a challenge for tourism businesses. The prices cannot rise excessively, given the competition with the surrounding islands. Aruba and Curaçao are already more affordable to visit for tourists. However, with a higher minimum wage and underutilization of hotels, there is even less money to spend in the business. The fastest way to reduce expenditures is to employ fewer individuals to perform fewer tasks. Frequently, the least qualified employees are terminated, which are often the locals (5).

In the wake of the recent change in government, as introduced in Section 5.1.3, the tourism industry's plans are currently on hold, awaiting the presentation of the revised Tourism Master Plan by the new government (6). Consequently, uncertainty persists among tourism stakeholders on Bonaire. While the previous government placed a premium on high-end tourism and airlift, the current government has a distinct vision for tourism, aiming to promote micro-tourism which is small-scale and community-based (5,6). This vision for tourism is based on the marketing plan for 2022 by Tourism Corporation Bonaire (2022). As explained in the press release (Tourism Corporation Bonaire, 2022b, January 17), *“Community inclusion: Expand the benefits stemming from tourism development to a broader segment of the Bonaire population. [...] Focus on the active and affluent customer that is looking to experience an authentic product.”* The following quote illustrates micro-tourism:

*“They do not want more but less tourism, to reverse the effects of the mass tourism. Micro-tourism is aimed for, for example, a small apartment in the garden of the locals to involve the local population” (6).*

So, when the new government presents a new tourism plan, businesses will be able to identify a clear objective and direction for their future operations (6).

In conclusion, the previous and current governments have demonstrated a clear interest in the field of tourism. Nevertheless, the new government has yet to present a clear vision for the type of tourism it wishes to promote. This lack of direction has the potential to create uncertainty among the tourism businesses.

### **5.1.8 Environmental Quality**

The constraint of *Environmental Quality* is about issues in environmental management that potentially impact the experience of tourists on Bonaire. There is no specific data on the indicators that are presented in Annex I and that are linked to this constraint. Therefore, a general description regarding the environmental quality influencing tourism development on Bonaire is presented.

The island of Bonaire is distinguished by its distinctive environment and biodiversity. The coastal waters of Bonaire are home to coral reefs, mangroves, and sea grass systems, while the island's terrestrial environment is characterised by dry forest and agricultural land (TEEB Caribbean Netherlands, 2012). Since the 1970s, Bonaire has invested significant financial and human resources in the protection of that natural environment and resources (Croes et al., 2017). Bonaire has gained recognition for that natural environment and has gained the reputation of having the best ocean activities in the world, which has boosted the island's economy through tourism (Croes et al., 2017).

Bonaire is renowned as “divers paradise” (11). However, factors such as the pressure of economic development and climate change are negatively impacting the quality of the natural environment (TEEB Caribbean Netherlands, 2012). Verweij et al. (2020, p.11) posit,

*“There are many different pressures that combine to impact both nature and other forms of land use in this small area. These include a rapidly growing population and tourism industry which lead to the expansion of the built environment. Natural pressures include climate change, saltwater intrusion and erosion, for example.”*

These factors cause among others coral bleaching and stony coral tissue loss disease (6,11). In the future, the loss of coral colour may reduce the number of tourists visiting the island for its marine environment (6).

*“[...] coral bleaching and Stony Coral Tissue Loss Disease are environmental factors that are impacting nature, and nature is our product. And it is impacting tourism. The outbreak of the disease is like Covid-19 but for nature. Therefore, multiple dive sites are closed, or the divers only see white instead of coloured coral. So, it affects tourism” (6).*

A number of beaches have been temporarily closed due to a recent oil spill, rendering them inaccessible for divers and other water sports enthusiasts (9). However, it is important to note that tourism also has a negative impact on the natural environment (6,14). For instance, the relocation of species to less disturbed habitats is a consequence of the impact of tourism (14):

*“Tourism provides definitely a pressure on marine environment. For example, the groups of turtles, the turtle density, relocates to other places with less pressure and disruption” (14).*

Another important point to consider is that Bonaire was not included in the Dutch climate policy (9,10). Despite the fact that one-fifth of Bonaire will have submerged beneath the sea level by the end of this century, the Dutch government has hardly taken action to prevent this disaster scenario (Varitimos, 2024).

In conclusion, it can be observed that Bonaire is renowned for its attractive natural environment and the best ocean activities globally. This has led to a notable increase in the island's economic activity. Consequently, substantial conservation initiatives have been implemented since the 1970s. Nevertheless, the island's natural environment is subject to the combined pressures of economic development and climate change.

### **5.1.9 Market Coordination and Responsiveness**

*Market Coordination and Responsiveness* is focused on the adequacy of private sector stakeholder coordination that can impede the ability to innovate and meet market needs. It also concerns market responsiveness, entrepreneurship, and the match of supply and demand. These topics will be explained since there was no specific data on the indicators linked to this constraint.

As a tourism authority (4) states, entrepreneurship is not something that is deeply rooted in the culture of Bonaire. Another interviewee (10) confirms that the locals are modest. Most people aspire to work for the government because of the salary, consistency, security, and work environment (4). Being an entrepreneur is different, as illustrated by the following:

*“Business is about losing and winning. You start losing and then maybe you start winning. But most don't have money to lose. And you have no investors here” (4).*

The interviewee (4) posits that over time, more locals embrace entrepreneurship, particularly in the cruise, taxi, and tour sectors. Additionally, the younger generation at school is becoming more assertive (10). Local initiatives are promoting inclusive entrepreneurship, including an innovation contest (4). The interview with a tourism authority (4) revealed that this contest was a success, with a significant number of local contestants submitting valuable ideas. The government provides support for a business incubator, while the Chamber of Commerce has organised a ‘shark tank’ event and offers entrepreneurship training at school.

However, as Section 5.1.10 will demonstrate, acquiring financial resources for initiating a new business on Bonaire is a significant challenge. For foreign entrepreneurs, it is often more straightforward to obtain loans in their country of origin and then invest these funds in a business on Bonaire (4,7). This presents a disadvantage for the local population of Bonaire. As interviewee (6) states:

*“Then local entrepreneurs become marginalized groups because they cannot compete against foreign money with cheap interest rates” (6).*

The Dutch culture is characterised by a strong emphasis on savings, in contrast to Bonaire's culture, and you can buy relatively more in Bonaire than the Netherlands for the same amount of money (6). Additionally, interviewees argue that locals often lack the requisite skills and expertise for entrepreneurship. Consequently, it is challenging for them to compete against foreign investors who are running businesses on Bonaire (6). As a tourism authority has observed:

*“How can we protect our local market, without begin discriminating against in theory also our own local market?” (6)*

As a GM (5) exemplifies:

*“A local car rental might have two or three cars, whereas a new Dutch entrepreneur instantly buys 55, it is about money” (5).*

Furthermore, the Dutch population is more familiar with entrepreneurial business practices, and therefore, if they identify a business opportunity on Bonaire that has not yet been attempted, they are more likely to pursue it. (4).

In conclusion, it can be observed that a growing proportion of the local population on Bonaire are engaged in entrepreneurial activities. Nevertheless, Dutch entrepreneurs frequently possess greater financial resources and technical expertise.

### **5.1.10 Access to Finance**

*Access to Finance* concerns the ease of acquiring financial means for developing tourism opportunities. Consequently, the following indicators are presented: % of enterprises who consider finance as a problem and value of collateral needed for a loan. These indicators are interlinked and therefore combined in the following Section.

It is challenging to obtain a loan on Bonaire, which is disadvantageous when starting a business (6). As illustrated by the following quote:

*“It is also difficult to get financing, the collateral is very high. The Caribbean cost of doing business is high, so the costs of a loan are high because the costs of doing business for the bank are also high. It is difficult for a local person to get financing” (6).*

As previously stated, the residents of Bonaire often lack the financial resources necessary to make an initial investment, provide a down payment, or serve as collateral for a loan. It is also important to note that poverty persists among the island's population (11).

So, it is in general difficult to obtain a loan for the development of tourism opportunities. This is due to the fact that local residents frequently lack the financial resources to make an initial investment, provide a down payment, or serve as collateral.

## **5.2 Equal Access to Tourism Opportunities**

### **5.2.1 Access to Education**

The constraint, *Access to Education*, is about the reasons of unequal access to education for the different demographic group of Bonaire based on gender, socio-economic status, region, or ethic group. The following Sections provide insights into the unequal access to education on Bonaire.

Bonaire is a special municipality of the Netherlands. As a result, obligatory education is in place for all children between four and eighteen years (*Leerplicht*, n.d.). However, Croes et al. (2017) indicate that there is a shortage of educational and professional opportunities on Bonaire. There is no university of applied sciences or university on the island, only vocational education is available (1). Consequently, students wishing to pursue higher education must do so in another region or country. An exception to this is the Teacher Training Programme in Basic Education which is offered on Bonaire (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2021). The majority of vocational education students remain on the island (1). Students of Bonaire typically pursue higher education, including tourism studies, in the Netherlands or the United States (1,4,10,11,12,13). Students wishing to pursue higher education in the United States must navigate a complex enrolment process. In contrast, the Netherlands

offers a more straightforward pathway, with only the right courses and a university of applied science or pre-university education certificate required (13). While the costs of living in the United States are significantly higher than in the Netherlands, scholarships in the Netherlands are considerably more generous (13). Therefore, financial resources are crucial for students considering studying abroad.

However, the students who have the financial means to study abroad often do not return to Bonaire (4), as evidenced by interviews with students (1,4,13). Students are exposed to opportunities that are not available on Bonaire, often with higher wages. As one student explains (12,13):

*“At the moment my interests lie in [...]. In my opinion, there are not many job opportunities on Bonaire in these sectors at the moment. However, Bonaire is still in bloom. So hopefully there will be job opportunities in the future. That is the determining factor whether or not I go back to Bonaire” (13)*

A student (1) adds that in the Netherlands, there are more career-related opportunities, it is easier to travel around Europe, and the costs of living are relatively lower. Bonaire’s climate is enjoyable (13). For this reason, the jobs on Bonaire that require higher education are often filled by Dutch employees that stay a couple of years on the island (1,3).

An important issue addressed by a student (1) is:

*“The Cito test is conducted in Dutch, which is hard for the students at primary Papiamentu schools where the main language in the first two years is Papiamentu, and Dutch is a course. This can result in lower scores on the Cito test due to the language barrier.” (1).*

Following the second year of primary education, the language of instruction switches to Dutch. It is crucial to acknowledge that a lack of proficiency in Dutch hinders students from Bonaire from accessing all tertiary education institutions in the European Netherlands (Buys, 2021; Rijksdienst Caribisch Nederland, n.d.). This is a significant issue, particularly given that the Caribbean Netherlands does not have any universities or universities of applied sciences. Consequently, inhabitants must relocate in order to pursue tertiary education. According to the CBS Statline (2023), approximately two-thirds of the population of Bonaire speak Papiamentu as their primary language. Dutch is the primary language for only 15% of the population. CBS Statline (2023) reports that 91.4% of the population of Bonaire is multilingual.

In addition to linguistic factors, poverty also exerts a detrimental influence on educational outcomes. Poverty can result in children assuming responsibilities that may negatively impact their educational outcomes. As illustrated by the following quote from the Netherlands Youth Institute (n.d., p.1),

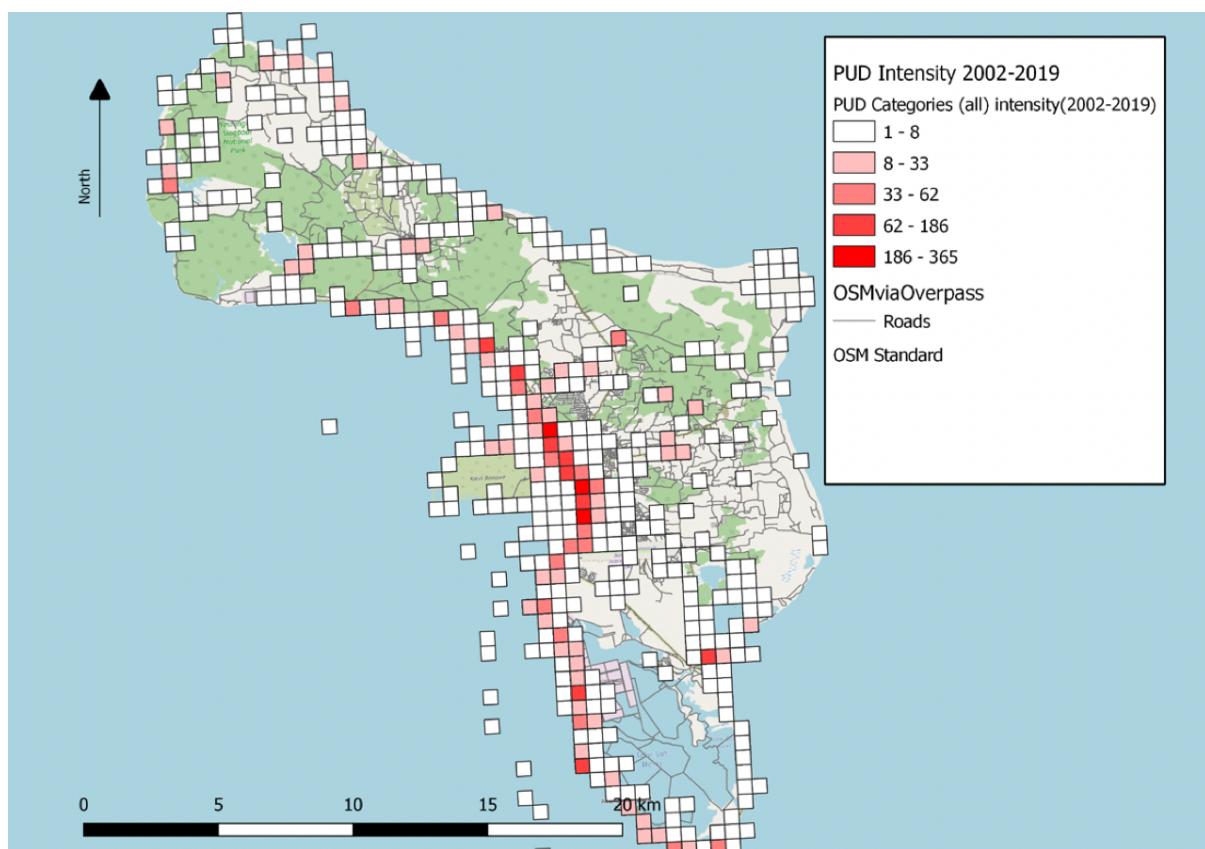
*“When not having enough money, healthy food is not always a priority, just like schoolbooks or having a good place to study. Extra school costs might not be paid. Parents and kids both experience high-stress levels, which might cause parents to be (emotionally) unavailable and children to have problems focusing. All negatively affect the school outcomes of children.”*

Concluding, students who have the financial resources to do so are able to pursue higher education in a foreign country. In addition to the limited educational opportunities on the island, the professional opportunities are similarly constrained, which further encourages individuals to relocate to a different country. Consequently, socio-economic status is a significant factor in education. Furthermore, children who have received their primary education in Papiamentu may be at a disadvantage when taking the Cito test. This results in the emergence of a specific group with a lower score and a divergent pathway for secondary and consequently tertiary education. Access to educational opportunities is also affected by poverty.

## 5.2.2 Access to Infrastructure

*Access to Infrastructure* concerns availability of road infrastructure and access to drinking water, electricity, telecommunication services, and sanitation that is needed for tourism development. The following Section elaborates on this and explains the link between the infrastructure and tourism.

It can be concluded that all areas of the island are suitable for tourism due to the limitations of the road infrastructure (5). As Figure 5 illustrates, the tourist spots are distributed heterogeneously across the island and follow the pattern of the roads (Slijkerman et al., 2020). Research by Slijkerman et al. (2020) on the spatial movement of tourists and the number of tourists that visit different parts of Bonaire indicates that the majority of tourists visit the west coast near Kralendijk. The data is based on the number of photos taken by tourists at specific locations.



**Figure 5.** Spatial distribution and intensity of tourist visits (Slijkerman et al., 2020, p.15).

The rationale for this is that the majority of hotels, restaurants, and shops are situated in this area (Slijkerman et al., 2020). Wilson et al. (2021) posit that services, such as accommodation facilities, restaurants, and retail businesses are necessary to meet the needs of tourists. This could have implications for the development of tourism in areas further from the west coast.

With regard to the provision of water, electricity, telecommunications services, and sanitation, which are essential for the development of tourism, Section 5.1.2 demonstrated that all regions of Bonaire have access to these services.

In conclusion, the island's infrastructure is accessible to all, regardless of location or demographic characteristics. However, the majority of tourists visit the west coast of Bonaire due to the concentration of facilities there, which suggests that this area of the island is more attractive for tourism development.

### 5.2.3 Access to Finance

The following Section elaborates on the constraint, *Access to Finance*, which is about the access to finance for tourism development by different demographic groups.

As previously stated in Section 5.1.10, it is challenging to obtain loans without any financial resources. The research findings indicate that there is no discernible difference in the accessibility of financial resources for various demographic groups, including ethnic minorities, women, entrepreneurs in rural areas, indigenous communities, and residents of Bonaire. The local population of Bonaire is generally lacking in financial resources for a down payment, collateral, or initial investment in a tourism opportunity (11).

However, as Section 5.1.9 explained, the Dutch culture is distinguished by a strong emphasis on savings, in contrast to Bonaire's culture. This indicates that the Dutch on Bonaire potentially have the required financial means to acquire financial resources. Moreover, it is more straightforward for the Dutch to obtain a loan in their country of origin to invest in a business on Bonaire (4,7).

In conclusion, the Dutch have more straightforward access to financial resources than other demographic groups on Bonaire.

### 5.2.4 Access to Land

*Access to Land* concerns whether demographic groups on Bonaire have equal or unequal access to land on Bonaire. The following Section elaborates on the types of land ownership of Bonaire and the access to this land.

Bonaire has three types of land, owned land, leasehold land, and rented land (*Onroerend Goed op Bonaire | Beautiful Bonaire*, n.d.). Owned land refers to land that is wholly owned by the individual in whose name it is registered. This is the most expensive form of land in Bonaire. Leasehold land is defined as land leased by Openbaar Lichaam Bonaire, the local government, for a period of 60 years. The period may be extended by a further 40 years. Given that the lease period is at least 60 years, leasehold land is also well-suited to housing development (*Onroerend Goed op Bonaire | Beautiful Bonaire*, n.d.). The cost of leasehold land is significantly lower than that of owner-occupied land. The Bonaire government derives a significant income from ground rent. Annually, thousands of assessments are dispatched. Leasehold land is land leased by the Bonaire government for a period of five years. The lease period of five years precludes the possibility of residential construction on leased land (*Onroerend Goed op Bonaire | Beautiful Bonaire*, n.d.). As stated by Openbaar Lichaam Bonaire (2024), to qualify for a leasehold plot for housing development, the applicant must be of age, resident of and registered in Bonaire, and not in possession of a leasehold or ownership plot. The applicant is placed on a waiting list when the submission is correctly submitted. Currently, applicants who require housing are given priority ("Grondbeleid Bonaire 2022-2025", 2022).

In order to address the housing crisis in Bonaire, the local government has proposed the reclaiming of the Kunukus, which has traditionally been considered family property (Everts, 2022). On Bonaire, the term 'Kunuku' is used to describe an outdoor area in nature (BoB, 2018). These lands, which have been passed down through generations, are now being targeted for the construction of social housing. The government has asserted that these lands were never private property, citing legal registration issues and Article 526 of the BES Civil Code, which states that land without a clear owner belongs to the government. Everts (2022) argues that despite the families' longstanding occupation and payment of taxes, the lack of formal documentation has led to a legal dispute. The court recently recognised the families' ownership of the land but required them to propose viable development plans (Everts, 2022).

The government is applying pressure by increasing legal costs and suggesting the purchase of the land, although no offers have been made (Everts, 2022). This situation has sparked claims of injustice from the families, who feel their historical and cultural ties to the land are being disregarded. As Everts (2022) posits, the outcome of this dispute could set a precedent for future land distribution and development on the island, highlighting the ongoing conflict between addressing modern housing needs and preserving traditional land ownership rights.

As Curacao.nu (2022) posits, Bonaire lacks a clear set of rules and policies governing the issuance of land. In 2018, the State Attorney General's Office provided concrete recommendations for the establishment of clear rules and policies. Despite the passage of over four years, these recommendations remain unimplemented (Curacao.nu, 2022). The absence of clear rules and policies continues to present potential risks of self-enrichment, arbitrariness, and non-integral behaviour on the island. As of August 16, 2020, two state investigators have been stationed on Bonaire for a period of three years to investigate the extent and nature of official corruption on Bonaire (Curacao.nu, 2022).

In conclusion, the island of Bonaire is characterised by a diversity of land ownership patterns. The land is either owned, leased, or rented. Kunukus are typically family-owned and often not legally administered. Nevertheless, there is a paucity of clear rules and policies governing the issuance of land in Bonaire. The absence of clear rules and policies continues to present potential risks of self-enrichment, arbitrariness, and non-integral behaviour on the island. The research reveals no difference in the access to land for certain demographic groups, such as ethnic minorities, women, entrepreneurs in rural areas, indigenous groups, and locals.

### **5.2.5 Access to Information and Knowledge**

The constraint *Access to Information and Knowledge* concerns information and knowledge related to the tourism industry being unevenly distributed among the different societal groups.

The research reveals no difference in the access to information and knowledge for certain demographic groups, such as ethnic minorities, women, entrepreneurs in rural areas, indigenous groups, and locals. The indicators that are linked to this constraint following the T-DIGD framework regard 'internet users' and 'households with internet access.' *Statline CBS* (2023) posits that 86% of the households on Bonaire have access to internet at home. 96.4% of the population accesses the internet daily. The youth and higher educated people have used the internet more often than the elderly and lower educated people (CBS Statline, 2023).

In conclusion, the vast majority of the population (96.4%) has used the internet on a daily basis, and there is no discernible difference in access to information and knowledge based on demographic characteristics.

### **5.2.6 Access to Regulatory and Political System**

*Access to Regulatory and Political System* is about the unequal access to tourism opportunities due to institutional barriers. Consequently, the indicators described under this constraint are favouritism in decisions of government officials, and firms identifying corruption as a major constraint. These indicators are interlinked and therefore together presented.

The research reveals no specific data on 'favouritism of government officials' and 'firms identifying corruption as a major constraint' but provides circumstantial results. It is a common occurrence on Bonaire that administrators and civil servants utilise their powers in an improper manner (Dossier Koninkrijksrelaties, 2023a). Despite the lack of concrete evidence regarding the nature and extent of corruption at the official level, there are indications that Bonaire is susceptible to various forms of

corruption. There is a prevailing perception among the general public that corruption is becoming increasingly prevalent in Bonaire (*Infrastructuur Corruptiebestrijding op Bonaire, Sint Eustatius en Saba*, 2015). This corruption affects the public trust in the integrity of the local government (Bekkers, 2022). The Research and Data Centre has initiated an investigation to study the nature and causes of official corruption in the Caribbean Netherlands in December 2022 (Bonaire.nu, 2023). The research showed that a significant proportion of reported violations do not fall under criminal offences and/or formal malfeasance. The researchers posit that the prevalence of non-criminal integrity violations can be attributed to a number of interrelated factors, including the political culture in the Caribbean Netherlands, the economic situation, relative poverty on the island, and the role and quality of personnel within government organisations (Dossier Koninkrijksrelaties, 2023a). With regard to the preventive, policy-based approach to non-criminal integrity violations, researchers have identified a significant discrepancy between policy and practice. In the case of European-Dutch policy, there is a notable divergence from the prevailing norms observed in the Caribbean Netherlands (Dossier Koninkrijksrelaties, 2023a).

The Promotion of Integrity Assessments by Public Administration Act (Bibob) enables administrative bodies and legal persons with a government task to investigate the background of licence applicants and holders and their business associates (Dossier Koninkrijksrelaties, 2023b). This investigation may be conducted in the event that there is a serious risk that the licence will be abused and may result in the refusal of a licence application or the revocation of an existing licence. A variety of sources may be consulted during the course of the investigation. This would prevent the government from facilitating criminal activities (Dossier Koninkrijksrelaties, 2023b).

In conclusion, there is evidence of favouritism and corruption among government officials. However, there is no specific data available on these encounters. The Bibob Act is designed to prevent the government from facilitating criminal activities in, for instance, tourism development.

## 5.3 Equal Outcome of Tourism Opportunities

The two factors that constrain this pillar are, *monetary* and *non-monetary outcome*. The constraints are about the unequal distribution of the outcomes for, for example, gender, proximity to tourism hotspots, and socio-economic status. The next Sections describe the indicators that are linked to the constraint with the results.

### 5.3.1 Monetary Outcome

The indicators linked to the constraint *monetary outcome* are wage equality of similar work, estimated earned income (female/male (F/M) ratio), and average gross earnings per region.

The first indicator is ‘wage equality of similar work’. CBS Statline (2023) indicates that in 2020, women in the Caribbean earned 8% less income than men. In 2011, the discrepancy in income between men and women was 18%. There is no distinction made among different groups in the minimum wage table (*Minimum Wage 2024 - KvK Bonaire*, 2023).

The second indicator is ‘estimated earned income (F/M) ratio’. CBS Statline (2023) indicates that there is no significant difference between men and women in terms of estimated earned income.

The third indicator is ‘average gross earnings per region’. CBS Statline (2023) posits that in 2021, the average disposable income in Bonaire was the highest in the Sabadeco and Nawati Noord districts. In

these areas, the average income is approximately \$52,600 to \$44,200 per year. The sums in question represent a considerable surplus for households in these neighbourhoods, which are well above the average of approximately \$32,000 in Bonaire. The lowest incomes are found in the districts of Entrejol Pabou and Entrejol Pariba. The average income in these districts is \$27,200 and \$27,800 per year (CBS Statline, 2023). The Central Bureau of Statistics does not show a distinction in average gross earning by region (CBS Statline, 2023). In Bonaire, 29% of individuals with low levels of education experience difficulties in meeting their basic needs, a figure that is higher than that observed among those with middle or high levels of education (10%) (CBS Statline, 2023).

In conclusion, no significant difference was observed between men and women in terms of income. However, in the Caribbean in general women earn 8% less than men. Furthermore, there are regional variations in disposable income on Bonaire.

### **5.3.2 Non-Monetary Outcome**

The indicators linked to the constraint *non-monetary outcome* are ability of women to rise to positions of leadership and workers in informal employment (F/M ratio).

The first indicator is ‘ability of woman to rise to positions of leadership’. CBS Statline (2023) posits that the share of women in managerial roles was 2.5% in 2020. This is in contrast to a share of women in management of 3.3% in 2018, 5.8% in 2016, 4.5% in 2014, and 5.9% in 2012. The proportion of highly educated women was 20.20% in 2020, which is a higher share than the 16.20% for men. The proportions have remained relatively consistent over recent years. As stated by Van der Berg (2023),

*“The role of women in society is less constrained on the islands, and women occupy a variety of high-ranking positions.”*

The second indicator is ‘workers in informal employment (F/M ratio)’. According to Straatmeijer (2018), a significant proportion of the impoverished population of Bonaire experiences considerable difficulty in meeting their basic needs. Consequently, it is not uncommon for individuals to engage in multiple informal employment activities that are not reported to the relevant authorities (Sstraatmeijer, 2018). There is no evidence to suggest a difference in the proportion of female and male informal employment.

In conclusion, the proportion of women in managerial roles is 2.5%. This percentage has declined over time. Informal employment is also present on Bonaire. However, there is no data available on the proportion of women and men in informal employment.

## 5.4 Heat Map

**Table 3.** The summary of the results of the T-DIGD for Bonaire.

<b>Pillar I: Growth of tourism opportunities</b>	
Human resource capacity	<ul style="list-style-type: none"> <li>The local population perceives working in hospitality as unfavourable.</li> <li>Bonaire is an attractive destination for Dutch interns and students seeking employment in the hospitality sector.</li> <li>The Dutch employees are easy to hire.</li> <li>The process of hiring other foreigners is challenging.</li> </ul>
Adequacy of infrastructure	<ul style="list-style-type: none"> <li>The quality of the infrastructure is sufficient and continuously under development.</li> </ul>
Safety, political stability, security, and health	<ul style="list-style-type: none"> <li>The recent change in government has caused uncertainty among tourism businesses since the new government might change the vision of tourism on Bonaire.</li> </ul>
Accessibility	<ul style="list-style-type: none"> <li>Tourism on Bonaire is dependent on airlift.</li> <li>The airlift is not sufficient to meet the optimal utilisation rate of hotels.</li> <li>The recent change in government has introduced an element of uncertainty regarding the potential for new flight routes.</li> </ul>
Business policy environment	<ul style="list-style-type: none"> <li>The corporate tax rate is attractive for businesses.</li> <li>There are policy-related challenges for hiring foreign labour.</li> <li>The insufficient enforcement of illegal holiday rent hinders the ease of doing business for hotels.</li> <li>The tourism tax allows for a broader local tax base, which potentially benefits the tourism infrastructure.</li> </ul>
Access to land	<ul style="list-style-type: none"> <li>The scarcity of land attractive for tourism development presents a challenge to the development of new tourism businesses.</li> </ul>
Tourism prioritization	<ul style="list-style-type: none"> <li>In the wake of the recent change in government, the tourism industry's plans are currently on hold, awaiting the presentation of the revised Tourism Master Plan by the new government.</li> <li>Tourism is considered an important sector by the current government.</li> </ul>
Environmental quality	<ul style="list-style-type: none"> <li>The natural environment of Bonaire is subject to pressure from economic development and climate change.</li> <li>The environmental quality has not yet impacted the tourism product.</li> <li>Nature conservation and preservation efforts.</li> </ul>
Market coordination and responsiveness	<ul style="list-style-type: none"> <li>A growing proportion of the local population on Bonaire are engaged in entrepreneurial activities.</li> <li>Dutch entrepreneurs frequently possess greater financial resources and technical expertise.</li> </ul>
Access to finance	<ul style="list-style-type: none"> <li>Obtaining a loan for tourism development is challenging for Bonaire's residents due to lack of financial resources.</li> </ul>
<b>Pillar II: Equal access to tourism opportunities</b>	
Access to education	<ul style="list-style-type: none"> <li>There are limited educational opportunities on Bonaire.</li> <li>Studying abroad requires financial resources.</li> <li>The children at schools with Papiamentu as main language still have to make the Cito test in Dutch, which could result in lower scores due to the language barrier.</li> </ul>

Access to infrastructure	<ul style="list-style-type: none"> <li>The island's infrastructure is accessible to all, regardless of location or demographic.</li> <li>The majority of tourists visit the west coast of Bonaire due to the concentration of facilities there.</li> </ul>
Access to finance	<ul style="list-style-type: none"> <li>The Dutch have more straightforward access to financial resources than other demographic groups on Bonaire.</li> </ul>
Access to land	<ul style="list-style-type: none"> <li>There is a paucity of clear rules and policies governing the issuance of land in Bonaire.</li> <li>The absence of clear rules and policies continues to present potential risks of self-enrichment, arbitrariness, and non-integral behaviour on the island.</li> </ul>
Access to information and knowledge	<ul style="list-style-type: none"> <li>The vast majority of the population uses the internet on a daily basis.</li> <li>There is no discernible difference in access to information and knowledge based on demographic characteristics.</li> </ul>
Access to regulatory and political system	<ul style="list-style-type: none"> <li>There is evidence of favouritism and corruption among government officials.</li> <li>There is no specific data available on these encounters.</li> <li>The Bibob Act is designed to prevent the government from facilitating criminal activities.</li> </ul>
<b>Pillar III: Equal outcome of tourism opportunities</b>	
Monetary outcome	<ul style="list-style-type: none"> <li>No significant difference was observed between men and women in terms of income.</li> <li>There are regional variations in disposable income on Bonaire.</li> </ul>
Non-monetary outcome	<ul style="list-style-type: none"> <li>The proportion of women in managerial roles is 2.5%.</li> <li>This percentage has declined over time.</li> <li>Informal employment is also present on Bonaire.</li> <li>There is no data available on the proportion of women and men in informal employment.</li> </ul>

## 6. Discussion

The tourism industry continues to perform well globally and is expected to maintain this positive trajectory in the future, despite the temporary setback of the global Covid-19 pandemic (Mackay & Spencer, 2017). This positive trend is a promising indicator for the Caribbean, and specifically Bonaire, given that Bonaire relies on tourism for income (Mackay & Spencer, 2017; Soma et al., 2020). Nevertheless, only 27% of respondents are employed in the tourism industry, and the majority of earnings generated by tourism do not benefit Bonaire's residents. It is therefore questionable whether the increase in tourism can increase local earnings and employment while reducing poverty levels for residents born in Bonaire (Soma et al., 2022).

This research addresses the research gap in the relationship between inclusiveness, poverty, and tourism on Bonaire (Soma et al., 2022). Consequently, the application of the diagnostic framework proposed by Bakker (2021), which aims to identify the binding constraints to a tourism sector that is more equitable, helps to understand the aforementioned research gap. Furthermore, this research contributes to the ongoing research project of Wageningen University & Research, the Social-ecological Transformation for bottom-UP Integrated Approach in Caribbean Landscapes (TRUPIAL). Hence, the objective of this research was to identify the obstacles to inclusive growth in Bonaire's tourism industry. This research has been conducted through document analysis and semi-structured interviews, which have provided insights into the aforementioned research gap.

This Chapter discusses the main findings of this thesis after which a discussion on growth and the T-DIGD framework are presented. Furthermore, the limitations of this research are discussed and subsequently directions for further research are provided.

### 6.1 Barriers to Inclusive Growth

The T-DIGD framework of Bakker (2021) has been employed to determine the barriers to inclusive growth in Bonaire's tourism industry. This framework consists of three pillars: growth of tourism opportunities, equal access to tourism opportunities, and equal outcome of tourism opportunities.

The goal of the 'growth of tourism opportunities' pillar is to understand how to increase the volume and value of direct and indirect employment and self-employment opportunities (Bakker, 2021). The results indicate that a number of factors influence the outcomes of this goal in the tourism industry of Bonaire. The following section presents three of these factors. First, land and financial resources are important for tourism development and consequently the creation of employment opportunities. However, the results show that it is difficult for residents of Bonaire to obtain a loan to develop a tourism business and acquire land because most residents do not have the financial means required by the bank. Therefore, it is difficult for those who are marginalised or excluded from tourism to integrate into the industry by developing tourism opportunities (cf. Peterson et al., 2020). Moreover, the results show that there are Dutch entrepreneurs who bring foreign capital to Bonaire and are able to develop tourism opportunities. These entrepreneurs could have the power to create employment opportunities for marginalised groups and can share the potential benefits, which is defined as inclusive tourism development and thereby can contribute to poverty reduction (Butler & Rogerson, 2016). Second, tourism businesses on Bonaire require more human resources with a diverse range of skills and abilities than businesses in other sectors. This could lead to more diverse employment opportunities, which in turn reduces poverty and inequality (Jeyacheya & Hampton, 2020). However, the results show that the human resource capacity for the hospitality industry on Bonaire currently mostly consists of Dutch

students and interns, as local residents in Bonaire do not perceive working in the hospitality industry as a positive thing. Nevertheless, the growth of the tourism industry stimulates other economic sectors through direct, indirect and induced effects, which is favourable for the residents working in these industries (see also Antonakakis et al., 2015; Brida et al., 2016). Third, hotels in Bonaire are underutilised due to illegal holiday rentals and insufficient airlift. However, as argued by Balaguer and Cantavella-Jordá (2002), the growth of the tourism industry requires an increase in the inflow of foreign exchange through a higher volume of production factors, in this case inbound tourists. Therefore, as the results show, it is essential that the uncertainty regarding the tourism strategy and possible additional air routes due to the change in local government is resolved in the near future to remove this obstacle to the growth of tourism opportunities.

The aim of the 'equal access to tourism opportunities' pillar is that tourism provides equal opportunities for all groups in society (Bakker, 2021). Bakker (2021) elaborates that race, gender, ethnicity, geographical location and socio-economic status can be explanations for inequality of access to tourism opportunities. Also Addison and Nino-Zarazua (2012) stress that in order to promote inclusive growth, the underlying discrimination must be addressed. Bonaire is a small island, and the results do not show conclusive evidence of discrimination in opportunities in Bonaire's tourism industry based on any of these explanations. However, the results show that access to education and access to finance are important factors leading to unequal access to tourism opportunities on Bonaire. The results show no direct link between access to education and race, gender, ethnicity, geographical location or socio-economic status. However, Tierney and Venegas (2009) argue that there is a link between access to education and socio-economic status based on their research in the United States. Low-income high school students believe post-secondary education is unaffordable and therefore inaccessible. The results indicate that a large part of Bonaire's population lives in poverty and does not have sufficient financial resources that are required to study abroad, since there are limited educational opportunities on Bonaire. In addition, the results show that some children do not have sufficient language skills to meet the requirements of higher education. This is also argued by Spolsky (1974) who confirms that lack of proficiency in the language of education can impede the success in school. Both of these factors contribute to unequal access to education for certain groups on the island. Addison and Nino-Zarazua (2012) argue that this can be improved through governance and equitable policy development. Even though the results don't show a direct link between access to finance and race, gender, ethnicity, geographical location or socio-economic status, they indicate that a large part of the non-Dutch population of Bonaire lives in poverty, and obtaining a loan requires financial resources. Therefore, it is more difficult for those with a low socio-economic status to obtain a loan. This is in contrast to the Dutch residents. The results show that the Dutch residents have a savings culture, and their capital is relatively more valuable in Bonaire than in the Netherlands. Therefore, the Dutch entrepreneurs that move to Bonaire for business opportunities have easier access to finance than Bonaire's residents.

The 'equal outcome of tourism opportunities' pillar focuses on gendered work in the form of wage discrimination and occupational segregation (Bakker, 2021). The results show that both monetary outcome and non-monetary outcome are unequal. For example, there are regional variations in income on Bonaire and there are less women in managerial roles than men. This is line with the greater trends in Latin America and the Caribbean on socio-economic disparities with among others income and gender inequality (CSA, 2024).

## 6.2 Growth

The concept of sustainable development was first proposed in the Brundtland Report, entitled “*Our Common Future*”. The report presents two fundamental principles of sustainable development. The first principle was that of intergenerational equity in development. This was defined as “*meeting the needs of the present generation without compromising the ability of future generations to meet their own needs*” (WCED, 1987, p.43). The second principle concerns the conservation of the biological diversity and the ecological integrity. This may be achieved by constraining economic activity (Streimikiene et al., 2021). This demonstrates that economic activity, the development of economic activity, and growth, are not always beneficial for the environment, despite the assertion that economic growth is a means of eliminating poverty (Bakker & Messerli, 2016). Inclusive growth is presented as a means of alleviating poverty and increasing investment in nature conservation and preservation (Soma et al., 2022). Slijkerman and Henkens (2019) emphasise the significance of tourism for the economy of Bonaire, and the success of tourism depends on an attractive natural environment. However, it is questionable whether growth is a positive paradigm for the quality of the natural environment and consequently tourism. The results demonstrate that the expanding population and growing tourism industry exert heightened pressure on the water, road, and electricity infrastructure. This suggests that growth may not necessarily be a positive development despite growth being a dominant paradigm in the past years.

## 6.3 Tourism-Driven Inclusive Growth Diagnostic

The creation of productive employment opportunities that are accessible to all and have equal outcomes is a prerequisite for a tourism industry to drive inclusive growth (Bakker, 2021). The capacity of Bonaire's tourism industry to drive inclusive growth is contingent upon the interplay and impact of the growth of productive employment opportunities, equal access to these opportunities and equal outcomes of tourism opportunities. These three elements serve as the foundation of the T-DIGD framework, which is employed in this research (Bakker, 2021). The next Section presents a discussion on this framework.

This framework is based upon the proposition that inclusive growth, like growth, is beneficial and the principal remedy for social problems (Dale, 2012). However, Hall (2010) posits that tourism growth is already unsustainable since it causes the degradation of the natural resources that are required for tourism. Additionally, Saad-Filho (2010) argues that improving equality requires a structural change instead of growth. Furthermore, the T-DIGD framework appears not to be useful for understanding the root constraints underlying the problems related to inequality. The root constraints are considered to be important for equality in and accessibility of opportunities, as well as the equality of the outcomes of opportunities. Nevertheless, the framework is useful for identifying the factors that potentially hinder inclusive growth specifically for the tourism industry. Additionally, the data required to describe the pillars of the T-DIGD framework is focused on a single point in time. There is a lack of understanding of the dynamics of the indicators over time. For instance, Uyarra et al. (2005) posit that climate change may result in coral bleaching and beach erosion, which is expressed as the ‘rate of degradation’ (DCNA, 2018). This indicates that the significance of ‘environmental quality’ lies in the process of degradation over time, rather than in a single measurement. The environmental quality could be sufficient according to the T-DIGD framework but could pose foreseen problems over time. The T-DIGD provides insights in the specific indicators of the framework rather than the dynamics that could be important for a reliable judgement on the binding constraints of inclusive growth. Besides, the T-DIGD framework has been tested on the national level of North Macedonia (Bakker, 2021). North Macedonia has a land area of

25,700 km<sup>2</sup> and a population count of 2,049,986 (AlleCijfers, 2023; Bakker, 2021) These characteristics are in contrast to those of Bonaire. Bonaire has a land area of only 288 km<sup>2</sup> and a population count of 24,090 (Ministerie Algemene Zaken, 2024; CBS Statline, 2023). Bonaire is a small island and a special municipality of the Netherlands (Ministerie Algemene Zaken, 2024; *Waar Ligt en Hoe Groot Is Bonaire? | Beautiful Bonaire*, n.d.). Consequently, the T-DIGD has not been tested in such a context and may require adjustments depending on contextual factors.

## 6.4 Limitations and Recommendations

The methodology conducted in this research was able to generate results that could answer the main research question. Still, it is important to recognize the limitations of this research and translate this into recommendation for future research. There are two limitations with future research recommendations, and two policy recommendations related to this research.

Firstly, the lack of quantitative data on the indicators of the T-DIGD for Bonaire caused that the mixed-methods approach of the T-DIGD framework could not be applied. Therefore, the results on the indicators that are the base of this framework are in this research solely based on qualitative data. Furthermore, the heat map with the identification of the binding, moderately binding, and non-binding constraints is based on the researcher's judgement. Despite the lack of quantitative data, the qualitative insights were able to provide an answer to the sub research questions, and consequently the main research question. Additional research on the quantification of the indicators would complete the T-DIGD framework of this research and would allow validation of the results.

Secondly, the research was able to identify the constraints that hinder inclusive growth in Bonaire's tourism industry. However, the constraints might be symptoms of underlying problems or root causes that are not included in the T-DIGD framework. These root causes may be systemic issues such as governance issues or historical factors, that are not addressed by the T-DIGD framework. To gain a comprehensive understanding of the barriers to inclusive growth, further research is required to explore and identify the fundamental root causes. This additional research could involve more comprehensive socio-economic analyses, policy reviews, and stakeholder interviews to explain the underlying issues and dynamics that perpetuate the constraints observed in Bonaire's tourism sector more thoroughly.

Two recommendations for policy also follow from the results. Firstly, it is recommended that microfinance schemes be established, and grants be provided to support small and medium-sized enterprises in the tourism sector. The results indicate that a large share of Bonaire's residents lives in poverty and lack the financial resources to obtain a loan. Therefore, access to finance is a barrier to the equal access to tourism opportunities. The microfinance schemes and grants would assist them in starting, and growing a business, and competing against other businesses. Secondly, it is recommended to conduct a comprehensive assessment of the factors influencing the subsistence level, including an analysis of the cost of living, access to essential services, and income distribution. The results show that a large share of Bonaire's population still lives in poverty even though the minimum wage has been increased recently. The assessment will enable the identification of targeted interventions that can uplift households beyond mere wage increases.

## 7. Conclusion

The results of this research have provided insight into the barriers to inclusive growth of Bonaire's tourism industry. The findings contribute to the knowledge gap on the relationship between inclusiveness, poverty, and tourism in Bonaire and to the TRUPIAL project of Wageningen Research. Furthermore, this research has the potential to provide policymakers with valuable insights on inclusive growth in the tourism industry.

The results for the pillar 'Growth of tourism opportunities' indicate that there are several constraints that are moderately binding or binding for the tourism industry to contribute to inclusive growth in Bonaire. The binding constraints are 'access to land' and 'access to finance'. Regarding access to land, it is evident that there is currently a lack of suitable land for tourism development, due to the cancellation of the zoning plan and the current state of development. Regarding access to finance, it is generally difficult to obtain a loan to develop tourism opportunities. This is due to the fact that local people often do not have the necessary financial resources to make the initial investment, provide a down payment or serve as collateral. The moderately binding constraints are 'human resource capacity', 'accessibility', 'business policy environment' and 'tourism prioritisation'. Regarding human resource capacity, the local population perceives working in the hospitality sector as unfavourable. However, vacancies are easily filled by Dutch students and interns. In terms of accessibility, tourism on Bonaire depends on sufficient airlift. However, the airlift is currently insufficient to achieve optimal hotel occupancy, and the recent change in government has introduced an element of uncertainty regarding the potential for new air routes. In terms of the business environment, the corporate tax rate is attractive to businesses. However, there are policy measures that favour local hiring over foreign hiring. In terms of tourism prioritization, the current government values the tourism industry. However, due to the recent change of government, there is no new vision for the tourism industry that the industry can rely on. The non-binding constraints are 'environmental quality' and 'market coordination and responsiveness'. These constraints currently do not hinder the inclusive growth of the tourism industry in Bonaire. The environmental quality is sufficient and there is enough entrepreneurship on the island. Thus, 'access to land' and 'access to finance' are constraints that negatively affect the growth of the tourism industry in Bonaire. This answers the first sub research question, '*What barriers negatively impact growth in Bonaire's tourism industry?*' The constraints of 'human resource capacity', 'accessibility', 'business policy environment' and 'tourism prioritisation' are also influential. The results are consistent with the theories discussed in the theoretical framework.

The results for the pillar 'Equal access to tourism opportunities' indicate that there are several moderately binding or binding constraints for the tourism industry to contribute to inclusive growth in Bonaire. The binding constraints are 'access to education' and 'access to finance'. Regarding access to education, there are limited educational opportunities on Bonaire and studying abroad requires financial resources. In addition, the children in the schools where Papiamentu is the main language still have to take the Cito test in Dutch, which could lead to lower scores and limited access to educational opportunities due to the language barrier. In terms of access to finance, the Dutch have easier access to financial resources than other demographic groups on Bonaire. The moderately binding constraints are 'access to land' and 'access to the regulatory and political system'. Regarding 'access to land', there is a lack of clear rules and policies governing the allocation of land in Bonaire, and the absence of clear rules and policies. Regarding access to the regulatory and political system, there are indications, but no hard data, of favouritism and corruption among government officials. The Promotion of Integrity Assessments by Public Administration Act is intended to prevent the government from facilitating criminal activities. The non-binding constraints are 'access to information' and 'access to information

and knowledge'. The infrastructure is open to all. As the Internet infrastructure is also available to all, there is no discernible difference in access to information and knowledge based on demographic characteristics. Thus, 'access to education' and 'access to finance' are the barriers that limit the inclusivity of Bonaire's tourism industry. This answers the second sub research question, '*What barriers limit the inclusivity of Bonaire's tourism industry?*' Access to land' and 'Access to the regulatory and political system' are also influential.

The results for the pillar 'Equal outcome of tourism opportunities' indicate that both constraints are moderately binding for the tourism industry to contribute to inclusive growth in Bonaire. The binding constraints are 'monetary outcome' and 'non-monetary outcome'. This answers the third sub research question, '*What barriers negatively impact the equality of outcomes in Bonaire's tourism industry?*' There is no significant difference in income between men and women on Bonaire, although women earn 8% less than men in the Caribbean. There are regional differences in income in Bonaire. The proportion of women in managerial positions is 2.5%, and this proportion has been decreasing in recent years. Informal employment also exists in Bonaire, but there is no data on the proportion of women and men in informal employment.

As explained in the previous Sections, the research identified the factors that limit Bonaire's tourism industry's potential to promote inclusive growth. This answers the main research question, "*What factors limit the tourism industry's potential to promote inclusive growth on Bonaire?*" The binding constraints are 'access to land', 'access to finance', 'access to education', 'monetary outcome', and 'non-monetary outcome'. By understanding the constraints that hinder inclusive growth and removing them, the tourism industry of Bonaire has the potential to support inclusive growth of the tourism industry.

However, limitations to this research include a lack of qualitative data for a valid use of the T-DIGD framework, and the underlying problems or root causes of the constraints are not presented. The recommendations are based on the findings of this research and are intended to guide future research. It is recommended that future research should quantifies the indicators for this study, in order to facilitate benchmarking. In addition, further research should be conducted on the underlying causes of the constraints identified. The policy recommendations include the implementation of microfinance schemes and targeted interventions with the objective of reducing the cost of living.

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## Annex

### Annex I. The Indicators of the Tourism-Driven Inclusive Growth Diagnostic

**Table 4.** The indicators of Pillar I grouped per factor.

Constraint	Indicator
Human Resource Capacity	% of enterprises who consider inadequately educated workforce as a major constraint
	Gross enrolment rate in secondary education (%)
	Gross enrolment rate in tertiary education (%)
	Extent of staff training
	Ease of finding skilled employees
	Ease of hiring foreign labour
	Pay and productivity
	Number of graduates from tourism schools
Adequacy of infrastructure	Competitiveness of overall infrastructure
	Quality of roads
	Quality of air transport infrastructure
	Airport density per million urban population
	% of firms who consider electricity as a problem
	Access to electricity (% of population)
	% of population using at least basic drinking water services
	Quality of health and hygiene
	Number of internet users (% of population)
	Mobile cellular subscriptions (per 100 people)
	Electricity prices industry (€ per kWh)
	Competitiveness of tourist service infrastructure

Safety, Political stability, insecurity and health	% enterprises who consider crime, theft and disorder as a constraint to doing business
	Intentional homicide victims (per 100,000 of population)
	% enterprises who consider political instability as a constraint to doing business
	Number of countries which issued a travel advisory in the past three years
	Health travel warning Level 2 and 3 past three years
Accessibility	Visa requirements
	Openness of bilateral ASA's
	Direct air connectivity
	Available airline seat kilometres (millions/week)
Business Policy Environment	Composite index of the ease of doing business
	Ease of starting a business
	Dealing with construction permits
	Getting electricity
	Registering a property
	Corporate income tax rate
	VAT for accommodation facilities
Access to land	% of enterprises who consider access to land as a problem
	Number of procedures to register a property
	Number of days to register a property
	Quality of land administration index
Tourism prioritization	Prioritization of tourism and travel
	Government expenditure on tourism as a percentage of total government budget (%)
	Tourism country brand ranking
	Protected area as % of total area
Environmental quality	Environmental sustainability
	Sustainability of T&T development

	Threatened species (% of total species)
	Forest cover change (% average per year)
	PM 2.5 air pollution mean annual exposure (mg per cubic meter)
	CO2 emissions, metric tons per capita
	CO2 emissions (kg per PPP\$ of GDP)
	Renewable energy consumption, % of total final energy consumption
Market coordination and responsiveness	% of firms identifying practices of competitors in the informal sector as a major constraint
	Review score at hotel booking sites (share accommodation rate 8+)
Access to finance	% of enterprises who consider finance as a problem
	Value of collateral needed for a loan (% of loan amount)
	Inward FDI in % of GDP

**Table 5.** The indicators of Pillar II grouped per factor.

Constraint	Indicator
Access to education	Educational attainment gender gap index
	Gender literacy rate index
	Enrolment in secondary education by gender index
	Enrolment in tertiary education by gender index
	Upper secondary Completion rate (by quintile) by socio-economic status (index poorest/average)
	Tertiary completion rate by socio-economic stratus (index poorest/average)
	Mean years of education by socio-economic status (index poorest/average)
	Upper secondary completion rate (%) by region (index rural/urban)
	Tertiary completion rate (%) by region (index rural/urban)
	Mean years of education by region (index rural/urban)
	Upper secondary completion rate (%) by ethnic group (index other/dominant)
	Tertiary completion rate (%) by ethnic group (index other/dominant)
	Mean years of education by ethnic group (index other/dominant)
Access to infrastructure	Health and survival (index woman/men)
	Access to health services by socio-economic strata (poorest)
	Paved roads as part of the total road network (%)
	Access to electricity (index rural/urban)
	% of population using at least basic drinking water services, rural/urban index
Access to finance	Women with an account at financial institution (Index women/men)
	Women who borrowed from a financial institution in the last year (%)
	Women with account at financial institution (% of population age 15+)
	Adults belonging to the poorest 40% with account at financial institution (% of age 15+)
	Adults belonging to the poorest 40% who borrowed from a financial institution in the last year (%)
	Adults living in rural areas with a bank account (% of age 15+)

	Adults living in rural areas who borrowed from a financial institution in the last year (%)
	Young adults (Ages 15-24) with account at financial institution (% of total)
Access to land	Distribution of agricultural land area by sex (% female)
	Access to land for rural people
Access to information and knowledge	Internet users aged 15-54 as % of total
	Households with internet access
Access to regulatory and political system	Favouritism in decisions of government officials
	Regulatory quality
	Firms identifying corruption as a major constraint (% of total)
	Government effectiveness

**Table 6.** The indicators of Pillar III grouped per factor.

Constraint	Indicator
Monetary outcome	Wage equality of similar work
	Estimated earned income (F/M ratio)
	Average gross earnings by region
Non- monetary outcome	Ability of women to rise to positions of leadership
	Workers in informal employment (F/M ratio)