

Turning a Global Crisis into a Tourism Opportunity: the Perspective from Tuvalu

Bruce Prideaux¹ and Karen Elizabeth McNamara²

¹*School of Business, James Cook University, Cairns, Queensland, Australia*

²*Pacific Centre for Environment and Sustainable Development, University of the South Pacific Suva, Fiji Islands*

ABSTRACT

The Global Financial Crisis (GFC) of 2008/2009 had a major impact on many small island states. In the case of Tuvalu, the GFC uncovered structural weaknesses in the national economy including the need to build alternative sources of income. Given the country's location and its rich marine resources, tourism is possibly the only new industry that has some capacity to generate new revenue streams. This article examines the problems that the country will face if it decides to pursue tourism and offers three options for tourism development including diving, 'off the beaten track' experiences and voyeuristic 'last chance' tourism. Copyright © 2012 John Wiley & Sons, Ltd.

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INTRODUCTION

As long ago as 1983, Tisdell and Fairbairn commented that Tuvalu, a small remote Pacific Ocean nation (see Figure 1), had no tourism industry. Nearly 30 years later, the situation remains the same. Most travel to the country is 'visiting friends and relatives' (VFR),

business or aid related. Leisure tourism is almost nonexistent relegating the country to the status of a 'nontourism destination'. Prior to the Global Financial Crisis (GFC) of 2008/2009, the country had experienced positive economic growth based primarily on remittances from Tuvaluans working offshore, aid payments, income from a trust fund established in 1987 by Australia, the UK and New Zealand, the sale of stamps and coins, license fees for fishing and the lease of its .tv Internet top level domain. For this reason, the GFC had little impact on travel to the country although it did have a significant impact on the economy as a whole.

Tuvalu is vulnerable to both economic and environmental shocks and change, largely because of its small size, remote location, limited natural resources and low gross domestic product (GDP). With a territory only slightly larger than Monaco, the Vatican City or Nauru, Tuvalu currently attracts little interest from the global tourism industry. On the other hand, Tuvalu has attracted considerable international attention in recent years because of its vulnerability to the impacts of climate change as outlined in the Intergovernmental Panel on Climate Change report in 2007. The country consists of nine coral atolls, which occupy a total landmass of 26 km², has a maximum elevation of less than 5 m and does not have a continental shelf able to mitigate the impact of cyclones. As Figure 2 illustrates, the country is just above sea level and for this reason is highly exposed to climate change (Barnett and Adger, 2003; Patel, 2006) and vulnerable to storm surges associated with tropical cyclones.

The aim of this article is to show how the impact of the GFC has revealed significant structural weaknesses in Tuvalu's economy

*Correspondence to: Bruce Prideaux, School of Business, James Cook University, PO Box 6811 Cairns, Queensland 4870, Australia.
E-mail: bruce.prideaux@jcu.edu.au

a significant bout of inflation stemming from the 2007 oil price spike with the consumer price index peaking at 10.4% in 2008 falling to -0.1% in 2009 and -0.19% in 2010 (Economic and Social Commission for Asia and the Pacific, 2010; Asian Development Bank, 2012). As a result of the GFC, combined with other structural factors, the country's economy has contracted in recent years with the rate of real GDP growth falling to -1.7% in 2009, 0% in 2010 and an estimated 0% in 2011. As a result of falling GDP, the government's fiscal deficit increased from 4% of GDP in 2009 to almost 30% in 2010. Reporting on the GFC, the Economic and Social Commission for Asia and the Pacific (2010) and Asian Development Bank (2012) stated that the main impacts on the economy were as follows:

- lower demand for Tuvaluan seafarers and, therefore, falling remittances;
- volatile exchange rate movements affecting the value of remittances, revenues from fishing license fees and food prices;
- lower market value of the Tuvalu Trust Fund, which at the end of May 2010 was about 12% below the maintained value, and as such the country did not receive income from the fund in 2010; and
- problems in servicing its international debts, due to shortfalls in country revenue.

The Economic and Social Commission for Asia and the Pacific (2010) and Asian Development Bank (2012) also noted that the underlying factors that have exacerbated the long-term impact of the GFC were Tuvalu's reliance on aid remittances and lack of exports. Other economies in the South Pacific region were not as severally affected by the GFC, including Samoa, which experienced GDP growth of 3.3% in 2008; Solomon Islands, which had a growth rate of 7% in 2008; and Vanuatu, which experienced growth of 5.7% in 2008 (Jayaraman, 2011).

One possible positive impact of the GFC and the rapid deterioration in the country's national accounts has been to force the country to re-evaluate its long-term economic priorities. Access to aid money, remittances and sale of fishing rights have in the past provided a relatively easy path to generate external income and provided a cushion during economic downturns. The structural weaknesses identified by

the GFC highlighted the difficulties that may be faced in the future if the country does not attempt to broaden its revenue base.

ISLAND TOURISM RESEARCH

At the heart of the appeal of small islands lies their attractiveness as places of escape, isolation, tranquillity and peacefulness (Prideaux, 2009). The island experience is in effect an escape from the reality of the visitor's own world where they can view the island world through the lens of their own version of Ury's tourism gaze (1990). The exoticism of islands has a strong appeal that is demonstrated by the treatment islands have received from writers, film makers and artists. Images of an exotic paradise have often been used as backdrop for books. Jonathan Swift's *Gulliver's Travels* published in 1726 tells of adventures on the mythical islands of Blefuscu and Lilliput. In more contemporary times, a number of the James Bond books and movies have been set on imaginary islands. Rowling's mythical prison island of Azkaban in her Harry Potter books is a further example. As Prideaux (2009, p. 231) observed, *Islands are intriguing tourism destinations. In one sense their location confers upon them a range of often unique attractions including landscapes, heritage, climate, flora, fauna and indigenous culture. In another sense their location may also be a major inhibitor to their development as isolation, a feature that may in some cases also be a major attraction, leads to increased access costs for both visitors and freight.*

The major research themes that have emerged in relation to tourism development in island destinations include planning, stage of development, marketing, management, peripherality, issues of sustainability, concerns about commodification and use of limited natural resources (Prideaux, 2009). Issues specific to small islands have been investigated by a number of authors (see Conlin and Baum, 1995; Briguglio *et al.*, 1996; Lockhart and Drakakis-Smith, 1997; Croes, 2006; Meheux and Parker, 2006; Scheyvens and Momsen, 2008). The cost of infrastructure in particular has been identified as a major challenge that must be addressed before substantial private sector tourism development can commence (King and McVey, 1997). Where tourism

development does occur, the potential for social disruption due to uneven distribution of wages paid to tourism employees is a further factor that must be considered.

Considerable research has been undertaken into the benefits that tourism can bring to developing countries, including island destinations (Mistilis and Tolar, 2000; Scheyvens, 2007; Pawliczek and Mehla, 2008; Mitchelle and Ashley, 2010). Many of the potential benefits identified in the literature relate to economic prosperity and the potential for tourism-funded improvements to local communities through social structure benefits such as education, health, employment and even self-determination (Scheyvens, 1999; Simpson, 2001; Tosun, 2001; Mowforth and Munt, 2003; Scheyvens and Momsen, 2008).

Coupled with the extensive literature on growing and expanding tourism in developing countries, research into opportunities for developing tourism in a sustainable manner has also attracted widespread attention (Sharpley, 2000; Hardy and Beeton, 2001; Liu, 2003; Richards and Hall, 2008). Central features of sustainable development include the precautionary principle, intergenerational equity and ecological integrity, underpinned by the triple bottom line approach (World Commission on Environment and Development, 1987; United Nations, 1992a; United Nations, 1992b). The tourism literature has also emphasized the need to find a balance between environmental and sociocultural interests, and economic pressures encountered when developing sustainable products. Although not the main focus of this article, there is a need to ensure that the values associated with sustainability are embedded within the research framework developed for this research if it is to help identify pathways for developing Tuvalu's tourism industry in a sustainable manner.

In recent decades, tourism has emerged as a major industry in many Pacific Island Countries and is the fastest growing economic sector in the South Pacific (Crocombe, 2008). By 2010, tourism is expected to have grown into a \$2bn industry (Everitt, 2009). Despite its impact elsewhere in the world, the GFC did not have a great impact on tourism in the region with countries including Cook Islands, Vanuatu, Samoa, Solomon Islands and Papua New Guinea experiencing double-digit growth in 2008 (Everitt,

2009). In part, the failure of the GFC to seriously impact on many Pacific Island countries was a direct effect of the resilience of the Australian and New Zealand economies to the adverse impact of the GFC. However, in many areas, tourism development has been uneven and threatened by emerging issues that include climate change (Preston, Suppiah, Macadam and Bathols, 2006; Sem and Moore, 2009), lack of investment capital (Scheyvens and Momsen, 2008), political instability (Beirman, 2003), competition and issues that relate to long-term environmental sustainability (de Hass, 2003).

The popular imaginations of the Pacific Islands as portrayed in many travel brochures are of unspoilt, naturally beautiful islands far from the pressures of daily life. There is an emerging literature on imagined geographies and, in particular, on imagined islands (see Edmond and Smith, 2003). However, converting a potential 'exotic' island experience into a marketable product is a major challenge and one that has yet to be seriously considered in Tuvalu. Tuvalu is classed as a small island developing state, and in common with many, other small island nations must overcome numerous hurdles to achieve sustainable, long-term development. Barriers that Tuvalu faces include remoteness, limited land masses, a restrictive economic base that can create domestic wealth, high internal costs and skills shortages. Isolation for example increases freight costs to the nation as well as driving up the cost of airfares. For these reasons, developing a tourism industry in this remote island country is difficult but not impossible.

THE CURRENT STATUS OF TOURISM IN TUVALU

Tourism has yet to develop a strong presence in Tuvalu. The country along with Niue is the least developed tourist destinations in the Pacific, receiving only 0.2% of total arrivals in the region (South Pacific Tourism Organisation, 2005b). At the time of its independence from the UK in 1978, almost no thought had been given to developing a tourism industry, despite the obvious potential for tourism-led development that was beginning to emerge in Vanuatu and already had a strong track record in Fiji. The most obvious inhibitors to tourism development are distance, size, infrastructure and investor

willingness to finance tourism development. Although not as obvious as the problems of distance and lack of investment, some responsibility for a lack of tourism development must also be accepted by the country's leadership, though to what extent is unclear. Moreover, the country's low GDP of \$3600 per person (CIA World Fact Book, 2011) allows little scope for internally generated funds for infrastructure development or accumulation of investment capital.

Currently, Tuvalu is serviced by a twice weekly flight operated by Air Pacific from Fiji in a small 30-seat aircraft. The existing airport is unsuitable for jet aircraft of B737 size. Travel between the islands that make up the country is by boat. Tuvalu's potential tourism offer is based on its tropical island setting, cultural traditions, palm-fringed beaches, an 'off the beaten track' location, voyeuristic 'last chance' tourism because of climate change concerns and the potential for high-quality water-based activities including snorkelling, diving, swimming and sailing. Facilities available for tourists are limited with accommodation providers able to offer a total of 75 beds. The government-owned Vaiaku Lagi Hotel offers 12 rooms at three-star standard, whereas very limited accommodation is available on the outer islands. Food service is restricted to two restaurants and a small number of snack bars offering a very basic standard of catering. Some local handicrafts are available, but shopping, always a popular tourism activity, is inadequate.

According to the South Pacific Tourism Organisation (2003), most nonresident visitors are officials of various aid agencies travelling on official business from Fiji, expatriate Tuvaluans undertaking VFR travel and business travel. The most recent statistics indicate that bona fide leisure visitors numbered less than 200 in 2003 with the main source markets being Japan and the USA (South Pacific Tourism Organisation, 2005a). As reported later in this article little change has occurred in recent years.

ENVIRONMENTAL ISSUES

Although only 26 km² in size, the country supports 10,544 residents (CIA World Fact Book, 2011). Although there is a positive outflow of Tuvaluans migrating to other countries, the population density is high and the ability to sustain this population in the long-term has

become an issue of concern. Major environmental issues currently confronting the country include limited freshwater supply, waste disposal and the impact of climate change. A drought in 2011 caused a severe water shortage that required the importation of bulk freshwater from New Zealand. A number of environmental problems including water supply and scarcity of land for farming are likely to be exasperated by a growing population and in the future by climate change.

AIM AND METHOD

The aim of this article is to identify and discuss the challenges that will be faced by Tuvalu if it opts to focus on tourism development as a strategy for overcoming the economy's structural weaknesses revealed by the GFC. One of the authors travelled to Funafuti, the Tuvaluan capital, in October 2008 at the height of the GFC and used two methods of data collection. The first method employed observational ethnographic work (see Dwyer and Limb, 2001; Hay, 2005) and was designed to view the trip through the lens of a tourist coming to Tuvalu. By adopting this strategy, the 'tourist' was able to identify potential tourism resources as well as assess the suitability of existing resources for tourist use.

The second data collection method used in this research was semi-structured interviews. Semi-structured interviewing has the ability to capture various opinions and experiences including those of key stakeholders and persons who are in positions where they either have access to specific knowledge sort by the researchers or are decision makers responsible for the issues being investigated (Pile, 1992; Dunn, 2005; Winchester, 2005). Data of this nature were essential to achieve the aim of the research and difficult to collect if community surveying is undertaken. Interviews were held with local tourism authority representatives, government officials and local business people living in Funafuti, the administrative centre. A snowballing technique was adopted to access interviewees.

A core set of questions relating to key tourism themes were developed and used in each interview. The themes ranged from the likelihood of growing Tuvalu's tourism industry in the near

future to the constraints faced in developing a sustainable tourism industry in this Polynesian country. A total of 23 interviews were conducted, and a content and thematic analysis was undertaken to identify the key challenges and issues associated with the development of the tourism industry. Interviewees were asked at the beginning of the interview if they could be recorded. All interviewees consented to recording of the interview; however, all wished to remain anonymous in future publications, other than a brief description of their current professional role, for example, tourism government official, local tourism operator and so on.

FINDINGS

After reporting the findings that were based on observational ethnographic work, the respondent's views towards tourism development in general are outlined, followed by specific challenges that the country may face if it were to proceed along the path of tourism development.

Observational ethnographic findings

Preliminary observations made by the researcher indicated that Tuvalu does possess many of the pull factors that other island nations have used as the basis for their tourism industry. These include an abundant, accessible and spectacular marine environment, readily accessible fresh seafood, an interesting local culture and coconut-lined beaches of the type that feature in the advertising campaigns mounted by many tropical islands.

It was also apparent that distance from major source markets such as Australia and New Zealand was a significant problem. Currently, air services originate from Fiji giving the country a location that can best be described as the periphery of a peripheral destination, in this case Fiji. Moreover, the current level of air services, including scheduling and type of aircraft, is inappropriate for the development of a leisure tourism industry. Infrastructure is also a major issue with a lack of tourism-related infrastructure including hotels, opportunities to purchase souvenirs, restaurants and tours. Other issues that will need to be addressed if tourism is to be developed include training of locals and

development of activities such as marine and cultural tours.

Respondent's views on tourism development

There was general agreement by all respondents that tourism was a sector worth developing, but there was also a realization that the country needed to overcome a number of major hurdles before tourism can be considered as a serious option. One of these hurdles was identifying the type of tourism that should be encouraged. Most current travel to the country is for business or VFR purposes, and there appears to be a limited understanding of what might be required to develop a sustainable, low-impact leisure tourism sector.

One example of the support for some form of tourism development was captured in a statement by a civil aviation officer who observed that 'people are interested in seeing tourism business come to Tuvalu'. Other respondents made similar observations including the Permanent Secretary of the Natural Resources Ministry who stated that 'the islands have the product, the product is there: the seas, the culture and willingness to make the money from tourism'. On the basis of interviews with government officials, there was a strong push for the development of tourism ventures in Tuvalu.

Respondent's views concerning the development of a low-impact tourism industry in Tuvalu were heavily influenced by the structure of current travel to the country. It was generally agreed by respondents that the largest current sector was business travel. Most interviewees also supported the view that the demand for business travel was the main reason why tourism-related activities had not been developed. In an interview with an airline representative for Air Pacific, it was clear that the service between Fiji and Tuvalu was predominately used by locals and business travellers, not leisure tourists. As the representative stated, 'there are not too many tourists on this flight from Fiji to Tuvalu, only about one to two people every second flight out of and to Funafuti'. This point was reiterated in an interview with a day manager at the government-run hotel on Funafuti. The interviewee made it clear that the hotel largely catered for business travellers and

not tourists: 'it's more business travellers than tourists that stay here at the hotel. . . It's hard to tell though how many stay here, not many at all, only around two to three tourists per month and a lot of these are honeymooners who want to go and visit the conservation area'. These sentiments illustrate the current state of tourism in Tuvalu, which is predominately based around VFR and business travel. In a similar comment, the tourism officer noted that 'the bulk of travel is business travel; people come here for business with the government or private sector. And then the actual people who are on holidays is very small, between 10–20 percent of the total. Over the year around 1,000 total visitors, and then about 10–20 percent are for holiday, which is not very much. We think that the percentage of the holiday market is slowly growing. . . about 20–30%'. Overall, interviewees concurred that the current emphasis on business travel left little opportunity for the development of a leisure sector.

Shop owners were also interviewed, and most saw little opportunity for benefiting from tourism as it is currently structured. According to one shop owner, 'we have just recently opened. . . It is mainly for locals, not tourists. Not many tourists here, groceries and some clothing just for locals'. An interview with a development officer at the Tuvalu Development Bank who approves small business loans including those for tourism ventures confirmed that there was little express interest in opening tourism-related ventures. The development officer stated that 'there are about only ten stores here, mainly selling groceries and clothes, all of the shops are closed on Sundays until 6 pm and open till 9 pm. . . I give out business loans; there are many of these, not for tourism though. We don't have any tourism businesses like that here, not much tourism here, not for tour guides'. Shops on Funafuti, Tuvalu's capital, offer a product mix tailored for the demands of the local population and in most cases do not stock items that may be of interest to holiday makers.

This view was supported by a sales representative at the Women's Handicraft Centre at Funafuti Airport who indicated that foreign tourists were not considered to be a target market. The representative stated that 'not many tourists come in here, all locals, buy for arriving, leaving family and friends. . . They buy many,

many necklaces to drape over the heads of family, friends, loved ones, important people; up to 50 on one person if they are very important or loved one departing for long time'. Although located in the airport terminal, the Handicraft Centre was not established to meet the needs of tourists. In reality, the products from the Centre are tailored for locals who wished to purchase gifts for departing and arriving family, friends and dignitaries.

Although favourable to some form of future tourism development, interviewees also highlighted both the practical and environmental challenges to developing the tourism industry taking into account the need to preserve the country's diverse and unique natural attributes and its sociocultural values. While recognizing that there were major hurdles to be surmounted in developing a tourism industry, there was also assurance that the country has much to offer.

Constraints

The most significant constraints identified by interviewees were the need to develop appropriate tourism-related infrastructure and international aviation access. These issues are connected. The tourism officer for example noted that 'financing foundations for tourism requires a lot of money, for example resorts and other foundations will be expensive'. This point was reiterated by the Permanent Secretary in the Foreign Affairs Ministry who stated that 'the most serious challenge to us now is money, because there is no money to build the capitals, infrastructure. We are trying to build local capacity, but what can you do without resources'. This sentiment was further reinforced by the Permanent Secretary of the Natural Resources Ministry that 'the costs to begin with are so much. And training too, training for tour guides is expensive'. It was clear from these high-ranking government officials that initial capital outlay, funding infrastructure development and training, are all pivotal challenges that need to be addressed if Tuvalu is to develop a viable and sustainable tourism industry.

The problem of international access was identified as a major issue by many interviewees. Specific issues included the cost of air travel, frequency and capacity. Commenting

on these issues, the civil aviation officer stated that 'there is a market for tourism in Tuvalu... but the facilities and even the fares are expensive for tourists to come over, maybe because of the fares are too expensive. There has never been our own carrier, always Air Pacific mainly. And with these airlines, we can't change their view'. In addition to international accessibility, internal transport circulation in the country was also identified as a major issue. Currently, inter-island transport is difficult and relies on shipping to service the outer islands. One Pastor based in Funafuti observed that 'they are trying to make airfields so we can fly to outer islands. Tourism could be improved... Tourism is bringing some good things, jobs, employment, but also some bad things'. The manner in which interviewees related to the task of developing a leisure tourism sector was also significant. Interviewees were aware that there are limited tourism facilities and services available to cater for leisure travellers. Although there are a small number of accommodation facilities, including the government-run hotel, there is an almost complete lack of other tourism facilities. Interviewees generally agreed that this was one of the primary reasons for so few tourists.

The only organized tourism activity currently available is a boat trip to the Conservation Area in the lagoon that is operated by the conservation officer at the Local Council. Although this trip provided incredible one-on-one experiences of an almost pristine marine environment, it has very low patronage. As the conservation officer noted, 'not so many tourists come out to Conservation Area but we take out business people more and groups. Just last week we took out the SOPAC visitors here for a workshop. We organized for them to have a picnic on one of the islands and drove around the conservation area. We saw three turtle nests but told them to not go near them... I come out here at least twice a week but just me, as not so many people visit'. As indicated in the preceding statement, there has been some provision made for tourism; however, to date this has largely been for business travellers, not leisure tourists.

Marketing was also raised as a major issue. The tourism officer in the Tuvalu Government outlined the extent of the problem faced in marketing the country, 'we have the website, Timeless Tuvalu... it's the most information

about Tuvalu that we can get to tourists. We used to have brochures with the European Union funding to our regional organization but now at this stage, the funding doesn't go to this sort of activities. So now marketing is the sole responsibility of the South Pacific tourism destinations. My budget here is largely salary and then about \$700 a year, \$700 Australian dollars for marketing every year'. The miniscule marketing budget is used to pay the web hosting fees for the tourism office's web page. Given the minimal financial support provided by the government for marketing, it is not surprising that few people are aware that it is possible although difficult to travel to Tuvalu.

It was clear that interviewees recognized that Tuvalu will need to invest in the upgrade of a range of infrastructure services before it can be taken seriously by investors. Specific infrastructure that needs attention includes electricity generation, fresh water capture and storage, air access, internal transport networks, skills acquisition and telecommunications. Coupled with the need to resolve these infrastructure constraints, there was also evidence that interviewees recognized the need to safeguard the country's environment. Particular concern was expressed over fears about the long-term impact of climate change. As a number of authors have stated, transnational environmental problems such as climate change are already having a severe impact on the low-lying atolls of the Pacific (McNamara, 2008; McNamara and Gibson, 2009).

The extent of the concern was evidenced by the views of a local shop owner who stated that 'climate change and the seas rising, it's a worry for me, and my family. They say there have been changes occurring'. Other interviewees shared this concern. For example, one local taxi driver stated that 'the environment has changed, the climate has changed... Climate change has gotten worse, and I do think we will all have to leave, especially in my lifetime and that does worry me... and people they don't care about the environment or the rubbish, the waste... I would be so upset and sad, very sad, if we all have to move, what happens to Tuvalu'. This view was further echoed by another local taxi driver, who described how 'climate change is the biggest problem in Tuvalu, and the sea level, I think only one problem – sea level; and waste

that is quite bad as well'. The impact of climate change is currently being experienced through the loss of arable land, sea level rise and the maintenance of adequate supplies of fresh water. These impacts also represent a major challenge for tourism development and are likely to place restraints on how many tourists the country will be able to accept in any given 12-month period. For government officials in Tuvalu, along with many of the interviewees, the impacts of climate change are a reality, along with other environmental challenges such as pollution and rubbish disposal.

DISCUSSION AND CONCLUSION

The GFC revealed a number of structural weaknesses in Tuvalu's economy that will be difficult to resolve without the development of new revenue sources. A reasonable assessment of the country's resource mix points to tourism as a potential new source of revenue. At present, visitors are predominately business persons, officials and VFRs. However, on the basis of the results of interviews, there appears to be strong support among locals, government and tourism authorities for the development of Tuvalu as a low-impact holiday destination. Interviewees believed that the country had much to offer including a spectacular marine environment and unique Polynesian cultural heritage. These resources were seen as being sellable in markets such as Australia, New Zealand, Europe, North America and Japan.

On the basis of the assessment of resources made by the researchers, the lack of investment capital and the results of the interviews, three low-cost, low-impact tourism options appear to be worth pursuing in the short term. First, the country's marine environment offers considerable scope for tourism development. Given the growing interest in diving, and Tuvalu's ability to offer reefs with high aesthetic values and diversity, the first step to developing a high yield tourism industry that places minimum demands on the nation's existing infrastructure and is able to be undertaken in a sustainable manner should be to target diving. For this to occur, a relatively modest investment is required to establish a dive shop, train locals as guides and dive masters, purchase dive boats and undertake targeted marketing in the dive media. Word of mouth

marketing via the internet and social media has the potential to be an effective promotional strategy given the country's low marketing budget.

A second avenue for rapid but low-impact and minimum cost tourism development is to promote the country as a unique 'off the beaten track' destination. Participants in this form of tourism are likely to be collectors of unique experiences (King and Prideaux, 2010) and unlikely to be deterred by the low standard of existing infrastructure. The literature often associates current cohorts of backpackers with this form of tourism but neglects to consider travellers who have moved through the backpacking phase of their travel career and now generally prefer a higher standard of travel comfort. These 'backpackers of yesteryear' should not be ignored, and there is some potential to attract members of this group. Apart from increased marketing, little additional investment will be required to attract this segment of the tourism market.

The third potential group that could find the country an interesting location to visit are tourists seeking 'last chance' experiences, also referred to as 'voyeuristic tourism' (Farbotko, 2010). In the sense used here, last chance tourism refers to visits to places or participation in experiences that may disappear in the future. In this case, the threat of inundation posed by climate change-driven sea level increases may result in the long-term relocation of families from parts of the country.

In each of the three groups, there is an opportunity to develop a low-impact leisure tourism sector that requires little investment, at least in the early stages of development. One advantage of this approach is that with a relatively modest investment in training and equipment, such as a dive boat, the country can expand its tourism sector and in the process generate both skills and capital that could be used for a future expansion that may focus on additional accommodation. Another advantage is that it will give the community the opportunity to control the type of tourism development that occurs and from that basis decide if they should pursue additional tourism investment.

Whereas the constraints imposed by limited and expensive air services, lack of private investment, inadequate infrastructure and limited activities for tourists create significant

hurdles to most forms of leisure tourism development, these three options outlined do offer some scope for rapid tourism growth without the requirement for extensive investment. Expansion beyond these sectors will however require considerable investment and may be limited by environmental restraints. Concern over environmental issues and climate change in particular emerged as a major issue in the interviews. Tuvalu's vulnerability to climate change presents challenges including the need to protect infrastructure and homes, capture and store sufficient freshwater, and manage and protect the marine environment including coral reefs (Hoegh-Guldberg *et al.*, 2000; McNamara, 2008; McNamara and Gibson, 2009). Climate change must therefore be factored into planning that is undertaken in relation to any major tourism development (Barnett and Adger, 2003). Sustainability is also an issue that needs to be addressed.

This research has revealed that both locals and government officials recognize that tourism has the potential to become a major sector of the national economy and provide it with a buffer from the type of problems encountered during the GFC. If significant tourism growth was to occur, there is scope for tourism to play a significant role in the social and economic development of Tuvalu. However, tourism will need to be developed in a socially responsible and environmentally sustainable manner. It is apparent that planned, gradual and small-scale tourism development would be more appropriate for Tuvalu than mass tourism development. This would help ensure that pressure would not be placed on the country's natural resources while providing a means for future economic and social development in this Pacific nation.

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