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Tourism Fiji : A Social, Political and Environmental Case Study

To understand the problems Fiji has in further developing its tourism sector, one must first look at the historical factors. Fiji was a British colony up until 1970. Since then racial issues between Indians and the native Fijians have resulted in political unrest and military coups. Although the military coups have been bloodless they have had devastating effects on the tourism sector. This document does a SWOT analysis and market audit on Fiji. Furthermore; it discusses and explores economic, social and environmental solutions in coping with Fijis fluctuating tourism industry. Sustainable solutions are also recommended benefiting both Indians and native Fijians. Primary research was conducted on the social and economic impacts tourism has on the islands. The multiplier effect, demonstration effect and leakage issues are also discussed.

Key words: tourism, social, environmental, economic, Fiji, island, leakage, military, politics.

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Objective of the paper

The basic objectives of this paper is to assess the impacts of the social; political and economic factors on tourism development in Fiji. In addition the document may be used as a decision tool for organizations such as the Ministry of Tourism Fiji and its partners make future plans. At the time of writing this paper the Fiji Tourism Development Plan was being reviewed. The problems Fiji faces are similar to other Pacific countries such as Solomon Island, Tonga and New Caledonia therefore this document could have a wider case study use in the Asia-Pacific region.

Methodology

This case study uses a combination of research techniques. First, observations were made and recorded on a weeklong visit to the Fiji islands. The primary insights from this visit motivated the author to choose Fiji as the topic of this case study.

Second, primary research was conducted in the form of web interviews with both Fijian and Indians residing in Fiji. Thirdly, the author has had a long interest in island tourism and has written research papers on Guam, Hawaii, Majorca and Malta. The expertise gained in these research assignments has assisted in the writing of this case study. The secondary research for this paper includes journals, books, newspapers, and the Internet. The author could not find many recent academic articles which address the social and political issues in Fiji and how they affect tourism. This was an additional motivator for choosing Fiji as a topic for this paper.

Background

The 300 Fiji islands are in the South Pacific approximately 1500km from New Zealand. It is an ideal tropical getaway for Australian and New Zealanders as it is both close and affordable. The main and entry port, Nadi on the island of Viti Levu is not a good representation of the tropical retreat. However the Mamanuca and Yasawa island groups are accurate depictions of what can be seen in the travel brochures.

The main islands that make up Fiji are Viti Levu, Vanua Levu, Kadavu, and the Yaswa group. Viti Levu is the largest and most populated. To understand the difficulties Fiji has in further developing its tourism sector, one must first look at the historical factors.

History of Fiji

Fiji had been a British colony up until 1970 when it gained independence. In the 1800s the British wanted to develop the sugar industry on the island of Viti Levu¹. However the British could not find enough natives that were willing to work for them on the sugar cane fields. Therefore the British imported workers from India to work these fields on 10 year contracts. After the contracts were complete they were given the option of leasing agricultural lands that could be leased for 99 years. These leases started to expire in the late 1980s. Racial issues have now become the prime reason for political unrest and four military coups since 1987. The most recent coup occurred in December 2006.

Land rights inequities between Indians and natives have been slowly driving out the Indian population to countries such as Australia, Canada and New Zealand. It is a subtle form of ethnic cleansing. Nonetheless the Indian population still accounts for 45% in Fiji but the social welfare of this community is much lower than the natives.

¹ Statistics Fiji - http://www.spc.int/prism/Country/FJ/stats/useful_links.htm

The British Empire did leave behind a constitution, a stable government (for 17 years) commonwealth membership, laws, and adequate infrastructure. The Indian community must be given credit for the sugar industry and business development in Fiji. The excellent service and retail industries exist in Fiji mainly because of Indian efficiency. On the other hand the natives have been content with letting the Indians conduct most of the business in Fiji.

The Tourism Industry in Fiji

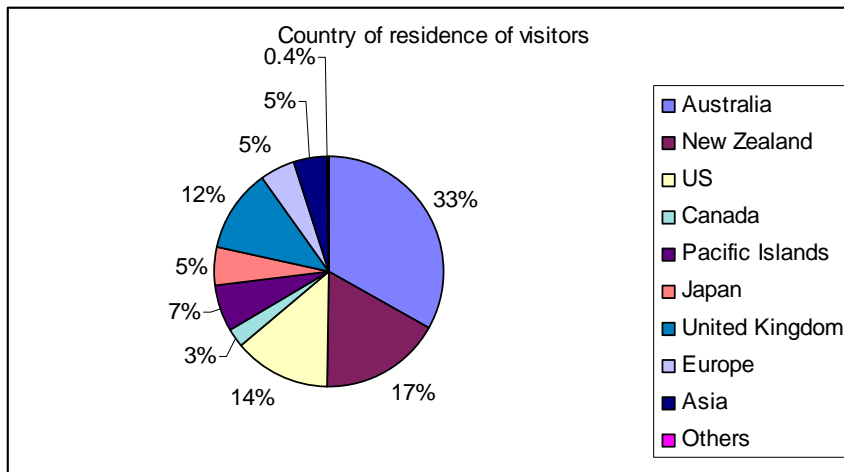
Although the military coups have been bloodless they have had devastating effects on the tourism sector. At the time of writing the latest military coup alone (which is only in its 3rd week) has decreased tourism arrivals by 25%. Tourism accounts for 13% of the GDP and 10% of employment in Fiji.

The military coups and racial politics are only part of the many factors that are effecting tourism development in Fiji.. There are also other land rights issues within the native communities. The latest Qoliqoli bill will see a “user pays system” put in place for tourism and other operators which make use of the seas around Fiji. This will include everyone from cruise ships, to divers and non local swimmers. Nonetheless there is still debate within the Native Land Trust Board on how to fairly charge these fees. Furthermore , there have been some hostilities toward tourist regarding this issue, obviously this is contradictory to the friendly Fiji that is promoted in the travel brochures. Not knowing the full cost of doing business and fears of political instability will deeply influence foreign investor decisions. Also, the tourist decision-making process takes into consideration how safe a destination is and the political stability.

Despite these challenges, the Fiji Tourism Bureau are predicting that tourist arrivals will continue to grow from the current 500,000 to 700,00 in 2010².

Marketing Fiji

Every marketer knows it is unwise to focus on just one market. Unfortunately Fiji has relied on the Australian and NZ market since the beginning of tourism to the islands. The chart below shows that nearly 50% of visitors to Fiji come from Australia and NZ³.



It is important that marketers of tourism Fiji look at diversifying the product for different markets. This may be achieved through nature tourism capitalizing on the unique selling points such as:

- The wilderness/ forest and waterfalls
- Cultural aspects both and native and Indian
- The modern facilities available around Nadi for the MICE markets

² South Pacific Regional Marketing Plan 2006- 2010

³ Statistics Fiji

- A quality product that is safe and clean

Furthermore marketers need analyze the competition, and the distribution channels.

Planners need to recognize the advantages and disadvantages that Fiji has in the Pacific's saturated sun, surf, sand tourism market. Some of the distinct advantages are:

- Fiji has a large land mass compared to other South Pacific countries
- Fiji is not just reliant on the tourism industry – Fiji can boast having diverse sources of income such as manufacturing, mining and agriculture
- Fiji has an educated population
- Fiji has a national air carrier, Air Pacific. Although the Fiji is not reliant on foreign carriers to bring in the tourist the airline does have quality issues that need to be addressed.

A full SWOT analysis of Fiji is beyond the scope of this document but the author has published it at the South Pacific Organization (SPTO) web site⁴. Fiji could capitalize on the above advantages. For example by diversifying its tourism product from a homogenous “follow the masses” to a hybrid/ fragmented “experience something different” product. Furthermore the markets could be divided up in niche markets such as elder hostel's, educational tours and cultural tourism. These products would be in line with the needs of the up and coming “Floridization” of the western world – by 2021 , 18.5% of the population in Canada will be 65 or older- the same share as in Florida today⁵.

⁴ Daniel Peaks Fiji SWOT: <http://nztri.aut.ac.nz/pacifictoolkit/talkshop/viewtopic.php?p=520#520>

⁵ Fundamentals of Tourism and Travel \ Module 2 1999. Consumer Behavior

Sustainable Development

Sustainability is having a good balance of economic social and environmental needs. It ensures that a product does not become “over consumed” and that it does not descend down the destination life cycle curve. Tools such as Mc Elroy’s tourism penetration index (TPI) and Butler’s tourist destination product life cycle are useful in analyzing how sustainable Fijis current level of tourism is. These tools take into consideration factors such as the number of days the average visitor stays, the amount of environmental resources used by guests. The TPI is designed for destinations as an indicator that they may be going over carrying capacity. One concern about these formulas is that it does not take in account other factors involved in carrying capacity such as technology and geographic saturation. Geographically speaking tourism activities on islands resorts are mostly clustered around the beach. Therefore models such a levels of acceptable change may be more applicable for these situations. For example the beach on one of Fijis islands may have reached carrying capacity – however a hiking trail, which may be a short distance away, may be structured to carry more visitors. The over population of one area around the beach on an island may not mean that the island has reach capacity. It means that planners and marketers need to develop more diverse activities for the visitors to stop the concentration of this area. Currently is ranked moderate compared to other South Pacific nations. However Fiji will over take Vanuatu in terms of tourism density once projection and growth estimates have been considered⁶. United Nations Development (UNDP) societal well-being and human resource indicators show how competitive Fiji is and also gives an indication if the country actually benefits from tourism. The author of this document conducted personal interviews to give a ground level view of what Fijians actually think of tourism. Overall the Fijians interviewed did feel

⁶ South Pacific Regional Marketing Plan 2006- 2010

that they benefited from tourism both personally and as a society. Nonetheless the main concerns were:

- Environmental degradation
- Income from tourism not being retained in the region
- Tourism benefits and revenue not being distributed fairly in the region
- Destruction of culture⁷.

These problems are not unique to Fiji therefore secondary research indicates that these issues have been tackled on other islands in the Caribbean, Mediterranean and the Pacific. Therefore lessons can be learned from other destinations. For example, in order to conserve energy and meet tourism demand the government in Cyprus has now made it mandatory for hotels to use solar power for their hot water systems. In order to save water Majorca now recycles 13% of its sewage waste to water the gardens in the tourist resorts. However Fiji must tackle other environmental problems such as deforestation, soil erosion and “demangrovization” in order to make way for tourism development. The clearing of these areas contributes to coral bleaching, soil run off into the sea, stalinization of rivers, and the disruption of marine life⁸. The very things that attract the tourists in the first place!

Conclusion and Recommendations

The political uncertainty is responsible for many of the negative findings, which impede tourism development in Fiji. The complex political situation in Fiji is far beyond the scope of this document. However marketers must have contingency plans ready to in order to entice

⁷ Full interview conducted by Daniel Peak <http://nztri.aut.ac.nz/pacifictoolkit/talkshop/viewtopic.php?t=46>

⁸ A Strategic Environmental Assessment of Fijis Tourism Development Plans. Roger Levett and Richard McNally. May 2003

tourists back after any natural disaster or political turmoil⁹. Tourism professionals cannot change this situation. However; tourism is so large that it may, one day inspire Fijians to see the benefits of cultural and social diversity. It may even help a divided nation heal old wounds.

For example an overall tourist product in which both Indians and natives are included would actually differentiate Fiji from other South Pacific countries. For example, New Caledonia differentiates itself by including the French language and culture in its product. A synergy in the tourism sector between the business savvy Indians and the natives would:

- Increase local ownership of tourism business (both races)
- Reduce leakage
- Increase the multiplier effect within the Fiji islands.

However many of the recommendations made in this report would need to be part of some long term plans involving many players. For example; hospitality is the second lowest paid industry in Fiji – this should change, as tourism is the leading foreign exchange earner in Fiji. Hospitality must pay more to attract and keep an educated workforce. Obviously pay increases would involve the Fiji hotel unions in negotiations with tourism operators. Pay increases for hospitality employees is a “big picture” approach. If a tourist has a good experience they are more likely to return. Every marketer knows that it is far cheaper to have a return customer than it is to attract a new one. However a good experience will need to be complimented with things to do. In order to do this Fiji must start to develop alternative activities for tourists rather than rely on beach activities. Developing more attractions would involve more private organizations, local governments, government organizations and the

⁹ Daniel Peaks recommendations for marketers after a crisis can be found at SPTO
<http://nztri.aut.ac.nz/pacifictoolkit/talkshop/viewtopic.php?p=306#306>

native land board all working together. Another player within the developments would be to improve the quality of Air Pacific. Fijis national air carrier (which bring in the tourists) now must compete with the Australian no frills airline market.

An in-depth analysis of the social; political and economic factors on tourism development in Fiji would be very beneficial. It could be used as a decision making tool for organizations such as the Ministry of Tourism Fiji and its partners make future plans. For example, at the time of writing this paper the Fiji Tourism Development Plan was being reviewed.

Tourism is much more than an industry; it is a social and economic phenomenon that can act as a engine of economic progress and a social force.¹⁰ Tourism represents 13% of the Fijis gross domestic product (GDP) and 10% of employment. Therefore tourism may positively influence the social and economical inequities that are currently prevalent in Fiji.

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William Theobald Global tourism, 2005, p31

¹⁰ Global tourism , William Theobald, 2005, p31