

Planning for Sustainable Tourism



Part IV: Socio-Cultural & Public Input Study

Volume I: Summary Report

Prepared for



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Sustainable Tourism in Hawai`i

**Socio-Cultural and Public Input
Component**

Volume I: Summary Report

Prepared for the Project: Planning for Sustainable Tourism in Hawai`i
Hawai`i State Department of Business, Economic Development & Tourism

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*(And special recognition to Ms. **Aja Kaikilani Devoll** of John M. Knox & Associates, who did a little bit of everything!)*

NOTE: Throughout this report, we use the acronym “DBEDT” to refer to the Hawai`i State Department of Business, Economic Development & Tourism.
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EXECUTIVE SUMMARY AND RECOMMENDATIONS

Study Overview

The Socio-Cultural and Public Input component of the Sustainable Tourism Study differed from the other two components not only in content but also in the diverse nature of its activities. This report covers:

- Review of Hawai`i tourism trends (growth and change);
- Socio-cultural impacts/issues in the *general population*;
- Socio-cultural effects on *Native Hawaiians*;
- Public input from meetings and e-mails;
- Results of a statewide resident survey;
- Work of the Sustainable Tourism Study Group; and
- Research on the history of the “sustainable tourism” concept, and review of sustainable tourism planning/management systems elsewhere.

But the challenge in an Executive Summary is to answer the question, “*So what? What’s important here?*” To answer this question, we must admit some pieces of this report seem more inter-related than others. For example, we did an extensive analysis of the effects of tourism on crime rates in Hawai`i (and found relatively little impact). However, this tourism-crime analysis ultimately is self-contained, unrelated to what we now believe to be the primary value of this effort:

We believe it is usually more valuable to plan for and manage socio-cultural aspects than to analyze them. We believe the key objective is to identify the concerns and ideas of affected stakeholders, and act on them. We believe the work of the Sustainable Tourism Study Group provides an initial blueprint for such action, and we further believe the Study Group may prove to have been a successful “pilot program” for an ongoing Sustainable Tourism planning and management system in Hawai`i.

The Sustainable Tourism Study Group and the **Native Hawaiian Advisory Group**: Much of the effort in this project was contributed by the Sustainable Tourism Study Group (which was actually more of a “working group”). This was a 16-month collaboration of 24 people from all islands, representing key visitor industry, environmental, Native Hawaiian, government planning, and other tourism stakeholders. Similarly, a four-member Native Hawaiian Advisory Group – including both critics of and participants in the industry – worked to analyze industry impacts on the host population and offer recommendations for actions from a uniquely Hawaiian perspective.

Recommendations from these two groups comprise the most solid and specific outcomes from the overall study, and they are summarized shortly. Additionally, the Sustainable Tourism Study Group created a comprehensive “Vision for Sustainable Tourism in Hawai‘i,” including broad and specific goals, possible indicators, and action recommendations. This document – which appears in full at the report’s end as an Appendix – is significant because of the broad-based consensus-oriented group of stakeholders which was able to find substantial common ground after initial periods of disagreement.

The Study Group’s work encouraged the consultant team to exceed our contract scope in several ways. One of these was to examine the Sustainable Tourism literature to see what sort of similar processes had been tried elsewhere. We discovered that tourism destinations and international organizations around the world are beginning to develop results-oriented planning and management systems to assure that local visitor industries are long-lasting and beneficial in environmental and cultural, as well as economic ways. Initiatives such as the Study Group and the Native Hawaiian Advisory Group are *part* of those wider efforts to develop what may be called “Sustainable Tourism Systems.”

What Does “Sustainable Tourism” Mean? The idea is part of the sustainable *development* movement – it means economic development that will last, because it does not destroy the basic resources or assets on which development is based. On an international basis, “Sustainable Tourism” is now generally recognized as the principal model for the future of tourism by agencies such as the World Tourism Organization, World Travel & Tourism Council, United Nations, Pacific Area Travel Association, etc. (See Chapter VIII.)

“Sustainable Tourism” focuses on protecting the underlying natural and cultural resources on which the visitor industry depends – the uniqueness and appeal of the place itself, as determined by a sense of cultural authenticity, friendly workers and residents, well-maintained public facilities, uncrowded natural and recreational areas, etc. In Hawai‘i, these are often collectively referred to as the “quality of the tourism product.” Most of these are also critical to resident quality of life. Also critical to the “sustainability” concept is the concept of an ongoing public-private collaborative process to identify/monitor key values and assets.

In truth, sustaining the quality of the product is only one part of the formula for assuring the ongoing success of the industry. Effective marketing, adequate airlift, favorable economic conditions in market areas, eliminating threats from terrorism or other travel deterrents – all of these remain crucial. But their importance is obvious on a day-to-day basis. “Sustainability” relates to *long-term* concerns about the potential gradual erosion of a destination’s overall charm and uniqueness – things less obvious but ultimately just as important.

What Is a “Sustainable Tourism System?” It is some sort of ongoing, organized, public-private commitment to maintaining product quality and

preserving key assets. Based on writings of groups such as the United Nations Environmental Program, a “Sustainable Tourism System” is just a *general template* for planning/management – but with these essential elements:

1. A focus on the entire, overall destination (“quality of the place”), including but not limited to designated resort areas.
2. Coordination by local government authority, but with ongoing collaboration and input from working groups comprised of key industry and community stakeholders.
3. Development of consensus long-term goals and actions.
4. Identification of indicators of success – preferably including target figures, ongoing monitoring of data, and contingency plans for actions when indicators are going in the wrong direction:
 - Research capability to help determine cause-and-effect factors;
 - Management response capability to react to problems.
5. Adoption by an official agency with authority to implement, revise, and oversee the ongoing process.

While government usually plays a coordinating role, the Sustainable Tourism literature suggests the concept works well only if key stakeholder groups – and particularly the industry itself – find ways to be partners in carrying out some of the activities, not simply assuming this is the domain of the government alone. Our sense is that “Sustainable Tourism” will simply be another passing conceptual fad unless it is actually embraced as part of Hawai`i’s destination-wide operating *business model*. In fact, it may work best to combine attention to preserving “quality of place” with attention to “quality of service” in the industry.

The closing chapters of this report examine some broad possibilities for the functions such a system might play in Hawai`i, as well as groups which might help steer it. However, we deliberately refrain from recommendations about specific approaches, because these are best determined by the potentially affected agencies and other stakeholders. Our intent at this point is simply to make a conceptual recommendation and encourage widespread discussion.

Specific Recommendations

Recommendations from this effort come from three separate, independent sources:

1. The Sustainable Tourism Study Group
2. The Native Hawaiian Advisory Group
3. The Consultant

Study Group Recommendations

The Sustainable Tourism Study Group's *complete* set of recommendations is contained in the Appendix to this report, and they are too numerous for a simple summary. They comprise the beginnings of a framework for a Sustainable Tourism System in Hawai'i – a comprehensive set of Goals, Indicators, and *multiple* set of Action Recommendations.

At the end of its work, Study Group members voted on “first-priority” action recommendations. We report these initial priority action recommendations in this summary, subject to these provisos:

- The group actually reached a broad consensus on the overall package in the Appendix. The “first-priority” recommendations here reflect majority or plurality votes only, not 100% consensus. These recommendations are best understood in the context of the group's *complete* work.
- Members voted for their “top two” priorities in each of six broad goal areas (as indicated below). Because some broad goal areas – Values, Culture, and Social Harmony – had fewer action recommendations than others, there was relatively more unanimity in these areas.

Values: The Study Group urged that Sustainable Tourism in Hawai'i be grounded in a values orientation – drawing on the Native Hawaiian concepts of *lōkahi* (harmony), *mālama`āina* (nourishing the land), *ho`okipa* (hospitality), *kuleana* (responsibility), and *aloha* (welcome) – and the “first-priority” action recommendations included:

- Develop a specific strategy for explaining and publicizing these values, and for measuring success. This strategy may be coordinated with programs to inform residents about benefits and costs of tourism in Hawai'i. (*Responsibility: HTA, spearheading a coalition of industry, community groups, and state/county governments.*)
- Develop an ongoing public awareness effort [to assure both resident and visitor awareness of these values]. (*HTA and coalition suggested above*)

Economy: This was an area with many action recommendations, and Study Group votes were particularly divided. Small clusters of “first-priority” votes went to:

- Periodically analyze the industry's economic health vis a vis comparable destinations, and identify reasons for any problems. (*DBEDT*)
- Expand current management and interpretive training opportunities. (*The University of Hawai'i's system*)
- [*To assure high quality in “alternative tourism” development ...*] Determine methods to identify and track numbers of unlicensed operators of small tourism businesses – e.g., bed-and-breakfasts (B&Bs), small tour vehicles, water sport tours, etc. (*Office of Planning, in coordination with DLNR and other agencies*)

Environment:

- *[To assure environmental protection through ongoing public-private collaboration ...]* Bring together a public-private partnership – including visitor industry associations, government agencies, and environmental groups – to explore (1) the feasibility of forming and funding a private nonprofit or coalition dedicated to identifying mutual goals, and (2) continuing this sort of partnership on an ongoing basis. (HTA, DLNR)
- Seek adequate state/federal funding for existing state/federal alien pest species task forces and action plans – with particular emphasis on preventing catastrophic invasive species such as the brown tree snake. (Hawai'i Invasive Species Council)

Culture:

- *[To assure accurate and respectful treatment of Island cultures in entertainment and education programs ...]* Assemble a group of key stakeholders (hotels, attractions, performers and unions, cultural groups) to produce a voluntary “code of standards” that seeks to balance market realities, artistic freedom, and resident desires for cultural authenticity. Also determine feasibility of system for periodic “grading” of major venues relative to the code. (Office of Hawaiian Affairs [OHA] with HTA and appropriate visitor industry organizations)
- Expand existing tour guide certification processes, and add cultural component to ... new certification programs for eco-tour operators [recommended elsewhere]. (Community colleges and other educational institutions)

Social Harmony:

- The HTA-led coalition suggested [previously under “Values”] could also recommend and help implement ways to inform visitors and newcomers, including but not limited to (a) in-flight films and written materials; (b) various short articles appropriate for audiences such as second home purchasers, new industry workers, etc.; and (c) references to respected social histories available in Hawai'i libraries. (HTA to initiate discussions, with eventual implementation by groups such as County Visitors Bureaus [CVBs] or Chambers of Commerce)
- Encourage various ways to “patrol” parks or scenic areas with high visitor counts – citizen volunteer groups, parking attendants, food vendors in daylight hours, etc. (State and county parks departments, with HTA and CVBs)

Planning: This was an area where Study Group votes were so divided among so many recommendations that it would be inappropriate to present any of them as being any more “first-priority” than any others.

Comment on Funding: The Study Group recognized that it was calling on the HTA, DBEDT, or other organizations to bring more groups together for further work; to conduct new research; and to carry out other activities. However, it lacked the ability or resources to estimate the cost factors. If the recommendations are to be implemented, affected agencies and/or the lead agency for a true Sustainable Tourism System (see “Consultant Recommendations”) will need both to price the recommendations and also to seek funds for implementation.

Native Hawaiian Advisory Group Recommendations

The project's Native Hawaiian Advisory Group prepared a separate report (Vol. III of this series) on the socio-cultural impact of tourism on Native Hawaiians. Its 11 recommendations are here reproduced in full:

1. A voting seat on the Hawai'i Tourism Authority for the *Office of Hawaiian Affairs*.
2. A voting seat on the Hawai'i Tourism Authority for the *Native Hawaiian Hospitality Association*.
3. A voting seat on the Board of Land and Natural Resources for the *Office of Hawaiian Affairs*, in order to help assure culturally appropriate stewardship for natural resources impacted by tourism.
4. Provide dedicated funding to the Native Hawaiian Information Alliance – a non-advertising driven media program that seeks to connect visitors and local people with genuine Native Hawaiian cultural experiences.
5. Establish by statute a *Cultural Landscape land classification or zoning district* that would serve to protect important cultural landscape communities with design codes, population density limits, historical preservation designations, and other processes that would prevent the obnoxious and inappropriate intrusions on the cultural and social landscape of so classified communities.
6. Provide dedicated funding for the development of *community-based day tourism* as an alternative economic development business model.
7. Provide dedicated funding for a cultural resource *inventory grants program* that provides financial support to community organizations or State/City agencies to develop a statewide mapping data base of each community's cultural resources that would include historical sites, important native landscapes, *wahi pana* (sacred places), historic buildings, trails, waterways, shoreline environments, and so forth.

Any State training funds associated with such a program (e.g., Employment Training Fund) should be earmarked for cultural awareness or knowledge thereof.

8. Amend the environmental processes that severely limit a community's ability to restore ancient Hawaiian fishponds to useful productivity and provide some financial support for the planning of such projects. This would help assure more of a "sense of Hawaiian place" for residents and visitors alike.
9. State settlement with OHA of the Ceded Lands Trust. This is critical for tourism because of links to airports and harbors.
10. Assess effectiveness of cultural resources management plans and monitoring programs that have been developed for tourist resort areas. For example, a resort on each island could be selected. For each site, the Environmental Impact Study, including the mitigation measures and the conditions imposed for a permit to be granted, could be examined to determine if the conditions were met and if the project impacts were accurately assessed.
11. Promote the purchase of local agricultural and marine products and services.

Additional Consultant Recommendations

Our principal recommendation has already been stated – the broad conceptual proposal to expand the Study Group’s work into some form of ongoing “Sustainable Tourism System” that will continue to bring together government, the industry, and community stakeholders to assure preservation of the key assets underlying the quality of the place for both residents and visitors.

Given the extensive work of the Sustainable Tourism Study Group and the Native Hawaiian Advisory Group, we will not offer additional or competing recommendations related to “socio-cultural impacts.” We will, however, offer some additional specific recommendations based on our analysis of tourism trends and “spill-over” effects on residents (Chapters II and III). We are concerned that some of these trends in tourism are not yet being well measured and monitored, and in some cases not being planned for. Expanded discussions of these recommendations may be found in Chapter IX:

1. The State and counties should begin to define recreational real estate (vacation homes, etc.) as a separate economic activity, meriting both analysis and planning in its own right. A database of vacation homeowners (and nonpaying guests) could be collected from the State’s in-flight survey. The State’s “Rural” land use designation and appropriate county zoning labels should be utilized as part of an effort to actively plan *for* recreational real estate developments that do not have classic “resort” characteristics (hotels, retail, etc.), not just to plan *against* them in agricultural or residential areas.
2. The State should also expand its regular tourism research program to gather more information about two other emerging non-traditional forms of tourism in Hawai`i – timeshare and residential-area transient vacation rentals, such as bed-and-breakfasts. (These would supplement information on the cruise industry that the State has already started to collect.)
3. To improve understanding of potential future tourism growth under existing land use permits, The State should work with counties to standardize the reporting of “permitted but unbuilt” visitor units – including, if possible, residential units on resorts or in designated recreational real estate projects.
4. The State should focus some of its visitor research more specifically on the questions of satisfaction with key underlying natural and cultural assets, in order to determine the extent to which concerns about “unique sense of place” or “product quality” (vs. external factors or economics) are actually affecting likelihood of return to Hawai`i.
5. Counties are encouraged to legalize but regulate bed-and-breakfasts. (We recognize this is a “county home rule issue,” but make the recommendation because the current situation reminds us of Prohibition America: Laws were flouted so widely that it proved wiser to keep liquor legal but controlled than to outlaw it.)

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I. OVERVIEW OF STUDY ELEMENTS

Introduction

The Socio-Cultural and Public Input component of the project *Planning for Sustainable Tourism in Hawai'i* was “Part III” of the overall project. Our assignment differed fundamentally from Part I (the Infrastructure and Environmental Overview) and from Part II (the Economic and Environmental Modeling Study) in that our work consisted of a number of *diverse elements*, some of which were more clearly inter-related than others. In some ways, this was less “a study” than a series of different analyses and activities.

We coordinated with Part I and Part II contractors for various public input activities, but our substantive focus was largely separate. While their missions were essentially technical in nature, ours was more conceptual. In effect, their “hard” quantitative analyses provide the skeleton for a Sustainable Tourism planning system, while our relatively “softer” activities will hopefully provide the flesh and the heart.

Finally, it is important to note there were at least three ways in which the Socio-Cultural and Public Input Study *evolved* from the time it began in mid-2002 until its completion in early 2004 –

1. **Increasing Emphasis on Substantive Elements:** As originally conceived by the State, and as reflected in the study's budget, the initial reasons for this Part III component focused largely on publicizing and getting public input on the more technical Parts I and II. Obtaining this input for other contractors remained a definite priority, but over time the substantive elements of “socio-cultural impacts” and the “Sustainable Tourism” concept were given more and more emphasis.

The State requested that this summary report focus solely on these substantive issues, rather than on public input pertaining to Parts I and II. (However, the separate Part II report will include discussion by the Model consultants on their use of public input from the website and the public meetings generated as part of the contract for this Part III Public Input/Socio-Cultural component.)

2. **Increasing Attention to “Sustainable Tourism” Concept:** We believe that both the State and we as consultants gained a deeper appreciation of the meaning of “Sustainable Tourism” as time went by. For the first

year or so, we all knew how to “talk the talk,” but only in the latter stages of the project did we really start to “walk the walk.”

In retrospect, the State’s original scope and our own initial approach now seem to us more tied to what might be called an *Impact Management Paradigm* rather than a *Sustainable Tourism Paradigm*. The Impact Management approach tends to regard tourism as economically beneficial but as generating negative social and environmental side effects in need of cleaning up or preventing. It is basically regulatory in nature, and makes government by far the most important player.

The Sustainable Tourism approach is more proactive, less reactive. It assumes that tourism goals should properly focus on economic *and* social *and* environmental outcomes. While not totally abandoning regulation, it is more about collaborative planning and monitoring. It cannot succeed unless the visitor industry itself accepts “sustainability” as a logical business model that requires attention to protecting underlying assets for the sake of both residents and tourists. The key players must include the industry, government, and community stakeholders – sometimes even the industry’s most vocal critics.

The final chapters of this report provide a more systematic discussion and outlook for Sustainable Tourism in Hawai`i. Some of the earlier chapters – particularly Chapter III, “Socio-Cultural Impact Study, General Population” – help set the stage for this discussion, but also reflect the Impact Management framework in which they were conceived.

3. **Additional Study Activities:** As our consultant team worked on the project, we saw the need to conduct or strengthen activities not explicitly contained in the original scope of work. We therefore voluntarily:
 - Conducted basic analyses of tourism statistics to clarify the industry’s long-term growth status and its changing nature;
 - Provided more time and resources to the Sustainable Tourism Study Group, whose work we believe is one of the most valuable outcomes of this Part III component; and
 - Conducted literature research on the “Sustainable Tourism” concept, including brief case studies of other destinations – experiences we believe offer lessons learned for Hawai`i as it contemplates development of a true Sustainable Tourism planning system.

Study Elements Contained in This Summary Report¹

This report organizes the study elements as a rough progression from *information and background analysis ... to public input ... to the ultimate purpose of conceptual proposals for a Hawai`i Sustainable Tourism System* –

- Chapter II provides information from our investigation of Hawai`i tourism trends – some expert commentary on growth prospects and fundamental changes in the nature of the industry, as well as statistical data on the industry’s growth and character.
- Chapter III summarizes our study of socio-cultural impacts of tourism on the general population. This chapter is a necessarily abbreviated version of the much lengthier full report, which has been separately prepared as Volume II of the Socio-Cultural and Public Input Study.
- Chapter IV summarizes the work of the Native Hawaiian Advisory Group’s assessment of socio-cultural impacts of tourism on Native Hawaiians – based on the full report comprising Volume III. This report followed from the mandate by the State to include Native Hawaiian issues in the socio-cultural analysis.
- Chapter V summarizes comments and concerns from public meetings and website input (regarding socio-cultural issues and the Sustainable Tourism concept).
- Chapter VI addresses results of resident surveys about tourism growth and impacts – briefly noting highlights of past surveys and then summarizing the results of an original statewide telephone survey conducted for this project. The full report on this survey comprises Volume IV of the Socio-Cultural and Public Input Study.
- Chapter VII describes the composition and products of the Sustainable Tourism Study Group. This is a key product, providing a values-based set of goals and indicators for a Sustainable Tourism agenda in Hawai`i.
- Chapter VIII builds upon the Study Group’s work by examining the Sustainable Tourism concept – history and applications, with some broad possible directions for developing an actual Hawai`i system.
- Chapter IX provides a concluding discussion, with recommendations for both additional research and specific future actions.

¹ Additional contractual activities *not* discussed in this report: (1) As previously noted, public outreach/input more related to Parts I and II of the Study; and (2) Responsibility for writing an integrated report bringing together results of Parts I, II, and III.

II. HAWAII TOURISM TRENDS

As this report is written in early 2004, Hawai'i's visitor industry is resuming the strong growth seen in the year 2000, before 9-11, SARS, and the Iraq War helped push the industry back down to levels experienced throughout most of the stagnant 1990s. In addition to strong early 2004 visitor numbers, short-term forecasts by local bank, university, and government economists are all positive. For example, the Hawai'i DBEDT's December 2003 forecast for 2004 suggests fairly substantial growth in visitor arrivals, visitor days, and especially visitor expenditures. Percentage growth in 2005 and 2006 is forecast to be smaller but still positive, with expenditures again growing faster than both arrivals and visitor count numbers.²

However, "sustainability" is about taking the *long view*. The purpose of this chapter is to lay the groundwork for contemplating "Sustainable Tourism" by establishing that:

- Long-term indicators suggest Hawai'i's visitor industry has leveled off (and, in a few ways, possibly declined) in a fashion consistent with classic tourism "life cycle" theory. As discussed later, that is not necessarily a fixed condition, but it does raise certain issues.
- Tourism is changing – foreseeable growth is not in hotels but in timeshare, cruise ships, etc. Vacation homes comprise a "sub-industry" needing separate analysis as an activity in its own right. It may account for much of the "non-tourism" economic growth of the early 2000s.
- These and other changes suggest it may be difficult to meet industry goals of attracting higher-spending visitors without careful attention to the quality of the tourism product, including the underlying environmental and social assets. Such attention is at the heart of "sustainable tourism."

Hawai'i Tourism and the "Life Cycle" Theory

The "Life Cycle" Concept

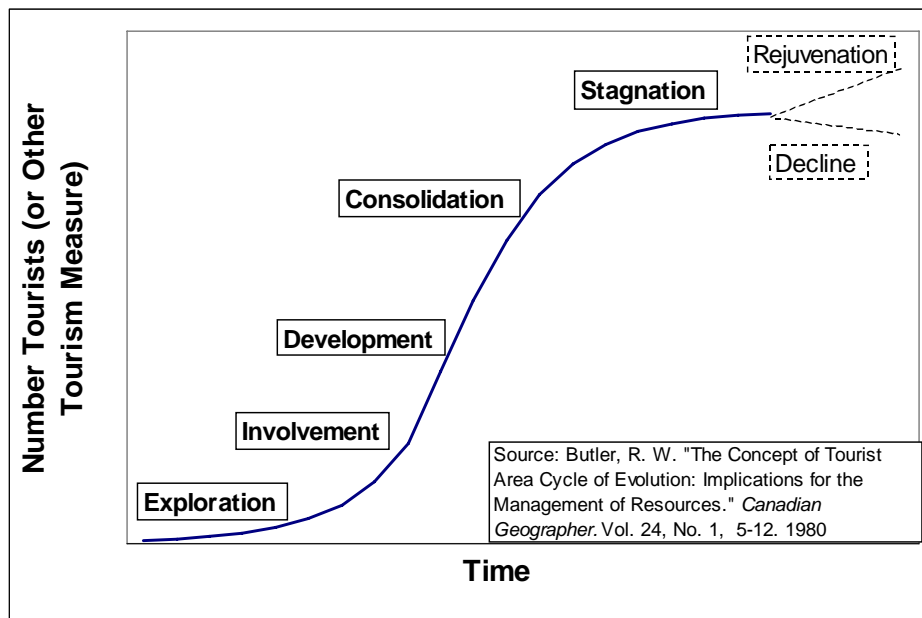
Tourism, like other business activities, has attracted the attention of theorists, in and out of academia. Social scientists like Stanley Plog, Erik Cohen, and Dean

² Forecasts are always tentative and always considered more reliable for the immediately upcoming year than the following few years. In fact, the last time that all three of these indicators actually showed simultaneous positive growth for three years in a row was 1987-89. And since 1952, positive growth in expenditures has *never* managed to outpace positive growth in the other two measures for three years running, even in years when international arrivals were increasing.

MacCannell have all focused to one extent or another on the idea that mass tourism may contain the “seeds of its own destruction” – or at the very least, be self-limiting – because it eventually changes the nature of the place that attracted visitors in the first place ... and thereafter has trouble attracting more visitors and perhaps even retaining a stable number of visitors.

Geographer Richard W. Butler has probably provided the best-known example of the “tourism life cycle” theory through his proposition that a given destination’s tourism growth – like many natural phenomena – will usually follow an S-shaped curve that results in a penultimate stage of Stagnation, ultimately followed by Decline or (only if some basic structural change occurs) Rejuvenation.

Exhibit II-1: Butler’s “Destination Life Cycle” Theory



Hawai`i Tourism Performance Compared to the Life Cycle Theory

Exhibits II-2 through II-5 show the long-term³ performance of Hawai`i’s visitor industry as measured by four key indicators – visitor arrivals, average daily visitor census (“visitor count”), visitor units, and visitor expenditures in constant dollars.⁴ All of these exhibits indicate the same sort of S-curve predicted by Butler.

³ In assembling these figures, we have gone back to historical data sources for earlier years that may have slight inconsistencies with more recent data. These differences would be critical to a statistician concerned with comparing one particular year to another particular year ... but have little effect on the historical “big picture” shown in these charts.

⁴ We have converted visitor expenditures to constant 2002 dollars by using the Honolulu Consumer Price Index (CPI). There are other possible approaches. We looked at using both the Gross State Product (GSP) and the DBEDT tourism price deflator (neither of which are available for as many years as the CPI). The GSP technique gives slightly higher values for the years 1990-99, with the 1995 peak higher than 1989, but otherwise reproduces the same basic patterns as seen in Exhibit II-5. DBEDT’s tourism price deflator, which is constructed in part from the Honolulu CPI, gives results almost identical to those in Exhibit II-5 for years from 1980 on.

Exhibit II-2: Visitor Arrivals, 1951 - 2003

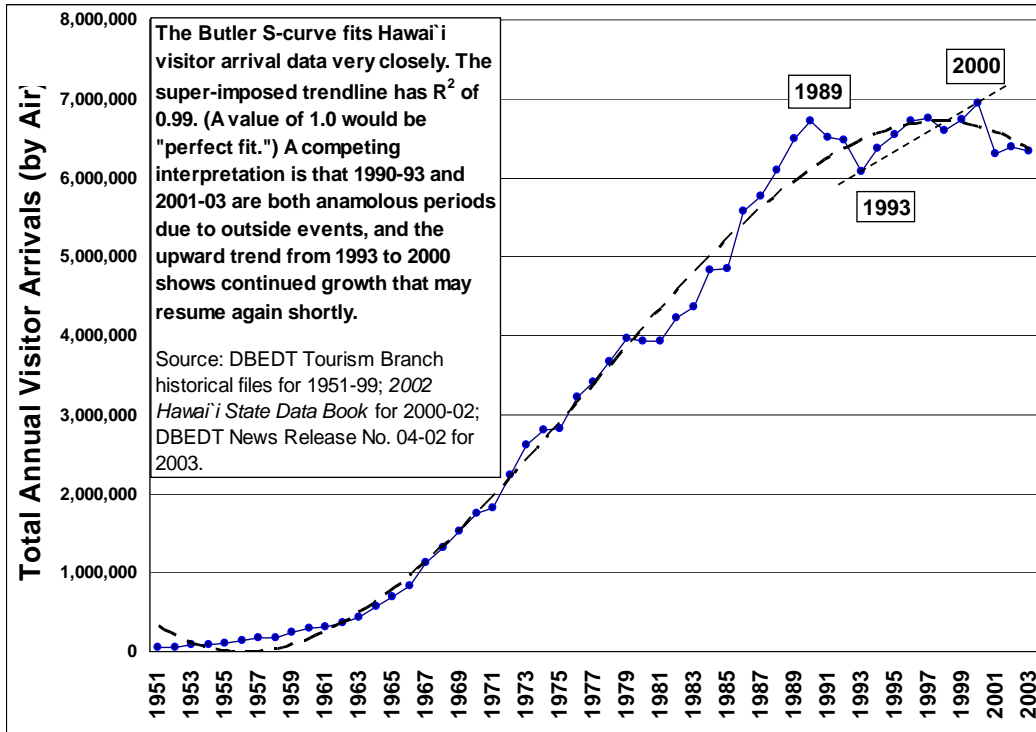


Exhibit II-3: Statewide Average Visitor Census, 1951 - 2003

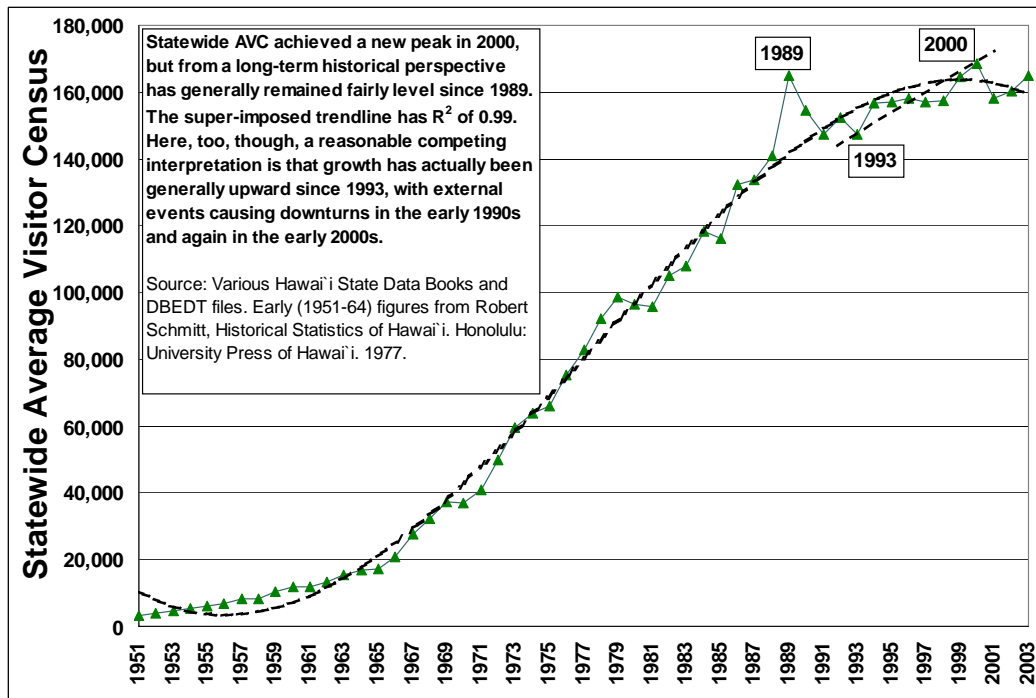


Exhibit II-4: Statewide Reported Visitor Units, 1951 - 2003

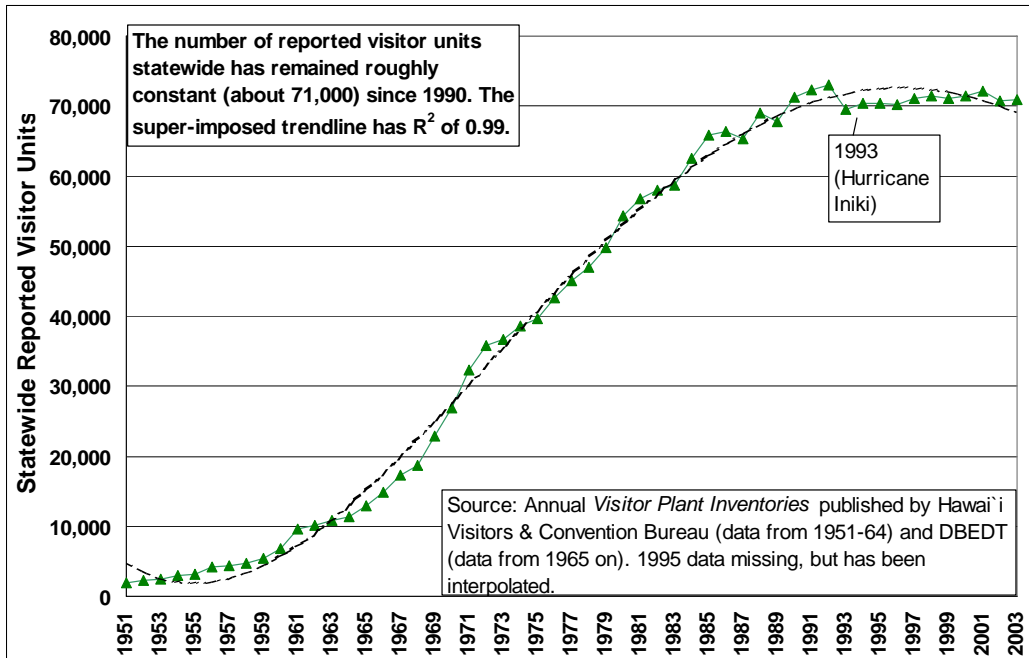
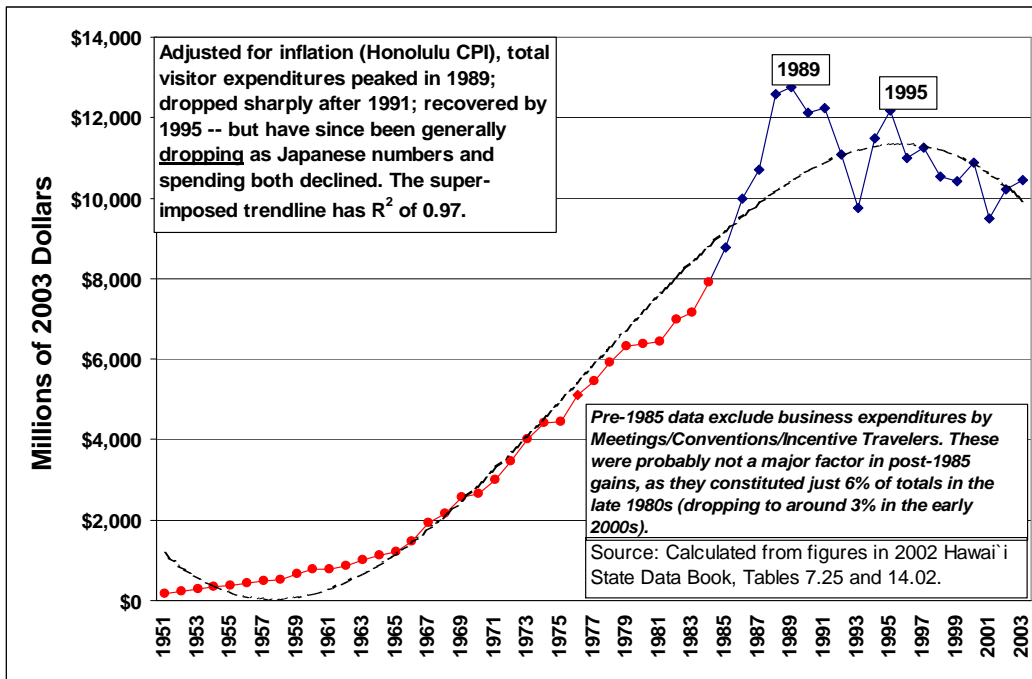
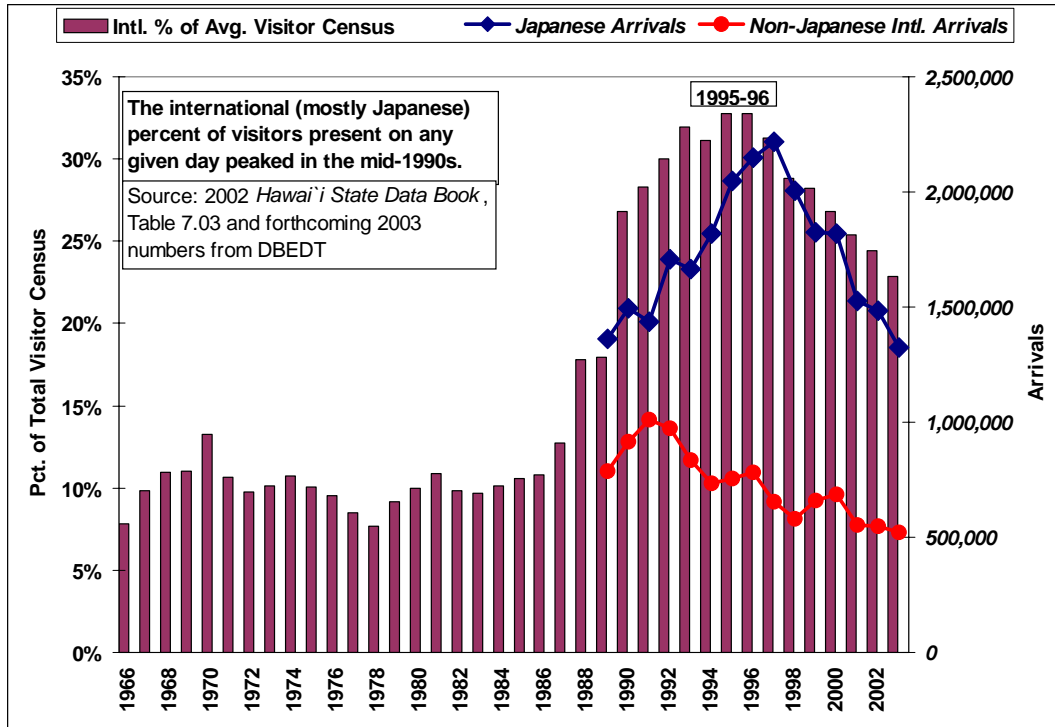


Exhibit II-5: Total Visitor Expenditures, 1951 - 2003



For **visitor arrivals** (Exhibit II-2) and **visitor census** (Ex. II-3), it is arguable whether the data since 1989 are actually flat (“Stagnation”) or just feature a temporary pause (i.e., indications of resumed if sporadic upward growth since 1993). In fact, *domestic* visitor counts are picking up and helped establish a new 2003 record, at least for the visitor census. However, the *international* data show an exaggerated S-curve with striking declines since the mid-1990s (though it should be noted that economic forecasts expect a Japanese turnaround in 2004):

Exhibit II-6: International/Japanese Visitor Figures, 1966 - 2003



Statewide **visitor unit counts** (Exhibit II-4) also definitely fit the S-curve pattern with a flat or dipping top.⁵ Further examination of data showed that each of Hawai'i's four counties had slightly fewer reported visitor units in 2002 than in some prior year. For example, O'ahu's report visitor unit count actually peaked in 1986 with 39,000 units; in 2003, the total was down to about 35,660.

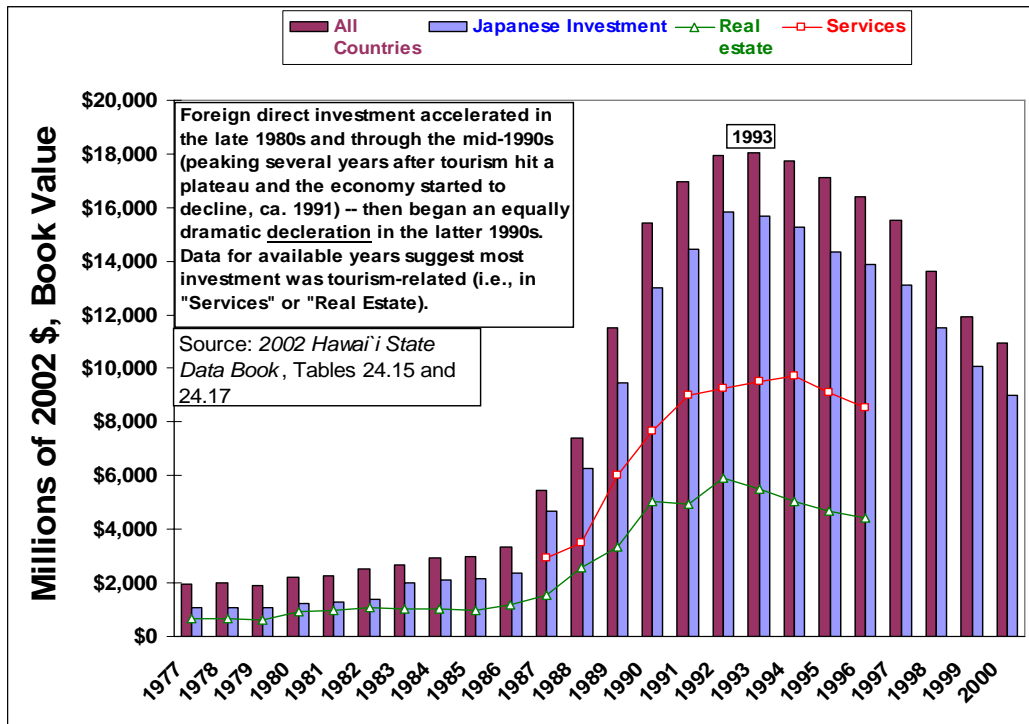
Visitor expenditures in constant dollars (Exhibit II-5) show the greatest tendency not just to “Stagnation” but to actual possible “Decline.” One can also divide total visitor expenditures by average visitor count to estimate average daily visitor spending. That sort of calculation shows a 1988 peak of \$239 per day, followed by a zig-zagging, but definitely downward, pattern thereafter, to \$166 in 2002.⁶

⁵ Even here there is some question, because the State is fairly certain there has been some growth in bed-and-breakfasts and individual vacation unit rentals not captured in its annual “visitor plant inventories.” There may in fact be some thousands of these not included in Exhibit II-4.

⁶ This overall pattern is due in part to declining numbers of higher-spending Japanese. However, inflation-adjusted average daily U.S. visitor spending in 2002 was just 81% of what it was in 1990. See Exhibit II-24 later in this chapter.

Additionally, job count estimates from the State Department of Labor and Industrial Relations (DLIR) indicate full- and part-time employment in the Accommodations industry dropped by about 10% from 1992 to 2002. And the book value of foreign direct investment – much of which was tourism-related – dropped along with the decline in foreign visitors:⁷

Exhibit II-7: Book Value of Foreign Direct Investment, 1977 - 2000



The consequences to Hawai`i's economy of declining visitor expenditures, declining foreign investment, and the end of a largely tourism-driven construction boom (which peaked in 1991) were significant, as shown in Exhibits II-8 and II-9. Never in recent Hawai`i history had there been such an extended downturn as was experienced in the 1990s. And as Exhibit II-9 shows, the impact was felt by all participants in the Hawai`i economy, but particularly by business proprietors. That sort of effect on small business is critical in a state where self-employment has grown from 13% of the civilian labor force in 1971 to 19% 30 years later.⁸

⁷ The “book value” is the best available time-series for foreign investment, although it is imperfect in many regards – apparent declines could be due either to disinvestment or falling local values; data are available only through 2000; and the numbers are in U.S. dollars rather than the currency of the investors. These figures have been converted to constant 2002 dollars using the Honolulu CPI. A comparison of Exhibit II-7 with Exhibit II-6 could suggest that declining book values of foreign investment might have somehow contributed to declines in foreign visitors, if just because the drop in foreign investment value preceded the drop in international figures. However, when we disaggregated the data, we found that this order of events (start of declining investment value preceding declining visitors) was true only for the Japanese segment – for non-Japanese, international arrivals started to fall off *before* non-Japanese investment declined.

⁸ Federal data analyzed in Table 12.18 of the 2003 *Hawai`i State Data Book*.

Exhibit II-8: Gross State Product Per Capita, 1958 - 2001, and Adjusted Per Capita Income, 1958 - 2002

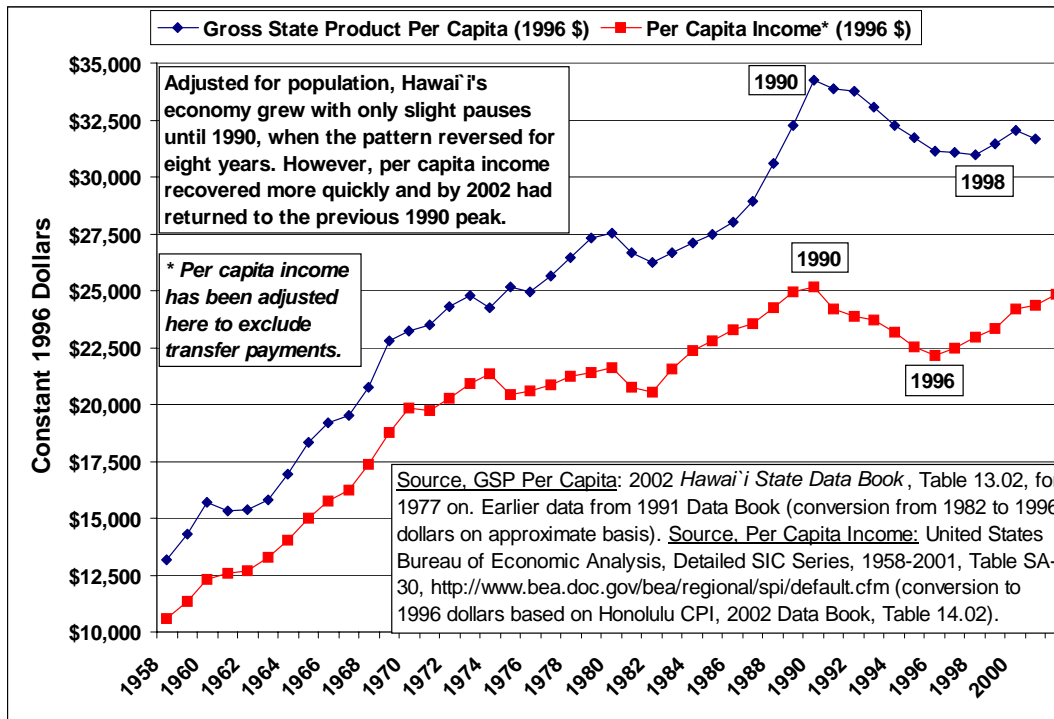
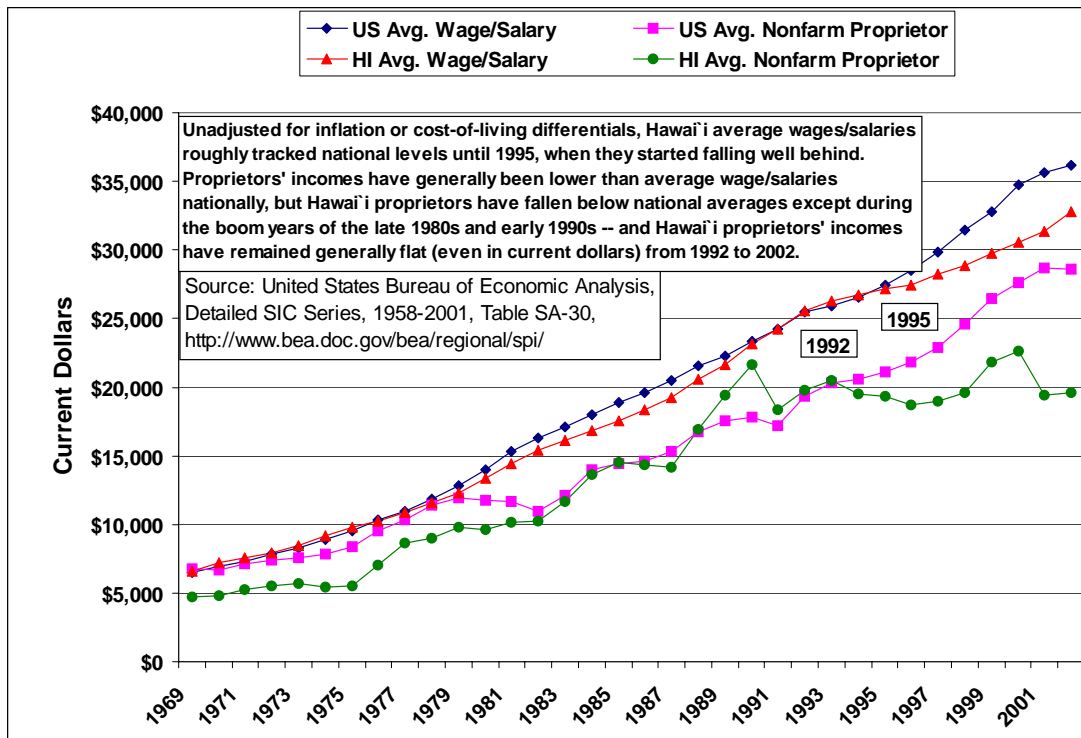


Exhibit II-9: Hawai'i Vs. U.S. Average Proprietor and Wage/Salary Incomes, 1969 - 2002



Is Permanent Stagnation or Decline an Inevitable Fate for Hawai`i Tourism?

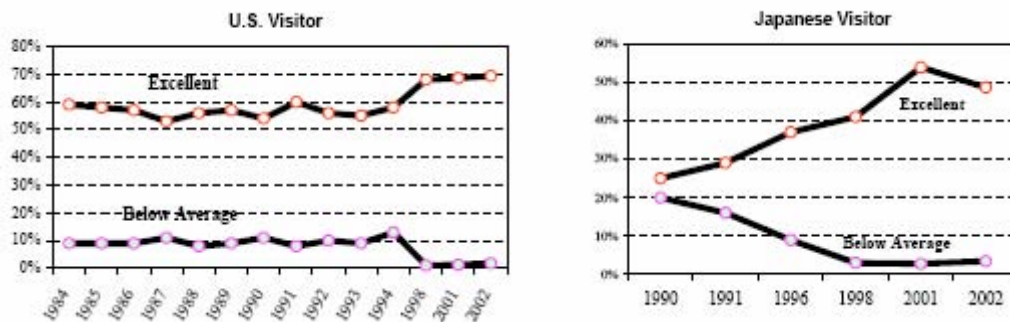
Of course not! The “life cycle” theory is just that – a theory – not solid fact.

Alternative Explanations: The life cycle theory is based largely on assumptions about the nature of the place (and/or the “quality of the product”) – i.e., that it will become less unique and authentic, more congested, less appealing to the market. Arguments can be made that Hawai`i tourism’s stagnation beginning in the early 1990s was linked in good part to *external* events unrelated to product quality – the first Gulf War and the Mainland recession of 1990-91; the erosion of the Japanese economy and the subsequent wider Asian economic collapse later in the 1990s; another Mainland economic downturn following the bursting of the “Dot Com Bubble;” and of course the health threats and international war/terrorism events of the early 2000s. Additionally, Hawai`i faces increasing external competition, as new resort destinations crop up in both Asia and the Mainland U.S. And airline seat availability and prices have a critical impact.

Such “external” explanations are not entirely comforting, because it is by no means clear that they will vanish as challenges to the stability (much less the growth) of Hawai`i’s visitor industry. However, they provide an alternative explanation, in line with the “competing interpretation” noted in Exhibits II-2 and II-3 – i.e., that growth trends can be perceived even in the data from the 1990s, and that growth will resume when external conditions are right. Recent increases in domestic, if not international, travel seem consistent with that interpretation.

Mixed or Contradictory Visitor Satisfaction Data: DBEDT’s most recent (2002) *Visitor Satisfaction and Activity Report* show U.S. and Japanese visitor satisfaction to be generally rising, not falling:

Exhibit II-10: Overall Visitor Satisfaction



However, some visitor satisfaction data give at least limited grounds for concern about attitudes toward the “tourism product.” U.S. visitors were less satisfied with O`ahu, the most urbanized visitor experience, than with the Neighbor Islands, and that satisfaction gap grew more pronounced in 2002. Among Japanese visitors saying they were unlikely to return, substantial percentages in 2001 and

2002 – far more than in 1998, the last previous survey date – complained Hawai`i was “too commercial” and/or “too crowded.”⁹

The Possibility of “Rejuvenation:” The life cycle theory itself includes the prospect of renewed growth, based on new markets and/or improvements to the quality of the product (with “quality” implicitly defined as uniqueness and market appeal, not just repair of aging facilities). Just as Japan once provided new markets, so in the future might other Asian, European, or even Latin American nations. And just as the Neighbor Island “fantasy resorts” of the 1980s contributed to growth during that time period – though many people now think some of them were excessive and inauthentic – so could new or retrofitted resorts and attractions refresh and further expand Hawai`i’s appeal.

While the similarity of Hawai`i visitor data to Butler’s S-curve is striking enough to give some pause, it is not yet conclusive. More critical growth-related questions would include:

- How much more tourism growth do we *want* (especially in a time when Hawai`i’s economy appears to be growing through non-tourism construction and military expenditures)?
- Not only how much, but what *types*, of tourism activities can be “sustained” over time – whether that means maintaining or growing visitor numbers?

Changing Types of Tourism in Hawai`i

Brief Historical Overview

The visitor industry is a market activity, and markets change over time. What we call “tourism” is a collection of disparate products and services, and these also have been changing ... quite probably at an increasing pace. In the first part of the 20th century, tourism for some decades was a relatively low-level economic activity relying mostly on well-heeled American visitors arriving via cruise ships or “clipper” planes and staying in scattered, mostly upscale inns and lodges. The

⁹ However, the most frequent complaint among Japanese unlikely to return to Hawai`i was just that the “flight is too long.” And among U.S. visitors unlikely to return, Hawai`i’s expensiveness, the desire to go someplace new, and the length of flights all were more common complaints than either “too commercial” or “too crowded.”

One difficulty with using the current visitor satisfaction survey to gauge visitors’ attitudes is that it is asked *only* of visitors who say they are unlikely to return – resulting in a smaller and less reliable sample, especially among foreign visitors. Other satisfaction questions (about tourism components such as accommodations or restaurants) are asked of *all* respondents. For the current purposes, it would help to include among these general questions some items about the overall sense of uniqueness or authenticity in the Hawai`i experience.

combination of statehood and jet plane proliferation resulted in the development of “mass tourism” in Hawai`i – initially more apparent in Waikīkī and then later throughout the Neighbor Islands,¹⁰ where the master-planned resort complex began to overshadow stand-alone hotels in the 1970s and 1980s.

In Waikīkī, one of the biggest observable market shifts was the acceleration and then deceleration of foreign (especially Japanese) visitors, as previously illustrated in Exhibit II-6. The majority of international visitors still visit O`ahu only, so on the Neighbor Islands the biggest market shifts in recent decades had to do first with the emergence of master-planned resorts and then with changes in the market for different types of *non-hotel* resort residential property.

Master-planned resorts – whether on the Neighbor Islands or rural O`ahu – are economically driven by resort real estate. In general, return on developers’ investments has come far more from sales of apartment or single-family resort housing units than from development or sale of hotel properties. In some areas with high development costs, such as resorts carved out of lava in West Hawai`i, hotels might even be “loss leaders” – their purpose was ultimately to expose potential buyers to the real estate product. In the 1970s, this real estate product largely consisted of multi-family condominium units sold to upper-middle-class investors who often put them into a visitor rental pool. These “condominium hotels” had the look and feel of regular hotels, though with few restaurants or other services. But in the 1980s and 1990s, changes in tax deduction laws and the emergence of a strong market for vacation homes among the wealthy led resorts to tear up old plans and start building a much more upscale real estate project – villas or single-family houses less likely to end up in as visitor rentals.

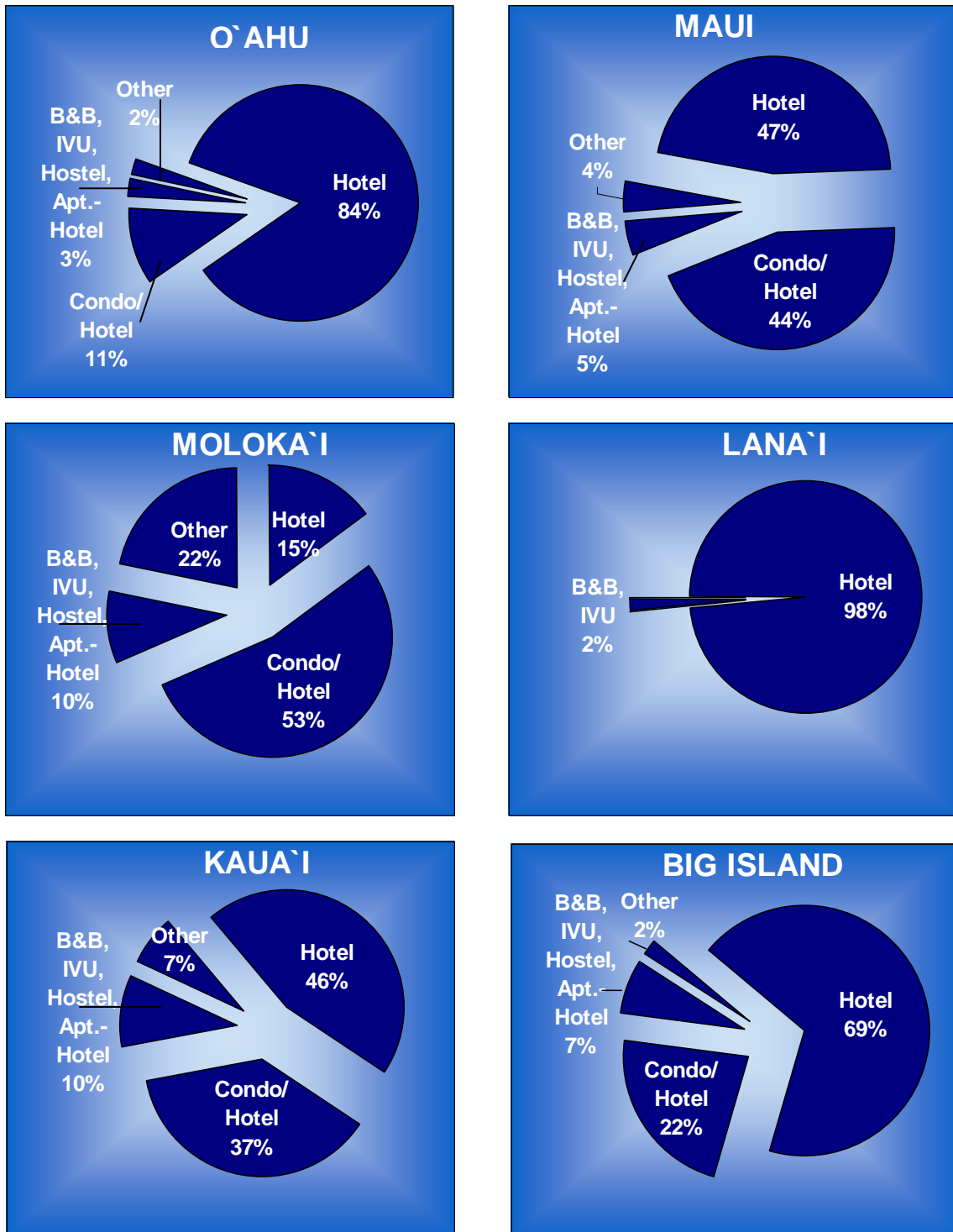
Both because of different land tenure patterns and because development on different islands moved forward during slightly different periods of recent history, each island now has a distinctive mix of types of visitor units (Exhibit II-11). There are also differences in activities and attractions, with O`ahu and to some extent Maui featuring more nightlife and organized commercial attractions (e.g., the Polynesian Cultural Center).

Recent and Emerging Trends

An End to (or at Least Pause in) New Hotel Development: Various industry experts interviewed during the beginning phases of this project noted that few new traditional hotels are likely to be built in Hawai`i for the foreseeable future. Hawai`i land values and construction costs are high. Room rates did not grow as rapidly as expected over the past decade, so that return on investment in new hotels now appears very risky, especially in comparison to alternatives below.

¹⁰ Actually, Neighbor Island visitor units grew at a faster rate than O`ahu after 1962. In that year, O`ahu had 86% of Hawai`i’s hotel, condominium, or other known visitor units. By 1990, O`ahu’s share was down to roughly 50%, where it has held approximately steady ever since. The development of Waikīkī in the 1960s and 1970s was, however, visually much more obvious to the casual observer, since it took place in such a concentrated area.

Exhibit II-11: Differences in Types of Visitor Units by Island, 2003



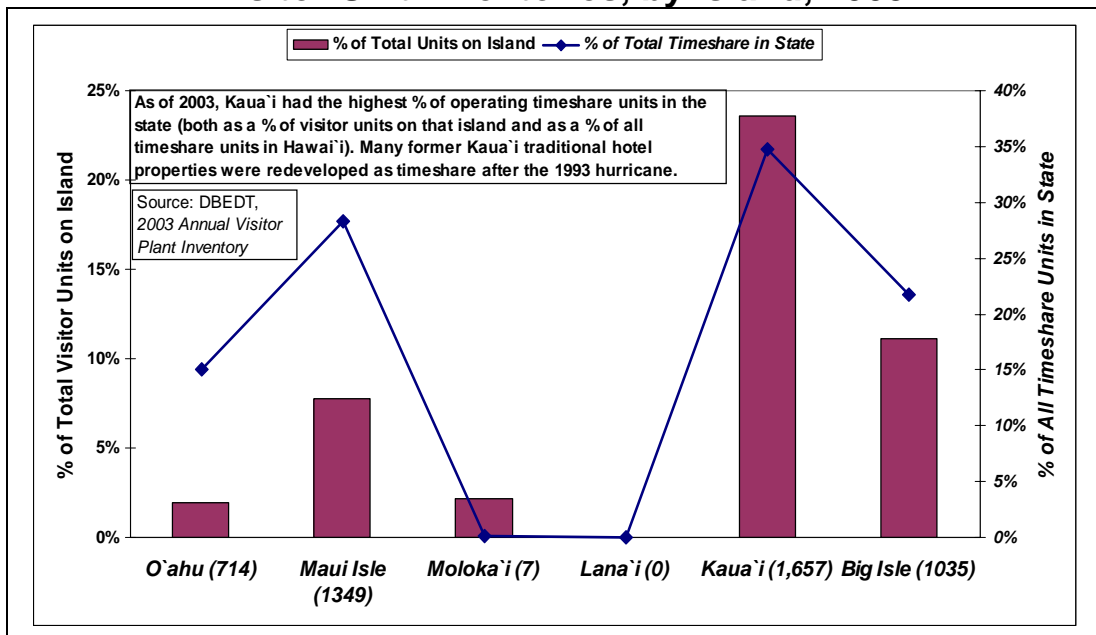
Source: DBEDT, 2002 Visitor Plant Inventory. "B&B" = Bed-and-Breakfast (with host living on-site); "IVU" = Individual Vacation Unit (i.e., house or apartment unit rented on short-term basis).

Additionally, there are questions about available supply of permitted but vacant hotel-zoned sites. We attempted to assemble data about this in late 2002, but found it extremely difficult because each county planning department keeps records in differing levels of detail and by different category of what is “permitted” (e.g., general plan vs. zoning vs. construction permits – also, some counties give blanket approvals for any type of “visitor unit,” while others differentiate between hotels, condominiums, etc.). However, results indicated:

- O`ahu at that time had more than 12,000 “approved” though unbuilt visitor units of all types, but the vast majority were outside Waikīkī ... mostly in master-planned resorts with limited track records of success to date and/or where timeshare development appears to be the trend.
- Maui County had information only on “immediately planned” hotel units: only one 140-unit project in Kahului.
- Kaua`i had about 4,500 “approved” (at some level) hotel or timeshare units, with no distinctions among them.
- The Big Island reported cumulative approvals for roughly 1,000 “hotel” (only) units – mostly scattered stand-alone projects that do not seem to be moving. By contrast, some successful West Hawai`i resorts have carved up undeveloped oceanside hotel sites to sell as luxury home lots.

The Emergence of Timeshare Development: In established resorts, timeshare projects are replacing traditional hotels as the major likely form of new growth in accommodations. The principal reason is that developers realize their return almost immediately. Because of redevelopment following the 1993 Hurricane Iniki, Kaua`i data particularly illustrates replacement of hotels by timeshare:

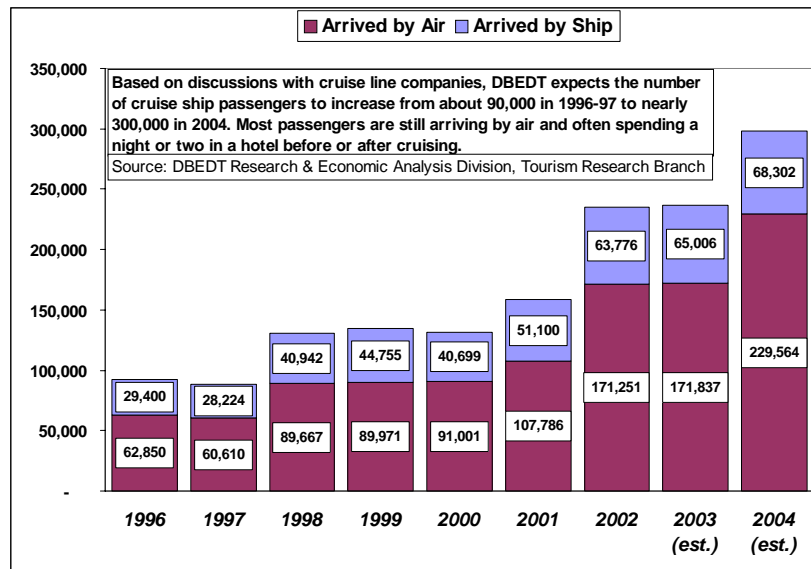
Exhibit II-12: Operating Timeshare Units as Percent of Total Visitor Unit Inventories, by Island, 2003



Timeshare is a method of ownership, and a few timeshare projects – such as the new Hilton Hawaiian Village tower – are considered to be “hotels” because they lack kitchen facilities and/or are incorporated in larger hotel projects. Most, however, are “condo/hotels” without kitchen facilities or other hotel-like services. They generate far fewer on-site jobs, but are assumed to result in more direct expenditures in community restaurants and stores outside resorts, as well as higher occupancy rates resulting in more a more stable economic performance.¹¹

Cruise Ships: The number of cruise visitors began increasing significantly in 2002, when it accounted for close to 4% of the visitor market. Cruise ship companies are building larger ships and offering more on-shore tours per arrivals (94 tours in 2000 increasing to an estimated 175 in 2004):

Exhibit II-13: Actual/Estimated Cruise Passengers, 1996 – 2004



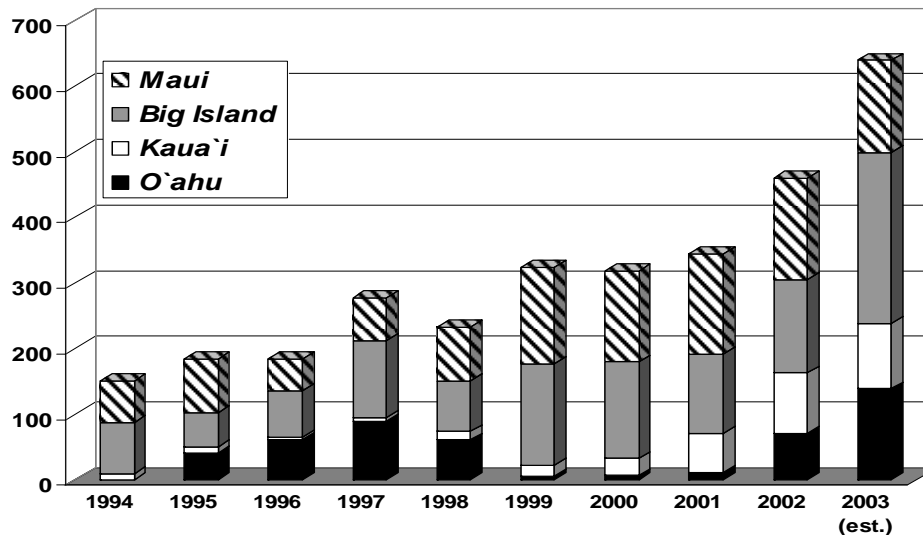
Bed-and-Breakfasts and Individual Vacation Unit Rentals: B&Bs (with on-site residential hosts) and IVUs (no on-site host) are believed to have proliferated because of Internet advertising. Anecdotal reports from county officials suggest that thousands of such units may be operation. However, because they are illegal¹² in most counties, and because county governments have little resources for enforcement, there is no solid sense of their actual numbers. DBEDT’s 2002 *Annual Visitor Research Report* suggests only about 2% of visitors in 2001 or 2002 stayed in either a B&B or an “apartment.” If true, this suggests there may not be as many such units as widely believed. But it is also possible that some of the 9% of visitors saying they stayed with “friends or relatives” could have actually lodged in nearby B&Bs or IVUs.

¹¹ An analysis of Hawai`i’s timeshare industry was sponsored by the American Resort Development Assn. in 2000 – order for fee at: <http://www.arda.org/industry/arda/pubs/research/pub6.htm>.

¹² The Big Island has the most permissive code for B&Bs, and is the only island with an association of B&B owners. But county planners believe there are still many unlicensed B&Bs there.

Recreational Real Estate: As previously noted, the business model for many master-planned resorts is ultimately based on the sale of vacation homes (or home lots) – both single-family homes and luxury condominiums. This strategy began to pay off for developers in a major way in the 1990s and 2000s. Exhibit II-14 shows the number of *initial* second-home sales by developers (including both finished homes/condos and also improved home sites) in master-planned resorts or resort communities from 1994 through 2003 (4th quarter estimated). As shown below, the annual number more than quadrupled from 1994 to 2003, with sales consistently strongest on the Big Island and Maui County (though with Kaua`i and O`ahu – mostly at Ko Olina – also coming on strong in 2002 and 2003).

Exhibit II-14: New “Second Home” Sales on Resorts



Source: Data@Work (private consultancy specializing in tracking resort property)

These data were compiled by real estate researcher Rick Cassidy, who recently estimated that sales of resort homes (including resales) are likely to hit \$1.5 billion for 2003, up 23% from the 2002 figure.¹³

These sorts of values imply substantial property tax revenues for county governments. One study for the Big Island,¹⁴ where property tax rates for non-homeowners are particularly high, estimated that owners of “about 2,280 existing or platted resort-residential homes, condominiums, and lots” paid a cumulative \$22.2 million in property taxes for 2003, equal to 21% of the county’s total

¹³ K. Yamanouchi, “Sales may hit \$1.5B for resort homes.” *Honolulu Advertiser*, January 15, 2004 on-line edition.

¹⁴ Decision Analysts Hawai`i, Inc. “Property Tax Revenues from Premium Resort-Residential Homes and Condominiums in West Hawai`i.” Prepared for Hawai`i Leeward Planning Conference. May 2003. This study was completed *before* a judicial ruling halted the Hōkūlia project in South Kona, which constituted a significant percentage of recent resort-residential sales although it was actually an “agricultural subdivision.” In addition to Hōkūlia, the projects covered by the report included the Mauna Kea Resort, Mauna Loa Resort, Waikoloa Beach Resort, Puakō Beach Lots, Ka`ūpūlehu, Kūki`o, and Hualālai Resort.

property tax revenues and exceeding the \$8 million paid by premium-quality West Hawai`i hotels and associated golf courses and commercial areas. This study, conducted with the cooperation West Hawai`i developers, also provides a breakdown of the existing 2,280 properties at that time: 41% were homes (8%) or home lots (33%), and 59% were existing condominium units (45%) or “platted but unbuilt” condominium units (13%).¹⁵ “Of the built units, about 10% of the homes and 4% of the condominiums are owner-occupied” (p. 3). Thus, it is apparent that most of the on-resort units *are* vacation homes, perhaps including some investment component, and not primary homes.

The construction of these resort-residential units also generates substantial economic activity. In fact, there is at least some indirect evidence that a goodly part of Hawai`i’s “non-tourism” economic recovery of the early 2000s could actually have been due to the construction of Neighbor Island vacation homes.

Exhibits II-15 and II-16 show four-county permit values for “residential” (which would include new vacation as well as primary residential homes) and “additions & alterations” (which would affect only existing structures).¹⁶ The recent economic activity in Hawai`i is often attributed to low interest rates driving new consumption, especially construction of residential properties. The prime interest rate fell throughout 2001 and remained at low levels in 2002 and 2003. Hawai`i building permit values are currently available only through 2002. Exhibit II-16 shows the value of permits for *additions/alterations* actually remained fairly constant even as interest rates fell starting in 2001, and O`ahu’s share has been roughly proportionate to its share of the state’s residential population (about 73%) since 1994. But Exhibit II-15 shows the increase in *residential* permit values began several years *before* interest rates declined and was occurring disproportionately more on the Neighbor Islands, where most vacation home activity has occurred. This suggests that (1) vacation home construction by the affluent is less sensitive to interest rate changes than is normal residential activity, and (2) at least the beginnings of the “non-tourism” residential construction boom was actually linked to tourism, or at least resort development, after all.

An additional consideration is that expenditures for vacation home construction and initial furnishings are injected into Hawai`i’s economic system from *outside* the state, thereby increasing the amount of dollars flowing through the economy. All of these factors suggest the desirability of tracking and analyzing recreational real estate as a separate “industry” or “sub-industry” in its own right.

¹⁵ At that time (again, prior to the judicial shutdown of Hōkūlia), developers were projecting that the number of built resort homes would more than quadruple by 2008 and the number of existing luxury condominiums would increase by nearly 80% – and that more yet-unbuilt home lots and condominium inventory would also be available.

¹⁶ These two categories together have accounted for 70% - 85% of all private building construction authorizations for the time period indicated. The other categories are “Hotel” (comprising just 0% - 7% per year in this time period) and “Non-Residential” (15% - 24% per year). Total construction permit value is strongly correlated with overall measures of economic activity such as per capita Gross State Product.

Exhibit II-15: Construction Permit Values, Residential, 1994 - 2003

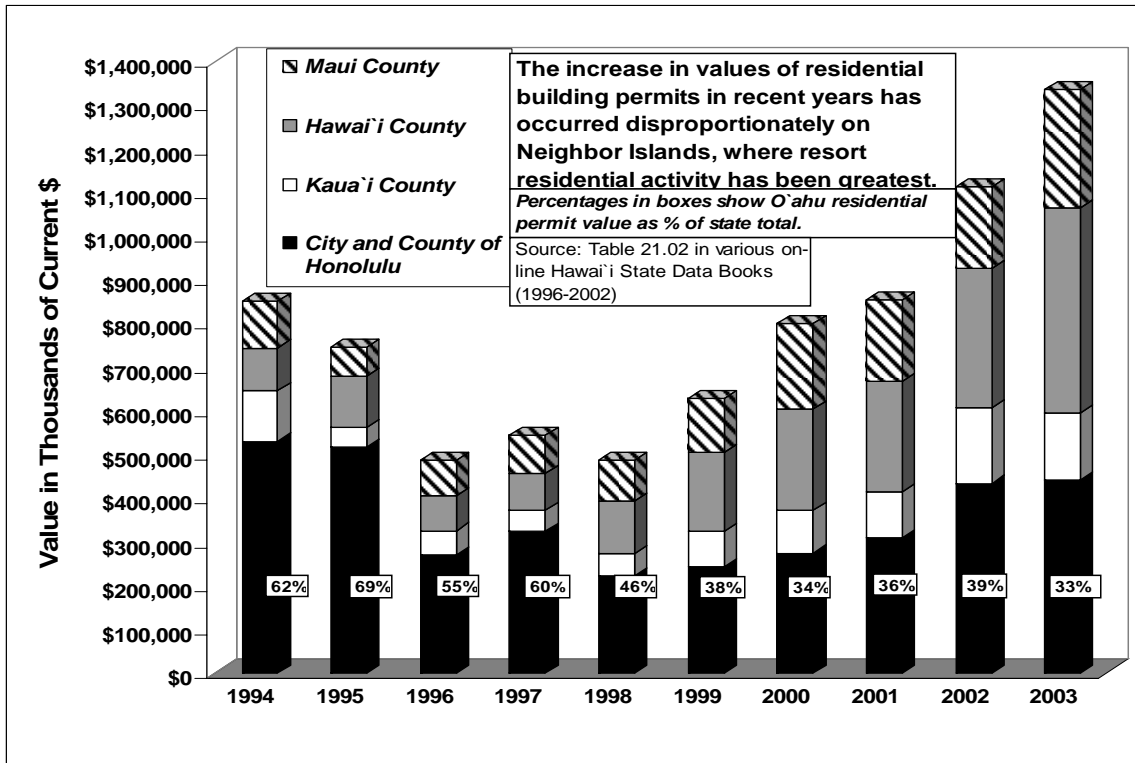
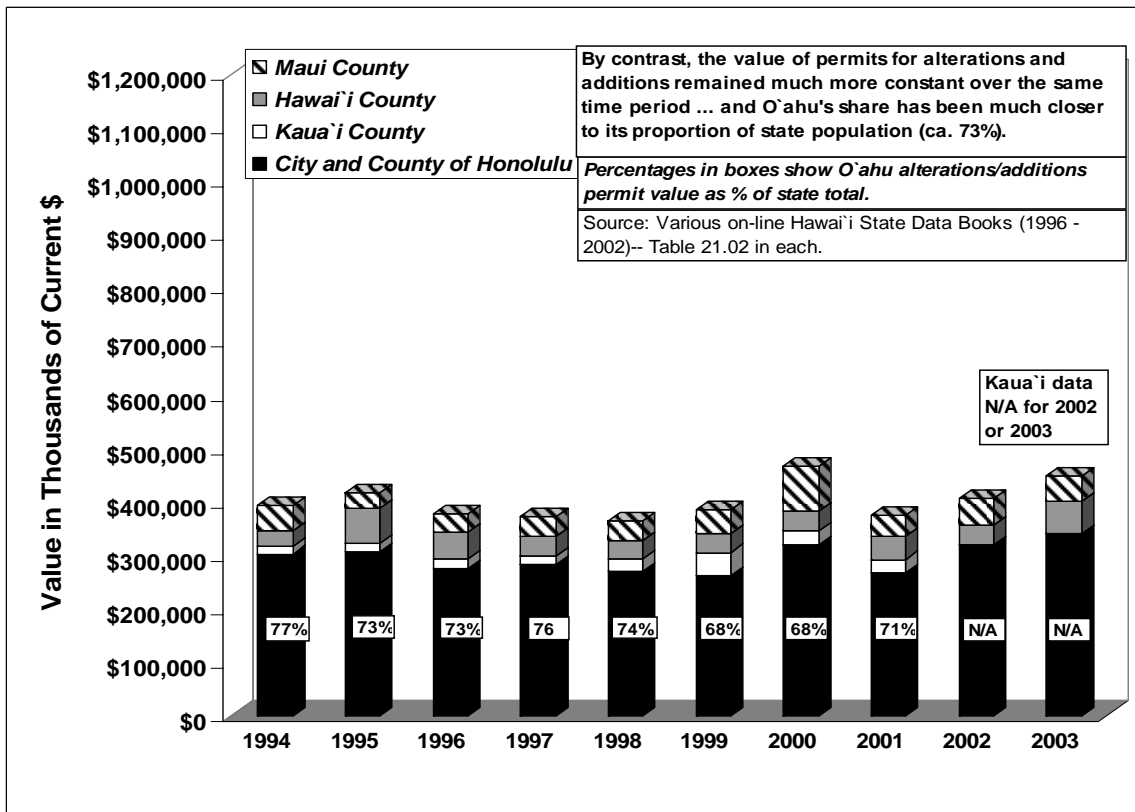


Exhibit II-16: Construction Permit Values, Additions and Alterations, 1994 - 2003



There are numerous economic, social, and environmental/planning questions about this activity for which few answers are yet available – e.g.:

- What are the numbers of existing or approved resort-residential units not just for West Hawai`i, but the rest of the state as well?
- What are the implications for residential housing values? (A very modest initial examination of that question is reported in the following chapter.)
- What is the occupancy factor (by homeowners or their guests or renters¹⁷), and what are the economic costs and benefits (including employment) of vacationers staying in these units vs. those in hotels¹⁸ or other types of visitor units? Is this likely to change in the future?
- What are the long-term socio-economic opportunities or risks posed by a growing number of affluent and sometimes powerful part-time residents? How many will eventually become full-time residents?
- How “sustainable” is this activity – to what market or socio-economic factors is it particularly susceptible? based on the experience of more mature vacation home communities (e.g., Florida), what will determine the likely future of these areas several decades hence?
- Just as hotel-based tourism was pioneered by the affluent before a period of mass tourism, are the luxury *on-resort* vacation homes just forerunners of some larger wave of *off-resort* vacation home purchases by less affluent non-Hawai`i purchasers? To what extent might this already be happening?

The latter question of course interacts with land use issues pertaining to “agricultural subdivisions.” Except for the high-profile case of Hōkūlia, little is known about the extent to which people who have built upscale homes – whether accompanied by “real” agricultural activity or not – in these rural areas are local residents, part-time vacation homeowners, or retirees from elsewhere ... or investors assuming a growing future market in one of these segments. These subdivisions may also be part of the recreational real estate industry. We do know that U.S. Census data show that total Hawai`i housing units increased by 18% from 1990 to 2000, while the segment held only for “seasonal, recreational, or occasional use” (SROU) increased by 100%. As a beginning, Hawai`i planners might analyze the on- vs. off-resort distribution of those SROU units.

¹⁷ There are anecdotal reports that some luxury homes are being rented to very, very affluent tourists at very, very high rates.

¹⁸ While hotels were once considered necessary to expose potential buyers to recreational real estate, resort projects such as Hualālai on the Big Island and Kukui`ula on Kaua`i are now moving forward with very little hotel component. A Hualālai representative in 2003 told the Sustainable Tourism Study Group that the project’s one small hotel had been developed mainly to serve residents’ guests, rather than to attract new buyers.

Tourism and Overall Population Growth

In addition to the growing and largely unmeasured part-time vacation population, tourism has traditionally affected population growth – and consequent effects on natural and cultural resources – in two basic ways:

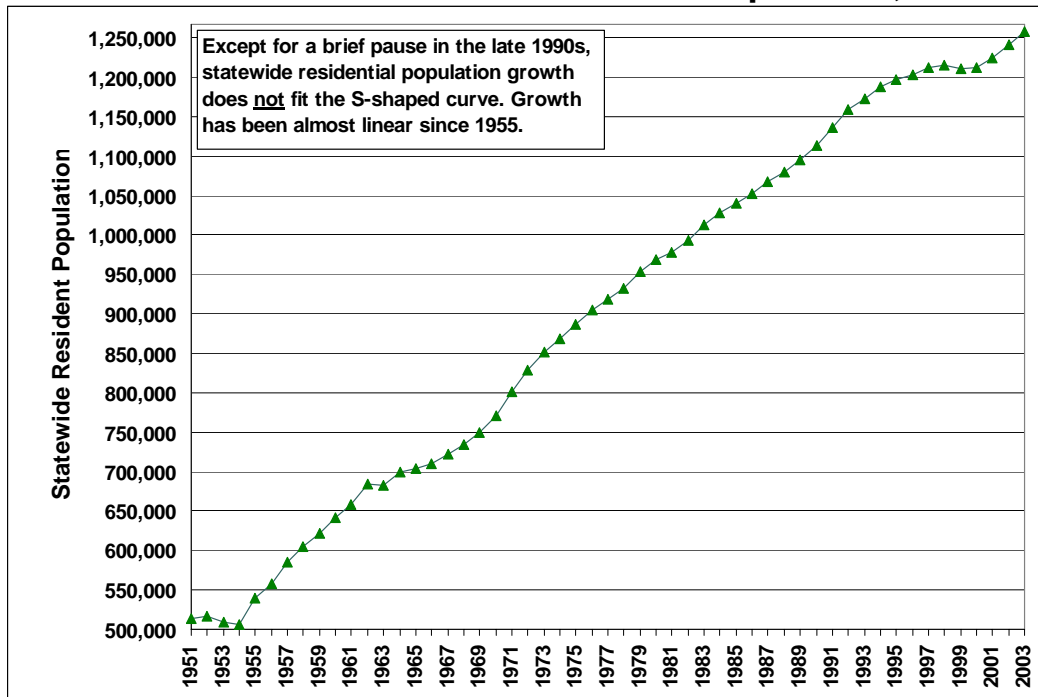
- Jobs to support a growing resident population ... including some workers first attracted to Hawai'i by their experiences as tourists;
- Actual visitor population.

Tourism is unique in the second regard, but is like any other industry in the first – except that it also helps indirectly attract some of the in-migrants needed to fill new jobs via tourism marketing and exposing working-age visitors to Hawai'i.

Tourism and Resident Population Growth

Statewide residential population growth, despite a very brief plateau in the late 1990s, does *not* show the S-curve pattern observable for long-term visitor indicators in exhibits at the beginning of this chapter:

Exhibit II-17: Full-Time Hawai'i Residential Population, 1951 - 2003



This means there is little simple correlation between annual growth in visitor counts and annual growth in residents. But that does not mean there is no relationship – it just means the relationship is complex!

Tourism provides “direct” jobs, meaning jobs that are created by direct visitor spending. It also generates “indirect” jobs (when tourism businesses buy from other businesses) and “induced” jobs (from workers spending their paychecks). When Hawai`i’s economy was based on exporting plantation agricultural crops, most of the indirect and induced jobs came to be concentrated in Honolulu. What has happened with tourism in recent decades is that the greater Neighbor Island visitor growth (relative to O`ahu) has permitted a new expansion of support jobs on those islands rather than in Honolulu ... but on a somewhat delayed basis.

From 1980 to 1990, when Neighbor Island tourism growth was outpacing O`ahu, total Neighbor Island jobs increased 58%, vs. just 23% on O`ahu.¹⁹ Neighbor Island job growth was roughly 100% not only in the Hotel Service sector, but also in the Non-Hotel Services and Retail Trade sectors. The combined Neighbor Island residential population during that decade grew by nearly 70,000 people – and about two-thirds of that growth was due to net in-migration. (That is, the difference between civilian births and deaths could only have accounted for about one-third of the overall growth.) In that same decade of the 1980s, O`ahu was experiencing slight net *out*-migration. Although tourism and other jobs were being created, the O`ahu labor force was growing even faster than job creation.

Then from 1990 to 2000, tourism growth flattened out on all islands. O`ahu’s total job count increased by just 0.2% (essentially no growth)²⁰ and the net O`ahu out-migration figure more than tripled – to about 47,000. But on the Neighbor Islands, jobs and population both continued to climb, albeit more slowly. The combined Neighbor Island job count increased by 16%, and net *in*-migration still totaled more than 63,000 people. While there was some non-tourism direct employment growth on the Neighbor Islands during the 1990s in fields such as scientific/technical activity, this was probably balanced out by continuing job losses in Construction, Food Processing, and Agriculture. The best explanation for the Neighbor Islands’ continuing population growth during the 1990-2000 decade would still be the delayed effects of resort development:

- The beginning of the resort-residential growth previously discussed;
- New tourism businesses catering to repeat visitors, along with “catch-up” growth in support services for the initial population growth from earlier direct job creation. On a percentage basis, Neighbor Island job growth in the 1990s far outpaced O`ahu in Non-Hotel (especially Health) Services, Retail Trade, Communications/Utilities, and State Government – classic indirect or induced jobs no longer flowing to Honolulu.

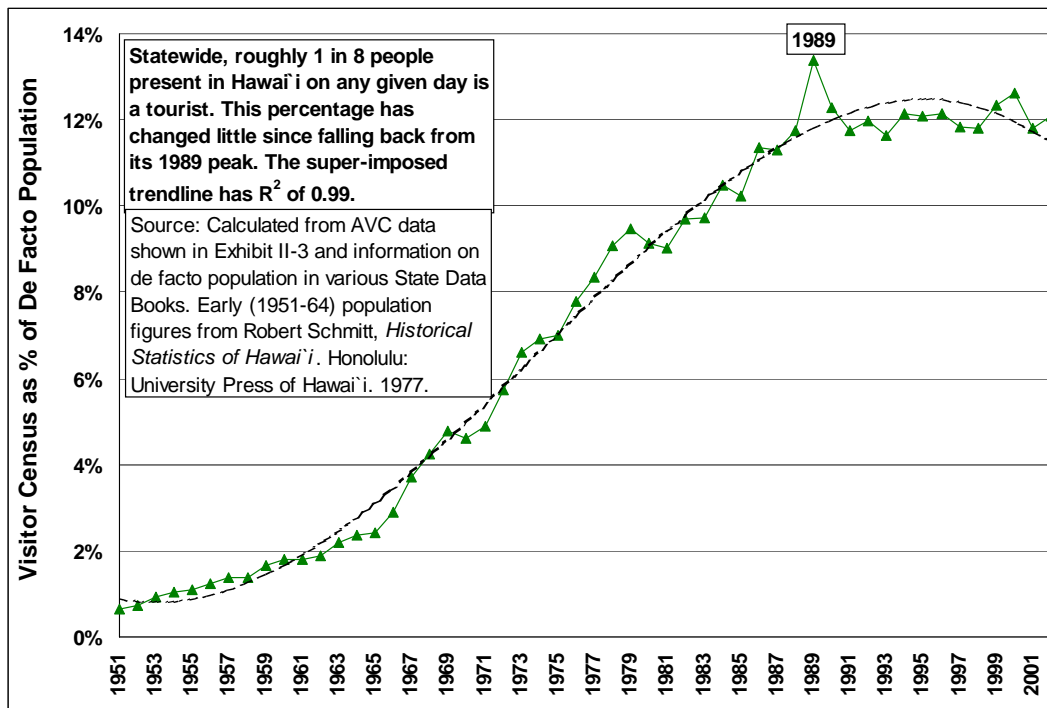
¹⁹ Job count information in this discussion is based on information from the Hawai`i State Department of Labor & Industrial Relations: <http://www.Hawai`i.gov/dbedt/timeseries/index.html>. Population figures come from several Hawai`i State Data Books (Table 1.41 of the 1993-94 Data Book and Table 1.54 of the 2002 Data Book.)

²⁰ What actually occurred on O`ahu was a *shift* in employment: a moderate expansion in Non-Hotel Services and Government sectors, balanced by declines in everything else – Construction, Hotels, Retail Trade, Wholesale Trade, etc.

Visitor Population Relative to Resident or De Facto Population

The “*de facto* population” is the number of people actually present on an average day for a given year: total resident population, minus residents temporarily out of state, plus the average visitor census. State population estimates show that – on a statewide basis – the visitor percentage of de facto population has grown and then recently stabilized (at around 12%, or 1 in 8), displaying roughly the same S-curve patterns observable for other tourism indicators in Exhibits II-2 through II-5.

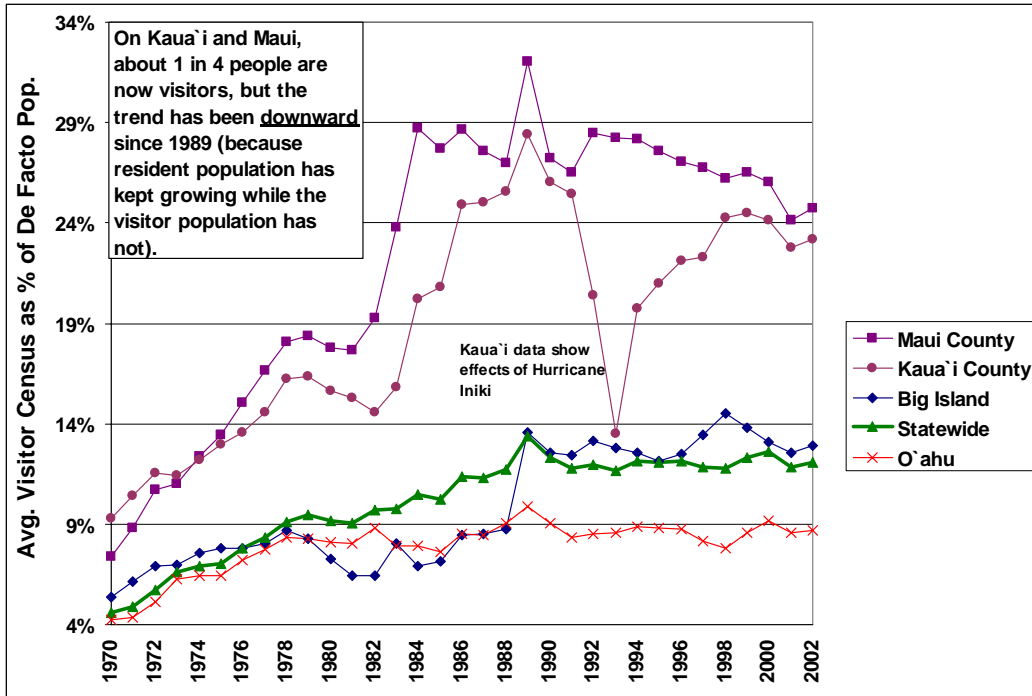
Exhibit II-18: Average Visitor Census as Percent of De Facto Population, Statewide, 1951 - 2002



So if tourism were suddenly (and magically) replaced by some other economic activity providing the same amount and types of jobs, so that only the visitor population would be eliminated, the number of people physically present in Hawai'i on an average day would shrink by about one-eighth. However, there are major differences among counties or islands. As shown in Exhibit II-19, in Maui County²¹ and Kaua'i, the visitor percentage of total de facto population is twice the statewide average – about 1 in 4 people there on any given day are visitors. However, Exhibit II-19 also shows the visitor-to-resident ratio in those counties has started to fall, because of the previously discussed “catch-up” effect of support jobs and residential population still growing as tourism stays flat.

²¹ De facto population estimates are not available for individual islands in Maui County, but Maui Island and Lana'i clearly have high visitor percentages, while Moloka'i at present does not. As a percentage of 2000 full-time *resident* population, Maui Island and Lana'i were each at 35.5%, while Moloka'i was at just 12.2%. Resident surveys consistently show Maui Island and Kaua'i residents to be most concerned about tourism impacts and growth – see Chapter VI.

Exhibit II-19: Average Visitor Census as Percent of De Facto Population, By County, 1970 - 2002



Growing Tourism While Minimizing Population or Development Impact

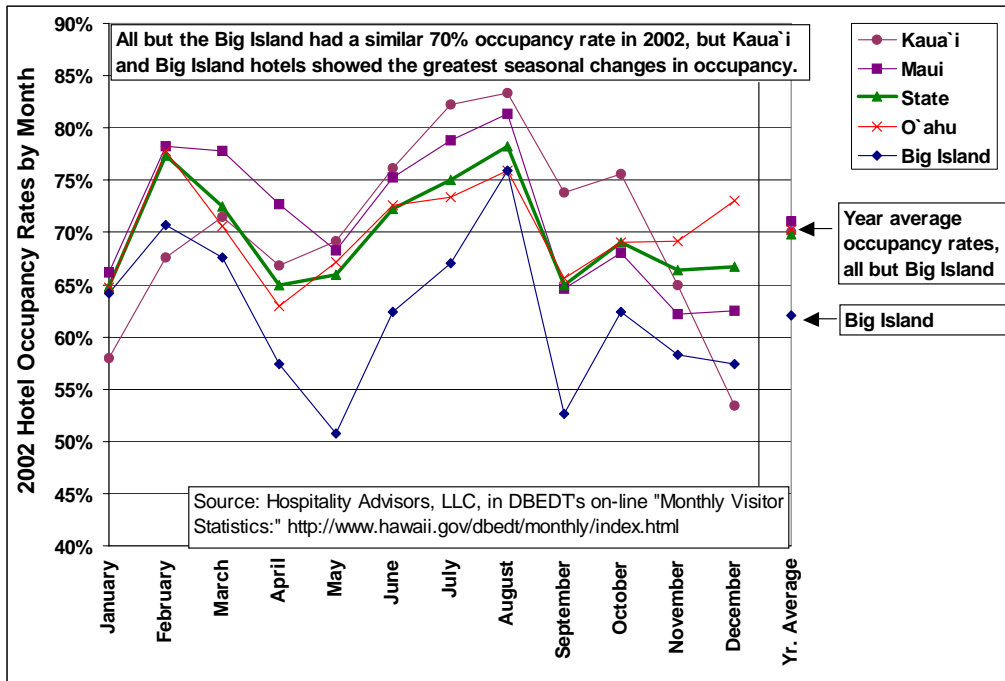
State policy makers have formulated several strategies to “grow the industry” while minimizing effects on population and/or visitor unit inventory.

Increasing Occupancy of Existing Units: Any increase in visitor occupancy would still have some marginal effects on jobs and associated resident population ... but would minimize the need for new visitor units. As will be seen in Chapter VI, Hawai'i residents are generally more willing to grow the number of visitors than to grow the number of visitor units.

This could be achieved by lifting overall average occupancy and/or attracting more visitors in the “shoulder” seasons to reduce seasonality. Some hotels are converting to timeshare, and this is expected to result in both higher occupancy and less seasonality. And the visitor industry for some years has scheduled special events such as Aloha Week during the “shoulder” seasons.

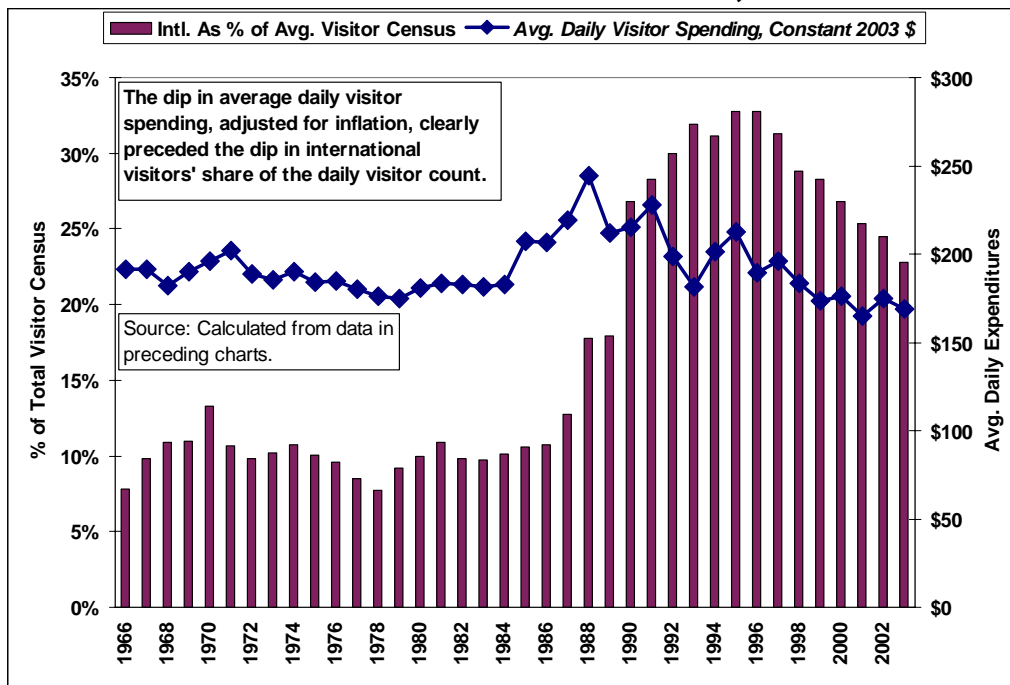
Exhibit II-20 suggests the Big Island and Kaua'i could particularly benefit from further success in this strategy. However, if the 2002 statewide average occupancy could be raised from 70% to 80%, the 2002 average visitor census of about 165,000 could be increased by another 23,000 visitors a day without needing additional units. But as 80% average occupancy is generally considered a realistic maximum, the 23,000 figure is probably close to the limit achievable by this strategy.

Exhibit II-20: Occupancy Rates by Month and County, 2002



Attracting Higher-Spending Visitors: In recent years, this has often translated into “more international visitors,” but history shows that the rise in international visitors from 1988 to 1996 did not stop the overall slide in visitor spending –

Exhibit II-21: Overall Average Daily Visitor Spending Vs. International Share of Visitor Census, 1966 - 2003



Both international visitor numbers *and* daily expenditures have been dropping through 2002-03. As was indicated back in Exhibit II-6, Japanese arrivals in 2003 had fallen to 60% of their 1996 peak, and non-Japanese international arrivals were barely more than 50% of their 1991 high. As of 2002, Japanese spending per day at \$232 still outpaced spending from any other market area ... including various other international markets, most of which spent *less* than U.S. visitors:

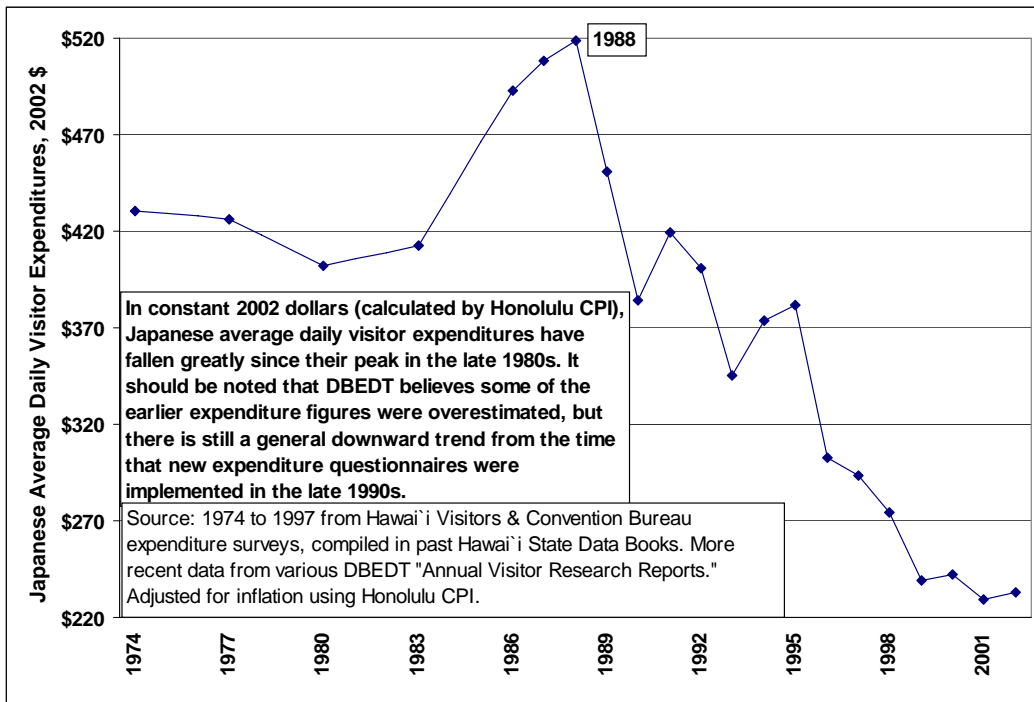
Exhibit II-22: Average Spending Per Person Per Day, by Market Area, 2002

Arrivals by Air									Arrivals by Cruise
U.S. West	U.S. East	Japan	Canada	Europe	Oceania	Other Asia	Latin America	Other	
\$139.60	\$162.00	\$232.10	\$110.50	\$131.10	\$127.10	\$149.60	\$117.10	\$136.90	\$98.70

Source: DBEDT on-line monthly statistics: www.Hawai'i.gov/dbedt/monthly/2002exp.xls

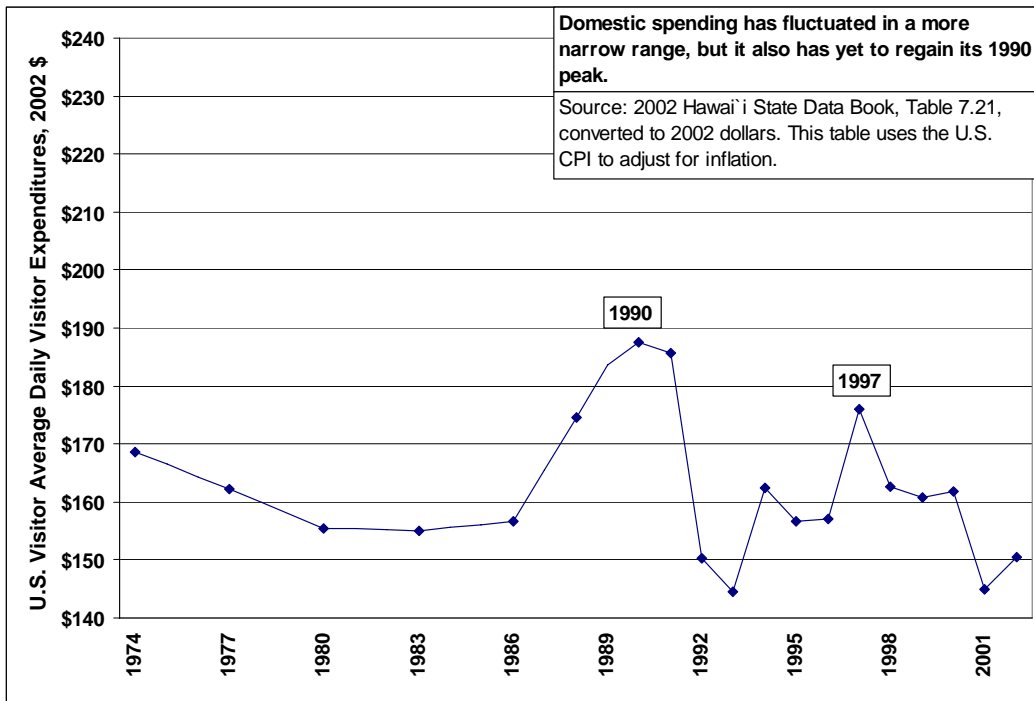
But Japanese spending in constant dollars has also been declining over time and appears unlikely to return to anything like the boom days of the initial Japanese discovery of Hawai'i:

Exhibit II-23: Average Per Person Daily Japanese Expenditures, 1974 - 2002



Hawai'i's strength has remained its domestic U.S. visitor market. Yet there is also some evidence of reduced visitor spending in that market, though much less dramatic than with the Japanese visitor:

Exhibit II-24: Average Per Person Daily U.S. Visitor Expenditures, 1974 - 2002



U.S. daily visitor spending has been lower on O`ahu than on most Neighbor Islands. By contrast, available evidence suggests the reverse for Japanese spending: *higher* daily spending on O`ahu than on the Neighbor Islands.²² Thus, at least at present, Waikīki continues to attract a relatively lower-spending Mainland market and a relatively higher-spending but (unless the numbers do reverse this year and continue that reverse) *dwindling* Japanese market.

Concluding Comments: Some Implications for “Sustainability”

Hawai`i’s visitor industry now appears at something of a crossroads. The nature of this crossroads varies by market – domestic U.S. vs. international.

Domestic: There are at least some indications that the domestic market may be, in Butler’s terms, “rejuvenating,” although it is also *transforming* into different modes – especially on the Neighbor Islands, where recreational real estate is

²² DBEDT found adequate Japanese sample sizes to produce 2002 expenditure estimates only for Kona (\$182.95) and Hilo (\$127.75). These compare to the statewide (predominantly O`ahu) Japanese daily expenditure figure of \$232.10. By contrast, 2002 daily expenditures in Kaua`i exceeded O`ahu expenditures by 7% and 20% for “U.S. West” and “U.S. East” markets, respectively; in Kona, by 13% and 23%, respectively; and in Maui Island by 50% and 42% respectively. (Mainland spending was lower in Moloka`i and Hilo, however.)

emerging as a new component of what might now be better called “Hawai`i’s vacation industry.”²³ There are actually few signs that U.S. visitors are growing disenchanted with Hawai`i. Rather, they are simply growing more economical in their visits, with the affluent investing in vacation homes and other repeat visitors finding ways to spend less. Waikīkī is improving its face, and new investment there is poised to replace many aging hotels with timeshare units. All this is good economic news in the short term, even if it may not prove immediately or totally consistent with the idea of ever-increasing average daily visitor expenditures.

In the long term, there are still “sustainability” implications for the domestic market. For the *mass market*, they likely have much more to do with simple numbers and infrastructure capacity than with retaining a unique or authentic sense of place. Unless roads and beach parks become so crowded that they annoy visitors, our weather and natural beauty could conceivably attract growing numbers of middle-income Mainland vacationers. And, as per Butler and other tourism theorists, Hawai`i could then gradually become ever more like the West Coast in terms of its culture and outward appearance. If Hawai`i someday becomes known as the Southwest California Islands, many mass-market visitors will feel some sense of loss ... but not as much as residents. However, for the *upscale market*, such a loss of identity could be very problematic. In fact, resort-residential developers at places such as Hualālai and Kapalua are emerging as industry leaders in the effort to create or preserve unique cultural identities in and around their holdings. A number of these have said their market research shows actual and potential buyers deeply value a unique and genuine “sense of place” as critical decision points in where to buy vacation or potential retirement homes.

International: The international market represents Hawai`i’s greatest question mark, as evidenced by the Hawai`i Tourism Authority’s recent wrenching decisions to contract with new marketers in various overseas areas. Some of the erosion seen over the last decade may indeed turn around in 2004, if just because of a weakening dollar.²⁴ But it also remains to be seen whether the effects of increased security precautions, ongoing terrorism threats, and international political strains will prove a lingering short-term deterrent to international travelers visiting any American destination, Hawai`i included.

Again, “sustainability” concerns emerge when taking the long view – past or future. Looking at the past, there is much more apparent evidence that

²³ That is, traditional “visitors” rent accommodations from others, while recreational real estate owners maintain their own second homes ... and timeshare is something of a hybrid. But all regard Hawai`i as a place to *vacation*. Classical hotel-based tourism is now just one component of a larger “vacation industry.”

²⁴ From 1989 to 2003, *non-Japanese* international arrivals for each year showed a strong -0.78 correlation with the value of the Federal Reserve’s “Major Currencies Dollar Index” for January of the same year. For the same period, *Japanese* arrivals showed a somewhat weaker -0.55 correlation with the January strength of the dollar against the yen. This suggests a weakening dollar may attract more of both Japanese and non-Japanese international visitors ... but the exchange rate will be less important to Japanese than to other nationalities on average.

international visitors have entered Butler's "declining" stage. They have been coming in fewer numbers, spending less, and investing less. Looking to the future, international travelers – in common with domestic vacation home buyers – are making some sort of substantial investment (of flight time and airfare) just to come here rather than to someplace closer to home. A special investment is warranted only by a special experience. The "sustainability" paradigm assumes that such an experience must be rooted as much in Hawai'i's own vision of its key assets and high-quality product as in the expectations of its market.

Conclusion: These concluding comments have been necessarily speculative. To the extent that "sustainability" is interpreted as maintaining the strength of the industry by preserving product quality (something which later chapters will indicate is just one part of the full sustainability picture), then considerable research needs to be done on *visitor* perceptions that would confirm or refute hypotheses related to the "life cycle" theory. Current visitor satisfaction questionnaires could be tweaked to probe more specifically about the sorts of things that visitors liked or disliked about Hawai'i, and special studies conducted in declining international market areas to determine how much of the declines may be associated with conditions in Hawai'i itself vs. purely external factors or shifts in market tastes.

However, the scope of the current study called for a focus on *resident* issues, including the socio-cultural topics raised in the next few chapters. Ultimately, a healthy visitor industry requires a match between the experiences that visitors seek and the experiences that the host population is willing and desirous of providing. Neither side of that equation can be ignored. And while more pointed research into visitor perceptions is probably needed, and while the health of the industry will always involve tracking market trends and tastes, this study is based on the premise that these things are not enough. Rather, future market research must be filtered through and balanced against knowledge about residents' vision of what Sustainable Tourism means, to assure the industry is benefiting all parties in the full spectrum of ways they want to benefit – socially and environmentally, along with economically.

III. SOCIO-CULTURAL IMPACT STUDY – GENERAL POPULATION

The State requested a two-phase assessment of the socio-cultural impacts of Hawai'i's visitor industry – one pertaining to the *general population* and the other to *Native Hawaiians* in particular. This Chapter III summarizes a much more extensive report (which comprises Volume II of the Socio-Cultural and Public Input Study) on general population impacts, while the following Chapter IV summarizes the Native Hawaiian study. Both were completed in mid-2003.

These socio-cultural studies were designed early in the overall project, before either the State or the consultant team had developed a clear focus on the elements of “Sustainable Tourism” that emerged more specifically through the Study Group's work. In a sense, the primary value of the work in this chapter is as background information, and as a bridge between the more traditional Impact Management paradigm and the emerging Sustainable Tourism paradigm.

The State requested that the general population socio-cultural impact study address the following four questions:

1. What are the socio-cultural issues associated with tourism in Hawai'i?
2. What tourism activities “spill over” from resort areas, and how do they affect residents' everyday lives?
3. How does tourism affect housing costs for residents, and why?
4. What statistical evidence either confirms or disproves a prevalent resident conception that “Tourism makes crime worse” in Hawai'i?

The latter three questions were determined by a series of opinion surveys, conducted by DBEDT and/or the HTA from 1988 to 2002, indicating that these were consistently among Hawai'i residents' top concerns about tourism.²⁵

Historical Overview of Socio-Cultural Issues

This analysis was based primarily on the lead consultant's 25 years of personal experience studying Hawai'i “social impact” issues as both an academician and as a professional consultant (working on many dozens of impact assessments for

²⁵ See Chapter VI for more information about these surveys – particularly, Exhibit VI-5, which shows percentages believe that tourism makes crime or housing “worse” rather than “better.”

proposed projects from the late 1970s through the early 2000s). Following is a necessarily cursory summary – the topic could easily fill several books.

Socio-cultural issues are often negative in tone simply because they represent concerns that people voice about ongoing development in the course of public policy debates – public hearings, comments on environmental impact statements, resident surveys, etc. Such issues have varied depending on:

- Location and type of activity (e.g., rural master-planned resorts vs. urbanized “tourist towns” consisting of independent hotels and shops);
- Timeframe (the burning issues of yesterday may matter less today).

“Tourist Towns”

These were the first manifestations of mass tourism in Hawai`i – Waikīkī being by far the most obvious, but Neighbor Island visitor centers such as Lahaina, Kailua-Kona, or Kapa`a clearly also qualify. The development of these “tourist towns” has generally raised issues having to do with dispossession of previous residents or locally-born entrepreneurs, as well as questions about the quality of tourism employment and the wisdom of heavy dependence on a single industry.

In recent years, there has been particularly lively debate about the extent to which Waikīkī feels attractive vs. alien to residents living in the rest of O`ahu – due to factors such as the sheer size of the visitor plant, reduction in entertainment with “local flavor,” perhaps to some extent the increase in high-end retail outlets oriented to the Japanese market, prostitution and other objectionable “street scene” activities, and the loss of historic/cultural flavor. These concerns are very much related to the concept of tourism “sustainability.” In response, the City and County of Honolulu has spearheaded a partnership with other government, business, and community groups to make Waikīkī more attractive to local residents, through events such as “Sunset on the Beach” and attempted restoration of historical markers and statues.

Rural-Area Master-Planned Resort Developments

From the 1960s through the early 1990s, much of rural Hawai`i saw its traditional plantation agriculture base replaced by resort development, which generally required more labor than was available in the surrounding communities. Thus, tourism both “saved” but also “changed and overwhelmed” many existing support communities. In the early years, issues focused on the difficulties people had when shifting from agricultural to service work – family instability (increased female labor force participation, supervision of children, etc.); need to acquire new skill sets; less certainty about prospects for advancement.

Later, rapid population increases transformed the local “sense of place,” caused severe if temporary strains on infrastructure, and resulted in shifts of power as newcomers with different values assumed a greater say in local decision making. Many of these concerns would have arisen whether tourism or any other industry was powering economic and population growth. However, some were clearly tourism-specific. Real estate values near resorts are high, so long-distance commuting is now part of “rural lifestyle” for many Neighbor Islanders. Resort development has transformed the landscape in ways that are at once far more visually agreeable to most people than, say, light industrial complexes – but also tend to emphasize the wealth required to visit or purchase property in these areas.

Emerging Issues

In the past, public discussion has often come to a head during times when new hotels were being proposed. However, as discussed in the preceding chapter, relatively few new hotel developments are expected in the current visitor industry economy. Growth or change in tourism accommodations will more likely take the form of cruise ships, timeshare, bed-and-breakfasts (B&Bs) and vacation rentals, as well as the continued development of recreational real estate (vacation and retirement homes). These are raising different and discrete social, political, and cultural concerns.

Cruise Ships: Most questions raised about additional cruise ship activity have to do with effects on the physical environment, rather than effects on the social, political, or cultural milieu. However, opposition on Moloka`i in particular has clearly included the familiar themes of *local control/identity* and *distribution of costs and benefits*. Moloka`i residents objecting to cruise ships – who may or may not represent majority views on that island – have voiced concern that economic benefits may be channeled away from local businesses, and that the controlled nature of cruise ship visits may interfere with their ability to portray their island culture as they believe it should be presented. Recently, there have also been news accounts about heavy turnover among Hawai`i-based employees and consequent negative effects on quality of passenger experience.

Timeshare: Because timeshare projects still usually look like hotels, they have been somewhat invisible to many residents, especially on O`ahu. However, Neighbor Island residents (particularly on Kaua`i, where timeshare has its largest presence as a percentage of all visitor units, due to the fact that many hotel properties closed by Hurricane Iniki were rebuilt as timeshares) are more aware of the fact that timeshare projects require a far smaller on-site workforce.

The Kaua`i Economic Development Board in 2000 sponsored a telephone survey²⁶ of 329 residents on that island about timeshare, and found very mixed attitudes. Majorities agreed with positive statements about certain timeshare economic impacts (e.g., preserving jobs and hotels that would otherwise not have re-opened; more local businesses helped than hurt by the shift from hotels to timeshares), and 57% said their overall attitude toward recent timeshare growth was favorable, vs. just 29% unfavorable. However, majorities or large pluralities thought hotel visitors rather than timeshare visitors spent more, generated more jobs, and had a better overall economic impact.

In regard to social issues, pluralities found timeshare *visitors* (vs. hotel visitors) were “more concerned about local issues” and had “better relationships with local residents,” but 77% thought the timeshare *industry* was less “responsive to community concerns than hotel owners.”

Bed and Breakfasts and/or Individual Vacation Rentals: The growing popularity of the Internet has permitted direct advertising – and hence proliferation – of B&Bs (with on-site hosts) and vacation rentals (no on-site hosts), many of them in residential areas. While many of these are illegal, lack of county enforcement personnel is resulting in a growing and largely unmeasured number of such properties. In addition to economic concerns about diversion of housing stock from residential uses, public discussion has generally focused on the *character of residential communities* (including local noise and traffic issues), the *potential for redistributing expenditures more directly to local small business*, the *chance for more personalized resident-visitor interaction*, and the question of an appropriate *balance point* (i.e., at what point do the annoyance to neighbors outweigh the positive aspects?).

Recreational Real Estate: As noted in Chapter II, there is evidence of substantial economic benefits from recent construction of resort-residential homes, along with substantial debate how to plan for upscale homes in “agricultural subdivisions.” However, there have been several socio-cultural issues raised in public discussions:

- Both socio-psychological effects (sense of exclusion, reminders of class and ethnic divisions) and occasional straightforward questions of traditional access rights, especially if gated communities are involved.
- Questions about the extent to which affluent part-time residents either (a) “give back” to the local community; or (b) fail to do so, by living isolated and uninvolved lives; or (c) take too intrusive a role in community affairs. This will probably be an increasingly important issue on Neighbor Islands, where the attitudes and policies of developers may be critical in encouraging positive and balanced involvement in larger community affairs by people living in resort communities.

²⁶ Market Trends Pacific, Inc., *A Survey of Kaua`i Resident Attitudes Toward the Timeshare Industry*, prepared for the Kaua`i Economic Development Board. October 2000.

“Spill-Over” Effects Outside Resort Areas

In the 1980s, Hawai`i planners still talked about “self-contained” resort areas. Today, it is apparent that tourism has become a pervasive presence throughout most of the islands, not just selected resort areas.

To some extent, this was actually always the case – visitors wanted to experience more than their hotels and the immediately surrounding recreational amenities. (“Traffic” has long been the most frequent resident grumble about tourism presence outside resorts.) But two factors have recently generated a noticeable increase in tourist presence outside traditional resort destination boundaries.

More Visitor Interest in Outdoor Resources: The first of these two factors is the increase in a variety of types of tourists all motivated to experience more of the “real Hawai`i” – eco-tourists, cultural tourists, educational tourists, etc. (The increase may be as much due to Hawai`i’s attraction of repeat visitors seeking variety as to the appearance of new types of visitors.) Visitor publications, with a major boost from the Web, are providing more and more information about where to go to enjoy what were once less-publicized recreational or community-based experiences. Impacts have been particularly felt in coastal recreational areas (beach parks, surfing and kayaking spots, etc.) and in “wilderness” areas where the increased volume of hikers or motorized visitors is changing the nature of the experience for long-time resident users and may be overtaxing the physical resources as well.

Recreational Real Estate: The second – more apparent on the Neighbor Islands than O`ahu – is the boom in recreational real estate developments: i.e., build-out of on-resort vacation and retirement homes, as well as growing numbers of off-resort upscale “gentleman farmer” agricultural subdivisions (although questions remain as to the extent off-resort projects are initially purchased or ultimately settled by longtime residents vs. out-of-state buyers). As previously noted in Chapter II, the business model for master-planned Neighbor Island resorts has long been based more on the sale of recreational real estate to repeat visitors than on the short-term profitability of hotels. These upscale homes are generating obvious concerns about social and political consequences, while also fueling rural economies and contributing enormously to county property tax bases. In effect, they have become a new industry for Hawai`i, one which has been very little studied. Again, there is a clear need to get better numbers about these “extended-stay tourists,” their expenditures, their actual prevalence outside resorts, and their potential for further contributions to local communities vs. actual problems generated.

The full Volume II report on “spill-over” issues includes results of resident surveys and interviews with planners on numerous other topics – ranging from helicopters

in wilderness areas to wedding chapels in residential neighborhoods – but the above two seemed to be the primary sources of resident concern about spill-over at this particular time.

Tourism and Housing Costs in Hawai`i

This chapter of the full Volume II report involves some very limited research into a very large question: To what extent does tourism affect housing costs/values for ordinary residents? Periods of economic boom – whether generated by tourism growth or any other economic driver – will always tend to increase demand and thus housing values, but does tourism have any *unique* effects (outside the obvious tendency to raise prices right in resort areas)?

Given available time and resources, our study was confined to a survey of about 40 very experienced Realtors who had been identified by the various county real estate associations as being “particularly knowledgeable” about this topic. This approach is hardly a definitive analysis. It is really intended to help better specify the questions and policy options for future applied research or conferences of policy makers interested in tackling the subject further.

Tourism has a number of “faces” that can theoretically have separate effects on housing values for ordinary Hawai`i residents:

- *Traditional resort hotel development* – Nearly half of our particular sample of “knowledgeable Realtors” thought this had a “large effect” on prices for ordinary residents ... though much more so on Maui and the Big Island than on Kaua`i or O`ahu (where hotels tended to be developed nearer to existing communities), and much more so for communities located very close to resort areas. The key reasons were seen as exposure of the islands to repeat visitors who want to buy property here, plus constraints on building affordable housing supply close to hotels. The few Realtors who saw “no real effect” argued that more systematic analysis than we were able to do would show little correlation between bursts of new hotel openings and variations in inflation-adjusted average housing costs.
- *Recreational real estate* – Almost as many of our Realtor respondents felt this tourism component has significant effects on ordinary housing prices as hotel development ... though, again, this reaction was strongest on Maui and the Big Island, and most Realtors saw effects as being greater in the immediate vicinity of such developments. Key reasons included “spill-over” effects of resort buyers into surrounding areas, as well as diversion of contractors into more profitable upscale housing projects. Dissenting voices stressed their belief that recreational real estate appeals to a separate market segment, that there is really little “spill-over” effect.

- *B&Bs and vacation rentals* – This was considered to have much less overall effect and to be confined to a limited number of (primarily oceanside) neighborhoods. To the extent that such development does have price implications for surrounding residents, Realtors thought the key reason was the increase in prospective buyers willing to pay more for income/business properties.

Realtors also provided a number of suggested policy responses that government might take, although there were marked divisions in whether the best approach is to enforce requirements on developers, provide incentives for the market to create more affordable housing supply, or plan proactively. One common theme was dissatisfaction with past government efforts but also a tendency to see county rather than State government as the appropriate level to respond.

Tourism Effect on Crime in Hawai`i

This portion of the study represented our greatest investment of original research time and analysis ... partly because it represented a more distinctly “socio-cultural” (as opposed to economic) topic and partly because considerable data and background literature seemed to be available.

Our effort involved both a review of the academic literature about tourism-crime links, as well as original data analysis. Both our own work and most of the literature focus on “serious” crime (i.e., seven offenses designated by national Uniform Crime Reporting [UCR] procedures – larceny-theft, burglary, auto theft, robbery, aggravated assault, rape, and murder), for which reliable data are kept by law enforcement agencies.²⁷

Review of Past Studies

We found that past statistics-based studies (both in Hawai`i and elsewhere) almost always turned up *some* relationship between crime and tourism, but that the exact nature of the relationship varied from time to time or place to place. For example, one study would find a statistical link between tourism and, say, robbery, but no link with larceny. Another study – in a different time or place – would find a statistical link between tourism and larceny, but no link with robbery. This was also generally true for the limited number of past studies conducted in Hawai`i itself, though there was some tendency in previous Hawai`i research to find links with burglary and (to a lesser extent) rape.

There are many ways to research possible relationships between crime and tourism. One way is to see if visitors are more likely to be *victimized* than are

²⁷ While tourism may well be linked with problems like drugs and prostitution, solid and reliable data are just not available for these types of crimes.

residents. Some past victimization studies and one effort of our own suggested this is probably the case in Hawai'i, though more for larceny-theft (i.e., "rip-offs" at the beach or from cars) than any other crime. However, these somewhat limited studies did not tell us whether the greater likelihood of visitors to be victimized is a minor or major factor, whether it is large enough to make a real dent in crime statistics. That is why we proceeded with our major original analysis looking at Hawai'i crime data over a 27-year period.

Original Analysis of Hawai'i Crime-Tourism Trends Over Time

Our major original analysis for this effort involved looking at 28 crime rate trends (seven categories of "serious" crimes in each of Hawai'i's four different counties) and comparing these trends to changes in visitors as a percentage of each county's overall *de facto* population, for the period from 1975 to 2001. (The "de facto" population is the number of people physically present on an average day, including visitors.) We recalculated crime rates – which are usually based just on resident population in standard crime statistics – so they were based on *de facto* population, since that gives a more accurate picture of the crime situation relative to the total potential pool of crime victims or perpetrators.

Initial Analysis: The first step was to chart each county's changes over time in (a) visitors as a percentage of *de facto* population vs. (b) each of the seven UCR "serious" crime statistics. The objective was simply to determine whether there was any apparent visual consistency between changes in tourism and changes in crime. To facilitate that analysis, we:

- Noted years in which "spikes" occurred in each chart, to see if the years were the same for spikes in tourism vs. spikes in crime; and
- Also generated a "best-fit" line (which usually proved to be some sort of curve) for each chart, so we could see whether the general "smoothed-out" long-term trend for tourism matched the long-term crime trends. (The " R^2 " figure indicates how well the line fits – the closer to 1.0, the better the fit.)

The full report contains results for all four counties, but Exhibit III-1 on the following page shows the City and County of Honolulu results as one example. Additionally, the following Exhibit III-2 shows the simple correlation coefficients – for statisticians, "r" rather than " R^2 " – between crime and tourism for each of the four counties. (A high positive correlation, approaching +1.0, would be consistent with the idea that "tourism makes crime worse." Negative correlations would be consistent with an opposite hypothesis – for example, a proposition that economic benefits from tourism help *reduce* crime. Correlations close to zero suggest little or no apparent simple relationship. The correlations ran only through the year 2000, in order to be consistent with other correlations reported later.)

Exhibit III-1: Charting O`ahu Trends in Crime Vs. Tourism, 1975-2001

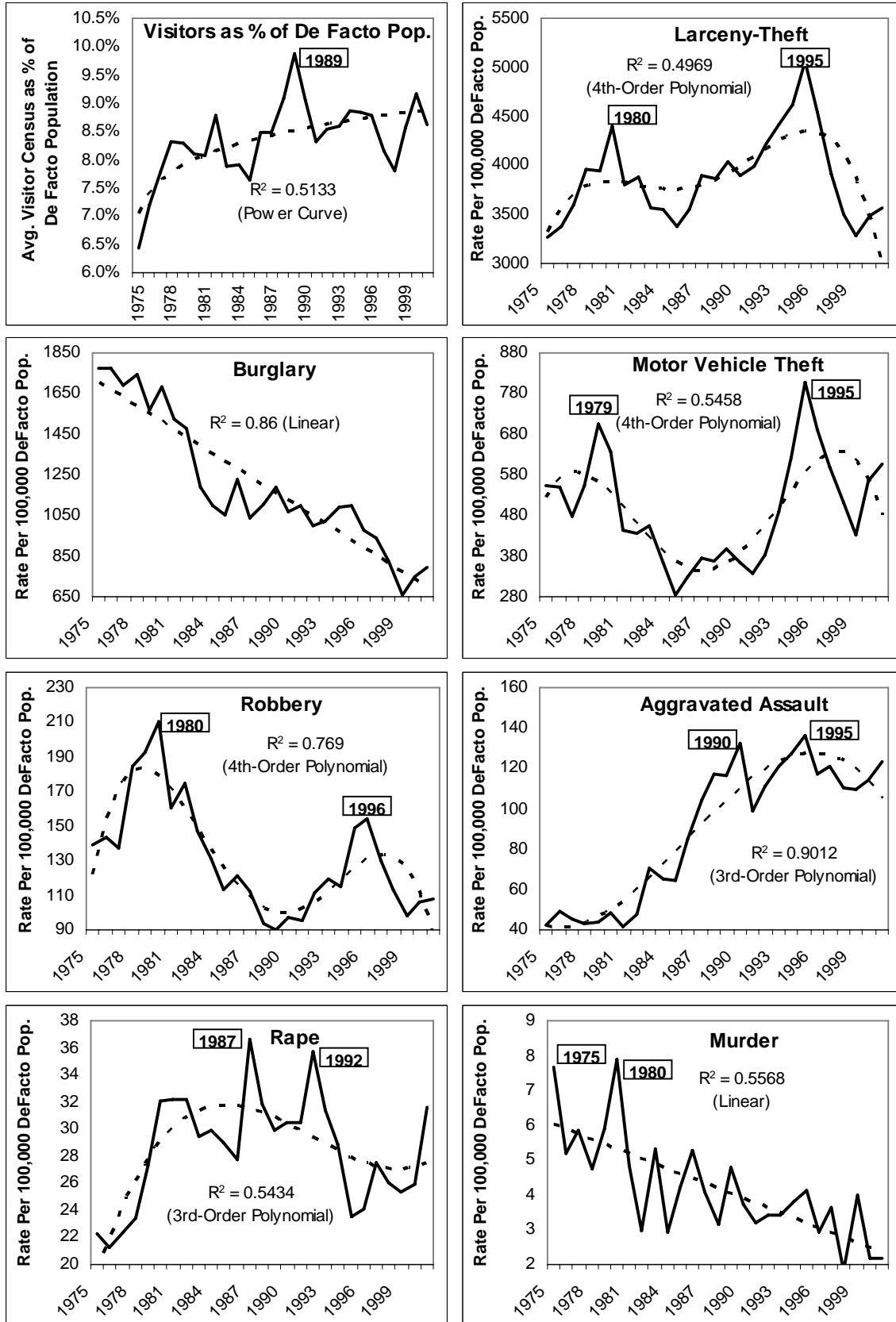


Exhibit III-2: Crime-Tourism Correlations by County, 1975-2000

County	Correlations Between Tourism and Each Type of Crime						
	<u>Larceny</u>	<u>Burglary</u>	<u>Motor Vehicle</u>	<u>Robbery</u>	<u>Aggravated Assault</u>	<u>Rape</u>	<u>Murder</u>
Honolulu	+0.49	-0.48	-0.03	-0.31	+0.64	+0.37	-0.47
Hawai`i	-0.05	-0.55	+0.42	+0.10	+0.45	+0.55	-0.28
Kaua`i	-0.58	-0.72	-0.37	-0.58	-0.53	+0.01	-0.22
Maui	-0.49	-0.71	-0.68	+0.03	+0.36	-0.38	-0.79

Shaded areas indicate negative correlations of -0.30 or greater.

Both exhibits show very little consistent match between the overall long-term crime trends and the overall long-term visitor population trends. The general trend line shapes in Exhibit III-1 are clearly different for tourism vs. any of the seven crimes, with different “spike years.” And in Exhibit III-2, for 14 of the 28 comparisons, the correlation was moderately or strongly *negative* – crime rates tended to be *decreasing* while visitor rates were increasing.²⁸ Correlation does not show causation, so this does not necessarily “prove” that tourism economic benefits cause a decrease in crime. On the other hand, it is definitely inconsistent with the idea that tourism is a major contributor to increases in crime.

Follow-Up Analysis – Tourism Vs. Other Possible Crime Predictors: To the extent that data permitted, we looked at other possible explanations for crime –

- Unemployment rate for each year;
- Demographics (young males 15-24 as % of resident population);
- Law enforcement effectiveness²⁹ (sentenced prison admissions per adult resident population); and
- For O`ahu only, military population as % of de facto population.

The simple correlations in Exhibit III-3 show that, in almost every case, one or more of these *non-tourism* variables was more strongly related to the various crime rates in each county than was tourism (Exhibit III-2 correlations). For example, on O`ahu, Exhibit III-2 showed a fairly strong positive correlation of $+0.64$ between tourism and aggravated assault. But in Exhibit III-3, all the other variables have even higher correlations (ranging from 0.69 up to 0.93) and so would be better “predictors” of aggravated assault on O`ahu than would tourism.

²⁸ Somewhat arbitrarily using -0.30 as a minimum value for a “moderately” negative correlation. In fact, the only tourism-crime relationships that were consistent over all four counties were *negative* relationships with murder (though weakly negative in two counties) and with the crime that had been the most consistently linked with tourism in earlier Hawai`i studies – burglary. (However, burglary had an even greater negative correlation with the rise in Hawai`i’s incarceration rates – see Exhibit III-3. To the extent that one is willing to read cause-and-effect into correlations, which is not always wise, burglary seems to be the one crime that has been successfully suppressed by more adult imprisonment in all four Hawai`i counties.)

²⁹ Demographic and law enforcement data were available only through the year 2000.

Exhibit III-3: Correlations Between Crime and Non-Tourism Variables, 1975-2000

Other Variable	Correlations Between Other Variables and Each Type of Crime						
	Larceny	Burglary	Motor Vehicle	Robbery	Aggravated Assault	Rape	Murder
City and County of Honolulu							
Unemployment	-0.36	+0.63	+0.37	+0.57	-0.69	-0.68	+0.42
Young Males	-0.35	+0.93	+0.01	+0.64	-0.93	-0.20	+0.73
Sentenced Prison*	+0.04	-0.88	-0.06	-0.78	+0.88	-0.03	-0.63
Military	-0.21	+0.76	-0.31	+0.35	-0.74	+0.16	+0.57
Hawai'i County							
Unemployment	-0.42	-0.14	-0.56	-0.02	-0.60	-0.19	-0.18
Young Males	-0.20	+0.58	-0.30	-0.04	-0.51	-0.55	+0.37
Sentenced Prison*	-0.51	-0.81	+0.03	-0.15	+0.04	+0.44	-0.40
Kaua'i County							
Unemployment	-0.13	-0.26	-0.34	-0.18	-0.33	+0.01	-0.03
Young Males	+0.68	+0.94	+0.55	+0.68	+0.79	-0.05	+0.21
Sentenced Prison*	-0.76	-0.87	-0.53	-0.61	-0.47	+0.18	+0.09
Maui County							
Unemployment	+0.12	+0.13	+0.18	+0.24	-0.66	+0.25	+0.60
Young Males	+0.47	+0.86	+0.73	-0.26	-0.01	+0.26	+0.74
Sentenced Prison*	-0.65	-0.89	-0.56	+0.30	-0.34	-0.37	-0.51

* Because of data availability limitations, "sentenced prison admissions" correlations with crimes are based on 1977-2000, excluding 1991.

Finally, we attempted to use the statistical technique of *multiple regression* to determine if changes in tourism might still have any detectable effect on short-term fluctuations in crime, when other variables were held constant.³⁰ However, these attempts were largely stymied for technical reasons – high inter-correlation among the predictor variables and a limited number of years for which data points were available.

As described at more length in the full report, we did conduct some simplified regression analyses for the three crime variables with the highest *positive*³¹ correlations with tourism in Exhibit III-3: aggravated assault on O`ahu and Maui, and larceny on O`ahu. Of these three, regression indicated tourism was *not* a significant predictor of crime when other variables were held constant in two of the three cases. The only situation in which "more tourism" remained a significant

³⁰ For these analyses, we looked at fluctuations around the general trend lines shown in Exhibit III-1, not the trend lines themselves. In statistical terms, this is called an analysis of the "residuals." It addresses the kind of question that many social agencies might ask: "If tourism suddenly rises unexpectedly a whole lot next year, will crime suddenly rise a lot, too?"

³¹ We focused on the *positive* relationships only because they were most consistent with the original hypothesis that tourism "makes crime worse."

predictor of “more crime” was aggravated assault on O`ahu – and even there, tourism effects were weaker than the effects of demographics (young males aged 15-24 as percent of resident population).

Conclusion

While visitors probably do get victimized more often than residents, over time this effect is “drowned out” by more powerful forces – that is, the effect of the greater victimization is not large enough that an upsurge in visitors will usually produce a detectable upsurge in overall serious crime rates. Tourism’s effect on crime appears to be a matter of circumstance, not an inevitable outcome.

It makes great sense to continue current efforts to control crimes against tourists (e.g., volunteer patrols, witness return programs, actions to reimburse victims) but probably more because crime has a negative effect on tourism than the other way around. In fact, this is probably an excellent example of the difference between the “Impact Management” and “Sustainable Tourism” paradigms. This study really reflected standard “Impact Management” concerns – to what extent is tourism generating crime impacts felt by the resident population? A “Sustainable Tourism” approach would be equally concerned about implications for both residents and visitors. Crime against visitors can have disproportionate effects on the industry’s viability and can thus affect residents’ socio-economic security – despite the evidence that other factors are much more important in determining overall crime rates.

IV. SOCIO-CULTURAL IMPACT STUDY – NATIVE HAWAIIANS

The second phase of socio-cultural impact studies focused on Native Hawaiians in particular. It was authored by the Sustainable Tourism Study's Native Hawaiian Advisory Group³²:

Peter Apo – Director, Hawai`i Hospitality Institute

Dennis “Bumpy” Kanahele – Director, Kanaka Maoli Research & Development Corporation

Cherlyn Logan – Vice Pres., Human Resources, Hilton Hotels Western Region

Dr. Davianna McGregor – Associate Professor, University of Hawai`i Ethnic Studies Department

Their full report, completed in the summer of 2003, comprises Volume III of this study. This chapter provides summaries and extracts from the four sections of that report:

1. Preamble and Overview
2. Observed Impacts on Native Hawaiians
3. Best Practices
4. Recommendations

Preamble and Overview

Historical Context

The Advisory Group strongly feels that Native Hawaiian perceptions of tourism and its impacts cannot be separated from the larger historical context:

“Tourism has to be considered as part of a larger landscape of historical conditions, circumstances, events, decisions, and attitudes that have resulted in a diminished status of Native Hawaiians as decision makers in Hawai`i’s

³² John M. Knox & Associates, Inc. provided logistical support, meeting facilitation, reflection on initial drafts, and final editing/formatting. However, the final content was the work of Advisory Group members, and conclusions and recommendations are theirs alone. To our knowledge, this is the first State-sponsored attempt to analyze the visitor industry's impacts on Native Hawaiians from a Native Hawaiian perspective. In their full report, the Native Hawaiian authors acknowledge their conclusions are necessarily subjective, but also say they made a great effort at “fair reporting” based on their extensive involvement in various aspects of the Hawaiian community.

economic future. In this context, Tourism rises as a present-day flashpoint on a long trail of historical disappointments.”

The authors emphasize the importance of history by providing a detailed chronology of Post-Contact events. They identify the Great *Māhele* as a seminal event, and argue that what Westerners then regarded as a societal advance (i.e., a system of private property rights) is still considered by many Native Hawaiians as contrary to the traditional system of land “stewardship” that once provided “unlimited opportunities” for Native Hawaiians to access the land. This alienation of Native Hawaiians from the land occurred during the era of ranches and early agriculture, but the authors contend that ensuing economies based on sugar, pineapple, and then tourism simply continued that alienation:

“To a Native Hawaiian, being alienated from access to land is a cultural tragedy of major proportions. Some might say it is unfair to connect this historical alienation to present-day tourism, since much of it occurred well before the visitor industry became a factor in Hawai`i’s economy. However, from a Native Hawaiian perspective, as a business model tourism embraces the same concepts and values as its predecessors.”

Call for a Values-Based Sustainable Tourism “Business Model”

Although they see recent improvements and hope for change, the Native Hawaiian Advisory Group authors believe that Hawai`i’s tourism industry is generally seen by many Native Hawaiians as having:

- *“contributed to a degradation of their cultural values;*
- *“compromised their cultural integrity in the global market place;*
- *“diminished their presence in Hawai`i’s visitor centers;*
- *“devalued their wahi-pana (sacred places); and*
- *“seriously compromised a Native Hawaiian sense of place in places like Waikīkī.”*

They particularly lament that Native Hawaiian musicians and dancers are made to feel “dispensable” because theirs are the first services to be terminated when the industry needs to tighten its economic belt.

The authors find an irony in all this because *“...the Native Hawaiian cultural model of ho`okipa or hospitality – the practice of greeting and welcoming strangers – ranks high as an important part of our cultural behavior system... Few societies, if any, are better at hospitality than Native Hawaiians.... In fact, another irony is that Native Hawaiians have long been asking the same fundamental question that prompts this study – Is Hawai`i’s prevailing tourism model sustainable?”*

According to the authors, the fundamental problem is the customary Hawai`i tourism business model. They believe a tourism experience is comprised of three elements – visitor population, host population, and the place. They believe the prevailing “customer-first” business model elevates the visitor over the other two elements, resulting in unacceptable distortions of Hawaiian culture and landscapes to fulfill expectations of hula girls on sandy beaches. A business model based on Hawaiian values would give first priority to the place (not just the host population, as some other tourism critics might advocate). It would be driven by the underlying values of preserving Hawai`i’s “dignity and cultural landscape” as fundamental assets for both visitor and host populations.

Other destinations have successfully focused on preserving historical assets (e.g., Florence or Santa Fé) or pristine natural resources (e.g., Palau), and these areas are thriving. The authors suggest that Hawai`i’s visitor industry must emulate the place-oriented values of such tourism rivals to remain competitive and sustainable: *“Sustainability and the preservation of the cultural landscape is the new model of global tourism.”*

Positive Changes for Native Hawaiians in Tourism

The authors believe that Hawai`i’s visitor industry is assigning a new economic value to Native Hawaiian culture that was largely absent during the period of rapid economic growth: *“Many institutions are embracing Native Hawaiian culture as good for their bottom line; are willing to properly compensate for services; but don’t know how to access the services. This is a good problem.”*

They are particularly excited about growing demand for visitor contact with authentic cultural practitioners and the consequent opportunity for Hawaiian entrepreneurs: *“One of these is the opportunity for Native Hawaiians to tell their own story, on their own terms, with dignity and honor.... Native Hawaiians would welcome culturally appropriate opportunities that tourism offers as a window to the world, because we believe we have something worthwhile to contribute to the betterment of conditions of mankind.”*

Observed Impacts on Native Hawaiians

The Native Hawaiian Advisory Group’s full report provides a summary table of “observed impacts” that also discusses (1) the extent to which each issue is related to broader economic changes (i.e., the “Westernization” of traditional Hawaiian culture) and not just tourism alone, and (2) possible methods to measure, to monitor, or to test the validity of the observed impacts. These additions provide important context and qualifications, but for reasons of space the following exhibit lists only the observed impacts from the full report.

Exhibit IV-1: Observed Impacts on Native Hawaiians

Property Development/Management; Tourism Operations and Programs
Change in natural cultural resources needed by Hawaiians who rely upon subsistence activities (i.e., preserving last vestiges of traditional lifestyles).
Change in condition and quality of (and access to) cultural use areas – places where cultural and historic sites and resources are located or which are associated with deities or historic figures or places to connect to spiritual forces.
Disruption of sacred sites, burials, and other places of high value in Native Hawaiian culture.
Loss of Hawaiian sense of place, particularly in valued coastal communities (e.g., Waikīkī 30 yr. ago, West Maui – places that were especially dear to Hawaiians now feel alien).
Disruption and dispersal of traditional Hawaiian `ohāna from communities where resorts have been developed.
Difficulty retaining ancestral kuleana lands due to increased property values and other financial pressures.
Purchase of ancestral lands by offshore landowners who do not interact with neighbors or the community.
Human Resources (Employer-to-Worker or Worker-to-Worker)
Hawaiians seem to be tracked into certain roles in the industry to give the industry the appearance of being “Hawaiian.”
In many hotels and tour companies, Hawaiian culture and local area history are misrepresented to tourists, because workers frequently lack education in these subjects. Native Hawaiians find this offensive
Entertainment
Preservation of some outward forms, but also “commodification” of authentic Hawaiian cultural values/practices. <i>(That is, tourism selectively preserves certain traditions and art forms, but usually fails to explain and support “deep” values.)</i>
Hawaiian feeling that their contributions to the visitor industry – e.g., music, dance, art – are not sufficiently valued.
Economic Effects; Entrepreneurial Opportunities
Provides jobs and income for grass-roots Hawaiian people.
When it occurs, the purchase of local agricultural products and services is a positive impact for rural communities where Hawaiians make up a significant part of the population.
Limited Hawaiian involvement, success in tourism <u>business</u> (management or entrepreneurial activity).
Role of Government
Reliance on tourism undermines diversification of the economy on an island such as Moloka`i or a rural Hawaiian community like Hāna.
Development of infrastructure for tourism can undermine infrastructure for agriculture and raise property taxes for Hawaiian kuleana owners.
Planning Projections
Planning for an economy dominated by tourism undermines community-based planning by Hawaiian Homestead communities and rural Hawaiian communities.
Tourists, Offshore Landowners, In-Migrants
Helps to undermine Native Hawaiian efforts to regain greater sovereignty, political self-control.
Increase of challenges to existing Native Hawaiian status, rights, and entitlements (including traditional shoreline access, programs serving Native Hawaiians, etc.)
Growing sense of social distance between Hawaiians and <i>tourists as people</i> .
Growing sense of distance between Hawaiians and <i>tourism as an industry</i> .

Best Practices

Despite the strong concerns apparent in the foregoing list of observed impacts, the Native Hawaiian Advisory Group authors were able to identify numerous examples of “visitor industry activities that exemplify positive, non-exploitive approaches to Native Hawaiian culture.” Their list is a mix of some of the winners of the Hawai`i Visitors and Convention Bureau (HVCB) 2003 “*Keep It Hawai`i Awards*” (used with HVCB permission) and the authors’ own nominations.

The authors organized their selections by the HVCB’s 16 award categories, and selected places, businesses, or events that met at least two of the following five selection criteria:

- *“Supports or communicates genuine and unique Native Hawaiian cultural activity.”*
- *“Supports the creative expressions of Native Hawaiian artists and cultural practitioners.”*
- *“Demonstrates exceptional sensitivity to Native Hawaiian cultural customs and traditions.”*
- *“Recognizes Native Hawaiian culture as integral to the visitor experience.”*
- *“Recognizes or restores a Hawaiian sense of place.”*

The full report contains a brief description and/or explanation of the various “best practice” awards. Exhibit IV-2 on the following page provides a list of the selected “best practices.”

Recommendations

The full list of the Native Hawaiian Advisory Group’s 11 recommendations is included in the “Recommendations” section at the beginning of this report. It may be observed that these recommendations tend to fall into several categories:

1. More Native Hawaiian voices on visitor industry decision-making groups (Hawai`i Tourism Authority and Board of Land & Natural Resources) and settling the Ceded Land Trust issue with the Office of Hawaiian Affairs.
2. Dedicated funding for activities that could preserve or promote more of a “cultural face” to the visitor industry.
3. Land use and regulatory reforms focused on protection of important cultural landscapes and historical assets (e.g., fishponds).
4. Improving tourism-related economic opportunities for communities and small entrepreneurs, regardless of ethnic background.

Exhibit IV-2: Native Hawaiian “Best Practices” in Tourism

1. Special Projects	10. Broadcast Media
City & County of Honolulu: “Exemplary and respectful ancestral Burial handling in Waikīkī.”	Aloha Festivals Frank B. Shaner Falsetto Contest
Ritz Carlton Hotel, Maui: “Exemplary and respectful ancestral Burial handling on Maui”	Pacific Islanders in Communications – Holo Mai Pele Television Documentary
2. Architecture	11. Print Media
Group 70 International – Parker Ranch Center	Hiroshi Mizuno and Obun Hawai`i Group – <i>Waikīkī Historic Trail</i>
City & County of Honolulu/Group 70 Internat’l. Hanauma Bay Marine Educational Center	Hawaiian Airlines – <i>Hana Hou</i> Magazine on Kalo Culture (2002, Vol. 5, Ed. 1)
3. Accommodations	12. Performing Arts
Hotel Hāna-Maui (“Hawaiian landscaping and decorative themes”)	Maui Arts & Cultural Center – <i>Hānau Ka Moku, An Island Is Born</i>
Ritz Carlton Maui, Hawaiian Theming	Hawai`i Theater – Hawaiian Music Series
Outrigger Reef on the Beach <i>Ho`okipa</i> Theme (cultural programs, Hawaiian experience)	Maui Myth & Magic Theater – <i>‘Ulalena</i>
‘Ilima Hotel, Hawaiian Themes	City & County of Honolulu – Kūhiō Beach Torchlighting & Hula Show
4. Attractions	Merrie Monarch Festival
The Kōloa Heritage Trail	The Old Lahaina Lū`au
Hawai`i Forest & Trails Kohala Mule Train	13. Programs
Bishop Museum – Navigating Change: The Northwest Hawaiian Islands Exhibit at the Hawai`i Maritime Center	Hawai`i Volcanoes National Park – After Dark in the Park
5. Environmental Preservation	Kā`anapali Beach Hotel – <i>Po`okela</i> Program
Parker Ranch Tree Project	Waikīkī Historic Trail, The Queen’s Tour – Native Hawaiian Hospitality Association
City & County – Hanauma Nature Preserve	The Kāhili Awards, Keep It Hawai`i – <i>Travel Holiday</i> Magazine & HVCB
6. Events	14. Restaurants & Food Service
Ka Moloka`i Makahiki	Duke’s at Waikīkī Outrigger Hotel
Ritz-Carlton Maui – Celebration of the Arts	The Willows
7. Historic Preservation	15. Retail
Mauna Lani Resort – Kalāhuipua`a Fishponds	Native Books and Beautiful Things
Sheraton-Moana Surf Rider Restoration	Nā Mea Hawai`i at Hilton Hawaiian Village
8. Landscaping	Bishop Museum Gift Shop
Ft. DeRussy – Hale Koa Hotel	16. Visual Arts
City & County – Kūhiō Beach Renovation	Hilton Hawaiian – Kaha Ka `Io Me Nā Mākani
9. Literary Arts	City & County – Kūhiō Beach Phases I & II (sculpture on pedestrian walkways)
Alan Seiden, <i>“Diamond Head, Hawai`i’s Icon”</i>	Native Books at Kalihi
Jane Hopkins, Betty Santos and Mutual Publishing, <i>“Ohana”</i>	

V. PUBLIC INPUT: COMMENTS AND CONCERNS

The largely *unstructured* public input³³ discussed in this chapter came from two sources, though results are generally combined for purposes of this discussion:

- E-mails solicited through the project's website (still being maintained as of this writing by DBEDT – www.hawaiiitourismstudy.com)³⁴; and
- Two rounds of public meetings held on all islands (and separate Big Island meetings in Hilo and Kona) – one in November 2002 and the other in September 2003. Each round of meetings was publicized not only in the media but also through direct “faxblasts” (faxing or e-mail notification) to approximately 1,700 organizations and/or individuals who had expressed interest in the project through the website.

As mentioned in Chapter I, much of the original purpose of these public input mechanisms was to focus on other project components (e.g., the Model), but this chapter will report just on comments relevant to the Socio-Cultural and Public Input Component.

Extent and Representativeness of Public Input

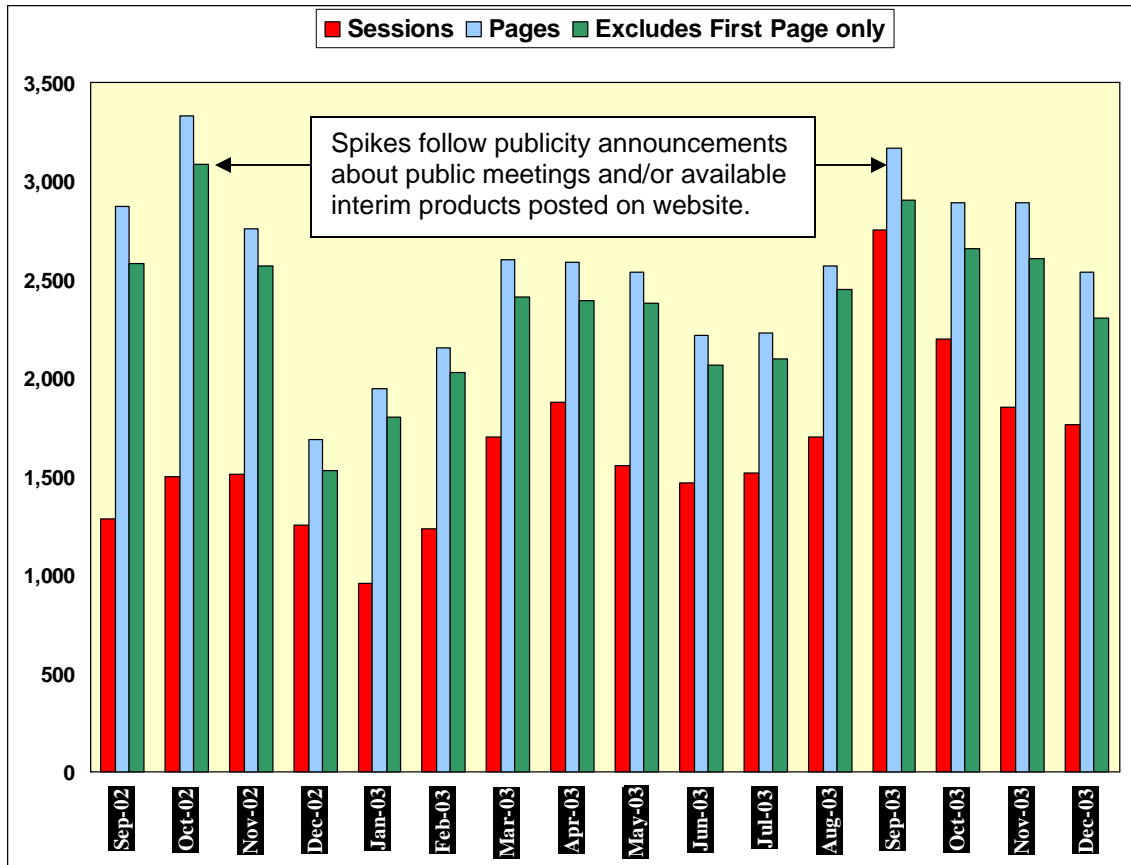
Although a significant effort at public outreach was made (as per the faxblasts and the website – see Exhibit V-1 for website usage statistics through 2003), it would be difficult to call input obtained through these mechanisms either extensive or representative of the general public. In fact, such approaches naturally encourage participation by *particularly motivated groups or individuals*. People who send e-mails and come to public meetings are analogous to those who submit legislative testimony and/or attend legislative hearings – while not “representative” of the general public, they tend to be the major stakeholders for some set of issues. Therefore, this project supplemented the less representative input discussed in this chapter with the much more representative public opinion survey discussed in the next chapter.

Exhibit V-2 provides approximate counts for meeting attendance and e-mails. Based on informational fields in comment forms and e-mail self-identification checklists, most attendees or e-mail correspondents said they were affiliated with either the *visitor industry* or *environmental concerns*, with *Native Hawaiian* stakeholders representing a smaller contingent. And, particularly in the 2003 meetings, there were also a number of State and county officials in attendance.

³³ Structured input through resident surveys is discussed in the following Chapter VI.

³⁴ While the website is still up, more in-depth reports about 2002 and 2003 public input are available there.

Exhibit V-1: Project Website Usage Through 2003



“Sessions:” Shows total number of users (with the possibility of duplication if the same user logged in multiple times) who visited at least one page. “Pages:” Shows total number of pages in the Website examined by all visitors that month. “Excludes First Page:” Shows total number of pages, excluding the first, examined by all visitors that month – i.e., screens out those not interested in further exploration after viewing first page only.

Exhibit V-2: Extent of Meeting Attendance/Website Input

Place/Method	2002*	2003*
Hilo	17	10
Kona	10	11
Lana`i	4	3
Moloka`i	9	6
Maui	31	17
Kaua`i	41	35
O`ahu	46	24
Website E-Mails	79**	24**

* Meeting attendance figures reflect sign-in sheets (excluding State or consultant personnel). Not everyone signed in – e.g., the 2002 Moloka`i meeting probably had around 25 actual attendees.

** Includes e-mails received on any and all topics. About a quarter of these were requests for more information.

Overview of Comments Relevant to Socio-Cultural Issues and/or the “Sustainable Tourism” Concept

Comments from the Initial (2002) Project Phase

At this time, the project was still in a conceptual stage, and public input tended to be in response to general questions about tourism consequences and/or desired directions. In addition to the e-mailed comments via the project website, statements at public meetings were captured three different ways:

- Meetings were taped, and oral statements transcribed;³⁵
- Printed comment forms allowed written input; and
- Anyone who wished could, during or after meetings, have one-on-one extended discussions with consultants or transcribers, and these conversations were either taped or written up.

This multi-method approach resulted in a wide range of comments that must necessarily be filtered through a somewhat subjective analysis. However, we believe the following is a fairly accurate summary of the most frequent themes from the 2002 input:

- 1. Level and type of future tourism growth** – Quite a few people expressed a desire for limited (or no) future tourism growth, and several visitor industry participants said they felt Hawai`i’s industry already has reached the “mature” stage, with little foreseeable net growth in traditional hotel development. Neighbor Island visitor industry participants noted that a number of hotel-zoned sites have recently been used instead for luxury vacation homes. However:
 - The depletion of zoned hotel sites raises the issue of whether there will be an adequate supply of visitor units to meet future demand projected by DBEDT, and some people worried that DBEDT’s official tourism growth “projections” are mandates for growth rather than impartial estimates of demand;

³⁵ Substantial portions of the public meetings were dedicated to explaining the project through presentations by State personnel and consultants from all three components. Thereafter, one or more facilitated break-out groups discussed topics such as: (1) If tourism continues to grow, what are the positive and negative effects of most concern? (2) Whether or not there is growth, tourism is *changing* – what positives or negatives are associated with current changes? (3) Which assets or resources on this island most need preservation? (4) What are some of the key indicators for tracking how well tourism is meeting desired goals? The actual discussion on each island varied according to audience dynamics. Thus, taped comments were sometimes from these break-out sessions and sometimes from comments or questions directed toward presenters.

- At least in the short term, there appears to be growth (or at least change) in non-traditional visitor unit products: Bed and breakfasts (B&B's), vacation cottage rentals, timeshares, cruise ships, and second homes (both inside master planned resorts and also sometimes in large-lot rural subdivisions). Especially on the Neighbor Islands, and to some extent on Oahu, many people felt that immediate tourism-related growth opportunities – or threats, depending on the perspective – would come more from these sources than from new hotels.
2. **Impacts on Native Hawaiian culture** – Most people commenting on this issue saw tourism as having negative effects on the unique cultural identity that is presumably a major part of the industry's appeal. Many believed the State should allocate more resources for preserving and protecting Native Hawaiian culture.
 3. **Jobs and quality of life issues** – There was both substantial emphasis on the importance of visitor industry jobs and also substantial concern that these may be inadequate in terms of pay, regular hours, or other characteristics (such as proximity to residential communities) needed to assure not only a good standard of living but also a good quality of life for visitor industry employees and their dependents.
 4. **Impacts on the environment** – This was one of the strongest general themes in the comments, with substantial concern about invasive plant and animal species; depletion of water supply; pollution of coastal areas and watershed; damage to coral reefs; dependence on oil; etc.
 5. **Congestion and infrastructure overload** – Both industry proponents and opponents voiced concerns over issues such as unclean restrooms and overall lack of maintenance at State parks; highway congestion; and the future of aging sewer lines and other infrastructure in major resort plants such as Waikīkī.
 6. **Bed-and-breakfasts** – This particular type of non-traditional visitor unit seemed to generate the most discussion. A significant number of comments at public meetings involved debates about both the benefits (e.g., greater direct community contact and expenditures) and potential costs (e.g., neighborhood congestion) of this sometimes illegal but apparently rapidly growing form of tourism.
 7. **Diversification of the economy and within the industry** – Many people giving comments wanted an emphasis away from tourism, but many also want or welcome new forms of tourism that take visitors out of

the traditional “big box” hotels and resorts: e.g., eco-tourism, health and wellness, culture and education.

8. **Communication among State agencies** – A number of people believed that tourism sustainability will only be possible if there is improved communication and coordination among the Hawai`i Tourism Authority, DBEDT, the Department of Land & Natural Resources, and other State agencies involved in tourism. There was a desire for some sort of ongoing community involvement and input to such agencies about sustainability issues.

Comments from the Subsequent (2003) Project Phase

At the time of the September 2003 public meetings, the public was able to react to at least some completed elements of the Public Input/Socio-Cultural component. Two full socio-cultural impact reports (i.e., those summarized in the preceding two chapters) were available on the project website, along with an initial draft of the Sustainable Tourism Study Group’s “Goals and Indicators” (discussed in Chapter VII and Appendix). At most meetings,³⁶ however, it seemed best in the time available to take public comments on two broad topic areas:

- After reviewing various resident survey results for each island, we encouraged general discussion by asking, “What else should we know about this island’s tourism attitudes and concerns?”
- After giving a status report on the Study Group, we asked for response to the group’s draft work product and the newly emerging idea of establishing a Sustainable Tourism System in Hawai`i (see Chapters VII and VIII of this report).

Input During General Discussion: In many ways, 2003 themes echoed those from the previous year, and some of the points below are virtually identical to those from the foregoing 2002 discussion summary. However, in 2003 there was somewhat less of a physical environmental focus and somewhat more attention on the Neighbor Islands to other forms of “non-traditional” tourism development, in addition to the previous year’s emphasis on bed-and-breakfasts –

³⁶ At the initial 2003 meeting, on Kaua`i, we attempted detailed discussion of the socio-cultural study findings, but found this simply took too much time and so delivered a streamlined presentation thereafter. In general, the format of the 2003 meetings was simpler than that of the 2002 meetings. After a brief re-explanation of the overall project, the meeting time was split between the Model and the Socio-Cultural components. There were no break-out sessions, simply question-and-answer sessions. However, as at the 2002 meetings, there were printed comment forms and all proceedings were taped.

1. **Growth in non-hotel resort units** – Many residents expressed concern about the increasing number of timeshares and second homes that are being constructed (instead of new hotels). Specifically, they worried that (a) the rising cost of housing will make home ownership increasingly unattainable (especially for the next generation), and (b) the increasing resident population will place too great a stress on the infrastructure.
2. **Congestion and infrastructure overload** – Both industry proponents and opponents voiced concerns over issues such as unclean restrooms and overall lack of maintenance at State parks; highway congestion; and cruise ships.
3. **Jobs and quality of life issues** – There was both substantial emphasis on the importance of visitor industry jobs and also substantial concern that these may be inadequate in terms of pay, regular hours, or other characteristics (such as proximity to residential communities) needed to assure not only a good standard of living but also a good quality of life for visitor industry employees and their dependents.
4. **Encourage more Native Hawaiian participation** – There was a substantial emphasis on the importance of encouraging more Native Hawaiian participation in the visitor industry in order to provide visitors with a more authentic experience of Hawaiian culture than what visitors were thought to experience in mass destinations such as Waikīkī.
5. **Pro-activity** – Many people suggested that Hawai`i's residents and businesses (involved in the tourism industry) must be more proactive when confronting problems created by tourism. For example, small business owners should, as much as possible, try to work with key decision-makers in the government before problematic issues arise. Moreover, residents should, as much as possible, be more involved in the decision-making process in terms of what kind of tourism they would like to see in the future.
6. **Emergence of timeshare activities** – Especially on the Neighbor Islands, there was concern about this new trend in Hawai`i tourism. Local businesses accustomed to dealing with hotels are now uncertain how to market to timeshare visitors, saying timeshare activity desks have a “lock” on the market. Other residents worried that timeshare equates to less visitor spending.
7. **Suggestions for new resident survey** – We also asked people about useful questions to add to the survey scheduled to be conducted in the next few months (and reported on in the following chapter). A few ideas were offered and generally incorporated in the subsequent survey:

- Be sure to mention the timeshare industry, the cruise industry, and other forms of emerging tourism.
- Be sure to ask survey respondents how long they have lived in Hawai`i.
- Consider asking residents about diversification of the economy.

Reaction to Sustainable Tourism Study Group Work and/or “Sustainable Tourism System” Concept: This discussion usually came at the very end of each meeting, and public reaction tended to be quite tentative ... perhaps in part because of the length of the draft “Goals and Indicators” document. However, a few themes did emerge –

- 1. Positive reaction to providing a “Values” framework to the document** – Many residents emphasized the importance of protecting and preserving Hawai`i’s sense of “place” by imbuing the visitor industry with authentic Hawaiian values (though, it should be pointed out that some people doubted that this is even possible). Specifically, they worried about the prospect of Hawai`i eventually turning into a place not very different from the one from which the visitor came.
- 2. Desire for, but skepticism about, actual implementation** – At virtually every public meeting, one or more people expressed concern about whether or not the goals and indicators (or the extended “Sustainable Tourism System” concept) would actually be implemented. Because of numerous past tourism studies that people did not see as having had any real-life impact, there was consistent concern that the Study Group’s blueprint for Sustainable Tourism would simply “sit on a shelf,” and no action on it would ever be taken.
- 3. Call for Sustainable Tourism System at island levels** – Neighbor Islanders often saw the Study Group as too “O`ahu-centric,” and felt that any final system should either have strong island components or be carried out strictly at individual island levels.

Consultant Comments About Public Input: What Matters Most for This Report?

It is in the nature of input gleaned through open-ended methods (website questions, public meeting discussions, etc.) to be diverse and sometimes contradictory. Anyone can cherry-pick such a wide-ranging set of comments to find something to support a predetermined point of view. Therefore, we approach the question “What matters most?” with some trepidation, and with a clear acknowledgement that these are very subjective interpretations and conclusions.

That having been acknowledged, here are some points that struck us from this process:

- People sometimes seemed ready to disagree about the desirability of further tourism growth (though we were intrigued to find many visitor industry people who felt Hawai'i tourism is now "mature"). And there were sometimes very palpable disagreements as to whether social and environmental problems caused by tourism are worth the industry's economic benefits.
- However, there was remarkable underlying *agreement* about the need to preserve and enhance socio-cultural and environmental assets, and to correct problems threatening those assets –
 - Better public-sector coordination to address infrastructure overload apparent to visitors and residents alike, especially park facilities and natural areas;
 - Better private-sector reflection of Native Hawaiian and other "local" culture ... with an emphasis on preserving a "sense of place" that is thought to be critical to both visitors' and residents' experience;
 - Better information about the emerging new forms that tourism is taking, and improved data on economic, social, and environmental costs/benefits.

These points of agreement are at the heart of the "Sustainable Tourism System" concept discussed in this report's concluding chapters. The Sustainable Tourism Study Group grappled with these and many other issues, and produced a policy document that is far more fully articulated than the bullet points above. But at the center of it all is an apparent consensus among visitor industry, environmental, Native Hawaiian, and other community stakeholders on the core agreement points above.

VI. RESIDENT SURVEYS ON TOURISM GROWTH AND IMPACTS

DBEDT and/or the Hawai'i Tourism Authority (HTA) have sponsored a series of four large-sample resident telephone surveys on tourism issue since 1988,³⁷ including repetition of many survey questions. The scope for this Socio-Cultural and Public Input component of the Sustainable Tourism Study called for an *additional and original* survey to build upon knowledge gained through the HTA/DBEDT surveys. It was conducted in October and November of 2003, and the full report on this new survey comprises Volume IV of the overall Socio-Cultural and Public Input Study. This chapter presents a summary of the 2003 survey results, but begins with selected results from the previous four surveys in order to provide context and additional useful survey information.

Selected Results from Past Surveys

Past results show Hawai'i residents have highly nuanced (and, arguably, sometimes contradictory) attitudes toward tourism and tourism growth. Important results from past questions, most of them asked at least three times since 1988:

General Evaluations: All four of the major statewide resident surveys found 70% to 75% of the statewide population agreeing that “*Overall, tourism has brought more benefits than problems to this island.*” But even larger majorities (77% to 85%) agreed “*My island’s economy is too dependent on tourism.*”

Growth in Tourism Jobs vs. Hotels: While people have consistently liked the idea of more tourism jobs, they also have consistently *disliked* the idea of more hotels. And after 1999, there was a sharp reduction in the percentage of people favoring tax incentives to encourage renovation or building of new hotels:

³⁷ The surveys, including years and sample sizes, were: (1) Community Resources, Inc., *1988 Statewide Tourism Impact Core Survey*, prepared for the Hawai'i State Dept. of Business and Economic Development, Tourism Branch, August 1989 – N = 3,904; (2) Market Trends Pacific, Inc. and John M. Knox & Associates, Inc., *Analysis of Resident Sentiments on Tourism in Hawai'i*, prepared for the Hawai'i Tourism Authority (HTA), May 1999 – N = 1,003; (3) Market Trends Pacific, Inc. and John M. Knox & Associates, Inc., *2001 Analysis of Resident Sentiments on Tourism in Hawai'i* (Draft), prepared for the HTA, September 2001 – N = 1,007; and (4) Market Trends Pacific, Inc. and John M. Knox & Associates, Inc. *2002 Survey of Resident Sentiments on Tourism in Hawai'i*, prepared for the HTA and the Hawai'i State Dept. of Business, Economic Development, and Tourism, February 2003 – N = 1,643. All of the N's (that is, sample sizes) above are *weighted* statewide figures, as all of the surveys featured disproportionate Neighbor Island sampling in order to provide data at the county or island levels. The 1988 survey was the only one with a large enough sample to permit analyses in some *sub-island* communities (e.g., Waikīkī, Kohala, West Maui, Kapa`a, etc.), though the 2002 sample size permitted special analyses for Lāna`i and Moloka`i, as well as East and West Hawai'i.

Exhibit VI-1: Past Survey Results on Job Vs. Hotel Growth

<i>(individual survey questions:)</i>	Weighted statewide % expressing agreement by year			
	1988	1999	2001	2002
Need more tourism jobs	43%	58%	52%	63%
No more hotels on this island	68%	58%	70%	72%
Tax incentives to renovate/build new hotels	N/A	54%	34%	39%

Growth in Non-Hotel Visitor Units: These past surveys had only a few questions about attitudes toward non-hotel visitor units, which is why the 2003 survey contained a number of such questions, as reported later in this chapter. But several past surveys did ask about bed-and-breakfasts (B&Bs), and results showed a sharp split – only about 50% in favor of more B&Bs.

Broad “Tourism Growth” Strategy Preference: In a question asking about preference among three general strategies for “tourism growth” (left undefined as to whether “growth” meant jobs, visitors, buildings, etc.), “limited growth” has been the most popular, with very few favoring a “no growth” approach:

Exhibit VI-2: Past Tourism Growth Strategy Preferences

<i>(options for this question:)</i>	“Which of the following statements comes closest to your own feelings about tourism growth in Hawai‘i?” (not asked in 1988)		
	1999	2001	2002
Growth strategy: “Unless we are sure some other major industry will work here, we must support more tourism growth.”	34%	34%	40%
No growth: “We should not support any more tourism growth, even if that means the economy will stay the same or get worse.”	5%	7%	7%
Limited Growth: “We should support more tourism growth in the short term, but we have to accept long-term limits even if we can’t find other major industries that will work here.”	52%	45%	48%
(Other reply or Don’t Know)	11%	13%	4%

Government Support for Assets Underlying the Tourism Product: There is strong and consistent support for government expenditures for these purposes –

Exhibit VI-3: Past Results on Expenditures to Support Tourism Assets

	1999	2001	2002
	<i>“Much tax money from tourism should go to...”</i>	Weighted statewide % expressing agreement	
“...public improvements in visitor areas.”	69%	70%	66%
“...clean up the environment.”	78%	83%	79%
<i>“Do you favor/oppose government budgeting more money to ...”</i>	Weighted statewide % saying “favor:”		
“...improve infrastructure ... in tourist areas”	56%	61%	66%
“...create new parks, marine preserves, other scenic attractions for residents & visitors”	69%	85%	59%
“...restore and sustain parks, marine (etc.)”	N/A	85%	76%

Attitudes Toward Visitor Industry Jobs: A series of standardized questions asked (with some modifications) since 1988 shows residents have a complex and divided picture of tourism jobs – large majorities appreciate the diversity of employment in the visitor industry and believe there is “pride and dignity” to be had in service employment ... but about half also think there is little opportunity to advance, that the best jobs go to outsiders, and that poor hours and/or poor pay characterize such work.

Attitudes Toward Visitors as People: Another series of questions asked from 1988 through the 2001 survey established that most Hawai`i residents enjoy interacting with visitors and believe most visitors treat residents and tourism workers well. Nonetheless, about half of Hawai`i residents worry that the “Aloha Spirit” for tourists is eroding. And in a question asked since 1988, nearly half felt that “*This island is being run for tourists at the expense of local people.*” (Note that this seems less a comment about visitors than about the visitor industry and/or government.)

Beliefs About the Visitor Industry: From 1999 through 2002, just 45% to 50% agreed that “*The visitor industry does a good job in giving back to the community.*” And in 1999 and 2001, 63% and 56% respectively felt “*Visitors to Hawai`i are charged too much money for what they get.*” Nevertheless, 70% to 80% of resident said they were proud of the appearance of resort areas and felt welcome in hotels and other visitor industry businesses.

Where Tourism Activity Is Welcome (or Less Welcome): Residents showed support for all of the following survey items with locational implications, but the size of that majority varied considerably depending on the activity. On Maui and Kaua`i almost as many disagreed as agreed that there should be more visitor activity in “wilderness areas” –

Exhibit VI-4: Past Results on Tourism Activity/Location

<i>(individual survey questions:)</i>	Weighted statewide % expressing agreement by year			
	1988	1999	2001	2002
“Encourage visitors to spend more time and money throughout island, not just in so-called ‘tourist areas’”	N/A	78%	87%	90%
“Encourage more visitor activities in museums and historical sites”	N/A	82%	86%	87%
“Keep all future resorts close to existing hotels”	68%	65%	62%	64%
“Encourage more visitor activity in wilderness areas”	N/A	N/A	53%	53%

Perceived Positive/Negative Tourism Impact Areas: Exhibit VI-5 on the next page shows, at the top, things that residents have been consistently more likely to say tourism makes “better” rather than “worse” – and, at the bottom, things they have been much more likely to believe tourism makes “worse” rather than “better.”

Exhibit VI-5: Past Survey Results – Beliefs About Tourism Impacts

“We’d like to know how you think tourism affects things on your island. For each thing I mention, please tell me if you feel tourism makes it better or worse these days.”

	1988 “BETTER”	1988 “WORSE”	1999 “BETTER”	1999 “WORSE”	2001 “BETTER”	2001 “WORSE”	2002 “BETTER”	2002 “WORSE”
Number of jobs	82%	12%	67%	16%	73%	14%	80%	7%
Shopping, restaurants, and entertainment opportunities for residents	60%	18%	51%	24%	67%	15%	70%	8%
Overall standard of living	63%	20%	49%	23%	55%	21%	67%	9%
Overall quality of life	N/A	N/A	49%	22%	59%	14%	66%	9%
Average income for residents	N/A	N/A	N/A	N/A	N/A	N/A	54%	15%
Diversity of economic activities	N/A	N/A	47%	26%	52%	20%	45%	20%
Relations between people with different backgrounds	35%	31%	45%	23%	53%	15%	47%	11%
Preservation of Native Hawaiian culture	47%	36%	42%	29%	40%	29%	46%	19%
Number and quality of parks	44%	40%	44%	22%	44%	14%	41%	12%
Preservation of nature and open space	33%	45%	35%	30%	27%	42%	32%	25%
Number of people living in your part of the island	27%	30%	34%	27%	24%	23%	25%	15%
Cost of food and clothing	20%	56%	32%	35%	21%	41%	24%	33%
Quality of water and air	N/A	N/A	31%	32%	17%	43%	16%	31%
Cost of housing	8%	67%	26%	35%	11%	48%	15%	35%
Crime	6%	70%	22%	44%	7%	63%	8%	41%
Traffic	4%	83%	22%	51%	3%	78%	7%	54%

“Better” and “Worse” add to less than 100% because some people said “Don’t Know” or “Mixed Effects.”

Island Differences: Over the years, residents on Kaua`i and Maui – where tourism is much more concentrated relative to the population – have been consistently more likely to say that tourism has had negative impacts and to express leanness about additional growth. (By contrast, the Big Island – especially the East Hawai`i side – has been the most open to more growth.) For example, the 2002 survey had county-specific questions about specific areas where “more tourism activity” should be either encouraged or discouraged. On Maui Island and Kaua`i, residents of those islands had majorities or pluralities opposing tourism growth in every single region of the island.³⁸

Differences Between Visitor Industry Workers and Others: These four surveys have consistently found *little or no difference* between the attitudes and beliefs of those who identify themselves as visitor industry workers (or who believe their jobs depend largely on tourism) and those who do not. For that matter, the four surveys found relatively few overall differences based on demographics such as ethnicity, income, etc. – and most attitudes expressed a year after 9/11/2001 were the same as pre-9/11 attitudes.

Methods and Purposes for the 2003 Survey

Methods

DBEDT's scope of work for this project stipulated a statewide telephone survey, N = 1,000 but with disproportionate sampling for Neighbor Islands. The final sample design included random calls to 250 households on each of four islands: O`ahu, Maui,³⁹ Kaua`i, and the Big Island. Sampling accuracy for the weighted statewide total was $\pm 4.6\%$ (and $\pm 6.2\%$ for each individual island).

Data were collected between the dates of October 15 - December 9, 2003, including time for a few subsequent callbacks as needed to fill in missing information for some respondents. Interviews averaged 15 minutes in length. (See Volume IV for additional information about methodology, as well as a copy of the survey questionnaire.)

Purposes

The survey was intended to provide new or expanded information about resident attitudes regarding three broad topic areas –

³⁸ With the possible exception of Waimea on Kaua`i. Also, respondents from all three islands in Maui County tended to agree there should be more tourism activity on Lana`i and Moloka`i.

³⁹ With DBEDT's concurrence, we elected to sample only Maui Island rather than Maui County. The survey size did not permit separate samples for Moloka`i and Lana`i, and the survey issues were expected to tap into stronger feelings on Maui Island than the two smaller islands. The 2002 HTA/DBEDT resident survey had a sample size large enough to provide separate results for Maui Island, Lana`i, and Moloka`i, and found very different issues and concerns on these three islands.

- Perceptions of Success in Achieving “Sustainability”-Related Outcomes. These were perceived visitor industry and government success in outcomes related to tourism’s ability to serve the “triple bottom line” of economic, social, and environmental benefits for Hawai`i residents. Questions had to do with industry/government success or failure in protecting the assets underlying the quality of the tourism product and/or assuring that tourism benefits the larger community.
- Attitudes Toward Changes/Growth in Hawai`i Tourism. These measured reactions to trends in, and changes in the nature of, Hawai`i tourism – both overall growth trends and the emergence of more non-hotel-based forms of the vacation industry (second homes, cruise ships, etc.).
- Opinions on Congestion and Overload. Because much of the impetus for the overall Sustainable Tourism Study came from concerns about possible renewed visitor industry growth, much of the survey was dedicated to questions about possible sense of “overload” from either residential or visitor industry growth. As described later, these questions attempted to determine the extent to which tourism is thought responsible for “overload” conditions, as well as the acceptability of such conditions as a price to pay for economic benefits.

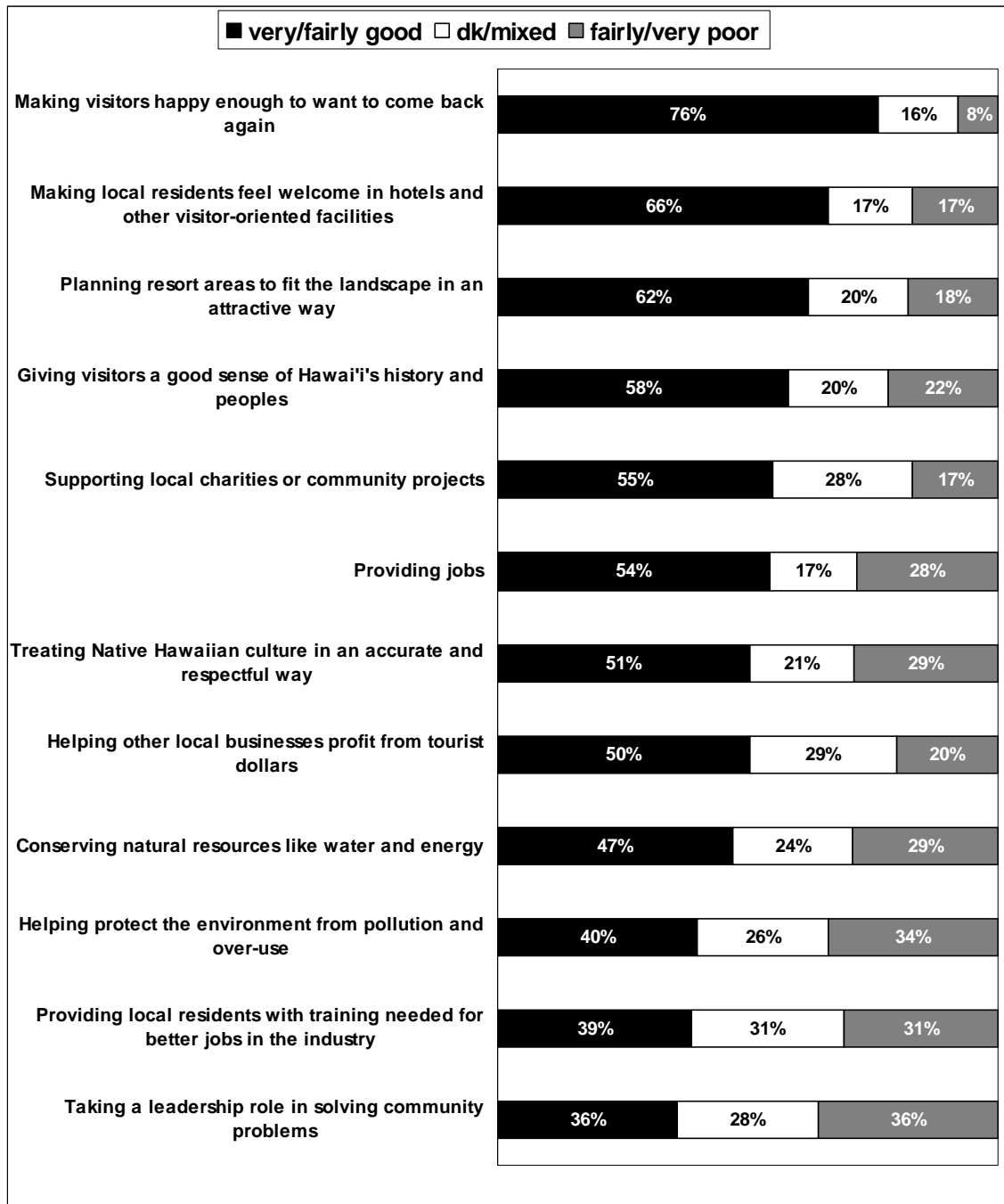
Results (2003): Success in Achieving “Sustainability”-Related Outcomes

Rating the Visitor Industry

Respondents were asked, “Overall, how good a job do you think this island’s visitor industry does for each of the following things ...?” The various items, along with results, are shown in Exhibit VI-6 on the next page. As may be seen there, very few people said the industry does a “poor” job at any of these things, but residents sometimes withheld approval by saying “mixed job” or “don’t know.”

Hawai`i residents clearly tend to believe the “Hospitality Industry” does a good job in being hospitable – i.e., in providing quality experiences for both visitors and residents who patronize the facilities. And nearly 60% thought the industry does at least a fairly good job of “Giving visitors a good sense of Hawai`i’s history and peoples.” But where the industry ranks low, at least in public perception, is in environmental sensitivity (conservation and environmental protection), assuring wider economic benefit, and leadership in community problem solving. (Note that the industry does receive fairly good marks for “Supporting local charities or community projects,” but this does not apparently equate in all minds to “Taking a leadership role in solving community problems.”)

Exhibit VI-6: Visitor Industry Performance – 2003 Statewide Results

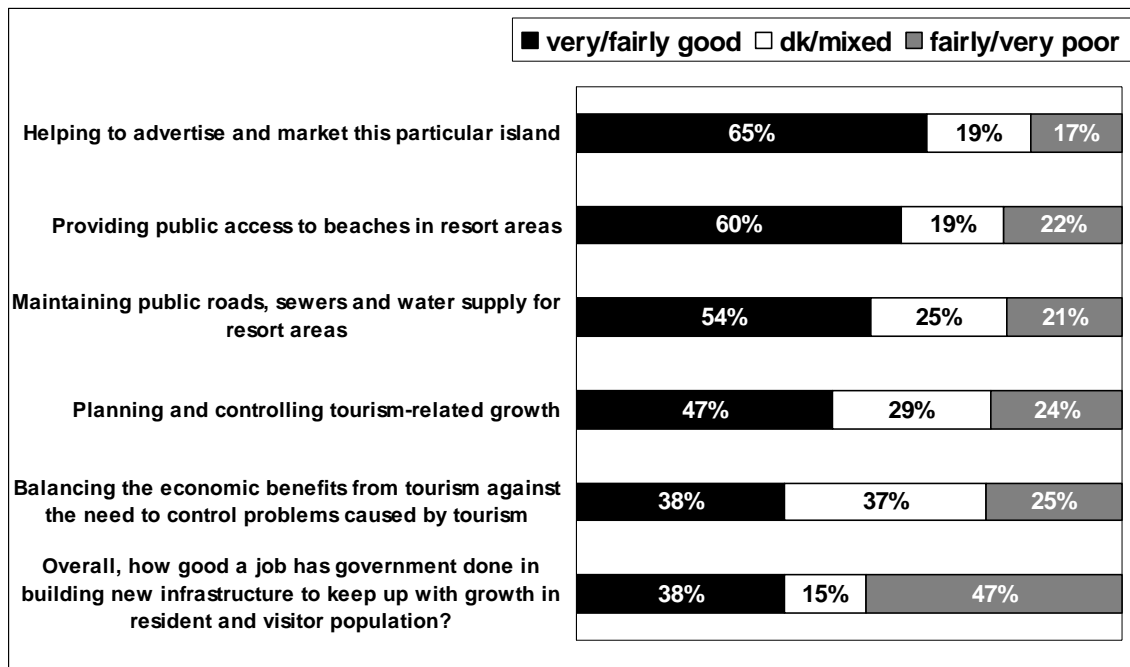


Island differences tended to be specific to a few questions, rather than forming broad overall patterns. For example, Kaua'i residents had a somewhat more *positive* view of its industry's leadership role in solving community problems and helping other local businesses profits. By contrast, Maui residents had a more *negative* take on its local visitor industry's environmental performance.

Rating Local Government

The survey included a brief list of ways that government might support tourism and/or deal with its effects on underlying assets. Government gets particularly *good* grades for tourism marketing and protecting beach access. It gets *poor* grades for balancing tourism economic benefits vs. problems and providing infrastructure to keep up with growth. (Note that the latter was the only item in which nearly half of all residents actually said “poor” job.)

Exhibit VI-7: Local Government Performance – 2003 Results



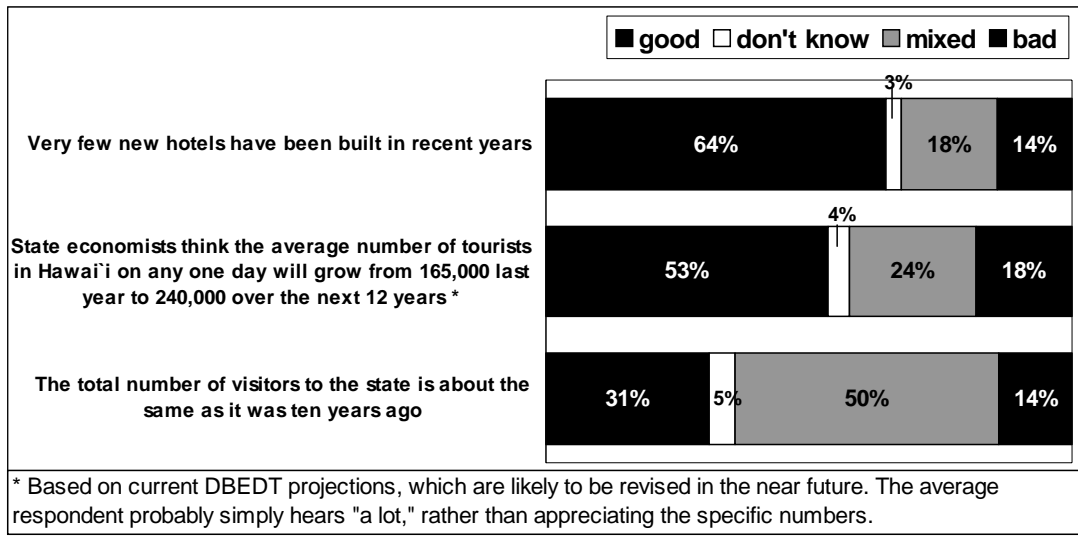
Again, island differences tended to be specific to a few questions. Big Island residents were a little less likely to say “good job” (just 55%) for “*Helping advertise and market this island.*” And O`ahu residents gave a higher approval rating for “*Providing public access to beaches in resort areas*” (65%) than did the three Neighbor Islands (about 50% each).

Results (2003): Attitudes Toward Changes/Growth in Hawai`i Tourism

General Growth Patterns

As in past surveys, residents react differently to hotels than to people. Most were happy that hotel growth has stopped, but had “mixed feelings” about the flat visitor count ... yet were still happy about projections of resumed visitor growth!

Exhibit VI-8: Attitudes Toward Tourism Growth Trends, 2003



However, statewide results are of course heavily determined by O`ahu responses. Maui Island and Kaua`i residents were much happier about recent lack of tourism growth and much *less* happy with DBEDT projections of resumed growth. On those islands, just 40% felt it was "good" that State economists think there will be resumed major growth in visitor counts.⁴⁰

Attitudes Toward New Types of Vacation Units

Exhibit VI-9 on the next page shows that few residents thought that any of the emerging types of non-hotel vacation units are clearly "bad" for Hawai'i ... but, again, there were lots of uncertain or "mixed" feelings that took away from positive responses. Real *enthusiasm* (at least among statewide respondents) seems to be limited to cruise ships and B&Bs with on-site hosts⁴¹. The *least enthusiasm* (or at any rate the most uncertainty) was expressed about vacation homes outside resort areas, in agricultural subdivisions.

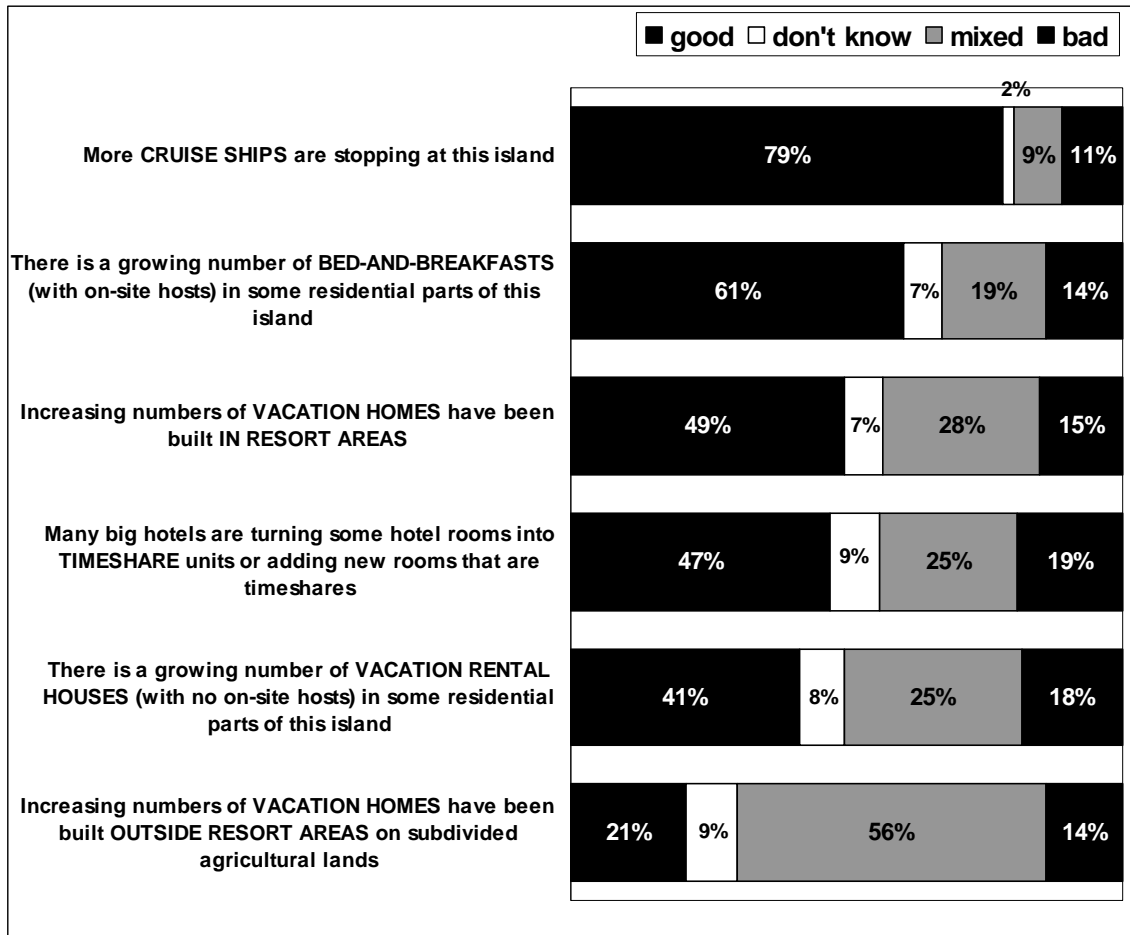
Maui Island (and to some extent Kaua`i) residents were less positive about a number of these "non-traditional" visitor units:

- Cruise ships: Maui at just 60% "good," vs. 77% - 82% on other islands;
- Vacation homes inside resorts: Maui 33%, Kaua`i 40%, Big Island 44%, O`ahu 53%;
- Residential-area B&Bs: Maui and Kaua`i about 47% each "good," vs. 60% on Big Island and 64% on O`ahu.

⁴⁰ Still, even on Maui and Kaua`i, few felt renewed growth at the level projected by State economists would actually be "bad;" there was just more "mixed" feeling.

⁴¹ Past HTA surveys did not make the careful distinction between B&Bs and vacation rentals that was done in this survey, which probably resulted in slightly higher B&B approval figures in 2003.

Exhibit VI-9: Attitudes Toward Non-Hotel Visitor Units, 2003



Results (2003): Opinions on Congestion and Overload

This section of the survey questionnaire mostly consisted of a list of settings (or natural assets) where congestion or environmental overload might occur – beach parks, highways, water supply, overall island population, etc. For each one, respondents were asked “if this feels like a big concern, small concern, or not a concern to you personally.”

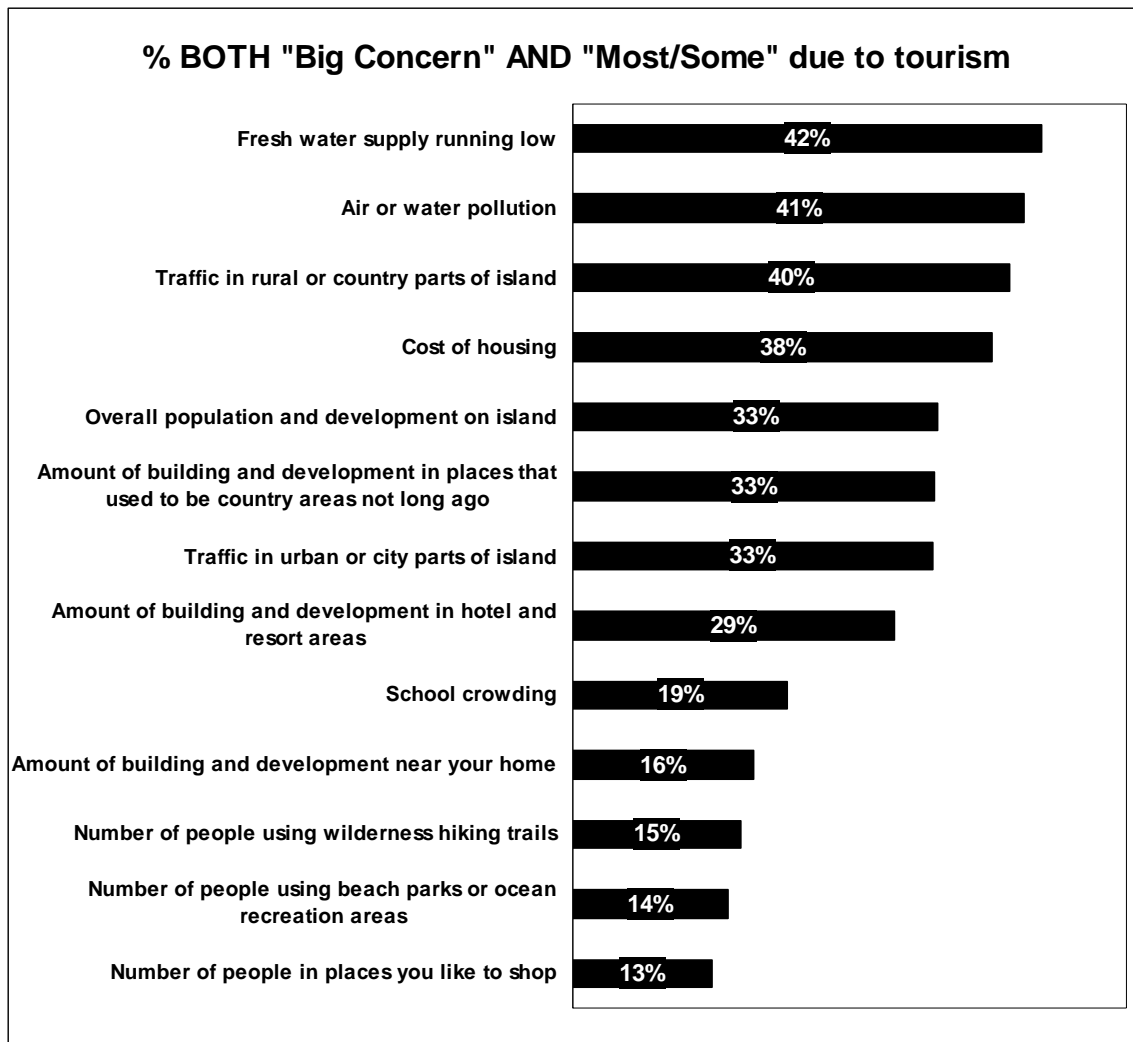
Only those residents saying a particular setting was a “big concern” were asked two follow-up questions about each big-concern situation:

- How much of that do you believe is happening because of too many tourists or too much tourism? (Most, some, a little, or none.)
- Is this currently an acceptable price to pay for economic benefits, is it starting to be unacceptable, or is it already an unacceptable price for economic benefits?

Things Felt to Be Both “Big Concerns” AND Attributable to Tourism

For purposes of space in this summary report, we will report combined results for the first two questions – percentages of all respondents who said each situation represented both a “big concern” to them personally and attributed it at least “some” to the visitor industry. *It should be noted that there was no item for which a majority of those strongly concerned felt that tourism bore “most” of the responsibility.*⁴² However, there were many for which majorities thought tourism has at least “some” of the responsibility, so this was used for the following chart:

Exhibit VI-10: Tourism Impact Index – High Concern “Overload” Settings Attributed Partly to Tourism (2003)



⁴² The one that came closest was “Number of people using wilderness hiking trails,” for which the statewide figure saying “most” was due to tourism reached 44%. However, relatively few people in the general population (just 20%) said hiking trail congestion was a big concern for them personally.

It is important to remember that percentages in Exhibit VI-10 are the product of answers to two different questions (Is this a big concern? If so, is tourism at least somewhat responsible?) for each item. Statewide, the situation most often named as a “big concern” was “*Cost of housing*” (79%), closely followed by “*Fresh water supply running low*” (77%).⁴³ But more people thought water supply threats are due in some part to tourism than thought housing costs are due in some part to tourism – so water leads the list in Exhibit VI-10. Because Exhibit VI-10 combines several results, it might called a “*Tourism Impact Index*.”

By this Index, the visitor industry is most vulnerable to public concerns about “big picture” natural resources – water supply and environmental purity – as well as rural-area traffic congestion and housing costs. However, it should also be noted that some of the things at the bottom of the list in Exhibit VI-10 were especially likely to be attributed to tourism ... but only by the relatively few people who considered them “big concerns” personally. The last three items in the chart – numbers of people in wilderness hiking trails, beach parks, and favorite shopping areas – were of great concern to small minorities (just 18% - 22%) of statewide respondents. But of those who *were* concerned with these things, large majorities (64% - 76%) thought at least some of the problems were due to tourism.

For most of these Tourism Impact Index items, Maui (and often Kaua`i) had higher combined percentages than other islands ... and O`ahu usually had the *lowest* percentages. That means that a “Neighbor Island only” version of Exhibit VI-10 would have higher overall percentages. Here are some examples where differences are apparent,⁴⁴ all of which feature higher Maui than O`ahu results:

Exhibit VI-11: Selected Island Differences, Tourism Impact Index

<i>(shading indicates results for Neighbor Islands significantly higher than O`ahu results)</i>	Island %'s for Selected Exhibit VI-10 Items			
	O`ahu	Big Island	Kaua`i	Maui
“Fresh water supply running Low”	42%	40%	32%	55%
“Traffic in rural parts of island”	29%	34%	46%	55%
“Traffic in urban parts of island”	35%	36%	53%	55%
“Cost of housing”	34%	43%	55%	54%
“Overall population and development on island”	29%	35%	42%	53%
“No. people using beach parks/ocean recreation”	10%	22%	21%	29%
“Amount of bldg./development near your home”	14%	20%	21%	26%

Things Felt to Be Both “Big Concerns” AND Unacceptable Prices to Pay

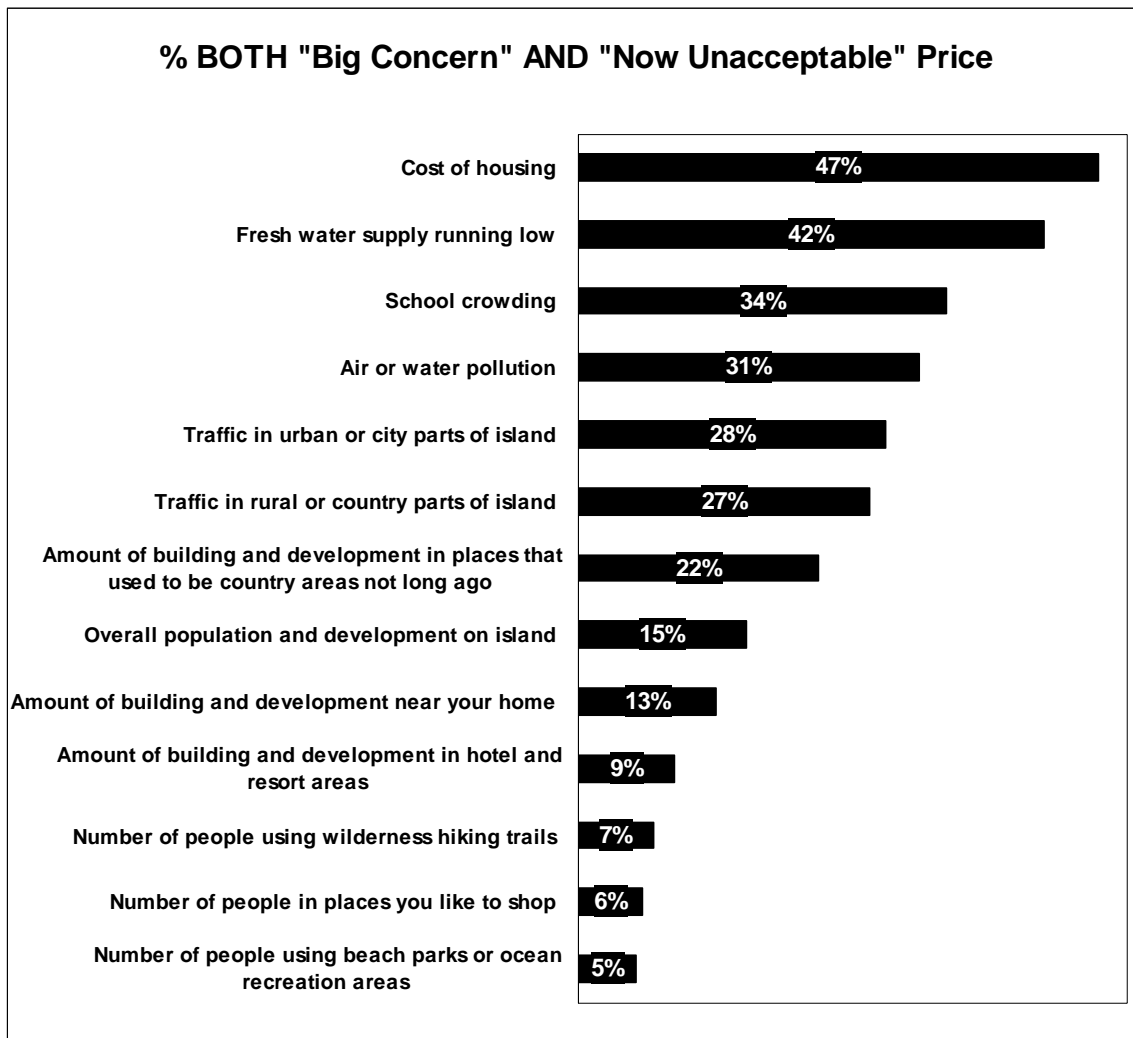
Residents who said a particular “overload” setting was a “big concern” to them personally were also asked if that situation was an acceptable price to pay for

⁴³ Complete results for the separate sets of questions, and not just the combined percentages shown here, may be found in the Volume IV survey report.

⁴⁴ Items not shown in this exhibit have lesser inter-island differences. For example, results on all islands were similar for “*Air or water pollution*.”

economic benefits, becoming unacceptable, or was now already unacceptable. As might be expected among people who had already said something was important enough to be called a “big concern,” relatively few said it was totally “acceptable” to them,⁴⁵ but there was considerable variation as to what things were “now unacceptable.” Again for reasons of space, it is useful to produce what might be called a “Growth Irritation Index” – i.e., percentages of all respondents who said each situation represented both a “big concern” to them personally and is considered “now unacceptable” as a price to pay for economic benefits.

Exhibit VI-12: Growth Irritation Index – High Concern “Overload” Settings Considered Currently Unacceptable (2003)



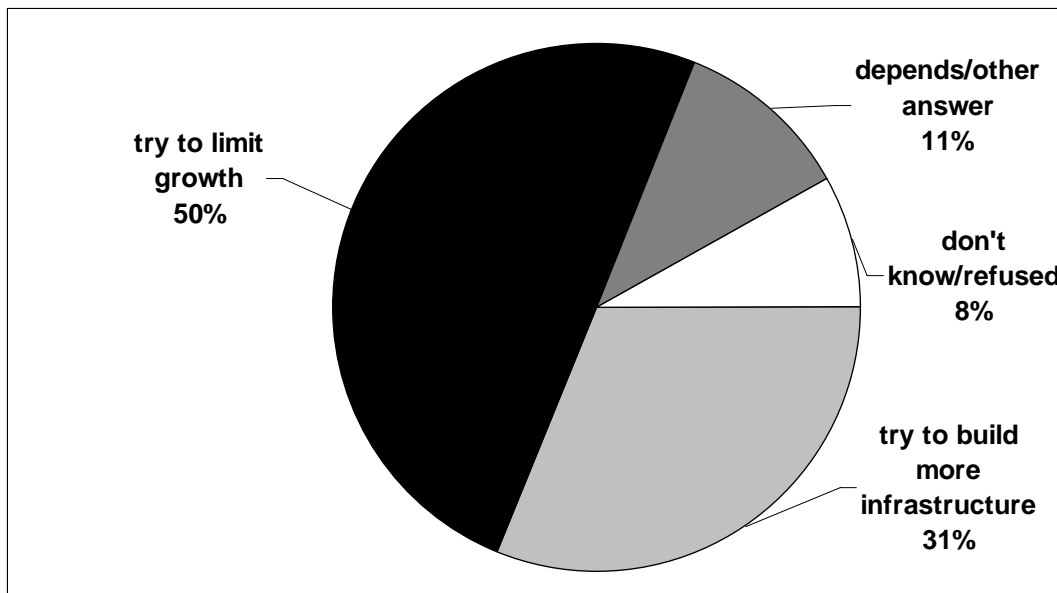
⁴⁵ Percentages – again, just among those who had said “big concern” – varied from 12% acceptable for “*Fresh water supply running low*” to 34% acceptable for “*Number of people using beach parks or ocean recreation areas.*”

Note that this “Growth Irritation Index” is about which situations are considered particularly important but omits the information about whether tourism is believed responsible.⁴⁶ The main difference between Exhibit VI-10 and VI-12 is that “*School crowding*” moves far up in importance – this is a subject about which the public is greatly concerned; feels is a particularly unacceptable price to pay for economic benefits; but does not much attribute to tourism.

When Growth Gets Too Fast – Limit Growth or Speed Up Infrastructure?

A final survey question asked⁴⁷: “*When the number of residents and visitors begins to get too much for the infrastructure, do you believe it is generally better for the government to try to build more infrastructure or to try to limit economic and population growth?*” Opinions were split, but the tendency was to favor limiting growth at those times:

Exhibit VI-13: Best Solution to Over-Rapid Growth (2003)



Residents on all islands were somewhat more inclined to limit growth than to build more infrastructure – except on the Big Island, where each option was favored by an identical 42%.

⁴⁶ We could have produced an index that combined all three pieces of information, but worried that we would then be dealing with quite small numbers that would affect reliability – especially when comparing island results. However, it is obvious that such a procedure would have resulted in “*Fresh water supply*” still at or near the top of the list, with “*Cost of housing*” and “*Air or water pollution*” also highly ranked. In other words, Exhibit VI-10 already provides a fairly good sense of the big picture concerns about “overload” issues with tourism implications.

⁴⁷ After defining “infrastructure” as “the physical things that government builds to keep our society working – things like roads, schools, parks, sewer lines, and so forth.”

Conclusions

Some Ways the 2003 Survey Reinforced Earlier Survey Results

- **Complexity of Attitudes:** Residents are not clearly “pro-growth” or “anti-growth.” They recognize the need to protect our economic base, but also to protect the environmental/social assets underlying that base. Many report “mixed” feelings on some key growth questions.
- **Greater Neighbor Island Concern:** Half of Hawai`i tourism takes place on the Neighbor Islands. Particularly on Maui and Kaua`i, where 1 out of every 4 persons is a visitor, there is relatively more concern about tourism impacts and more hesitation about further growth.
- **Less Concern About Growth in People Than in Buildings (or Depletion of Fundamental Assets):** More visitors are welcome; more hotels are not. “More people” in beach parks, wilderness trails, etc. are less of a concern than more “development” or “traffic” ... but the greatest problems of all are perceived threats to water, environment, housing, etc.

Some New Insights from the 2003 Survey

- **Anxiety About Fresh Water Supply:** This was a particularly striking 2003 result and bears future monitoring.
- **Uncertainties About Emerging Non-Hotel Tourism Forms:** Few people feel any of these are “bad,” but only cruise ships and perhaps B&Bs are widely accepted as “good.” There is particular hesitation about vacation homes that may be getting developed outside resort areas.
- **Tourism Effect on the Environment:** Past HTA/DBEDT surveys suggested residents saw tourism as having some negative effect on quality of air and water, though they did not think pollution was a major problem in their own communities. The 2003 survey clarified that air and water quality is one of residents’ major “overload” concerns for Hawai`i in general, if not necessarily their own community ... that they usually see tourism as bearing just “some” of the responsibility ... but also that less than half of all residents believe the visitor industry has done a “good job” of either protecting the environment or conserving natural resources.
- **Frustration with Government Over Infrastructure Strains:** More people felt local government has done a poor job than a good job “in building new infrastructure to keep up with growth in resident and visitor population.” This may contribute to the current preference for limiting growth rather expanding infrastructure in periods of rapid growth.

VII. THE SUSTAINABLE TOURISM STUDY GROUP

Despite its “study group” name, the Sustainable Tourism Study Group evolved into an action-oriented advisory body that generated both a vision for Sustainable Tourism in Hawai`i and a number of associated action recommendations. It was in fact more a *working* group than a *study* group, and we regard its output as some of the most practical and valuable to emanate from the overall project.

This brief chapter describes the history, purposes, and thought processes underlying the Study Group’s work. Its complete product – a general Vision, accompanied by a comprehensive set of Goals, Recommendations, and Indicators – comprises the report’s final Appendix.

History, Membership, and Final Purpose

The State’s original thought was to assemble (twice, after each of the two rounds of public meetings) five separate focus groups from varying stakeholder “sectors” (e.g., tourism, environmental, Hawaiian groups, etc.) in order to “brainstorm’ ... for potential issues, concerns, and solutions bearing on the sustainability of tourism and applicable to [each overall Study component].”⁴⁸

With the concurrence of the State, we suggested an alternative approach – bringing together a multi-stakeholder extended Study Group that would hold repeated meetings in order to (1) generate possible future tourism scenarios for public meetings; (2) review and input to technical studies; and (3) articulate a set of “Sustainable Tourism Principles.” Over time, the group gradually focused primarily on the latter idea, and these “Sustainable Tourism Principles” expanded into the full-blown Vision with Goals, Recommendations, and Indicators that appears at the end of this report.

We began with a group of 21 members – later expanded to 24 when some initial members suggested a need for other perspectives – representing the following stakeholder groups:

- Visitor industry and other business;
- Environmental;
- Native Hawaiian;
- County planning departments;
- Neighbor Island community representatives;
- Selected other perspectives (labor, academia, retail, social agency).

⁴⁸ From the State’s 2002 Request for Proposals for this study.

Exhibit VII-1: Final Sustainable Tourism Study Group Members

<u>Name</u>	<u>Affiliation</u>	<u>Island of Residence</u>
Peter Apo	Hawai'i Hospitality Institute	O`ahu
Ian Costa	Kaua`i Planning Department Director	Kaua`i
Dee Crowell	Initially Kaua`i Planning Director; now Sandwich Isles Communication	Kaua`i
Henry Curtis*	Life of the Land	O`ahu
Susan Au Doyle	Aloha United Way	O`ahu
Michael Fitzgerald	Enterprise Honolulu	O`ahu
Guy Fujimura	ILWU	O`ahu
Frank Haas	Hawai'i Tourism Authority	O`ahu
Annette Kaohelaulii	Hawai'i Ecotourism Association	O`ahu
Alice Kawaha (representing Planning Director)	Hawai'i County Planning Department	Big Island
Millie Kim	Millicent Kim, Inc. (Big Island community)	Big Island
Leslie A. Kuloloio	Cultural Native Resource Specialist (Maui community)	Maui
Lynn McCrory	PAHIO Resorts/DLNR Board (Kaua`i community)	Kaua`i
Bob McNatt	Hawai'i Resort Developers Conference/Maui Land and Pineapple	Maui
Jeff Mikulina	Sierra Club	O`ahu
Brian Miskae (representing Planning Director)	Maui County Planning Department	Maui
Rev. Kaleo Patterson	Pacific Justice and Reconciliation Center	O`ahu
Carol Pregill	Retail Merchants of Hawai'i	O`ahu
Dr. Pauline Sheldon	Univ. Hawai'i, School of Travel Industry Management	O`ahu
Kathy Sokugawa (representing Planning Director)	City & County of Honolulu, Department of Planning and Permitting	O`ahu
James W. Stanney	Initially KPMG, LLP; now Ko Olina Realty, LLC	O`ahu
Murray Towill	Hawai'i Hotel and Lodging Association	O`ahu
Donna Wong	Hawai'i's Thousand Friends	O`ahu
Marjorie Ziegler	Conservation Council for Hawai'i	O`ahu

* *Submits "minority report" at end of this chapter*

Note: One other visitor industry representative, Ms. Lyn Anzai, then of Hawaiian Airlines, participated at the beginning. Later Mr. Robert Taylor of Maui Divers took her position of the group but felt he was entering the discussion too late for informed participation. Given his reasons, we made no further attempt to fill this "seat" on the group.

The driving concept was to see whether individuals and groups that often *disagree* about tourism development could find substantial areas of *agreement* on the topic of "Sustainable Tourism."

The group held ten "official" meetings from September 2002 through December 2003, with an 11th "unofficial" January 2004 meeting to tie up some loose ends. Some of the early meetings were rocky – different philosophies were aired, and some group members expressed frustration at the number of informational presentations, wanting to get to work on a final product. By early 2003, the Study Group had agreed to concentrate on the Goals and Indicators document, and worked very purposefully on that product thereafter.

Because of the difficulties inherent when large groups try to write a product, the actual process of writing and rewriting usually involved:

- An ad hoc committee – with participation from most or all stakeholder groups – came up with drafts for consideration by the full group.
- These drafts were distributed in advance of each full Study Group meeting, so that anyone unable to attend the full meeting could make comments or request changes.
- The full group would respond and make additional language changes (also distributed to members not present for their response) and refer various issues back to the consultants and/or the ad hoc committee for further discussion and wordsmithing.

It is important to note that the Study Group worked very hard during an extended period when it had no clear sense whether its efforts would be recognized or not. The project began under one governor's Administration, and the new Administration taking office in 2003 was naturally absorbed with many other things. The governor's new Tourism Liaison – a position that had not existed when the Study Group began – was not appointed until mid-2003, and she was forced to attend to various other crises on the tourism front for a number of months.

However, in the closing months of the Study Group's work, Tourism Liaison Marsha Wienert met first with the consultants and then with the full Study Group, and she was invaluable in assuring the group's draft product was carefully reviewed by Administration agencies that might carry out recommendations. The feedback she obtained from Cabinet heads resulted in a flurry of changes at the end of the project. As a result, there may be some inconsistencies and dangling threads, but on the whole the Study Group's final document is much stronger because of the Administration review coordinated by the Tourism Liaison.

Key Concepts and Principles in the Study Group's Work

The final document in the Appendix consists of:

- (1) A Vision Statement and an explication of six "Broad Goal" areas –
 - Values
 - Economy
 - Environment
 - Culture
 - Social Harmony; and
 - Planning.

- (2) Under each of these Broad Goal areas, a set of “Specific Goals,” with matching Indicators and Action Recommendations.

Rationale for Six Broad Goal Areas: The Study Group began by considering the standard three topics for the “triple bottom line” of sustainability – i.e., economic, environmental, and socio-cultural. But it expanded these to six because:

- *Values* formed the basis for discovering consensus in the group. Without an articulation of those values, and an insistence on maintaining a values-based framework, the group felt there was little hope of retaining the unique product or sense of place that would be valued by both residents and visitors. And of course the group felt it only appropriate to express those values in Native Hawaiian terms.
- *Planning* seemed a logical addition, since it is fundamental to achieving a quality outcome.
- Separating *Culture* and *Social Harmony* – The group wrestled with the idea of combining these, but finally decided that Hawai`i’s unique multi-cultural environment required separate attention to those issues. The specific goals covered under “Social Harmony” are important but likely to apply in any resort destination. The specific goals covered under “Culture” are more Hawai`i-specific in nature.

Specific Goals: These form the heart of the document ... the *specifics* of the Study Group’s vision about a visitor industry that will be “sustainable” because it preserves underlying assets, reflects resident values, and meets the desires of the market.

There are different numbers of “Specific” goals for the various “Broad” goal areas. The group considered trying to come up with the same number of specifics or the same length for each of the six Broad Goal areas, but decided to retain as many Specific Goals as the group could reach consensus upon. *There was no attempt to prioritize either Broad or Specific goals – the group felt the entire package was needed to present its vision of a balanced and workable Sustainable Tourism framework.*

Indicators: Each Specific Goal has attached to it one or more “Indicators” – existing or desirable quantitative data that would provide at least a rough measure of the extent to which goals are being met. Ideally, indicators would be simple, single-number data points that could be tracked in reliable and consistent fashion over time ... and then charted in graphic forms that could be easily grasped by the public or policy makers. Many of the data contained in Chapter II exhibits (or the crime trends in Exhibit III-1) are of this nature.

An “indicator” is not always a complete or perfect measure of a desired goal. Such numbers help to determine if things are on track or off track, and – as will be noted in the following chapters – they are generally considered to be necessary ingredients of any comprehensive Sustainable Tourism system. But neither should the indicators be mistaken for the goals themselves. They are trigger mechanisms for an ongoing monitoring approach that must also be sensitive to unmeasured factors that could affect the goal.

The Study Group’s goals represent this particular body’s *conclusions*, but the indicators are more tentative *initial best suggestions*. The Study Group was not always able to draw upon the expertise of statisticians, though some of its members and some State personnel were knowledgeable about certain (though not all) potential data sources.

Action Recommendations: Goals without actions are meaningless. Actions without knowledge of underlying goals or values can also be meaningless. The Study Group’s action recommendations comprise the most specific, “hard” elements of the document in the Appendix. They were the focus of much of the group’s most intense discussions ... and some members clearly cared more about some actions than others, consistent with their underlying affiliations. But the Study Group’s consistent sense was that it was recommending actions in the context of an *overall framework for Sustainable Tourism*.

At the end of the project, Study Group members cast votes for “first-priority actions,” and those results were reported in the opening Executive Summary and Recommendations section. It is important to note that these votes were not a repudiation of other recommended actions, nor were they indications that associated goals should have more priority than goals associated with actions that were not voted as “first priorities.”

It may be noted that some of the recommended actions – including a number of the “first-priority” ones – are implicitly or explicitly calls for further detailed study of specific topic areas by appropriate public-private partnerships, involving new groups with expertise in particular subject areas (Native Hawaiian culture, environmental issues, etc.) The Study Group recognized that it did not itself have sufficient expertise or enough representation from all affected stakeholder groups to resolve such issues, but did feel that new collaborative efforts could succeed.

Suggested “Responsible” Agencies: As with indicators, the Study Group made *initial best suggestions* regarding which agencies should take responsibility for actions and for monitoring indicators. These suggestions were revised and strengthened following Administration review, but still remain somewhat preliminary. In some cases, multiple agencies are named. The group felt it would be preferable to designate one as a true “lead” agency but recognized it did not have time nor actual authority to do so ... and thus this task might be added to the other “follow-up” steps suggested below.

Areas of Disagreement or Needed Follow-Up Steps

Study Group Dissenting Views or Concerns Regarding Implementation

“Minority Report” from Henry Curtis: Mr. Henry Curtis, executive director of Life of the Land, asked to submit the following Minority Report:

“Life of the Land testified in favor of the sustainable tourism legislation as it moved through the Legislature. DBEDT assured the environmental community that we would be on the overarching guiding body advising in the implementation of the study. Instead, DBEDT and the Tourism Industry plotted for a year on what the study would look at, eliminating the carrying capacity study, and removing community input from the UH model group. What resulted is typical of many studies: those who worked on it may like it. Like most studies it will gather dust. To plan for the future we need collective wisdom rather than limiting meaningful participation. Life of the Land cannot sign off on a study done without broad-based community input.”

Other Concerns About Implementation: Several Neighbor Island Study Group members were concerned that any implementation of certain Environmental and Planning goals⁴⁹ was either *solely* or *primarily* driven by the counties and not the State. These Study Group members said they did not want to go so far as dissenting or not concurring from the document, but they did want these provisos noted “for the record.” Similarly, one of the Native Hawaiian members said he was willing to endorse the current version, although he would like in the future to see even stronger recognition of the importance of the “host culture” to sustainable tourism in Hawai`i. In particular, he would hope that sustainable tourism will help affirm and acknowledge Native Hawaiian rights to self-determination as pledged by the 1993 Congressional apology for American involvement in the overthrow of Queen Lili`uokalani.

Issues Discussed but Not Resolved by the Study Group

Growth Limitation Policies: The Study Group early on recognized that this was an area on which consensus was unlikely, and decided to focus instead on topics where it seemed more possible for members to find common ground.

Defining “Sustainable Tourism” or “Sustainability:” Despite several fairly valiant attempts, the Study Group never did come to agreement on specific common definitions of what Sustainable Tourism *is*. However, in their Vision

⁴⁹ Specifically, Broad Goal 2, Specific Goal 7, Action ii; Broad Goal 3, Specific Goal 4, Action ii; Broad Goal 3, Specific Goal 7, Action i and ii; Broad Goal 6, Specific Goal 3.

statement, they concurred on what Sustainable Tourism would *do*: “Sustainable tourism would honor Hawai`i’s culture and history, protect our unique natural environment, engage the local community, support the economy, and please our visitors.” And the articulations of the six Broad Goals in the Appendix further extend the group’s operational definition.

Next Steps

Possible Continuation of the Study Group: A number of Study Group members felt there has been great progress in establishing a sense of communication among different stakeholder groups, and said they may be willing to continue on an ad hoc basis if there is good reason for doing so. While nothing firm has been settled, the Tourism Liaison said she is interested in the possibility of occasionally reconvening this group on an ad hoc basis – to help encourage and monitor implementation of their recommendations and other functions. As of this writing, there are also discussions between the Tourism Liaison and the Hawai`i Tourism Authority as to how either the Study Group itself or its products can best be utilized by the HTA in its 2004-05 Strategic Planning process.

Establishing Targets for Indicators: The Study Group recognized that indicators have additional value if measured against some benchmark or target goal. They felt they lacked the time and expertise to do this during the current phase of work, but agreed it should be done in the future.

Estimating Funding Required for Implementation and Seeking Funds: While some recommended actions might be carried out with existing resources by public or private agencies, many will require appropriations, grants, etc. The Study Group recognized that it was calling on the HTA, DBEDT, or other organizations to bring more groups together for further work; to conduct new research; and to carry out other activities. If the recommendations are to be implemented, affected agencies and/or the lead agency for a true Sustainable Tourism System will need both to price the recommendations and seek funds.

Extending the “Goals and Indicators” Framework into an Actual Sustainable Tourism System: When the Study Group began its work, its best hope appeared to be that its ideas would form the nucleus of a long-term effort to infuse certain values and goals into the community’s thinking – i.e., that the “Goals and Indicators” document might have some moral weight, but with no guarantee of concerted action to implement them.

But in the closing months of the Study Group’s official life, two things occurred:

- As previously noted, the new State Administration began making a serious review of the group’s ideas; and

- Project consultants started reviewing national and international progress in the idea of creating and implementing destination-wide Sustainable Tourism Systems. It became clear that the Study Group's work was very consistent with these concepts, though further steps remain to be done.

Therefore, we now tend to see the Study Group's effort less as a "final product" and more as possible "beginning steps" toward an ongoing Sustainable Tourism System. The following chapter contains more insight into the conceptual history and possible future unfolding of such an ongoing system for Hawai`i.

VIII. THE “SUSTAINABLE TOURISM SYSTEM” CONCEPT – HISTORY AND APPLICATIONS

In addition to the specific actions suggested by the Study Group, one of our major recommendations involves the possible extension and elaboration of the Study Group’s vision into some sort of actual, ongoing “Sustainable Tourism System,” to help assure both the quality of the tourism product and of the place on which it is based. Therefore, the purposes of this chapter include:

- Explaining the general parameters of the “Sustainable Tourism System” concept – in the context of the actual meaning and history of the Sustainable Tourism concept.
- Suggesting some initial broad directions for such a system in Hawai`i.

As will be noted, a “Sustainable Tourism System” is a general template, a *concept*, and not a specific organizational formula. The history of this idea suggests every destination would want to create its own version, focused on its own values and assets, with a structure and set of participants that makes the most sense for the local context.

Therefore, what will be set forth at the end of this chapter are *general possibilities for further discussion and refinement* by the likely players in such a system – e.g., the Hawai`i Tourism Authority, DBEDT and/or the Governor’s Tourism Liaison, the University of Hawai`i, various community stakeholders, and the visitor industry itself.

Meaning and History of “Sustainable Tourism”

What “Sustainable Tourism” Is and Is Not

“Sustainability” has become something of a buzz word. It has been used in so many ways that it seems almost impossible to come up with a succinct definition that everyone agrees upon. It clearly refers to the idea of being able to “keep up” or “continue” something. But different people sometimes attribute different connotations that can cause confusion or misunderstanding, e.g.:

- *Small-scale ecotourism or “alternative” tourism only* – While this is a very common connotation, especially among small developing countries, it is not our meaning here. The literature suggests it may be more challenging for large-scale tourism to be “sustainable,” but it is definitely possible.

- A “*steady-state, unchanging future*” – This also is not what we mean by “sustainability.” Tourism is a very competitive market industry. Whether or not it keeps growing, it will certainly keep changing!
- A *constant or reliable rate of growth* – While some people do use the term “sustainable development” to refer to steady ongoing growth, that is not our particular current definition.
- A *no-growth future* – A very different set of people do believe “growth” and “sustainability” to be incompatible concepts. But this also is not how the term is used here, for reasons stated below.

The *quantity* of tourism – how much we can or should grow – will continue to be an issue of debate (unless and until the market itself establishes that Hawai`i has reached its “natural limit,” and it is at least possible something like this is beginning to happen⁵⁰). However, a careful reading of the “sustainable development” and “sustainable tourism” literature makes it obvious that the more common meaning of “sustainability” involves:

- (1) First and foremost, the *quality* of the industry – and, particularly, the assets on which it is based. In truth, “sustainable tourism” usually refers not so much to the preservation of the industry directly, but rather to the sustainability of the underlying assets – with the industry’s ongoing health flowing from that. Put another way, it is about preserving “sense of place.”
- (2) Second, the *process* by which a given community achieves some degree of consensus on what those key underlying assets really are, as well as how to measure them and how to preserve them. Promotional material for the international Sustainable Tourism 2004 Conference states: “Sustainable tourism is about process, and should not be confused with the tendency to generalize ‘greening’ and ‘eco-labeling’ of tourism products.”

While “sustainability” has many definitions, it is fundamentally about good collaborative planning and about not spending more capital than you possess – economic capital, environmental capital, or socio-cultural capital. For that reason, some destinations have supplemented or replaced the term “sustainable tourism” with phrases such as “wise tourism,” “responsible tourism,” or “intelligent tourism.” Here in Hawai`i, we might even choose to call it “*Akamai* Tourism!”

⁵⁰ See Chapter II charts on Hawai`i tourism data match with the classic “S-shaped curves.” The challenge for such “mature” destinations is how to rejuvenate themselves, in order to avoid actual *decline*. In fact, some Hawai`i visitor industry stakeholders use the term “sustainable tourism” to mean the avoidance of decline. That isn’t exactly what’s meant worldwide by most people who talk about “sustainable tourism” – but it all may boil down to much the same thing.

The Larger “Sustainable Development” Concept

While discussed for many decades, this idea entered the everyday lexicon after the World Commission on Environment and Development published the influential “Brundtland Report” in 1987. The vision was definitely one of socio-economic growth and development, but of a nature “*that meets the needs of the present without compromising the ability of future generations to meet their own needs.*”

These concepts became the central theme of the global 1992 Rio Earth Summit and the subsequent “Agenda 21 Manifesto.” This was a set of principles and practices – and recommended general planning processes – that quickly became a sort of basic constitution for international development organizations. “Agenda 21” is rarely mentioned in American media or tourism planning literature, but it is a common reference point for much of the rest of the world – including developed English-speaking countries such as Australia and the United Kingdom, where integrated economic, social, and environmental planning is becoming the norm.

The very number “21” now has become an internationally recognized numerical synonym for sustainable development. For example, a regional cooperative development effort by various north European countries is called the “Baltic 21” effort. And “Green Globe 21” – developed by the World Travel & Tourism Council – is the name of an international organization that certifies various travel-related businesses or destinations for compliance with sustainability principles.

(Note: While “Agenda 21” is not often talked about in the United States, some of the basic concepts – the “triple bottom line” of economic, social, and environmental outcomes; collaborative planning by diverse stakeholder groups; the use of “quality of life” indicators to track goals agreed upon by all stakeholders – are present in state or municipal systems such as the Oregon Benchmark system, Phoenix [Arizona] ongoing Quality of Life study, and Virginia Results program, to name a few.)

The Spread of the “Sustainable Tourism” Idea

In 1995, the World Tourism Organization – along with the Earth Council and the World Travel & Tourism Council – developed an *Agenda 21 for the Travel and Tourism Industry*. This was followed by a wide variety of tourism-related codes and proclamations of principles by organizations such as the Pacific Asia Travel Association (PATA), the American Society of Travel Agents, the United Nations Division for Sustainable Tourism, the International Ecotourism Society, and many more. A multitude of national governments published “sustainable tourism indicators,” and organizations such as Green Globe 21 started to promote certification and accreditation programs.

While much of this initial effort remained abstract and at a national or international level, it stimulated widespread awareness of the idea, and international development organizations soon narrowed their tourism assistance programs to efforts that met the broad requirements of “sustainability.” By 1999, Sustainable Tourism (often now abbreviated as ST) had become “the dominant organizational paradigm of the global tourism sector.”⁵¹ (For those who have come to loathe the word “paradigm,” we may restate this as: ST is now the established international *business model*, especially for small island developing nations that may compete with Hawai`i for a very limited, but elite and influential, international market.)

In 1999, the International Council for Local Environmental Initiatives (ICLEI⁵²) developed “guidelines” for local (i.e., municipal, state, or regional – below the national level) implementation, recognizing that local rather than national or international authorities are most directly responsible for practical policy development and action. As discussed shortly, a number of local governments or tourism authorities are starting to implement ST systems, although it appears the idea remains fairly new. Particularly among large-scale tourism destinations, Hawai`i retains the chance to take a leadership position.

Broad Characteristics of “Local Sustainable Tourism Systems”

In 2003, the United Nations Environmental Program (UNEP) and the ICLEI⁵³ published an initial review of ST “Local Agenda 21” systems. The document makes clear that this is simply a general template for a local planning process:

“A Local Agenda 21 is an approach through which a local community defines a sustainable development strategy and an action program to be implemented. The approach is usually initiated by the local authority, which provides leadership for the process. Its success hinges on close cooperation between the population, NGOs, private enterprises and other local interests.”

⁵¹ David Weaver and Laura Lawton, *Sustainable Tourism: A Critical Analysis*, 1999, p. 8. Published by Australia’s Cooperative Research Centre (CRC) for Sustainable Tourism. While somewhat densely written, this paper offers an interesting and dispassionate critique of the ST concept. It may be ordered and downloaded for a small charge from the CRC website, <http://www.crctourism.com.au/>.

⁵² The ICLEI, according to its website, “is an international association of local governments implementing sustainable development.” The City and County of Honolulu is listed as a member.

⁵³ UNEP and ICLEI, *Tourism and Local Agenda 21: The Role of Local Authorities in Sustainable Tourism*, 2003. Download at no charge from <http://www.uneptie.org/pc/tourism/library/local-agenda21.htm>. Material quoted above from pp. 8-9. As used in this report, the phrase “local authority” is very broad. Applied to Hawai`i, it could mean the Hawai`i Tourism Authority, but could also mean State or county governments.

“The process normally involves five steps:

- 1. Setting up a Local Agenda 21 Forum and/or working groups;*
- 2. Discussion and analysis of the main local issues;*
- 3. Identification of goals and ideas for action for the sustainable development of the local area;*
- 4. Integration of these goals and ideas into a Local Agenda 21 action plan that is adopted by the local authority and others;*
- 5. Implementation of the action plan, with the involvement of all relevant players.*

“There is no prescription for what issues and activities the process should address, as all places are different and the principle is to enable partners in each location to identify their own priorities. However, in accordance with Agenda 21, the process should focus on economic, social and environmental sustainability.”

Missing from this particular formula, but present in most other prescriptions for local ST approaches, is the importance of *specified indicators* to track the health of underlying key assets for the industry and related quality of life for local residents.

In some ways, all this is just an outline for a very standard and unremarkable planning process. And yet it is arguably also quite innovative because it implies:

- **Broad planning to help sustain an overall industry, not just land use plans for particular resorts, attractions, or activities;**
- **Ongoing collaboration among diverse stakeholders, in and out of government;**
- **A system for helping not only to identify and perhaps resolve problems, but also to set positive goals for the industry; and**
- **A measurable, results-oriented iterative system for tracking progress toward the goals (something often recommended but rarely implemented in plans).**

Examples of Applications at Local or Island Levels

These examples include some that are forerunners of, or variations on, the ST system concept but have “lessons learned” for Hawai`i’s present situation. However, we will begin and end with examples that seem to present models of particular interest for State- or island-level ST systems.

United Kingdom: National, Regional, and Local Sustainable Tourism Systems

The United Kingdom – an island nation with multiple indigenous ethnic groups – has made “sustainability” a cornerstone of its integrated tourism marketing and product quality planning system. Its combination of a national strategy, linked to regional and local processes, is a potential general model for Hawai‘i to explore, if and as we consider our own possible statewide system with local island or community approaches.

The UK’s Department for Culture, Media & Sport published a general strategy in 1999 entitled “*Tomorrow’s Tourism: A Growth Industry for the New Millennium.*” It directed the national tourist authority (recently renamed “VisitBritain”) to concentrate its energies on five key areas: (1) research; (2) quality assurance; (3) promoting best practice and innovation; (4) overseeing systems for data collection and analysis; and (5) “acting as a voice for successful sustainable tourism in England.” The plan stated: “Sustainability – economic, social and environmental – is the common objective of these activities.” It mandated development of national tourism indicators, as well as working with the Green Globe 21 organization to promote best environmental practices for companies and destination areas. Marketing and promotion issues were addressed as well.

The national agency was also directed to work closely with regional development agencies and regional tourist boards, as well as with local authorities, who were expected to develop their own “Local Agenda 21” strategies for tourism and sustainable development in general.

In 2002, the Department and the British Resorts Association published a discussion of possible local-level Sustainable Tourism Indicators (LSTI).⁵⁴ The committee decided to test-pilot an initial list of trial LSTI (assisted by the Welsh Local Government Data Unit⁵⁵) in a “small but representative group of local destination partnerships.” Based on that experience, it will then publish “an array of LSTI, background guidance, and examples of best practice for ... local tourism forums, local authorities, regional tourist boards, etc.” Each local area would design a system that made local sense.

In 2003, the government posted on the national Sustainable Tourism website (www.wisegrowth.org.uk/) a “*Destination Management Handbook*” providing local

⁵⁴ *Measuring Sustainable Tourism at the Local Level: An Introduction and Background.* May be downloaded for free:

http://www.culture.gov.uk/global/publications/archive_2002/sustainable_tourism.htm.

⁵⁵ The 22 Welsh local authorities are also currently experimenting with joint measurement of 43 economic, social, and environmental Quality of Life Indicators, to determine the practical value of a broader “sustainability” monitoring system: http://www.lgdu-wales.gov.uk/html/eng/our_projects/qol/eng_qol.htm.

areas with a blueprint for “a common approach ... to establish sustainable tourism,” via:

- Destination audits – resident/visitor satisfaction; economic impact; carrying capacities for specific natural areas.
- Destination planning – developing partnerships, local authorities, management plans.
- Destination development – marketing, overall quality, sustainability awards, etc.
- Monitoring performance – measuring performance via LSTI or other approaches.

Examples of “Tourism Local Agenda 21” Systems Compiled by United Nations

The 2003 UNEP/ICL EI publication referenced in the previous section of this chapter was primarily dedicated to extensive profiles of five very local-level (i.e., county or municipal) applications of the “Tourism Local Agenda 21” (LA21) concept.⁵⁶ All of these are in places with residential and visitor populations less than those of Hawai`i, although some of the populations are comparable with particular Hawaiian islands. Perhaps because of the national British system just described, two of these five examples were from the United Kingdom:

- (1) **Winchester (UK):** Historic city of 35,000 (but 111,700 in total district, where tourism is a main regional activity) ... low-spending day-trippers account for 90% of visitors. The LA21 purpose is to address concerns of residents who feel overwhelmed by tourist presence. It was developed in 1998 and is still overseen by an “LA21 Working Group,” including government, industry, and community stakeholders. *“One key tool is the citizens’ panel, a group of 1,600 residents who regularly complete detailed questionnaires on all aspects of the [City] Council’s services and strategies”* (pp. 46-47).
- (2) **Bournemouth (UK):** South of England ... 150,000 residents ... 1.5 million visitors/yr., plus 4.5 million day-trippers. Purpose of LA21 is to maintain quality of resort, encourage good management of desired growth, and prevent any possible deterioration. (British coastal resorts in general have been struggling with decline.) The Bournemouth Borough Council has an environmental management system run by government agencies, plus a community-wide “Bournemouth Partnership” whereby industry and community stakeholders create/update a Community Plan.

⁵⁶ Criteria for inclusion as one of the case studies were fairly strict, including specific use of the “Local Agenda 21” terminology.

- (3) **Calvià (Balearic Islands, Spain)** in south of Majorca ... 42,000 residents plus 50,000 “de facto” residents (seasonal workers plus part-time Northern European retirees) ... boomed in 60s, followed by “a crisis in the late 80s,” when tourism dropped by 20%. Purpose of LA21 is to repair problems of past overdevelopment. LA21 envisions “complete restoration scenario,” including environmental and workforce quality. A Citizens’ Forum helped craft an implementation plan with 10 strategic lines of action and 40 specific initiatives, along with “27 Fields of Reference and 775 indicators in order to allow study and evaluation.”
- (4) **Marie-Galante (French Caribbean):** Small (pop. 12,500) rural island in French West Indies “striving to develop its as yet very limited tourist activity.” Purpose is to stimulate sustainable economic development. Few major investors to date ... 50% of island’s 700 tourist beds are in guesthouses and rural lodgings. Because of unspoiled character, “*The island’s leaders are convinced that lagging 30 years behind [surrounding islands] may well turn out to mean being 30 years ahead*” (p. 55). Government contracted with a group of outside experts – who consulted with local players – to establish an “eco-based” marketing and product quality plan. A resident advisory committee was initially lightly attended but is now generating more enthusiastic participation.
- (5) **Storstrøm County (Denmark):** Industrial and agricultural region “striving to guide its tourism sector toward sustainability” ... 260,000 residents in 24 communities on various Danish islands. Purpose is a mixture of the foregoing other four purposes, with emphasis on energy savings and other “green” programs. LA21 not tourism-specific, but includes substantial attention to tourism. Major initiatives include “green” information and demonstration projects for tourism industry, plus recreational infrastructure development.

Hawai`i in the Late 1980s

In 1986, the Hawai`i State Legislature passed enabling legislation for the continuous monitoring of the impact of tourism on the economic, social, and physical environment. This was designated the “Tourism Impact Management System” (TIMS – later changed to the “Visitor Industry *Monitoring* System,” or VIMS). Responsibility was assigned to the Tourism Branch of the old Dept. of Business and Economic Development. The framework called for:

- Ongoing statewide surveys of residents (a concept revived by the Hawai`i Tourism Authority in 1999);
- A Tourism Data Book;
- A “community journal” on tourism; and
- Other special studies (such as a workforce survey).

Although TIMS/VIMS generated several products in the late 1980s, it was swept away when war and economic changes crippled Hawai'i's visitor industry in the early 1990s. At that time, resources were re-directed to promotion and marketing.

Arguably, there are at least two important lessons here for a possible new Hawai'i Sustainable Tourism System:

- (1) TIMS/VIMS was heavy on studies, short on actions. An ST system needs to be more action-oriented.
- (2) The system was solely focused on *impacts* or problems, so it had few real champions in the visitor industry. It doesn't hurt to be honest about tourism's problems, but it helps more to frame things in terms of goals and improving benefits.

Nation of Samoa (and other "Small Island Developing States")

Samoa is one of many "small island developing states [i.e., nations]" (SIDS) being assisted by international aid organizations in the development of Sustainable Tourism. Most of these are far smaller than Hawai'i, in terms of both resident and visitor population. However, Samoa and other small island countries are now beginning to be linked in ways that *may* generate a sort of international tourism development common standard of excellence in areas that otherwise now seem far behind Hawai'i in any other sort of competitive analysis.

The United Nations held a "Global Conference on Small Island Developing States" in Barbados in 1994, and this resulted in an action program, built around Agenda 21, with special attention to tourism. Today, the UN's Small Islands Developing States Network (<http://www.sidsnet.org/>)⁵⁷ and the Alliance of Small Island States (AOSIS <http://aosis.org/>), are working with tourism planners and various international aid donors (of funds or expertise) towards common concepts of Sustainable Tourism. In the Caribbean, the Association of Caribbean States has established a "Sustainable Tourism Zone." In the Mediterranean, there is a movement to establish a "Sustainable Tourism Watch" in the Balearic Islands. In the Indian Ocean, the UN has launched major initiatives for sustainable tourism development in both Mauritius and the Maldives. There are many other island-related examples around the world.

⁵⁷ Although Hawai'i, which is of course not an independent nation, would appear to be excluded from SIDSnet activities, it is possible we may still be able to participate in a new Web-based initiative called the "International Network on the Sustainable Development of Coastal Tourism Destinations." State and county agencies associated with coastal area planning may wish to explore this option.

However, Samoa is one of a few such countries to have developed and implemented sustainable tourism indicators, though it is now facing the challenge of how to keep up the monitoring. The “Samoa Sustainable Tourism Project” was a collaboration between an applied researcher doing doctoral work and the Samoa Visitors Bureau (now the Samoa Tourism Authority), assisted by a project advisory committee and also guided by village surveys and key informant interviews. An extremely thorough process generated a set of 20 economic, environmental, socio-cultural, and tourism quality indicators.

Results from the first round of monitoring were used to prepare a new tourism development plan and to support funding applications for tourism development projects. However, according to the project facilitator, “... *development of the new plan diverted human resources; delayed re-monitoring; momentum was lost; and many of the original members of the team subsequently moved on to other positions. Despite efforts to re-invigorate the program following the publication by SPREP of the Indicator Handbook⁵⁸, there has been loss of ownership and commitment, placing the future of the project in doubt. The difficulties faced by the project are typical of the challenges of any long-term development project – political vision is short-term; voluntary stakeholder committee eventually tire; project champions move on; and ownership is lost. Maintaining the momentum is one of the central challenges of sustainable tourism monitoring.*” (Personal communication, L. Twining-Ward, 11/5/03).

The “Limits of Acceptable Change” Natural Resource Protection Model

“Limits of Acceptable Change” (LAC) is the most widely known of several management models originally designed to protect natural resource areas open to public use, such as national parks. It developed as an alternative to “objective” carrying capacity approaches, which often proved impractical. Usually led by agencies responsible for managing the resource, stakeholders – such as business, environmental, and community groups – combine information from scientific studies with their own subjective values to specify “acceptable” growth targets or limits. Since its initial use in the early 1980’s, the system has been adapted and modified into various other models. The Tourism Optimization Management Model (TOMM) applied to Kangaroo Island (see following pages) may be considered an extension of LAC.

In the United States, LAC was first used in designated wilderness areas managed by the U.S. Department of Agriculture (USDA) Forest Service, which has been applying and improving the process for some 20 years. Perhaps the most recent comprehensive application of LAC has been at the Mount Rogers National Recreation Area in Virginia (www.southernregion.fs.fed.us/gwj/mr/lac/).

⁵⁸ Louise Twining-Ward, *Indicator Handbook: A Guide to the Development and Use of Samoa’s Sustainable Tourism Indicators*. South Pacific Regional Environment Project (SPREP), Apia, 2003.

Internationally, LAC has been used in a broad range of natural resource issues, both within and outside of protected areas, including numerous small island destinations – e.g., the San Andres archipelago, Colombia; the Seychelles (Bird Island); the Maldives; Galapagos, Ecuador; various Caribbean Islands; the Florida Keys (USA); and La Reunion Island in the Indian Ocean (discussed more on the following page).

The nine steps⁵⁹ to LAC for a natural resource area include:

1. Identify the area's special values, issues and concerns
2. Identify and describe "recreation opportunity classes" (zoning)
3. Select indicators of resource and social conditions
4. Inventory existing resource and social conditions
5. Specify standards for resource and social conditions in each opportunity class
6. Identify alternative opportunity class allocations
7. Identify management actions for each alternative
8. Evaluation and selection of preferred alternative
9. Implement actions and monitor conditions

Could LAC be applied not just to a specific outdoor attraction, but to an overall visitor destination such as Hawai`i (or one of the islands)? It may be argued that the HTA's *Ke Kumu* Strategic Plan has, in large part, already accomplished Step 1 above. The Hawai`i Office of Planning has already achieved much of Step 2. The Sustainable Tourism Study Group is proposing indicators as per Step 3. Past efforts by the Hawai`i State DBEDT, as well as the Census, have already achieved much of what would be required for Step 4.

This begs the question: Are Hawai`i conditions right for the implementation of LAC? According to experts, ideal conditions⁶⁰ for successful implementation of LAC include:

1. Level of usage constitutes the most significant effect in determining the amount of impact.
2. The recreation activities/experiences are affected by the number of users.
3. A clear, specific, and known relationship must exist between use levels and social and resource conditions.
4. Agreement on the type of desired social and resource conditions, including the type of recreation opportunity.
5. There must be agreement on the acceptable level of impact.

⁵⁹ "Protected Area Planning Principles and Strategies," William T. Borrie, Stephen F. McCool, and George H. Stankey, 1998 (in *Ecotourism: A Guide for Planners and Managers*. Vol. 2, pp. 133-154).

⁶⁰ *Ibid.* (see previous reference)

6. There must be agreement on the objectives.
7. There must be agreement on the optimum number of people visiting an area.
8. The management authority must have the resources to administer policy decisions.

The first condition might be a problem in Hawai'i, at least for the state as a whole rather than specific parks or other resource areas. It may be difficult here to gain agreement that the sheer quantity of visitors, as opposed to improvements in the quality of the product, should be the primary focus of any management system.

However, in La Reunion Island, the conditions were right. La Reunion island (57 East Longitude and 20 South Latitude) is situated in the Indian Ocean, part of the Mauritius archipelago (http://perso.wanadoo.fr/daniel.lacouture/uk_index.htm). A small volcanic island of 207 kilometers in circumference with a mountain range peaking in the Hook of Snows at 3069 meters, it is of similar size and shape to Kauai, but much more densely settled – the island has about 720,000 inhabitants. The population is mixed with descendents of European (French) settlers, African slaves, Chinese traders and Indian laborers and traders. Tourism and sugar cane production are the main economic activities on this populous island.

High population density led to both environmental damage and social conflict due to rapid tourism growth. In ongoing discussions, it became clear that most stakeholders wanted preventive planning to ensure long-term sustainability of tourism resources on which the private and public sector relied for financial health. Thus, the LAC model was adapted to help guide a complete environmental and social audit, coastal zoning plan, and initial levels for appropriate use. These levels are regularly re-assessed to prevent conflicts and irreversible degradation. Thirty indicators (8 economic, 12 environmental and 10 social) – ranging from overall arrivals to more site-specific measures, such as density measures for strategic sites – are regularly reviewed and provide the tool for local decision-making.

Tourism Optimization Management Model (TOMM) of Kangaroo Island, Australia

Although now being adapted for larger-scale Australian destinations, the “Tourism Optimization Management Model” (TOMM) began as a further refinement of wilderness park management models that developed in the late 1980's and early 1990's. Among these were the Limits of Acceptable Change (LAC), VAMP (Visitor Activity Management Program), and Visitor Impact Management (VIM) models, developed primarily in U.S. National Parks planning and long applied both in United States National Parks and in similar protected natural areas internationally (e.g., the Galapagos islands).

In 1997, the South Australian Tourism Commission – in partnership with various other tourism- and development-related agencies – combined some of these previous park management approaches with "sustainable tourism" principles to produce the TOMM system for Kangaroo Island. The South Australian Tourism Commission began applying TOMM to Kangaroo Island to ensure the fragile island environment's sustainability and attractiveness as a tourism destination, after it suffered some modest declines in visitor numbers and environmental integrity of assets. The Kangaroo Island TOMM includes collaborative multi-stakeholder goal setting and an indicator measurement framework.

Kangaroo Island, in South Australia, is the continent's third largest island at 97 miles long, 34 miles wide, covering an area of 1,730 square miles (almost half the land mass of the Big Island, but with a resident population of just 4,360). The island is only 110 kilometers south of Adelaide and 16 kilometers off the coast. It is surrounded by pristine beaches, with one-third of the island conserved in 21 National parks teeming with a rich diversity of flora and fauna, including more than 250 recorded bird species. Kangaroo Island has a growing, largely domestic tourism industry, with more than 656,000 visitors a year (BTR National Visitor Survey and International Visitor Survey from June 2002 to June 2003).





In 2003, the South Australian Tourism Commission's website described TOMM as:

"A program ... designed to assess, monitor and manage the long-term health of tourism destinations. In this model, future scenarios are examined and local communities are engaged in a process to consider what desirable economic, marketing, environmental, community, visitor experience, and infrastructure development conditions they wish to see.

"The process also identifies what needs to be monitored (and the acceptable ranges of these performance indicators) to determine if they are achieving these desirable conditions. This innovative program is currently being applied to tourism activity on Kangaroo Island. " (South Australian Tourism Commission, Corporate Website, www.tourism.sa.gov.au/tourism/publications.asp, October 2003)

The program's Web-based monitoring and reporting system (<http://www.tomm.info/>) presents results for various economic, marketing, socio-cultural, visitor experience, and environmental indicators. Reproduced here are a few selected economic indicators:

Selected “Economic Conditions”

Optimal Condition	Indicator	Acceptable Range	Result 2001	Result 2000
The majority of visitors to KI stay longer than 3 nights	Annual average number of nights stayed on KI	3 to 5 nights		
The tourism industry is undergoing steady growth in tourism yield.	Annual average growth in total tourism expenditure on KI per number of visitors.	4 to 10 % annual average growth.		

(Note: The website is constructed so that clicking on the description of an indicator will lead to display of a chart showing the indicator over time.)

Although substantial focus is placed on indicator monitoring, TOMM also emphasizes the need for a management response system if indicators are going “off target.”

Objective 3.6 of the South Australian Tourism Plan 2003-2008 cites TOMM as “an example of pioneering work where South Australia is already providing leadership in world best practice in destination management.” It goes on to state:

“Although a Kangaroo Island initiative, it has been developed as a blueprint for tourism management in other [South Australian] destinations. Opportunities to initiate destination management processes such as TOMM in all regions will be encouraged. Strategies:

1. *Extend the application of TOMM or related models to other sensitive destinations in South Australia.*
2. *Continue to adapt and refine TOMM taking account of particular destination circumstances.*
3. *Encourage professional and public interaction with the KI TOMM website to help TOMM become a more widely used and practical tool.*
4. *Present the TOMM approach to other destinations and encourage feedback and mutual learning.*
5. *Explore sustainable funding options for the implementation of TOMM.*
6. *Work with the education sector to ensure destination management is a subject or key component of any secondary or tertiary or related tourism course.”* (South Australian Tourism Plan 2003-2008, Objective 3.6, p. 48)

South Australia currently receives 5,421,000 domestic and 301,000 international visitors a year (12 months ending June 2003, BTR Australian National Visitor survey and International Visitor Survey). Obviously, application of TOMM to an entire Australian state with more than 5.5 million visitors is closer than the Kangaroo Island example to the potential scale of any statewide application of TOMM in Hawai`i. However, the South Australian concept would implement TOMM on a region-by-region basis – a “bottom-up” rather than “top-down” approach. South Australia is also dealing with a very different tourism industry than Hawai`i’s, in that their tourism industry is in its developmental stage and largely domestic. Application of TOMM to Hawai`i or any other destination would require modification to suit that destination’s specific circumstances.

Possible Directions for a Hawai`i System

Functions That a Sustainable Tourism System Might Serve in Hawai`i

As stated at the beginning of this chapter, the intent here is to present some possibilities, not all of which may be feasible or appropriate for Hawai`i, and to generate discussion about priorities among them and/or about additional possible activities.

We would, however, submit that the success of any such system very much depends on a *balance* between communicating/enhancing benefits vs. realistically identifying/addressing problems. The system should be neither a visitor industry public relations forum nor a platform for endless criticism. Conflict about tourism growth and tourism outcomes will continue,⁶¹ and a certain amount of conflict is healthy. However, a successful ST system is one in which participants would – at least temporarily – agree to work together on common goals. A few groups may hold such strong feelings that it is difficult for them to participate, but the system’s purposes and activities should be even-handed enough that most people feel a good-faith effort is being made.

We would also submit that the system should remain focused on the principle of preserving and enhancing key assets – natural resources, socio-cultural ethos, adequate infrastructure – which support both tourism and resident quality of life. It may or may not extend to other aspects of tourism, but the system must not lose this focus.

Some possible broad functions – with an inevitable degree of overlap – for a Hawai`i ST system include:

- (1) Goal setting, action plans, and implementation
- (2) Convening/collaborative
- (3) Measuring and tracking indicators of sustainability success
- (4) Communication/education
- (5) Standards/certification
- (6) Industry “quality” efforts
- (7) Research and linkages to the outside world
- (8) Conflict mediation
- (9) Coordination of, or support for, island-level or topic-specific ST systems

⁶¹ Conflict – or at least competition – among various components of the visitor industry itself will also continue. The search for cooperation and conflict resolution cannot overcome the basic nature of a free-market system. Still, various business interests also must feel that the system is a safe venue at least for raising concerns, and that it is not fundamentally geared to the interests only of certain businesses.

Goal Setting, Action Plans, and Implementation: This is the path the Study Group has started down, and it is usually regarded as a core function of any ST system. The concerns of the Study Group include some topics addressed by the HTA's *Ke Kumu* Strategic Plan, though the Study Group has also added specific target actions (the feasibility of which are still being explored) and indicators of success. However, the Study Group's issues – and the typical range of concerns in any ST plan – extend beyond those of the HTA's current plan, covering topics such as:

- Needed infrastructure improvements by State or county agencies – including overburdened parks (which the HTA has already started to address), highways, resort-area water and sewage systems, etc.;
- Cultural authenticity of the industry product, and protection of place-specific cultural assets during the development phase;
- Industry working conditions, and economic opportunities for local businesses working with mainstream industry players;
- Better enforcing existing natural resource protection programs, preserving the environment from invasive alien species, and assuring that Hawai'i's visitor industry incorporates "best practices" in water- and energy-saving systems;
- Involving professional associations and industry groups in activities such as encouraging better design and sorting out conflicts over outdoor resources.

This broader scope in some ways might be like a return to the old Tourism Functional Plan of the 1970s, but hopefully with more streamlined emphasis on action – e.g., agreements among industry, environmental, and cultural groups to combine lobbying efforts for a few key priority items each year where major funding is needed ... as well as emphasis on unfunded "elbow grease" from stakeholder groups making a maximum effort to cooperate on volunteer activities together.

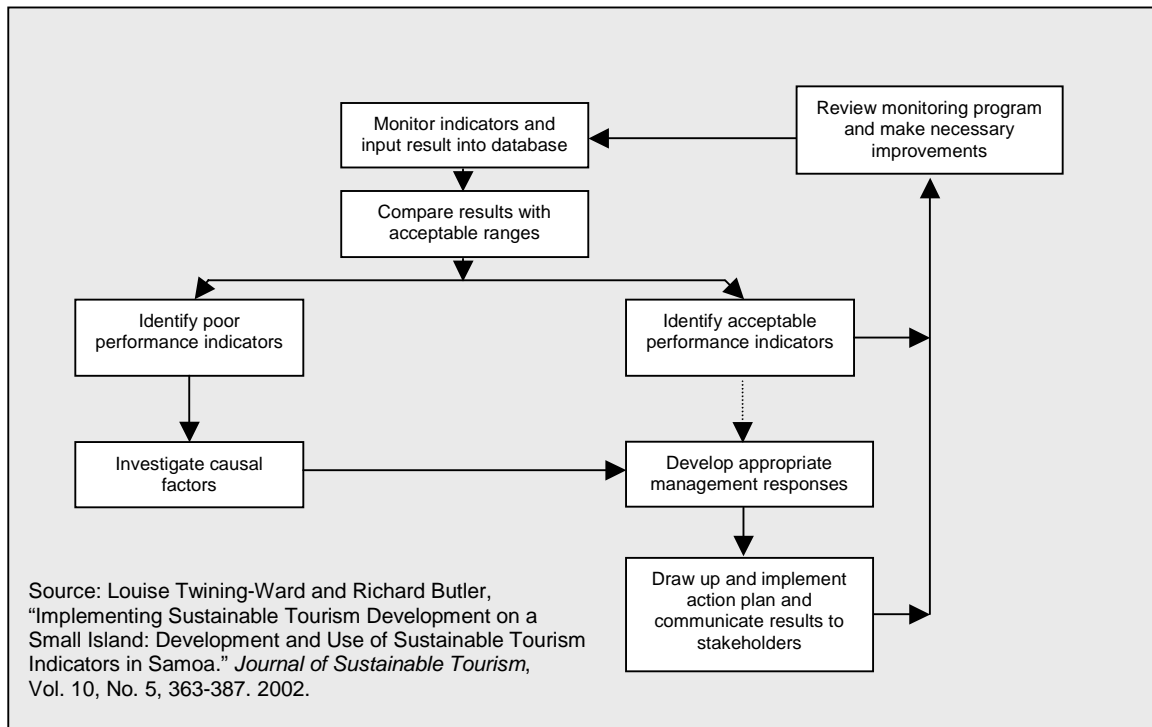
Convening/Collaborative Function: To achieve both the foregoing and also some of the subsequent activities, various government, industry, and community stakeholders must somehow get together and make decisions. An ST system could involve:

- Multi-stakeholder councils or committees like the Study Group;
- Periodic larger "Sustainable Tourism Congresses," with widespread participation; and/or
- Web-based approaches (chat rooms, shareware, etc.).

Measuring and Tracking Indicators of Sustainability Success: As previously noted, this is also considered a standard function of any “sustainable tourism” (or, for that matter, any “sustainable development”) system. The current Sustainable Tourism Study Group is in the process of identifying potential indicators – some of which already exist, and others of which imply new data collection. Other organizations, such as the Office of Environmental Quality Control (OEQC), already collect and publish indicators that could bear on at least some aspects of “tourism sustainability.”

The whole idea of tracking indicators is (1) to assure that performance goals are being met; and (2) to feed into an action response management system if they are not. Some indicators serve a “canary-in-the-mine” function – if they are going the wrong way, they trigger investigation to see what the problem is, followed by appropriate public and/or private remedial actions. The following chart illustrates this basic idea.

Exhibit VIII-1: General Conceptual Model for Data-Driven Sustainable Tourism System



The selection of useful and reliable indicators requires great care and expertise, as well as agreement from all stakeholders that these particular measures really do “tell the story” of how well tourism is or is not meeting its sustainability goals. A good ST monitoring system would specify “target” or “acceptable ranges” for the various indicators, with some contingency courses of action in mind if the targets are not met.

Communication/Education: The visitor industry is already engaged in many efforts to support “best practices” in environmental and cultural areas, but often communicates these mostly to other people in the industry. A well-maintained Sustainable Tourism website could communicate these to (and perhaps involve as jurors) a much larger segment of the public – particularly if that website were also providing news that government agencies, environmentalists, Native Hawaiians, or other community stake-holders were eager to communicate back to the visitor industry and to one another.

Links or postings on such a website ... as well as other communication media ... could provide opportunities for all parties to better educate the others. The visitor industry is concerned that the public understand its economic issues and competitive challenges. Environmentalists and Native Hawaiians often seek opportunities to explain their own facts and concerns, as do government agencies. At a minimum, stakeholders can simply exchange messages. If resources permit, communication specialists might assist different groups in crafting their messages in ways that would increase the likelihood that others would actually listen and understand. Additionally, scholars or other tourism observers could help educate the public about periodic changes in the nature of Hawai'i tourism – e.g., current shifts from hotel to timeshare, cruise, B&B, and vacation home development.

Standards/Certification: Awards or other recognitions for “best practices” are one way of encouraging high standards – e.g., the Hawai'i Visitors & Convention Bureau's “Keep It Hawai'i” program. However, on an international basis, one of the most visible outcomes of the Sustainable Tourism movement has been the development of voluntary certification and accreditation⁶² schemes, usually based on environmental responsibility. Examples include:

- The “Blue Flag” award for beaches conforming to criteria for water quality, environmental education, environmental management, and safety/services. This designation has been awarded to 2,900 beaches in 24 countries (mostly European and South Africa).
- As previously mentioned, Green Globe 21 offers certification for various travel companies (business practices), developers (design and construction), and tourism destination communities.
- Golf courses and resorts are certified by organizations such as the Audubon Cooperative Sanctuary Program (which does operate in the United States – Kapalua in Maui is Hawai'i's only awardee), and golf and

⁶² “Certification” is official recognition given to a business or destination. “Accreditation” involves the approval of certifying bodies by some larger umbrella organization, often international in scope. Much of the information in this brief discussion comes from presentations by Dr. Martha Honey, an international expert in the field, to the Hawai'i Congress of Planning Officials in early October 2003.

other sporting events are certified by the U.K.-based “Committed to Green Foundation,” which grew out of the former Ecology Unit of the European Golf Association.

- Both national tourism offices and international ecotourism organizations have developed literally dozens of certification programs around the world, mostly focusing on nature-based tours and hotel accommodations. A 2001 study by the World Tourism Organization identified 60+ different tourism certification programs.

Hawai`i travel businesses are likely to compete for awards and certifications that (1) are well known to their particular market, something over which a local ST system may have little control, or (2) are well-publicized and a matter of local pride, something which a local ST system *might* achieve. Additionally, past controversies have produced at least initial steps toward certification – e.g., community college tour guide training programs developed with industry input. Arguably, this could be further strengthened and extended to other businesses purporting to educate visitors about Hawai`i’s history and culture – guidebooks, attractions, hotel Hawaiiana programs, etc.

Presently, one of the greatest strains on outdoor Hawai`i resources involves hiking tours in areas with fragile eco-systems. The Hawai`i Ecotourism Association has written a manual on ecotourism for tour guides that contains professional standards for nature and culture tourism operations, and is also currently working on developing certification standards for the ecotourism sector of the visitor industry.

Industry “Quality” Efforts: Mainstream travel businesses historically have been more attuned to the sort of “quality” awards associated with high service and customer satisfaction standards – e.g., Zagat ratings for restaurants and hotels, the exclusive AAA Five-Diamond hotel designation, or the Malcolm Baldrige National Quality award for overall excellence in any type of business.

These are not necessarily tied to the “sustainability” concept as it is generally used on an international basis. However, it may make sense to connect them in a tourism planning system – although this of course extends the scope and challenge for a new system, raising the question of priorities.

The UNEP/ICLEI review of tourism “Local Agenda 21’s,” referenced earlier, notes that such an integrated approach is infrequent but logical and desirable:

“Integrated Quality Management (IQM): This concept, long used by industry, has recently been taken up by tourist destinations. Integrated quality management of tourist destinations is a continuous management process that ... involves setting standards, measuring responses and making improvements. The LA21 process and IQM have many points in common, given that the environment plays a major role in destination quality and IQM

covers the destination as a whole. However, the central concern of IQM is market understanding and the quality of the visitor experience, which is only partially true for the LA21 process, if at all. The two processes should be conducted in tandem.” (p. 21, UNEP and ICLEI, 2003)

To the extent that “sustainability” in Hawai`i takes on the connotation of “long-term survival or health,” overall quality and customer satisfaction are also critical. Perhaps the real question for public feedback purposes is whether there is an actual need to address quality concerns through the same mechanism as a system that focuses on natural, cultural, and infrastructure “sustainability” assets ... or whether existing efforts to assure service quality are sufficient.

Research and Linkages to the Outside World: An ST planning system will be based on implicit or explicit assumptions about what things affect tourism and about what things are affected by tourism. Often, common-sense ideas will be good enough. But sometimes there will be a need to *test* some of those assumptions – or to try to resolve different assumptions among different stakeholders – whether through ongoing academic research programs or special contracts to professional consultants.

Put more simply: If one of our “canary-in-the-mine” indicators starts going south, will we know why and what to do about it? Some sort of research brain trust might help.

Additionally, a Hawai`i ST system could benefit from participation by individuals or organizations that monitor what’s happening in the rest of the world in regard to both “sustainability” and visitor industry trends – people who review scholarly and business publications, attend conferences, etc. This suggests a role for academics, DBEDT researchers, and perhaps local representatives of large international consulting groups.

Conflict Mediation: Conflicts can occur (1) between some part of the visitor and non-industry stakeholders, and (2) among components of the industry itself. The former type of conflict is perhaps more likely to involve “sustainability” as it is generally understood – e.g., current strains on Hawai`i natural resources from the expansion of “ecotourism” or “nature-based tourism.” By contrast, inter-industry issues (e.g., the impact on activities and attractions as timeshare begins to supplant hotels, or competition among cruise lines for limited docking facilities) may not bear on “sustainability” per se, but can frequently involve the immediate *survival* of particular businesses or sectors.

On paper, an ST system might simply involve bringing stakeholders together; documenting such agreements as can be reached about potential solutions; and letting go of situations where there is ongoing conflict. But in practice, a successful system may well involve skilled facilitators – or people who acquire skills through experience. Opportunities to mediate conflicts may arise, and any successes could invite future mediations. But unsuccessful mediations could

affect the system's reputation, and it is also possible that key personnel could find their time consumed by "fighting fires" that seem urgent and yet interfere with long-term goals and activities.

This suggests that any ST system should include clear guidelines about whether conflict mediation is part of the mission, and, if so, which types of conflicts are appropriate for consideration.

Coordination of, or Support for, Island-Level or Topic-Specific ST Systems:

Each Hawai'i island visitor product is unique. The "sustainability" needs of Waikīkī are totally different from those of Moloka'i (where small-scale "sustainable tourism" of the strictly-ecotourism variety remains a possibility). The islands most impacted by tourism – at least as measured by the ratio of visitors to residents – are Lana'i, Maui, and Kaua'i, but each of these have different "products," challenges, settlement patterns, etc.

In the long term, it is very possible that a statewide system will just prove an initial phase or umbrella organization, and that each island (perhaps even parts of islands, like East and West Hawai'i) will want and need its own system. Alternatively, or in addition, it may sometimes make sense to spin off relatively self-contained systems focused on particular aspects of the industry ... especially newly-emerging components where there is much work to be done in understanding "sustainability" issues, such as the cruise ship industry.

However, that sort of proliferation suggests a need for expanded resources, whether those resources are in the form of funds or volunteer manpower. It is likely that this issue will to some extent take care of itself – if the ST system idea has value, it will filter down to the level where that value is maximized. But it does merit some advance thinking and discussion. It would be ironic if a "Sustainable Tourism" system became so diffuse and complex that it proved too complicated or expensive to be sustainable!

Should This Be a System for "Tourism" Alone, or for "Tourism and Recreation?"

There are at least two reasons to expand the concept from traditional "tourism" to "tourism *and* recreation:"

- (1) Especially on the Neighbor Islands, resorts are now attracting more and more part-time residents in vacation homes (some of whom become full-time residents in retirement), and there is mixed evidence that exposure through tourism may also be generating part-time resident purchase of vacation homes *outside* resorts in rural areas. This sort of recreational real estate development generates significant economic activity, but also socio-economic, socio-cultural, and environmental questions of a somewhat different nature than traditional short-stay tourism.

- (2) On all islands, adventure tourism has increasingly contributed to strains on outdoor recreational resources – but a growing population of full-time residents is also a substantial component of this pressure on natural resources. The State Department of Land and Natural Resources, as well as county agencies, can sometimes distinguish between “commercial” and “non-commercial” (or “visitor” and “resident”) elements, but sometimes not. Just as overused highways cannot tell a resident vehicle from a tourist vehicle, neither can a beach park or a hiking trail know whether its umpteenth user of the day lives full-time in Hawai`i or not.

However, widening the focus of “sustainability” inquiries from traditional tourism to part-time vacation homeowners or full-time resident recreationists risks diluting the effort or generating the need for more resources. Thus, it is raised here as a discussion point for feedback by potential stakeholders in any ST system.

Should It Be an Overall “Sustainable Development” (Not Just Tourism) System?

That is certainly worth consideration. Those who follow international development agencies’ standard approach to “sustainability” would point out that a “Tourism Local Agenda 21” is supposed to be just one part of a community’s *overall* “Local Agenda 21.”

However, the present idea grew out of Hawai`i’s “Sustainable *Tourism* Study,” and so that is our focus. Perhaps a Sustainable Tourism System may eventually prove to be a trial run for a more comprehensive, overall Sustainable Development System.

What Groups Might Participate in a Hawai`i ST System?

At this early stage, it is inappropriate to suggest specific organizational structures or responsibilities. Those would properly be debated within the State (and/or counties), and with the input of non-governmental stakeholders, if the basic idea of a Sustainable Tourism System for Hawai`i receives widespread support.

However some of the likely “players” in such a system could well include:

- Hawai`i Tourism Authority (HTA). We understand the HTA will give major consideration to the ST concept in its upcoming strategic plan review, and the current *Ke Kumu* plan already designates community partnerships and long-range planning as key strategic directions.

- DBEDT and/or the Governor’s Tourism Liaison. The newly-created Tourism Liaison position is administratively attached to the Dept. of Business, Economic Development, and Tourism, which also has an ongoing tourism research unit.
- Other State and County Administration Agencies. In addition to those State agencies that currently participate on the HTA Board (Tourism Liaison, Dept. of Transportation, and Dept. of Land and Natural Resources), other possible agencies might include the Office of Environmental Quality Control (OEQC), the Office of Planning (OP), and the Office of Hawaiian Affairs (OHA). County planners – and perhaps representatives of each mayor – are also possible participants.
- University-Based Researchers/Trainers. The new Dean of the UH-Mānoa School of Travel Industry Management (TIM) is an expert in Sustainable Tourism, and TIM has recently initiated a “Sustainable Tourism and the Environment Program.” Hawai`i Pacific University, Brigham Young University-Hawai`i, and the UH community college system also are potential players, especially in workforce-related cultural or training issues.
- Visitor Industry Associations and Professional Groups. The largest sectors of the industry – accommodations, airlines, and resort developers – may spring to mind first. However, it is often other, smaller tourism activities that spill over from resorts into highways, natural areas, and sometimes residential areas. And so an ST system could well need to work with associations of ground and helicopter tour operators, various coastal marine businesses (scuba, kayaking, etc.), and – where they are legal – B&B operators. Labor is also a critical part of the visitor industry.
- Environmental, Native Hawaiian, and Other Community Stakeholders. There are many environmental organizations in Hawai`i. Those participating in the Study Group include the Hawai`i Ecotourism Association, Conservation Council of Hawai`i, Life of the Land, Sierra Club, and Thousand Friends of Hawai`i. Native Hawaiian groups are also abundant. Organizations represented on the Sustainable Tourism Study Group and/or the Native Hawaiian Advisory Group included the Hawaiian Hospitality Institute (a branch of the Native Hawaiian Hospitality Association), the Kanaka Maoli Research & Development Corp., and the UH Ethnic Studies Dept. Also on the Study Group have been broader community and business groups (e.g., Aloha United Way and Enterprise Honolulu).

Examples of Possible Structures: The chart on the following page provides a broad range of “scenarios” for organizing an ST system. There may well be others. All of the following are “straw man” proposals – different possible approaches intended to generate comments and additional ideas.

Exhibit VIII-2: Scenarios for Hawai`i Sustainable Tourism System

	Concentrated Responsibility	Dispersed Responsibility (may still require a coordinating agency)
System Primarily Focused on Government Actions	<p><u>Scenario 1a</u>: HTA assumes ST as a specific mission – involves other relevant govt. agencies (OEQC, OHA, OP) on Board or sub-committee.*</p> <p><u>Scenario 1b</u>: Governor’s Tourism Liaison assumes primary ST responsibility – work mostly involves lobbying and coordination with other agencies.*</p> <p>Either way, non-governmental stakeholders are probably invited to participate intermittently, in response to specific issues determined by the primary agency.</p> <p>(*Note: The Tourism Liaison sits on the HTA Board, so this choice may not be quite as “either/or” as it may seem.)</p>	<p><u>Scenario 2</u>: A working group or council of government agencies – probably coordinated by HTA or Tourism Liaison – meets periodically to address tourism “product” concerns.</p> <p>Such a committee approach is more likely to accommodate some regular and ongoing participation by a relatively small number of non-governmental stakeholders, with the addition of others as sub-committees or task forces are formed to address selected issues.</p>
System Primarily Focused on Non- Government Actions	<p><u>Scenario 3</u>: The emphasis would be less on government expenditures, more on certifications; increasing cultural or environmental “best practices” in the industry; information/education; etc.</p> <p>While there are still reasons to consider HTA or the Tourism Liaison as taking primary responsibility, it is also possible to envision agencies such as the UH TIM School or OEQC taking a leadership role, if resources permit. Non-governmental partners would be frequently consulted, but in advisory capacities.</p>	<p><u>Scenario 4</u>: A standing, fairly large multi-stakeholder council – probably something like the Sustainable Tourism Study Group – would select its own leadership, with only modest financial or staff support from government.</p> <p>Such a system would depend greatly on the commitment of volunteer leaders. To the extent that such an organization were to identify things that also required government action, it would have to form cooperative lobbying coalitions.</p>
System Focused on Both Government and Non- Government Actions	<p><u>Scenario 5</u>: A combination of Scenarios 1 and 3. This comes closer to the “ideal” ST process. Centralized authority would arguably produce the most efficient results, at the possible expense of less “buy-in” and a more limited sense of consensus from the various non-governmental players.</p>	<p><u>Scenario 6</u>: This is perhaps actually the “ideal” ST process – a comprehensive agenda and a wide set of participants (probably arrayed in both standing councils and temporary issue-oriented task forces). It would probably work best if guided by a small working group of key government agencies (e.g., HTA, OEQC, Tourism Liaison, etc.), supplemented by a standing multi-stakeholder council.</p>

IX. CONCLUDING DISCUSSION AND ADDITIONAL RECOMMENDATIONS

As noted in Chapter I, the scope of work for this study involved diverse and discrete activities, many of which now strike us as rooted more in an older *Impact Management Paradigm* (i.e., reactive regulation of tourism “side effects,” mostly by government) than in the newer and broader *Sustainable Tourism Paradigm* (i.e., proactive planning through public-private collaborations to identify and protect key assets underlying the quality of the place for both residents and visitors). These two approaches are not mutually exclusive, but the “Sustainable Tourism” approach would handle the identification and management of problematic tourism impacts as just one part of a larger and more inclusive ongoing planning process.

This final chapter represents an attempt to draw upon selected elements of all the foregoing chapters to develop some overall conclusions and, in some cases, additional consultant recommendations – i.e., in addition to those developed by the Sustainable Tourism Study Group and the Native Hawaiian Advisory Group. The chapter consists of two parts:

- ***Planning for Sustainable Tourism*** – Summarizing and adding to the discussion of process directions emerging from Chapters VII and VIII, also pointing out relevant findings from parts of earlier chapters.
- ***Tourism Trends, Perceptions, and Socio-Cultural Impacts*** – Conclusions and recommendations flowing from selected information from earlier chapters, particularly those about the changing nature of Hawai`i tourism.

Planning for Sustainable Tourism in Hawai`i

In Chapter VII (and the Appendix at the end of this report), we reported the efforts of a multi-stakeholder “Sustainable Tourism Study Group” that worked through initial disagreements to develop a consensus *Vision for Sustainable Tourism in Hawai`i*, characterized by both broad and specific goals, initial suggestions of indicators to measure progress, and action recommendations.

In Chapter VIII, we noted that the Study Group’s work is consistent with the initial stages of what may be called a “Sustainable Tourism System,” and we suggested some broad possibilities for creating such an ongoing system in Hawai`i. This broad “Sustainable Tourism System” concept in fact comprises the primary consultant recommendation for the overall study.

In this concluding chapter, we will:

- Attempt a concise recap of the idea; and
- Point out *evidence of need or usefulness* from various parts of the report.

Summary of the Sustainable Tourism System Concept

The Concept: A “Sustainable Tourism System” is some sort of ongoing, organized, public-private commitment to maintaining product quality and preserving key assets both inside resort areas and in the destination as a whole – both tangible and less tangible things such as:

- Quality of public infrastructure in resort areas;
- Maintenance of parks, restrooms, and similar facilities outside resorts;
- Accepted standards of excellence in delivering various services;
- Sense of authenticity and uniqueness in both specific activities (e.g., entertainment) or the place as a whole;
- Appropriate balance of relaxation/excitement, vs. sense of congestion and commercialization;
- Supportive, friendly workers and residents.

“Sustainable” tourism does not in and of itself guarantee *successful* tourism. Promotion and advertising, airline seat capacity, understanding markets, overcoming external challenges such as recessions and terrorist incidents – all of these are also critical. But they are obvious and immediate, and concrete actions can usually be readily identified. “Sustainability” relates to *long-term* concerns about the potential gradual erosion of a destination’s overall charm and uniqueness – things less obvious but ultimately just as important, and things which are sometimes more difficult to address without benefit of a real commitment.

Based on writings of groups such as the United Nations Environmental Program, a “Sustainable Tourism System” is just a *general template* for planning/management – but with these essential elements:

1. A focus on the entire, overall destination (“quality of the place”), including but not limited to designated resort areas.
2. Coordination by local government authority, but with ongoing collaboration and input from working groups comprised of key industry and community stakeholders.
3. Development of consensus long-term goals and actions.

4. Identification of indicators of success – preferably including target figures, ongoing monitoring of data, and contingency plans for actions when indicators are going in the wrong direction:
 - Research capability to help determine cause-and-effect factors;
 - Management response capability to react to problems.
5. Adoption by an official agency with authority to implement, revise, and oversee the ongoing process.

While government usually plays a coordinating role, the Sustainable Tourism literature suggests the concept works well only if key stakeholder groups – and particularly the industry itself – find ways to be partners in carrying out some of the activities, not simply assuming this is the domain of the government alone. Our sense is that “Sustainable Tourism” will simply be another passing conceptual fad unless it is actually embraced as part of Hawai`i’s destination-wide operating *business model*. In fact, it may work best to combine attention to preserving “quality of place” with attention to “quality of service” in the industry.

Potential Hawai`i Implementation: In Chapter VIII, we noted that obvious guiding participants could include the Hawai`i Tourism Authority, DBEDT and/or the Governor’s Tourism Liaison, county governments, and possibly the University of Hawai`i to assist in research and monitoring of indicators. Additionally, we noted that ultimate implementation may prove most effective on a county or island basis, with the State playing more of a general coordinating role.

We discuss some possible models for organization, but deliberately refrain from more specific suggestions. That is because we believe these agencies – with the input of industry and community groups – must first decide if they agree with the concept and then decide among themselves which have the appropriate levels of resources, authority or influence, and motivation to take leadership roles.

However, we pointed out that some of the possible functions of such a system could include:

- (1) Goal setting, action plans, and implementation;
- (2) Convening/collaborative (i.e., bringing together more groups such as the Sustainable Tourism Study Group, though perhaps focused on more specific topics);
- (3) Measuring and tracking indicators of sustainability success;
- (4) Communication/education;
- (5) Standards/certification;
- (6) Industry “quality” efforts;
- (7) Research and linkages to the outside world;
- (8) Conflict mediation;
- (9) Coordination of, or support for, island-level or topic-specific ST systems.

Evidence of Need for, or Value of, an Ongoing System

In Chapter VIII, we noted some examples of recent implementation of such systems elsewhere – e.g., the United Kingdom, where the national government is playing the sort of coordinative and encouraging role to local governments as we have suggested the State might play with islands or counties here. However, Hawai`i is a unique place – is there any evidence of need here?

Direct Evidence from This Study: From a visitor industry perspective, the ultimate evidence will come from *visitors* themselves, and the present study by its design has focused more on *resident* input and impacts. Later in this chapter, we recommend getting more data on visitor perceptions, since the limited information reviewed earlier (Exhibit II-10 and related text) is sketchy and mixed. While better monitoring of visitor perceptions about the overall “place” or “product” would clearly be helpful, there is some danger in relying only on this approach – i.e., visitors might report being happy with Hawai`i right up to the time that they stop being happy any more. The business world is replete with examples of sudden tipping points where market demand begins to ebb rapidly and with little warning.

Therefore, while acknowledging the desirability of better visitor data, we reiterate and summarize in Exhibit IX-1 (following page) a variety of findings from this study that support the need for, or value of, a Sustainable Tourism System. These boil down to:

- Indications that the industry has reached a level of maturity that requires it to pay more careful attention to overall product quality;
- Indicators of public desire for both government and the industry to do a better job in dealing with the effects of tourism growth and preserving the natural and cultural resources on which tourism is based.

Current Mechanisms for Addressing “Sustainability” Issues: A number of current mechanisms do exist, but at present are addressing Sustainable Tourism issues in a partial or piecemeal fashion:

- The Hawai`i Tourism Authority’s *Ke Kumu* Strategic Plan could be a vehicle for Sustainable Tourism planning. It now contains some references to Community Relations and Long-Range Planning, but primary emphasis is on marketing, product diversification, and tourism growth targets.
- The 2002 Legislature mandated the HTA to begin providing financial support for natural resources that may be stressed by visitor activity. This represents a key initial step, but only one building block on which a larger Sustainable Tourism System would be based.

Exhibit IX-1: Indications from This Study of the Need for (or Value of) an Ongoing Sustainable Tourism System

Issue	Reference
Possibility that Hawai'i visitor industry has reached a level of "maturity" that some theorists believe is associated with deterioration of underlying sense of place/quality of product (loss of uniqueness, congestion, etc.)	Chapter II, Exhibits II-1 to II-6. It is probable <i>domestic</i> growth will resume, but downward trends are clearer for <i>international</i> travel.
Strategy of minimizing growth impacts by attracting higher-spending visitors is good, but can only go so far – especially in light of historical trends for lower spending by repeat visitors, timeshare/B&B proliferation, etc.	Chapter II, Exhibits II-21 to II-24 and related text toward end of chapter.
Substantial indirect evidence that tourism is increasingly "spilling over" from designated resort areas into the general community in both desired and less desired ways – more direct in-community expenditures; traffic; B&Bs and vacation rentals in residential areas; increased visitor use of recreational areas formerly used mostly by residents; strains on park restrooms and other facilities; vacation or retirement homes outside resort boundaries; etc. (Surveys show resident satisfaction with in-community expenditures, more hesitation about visitors in wilderness areas.)	Detailed discussion in Vol. II of this report (<i>Socio-Cultural Impacts of Tourism in Hawai'i: General Population</i>), with brief summary in Chapter III of this report. Also see Exhibit VI-4 and accompanying brief text for survey data on "where tourism activity is welcome or less welcome."
Native Hawaiian sense that Hawai'i tourism "business model," though changing for the better, has historically paid inadequate attention to respecting the cultural and natural aspects of the place on which it relies. Particular concerns about cultural authenticity in entertainment/education.	Detailed discussion in Vol. III of this report (<i>Socio-Cultural Impacts of Tourism in Hawai'i: Impacts on Native Hawaiians</i>), with brief summary in Chapter IV, this report.
Much of the public input generated through meetings and website e-mails focused on perceived congestion, cultural and environmental impacts, and need for better communication among government agencies involved in planning.	Chapter V of this report. Also noted there: many Neighbor Island visitor industry speakers felt the industry is mature, should not grow more.
Nearly half of Hawai'i residents believe government has done a "poor" job in building infrastructure to keep up with growth in resident/visitor population, and 50% now think it's better to limit growth than to build new infrastructure in times of rapid expansion.	Chapter VI, Exhibits VI-7 and VI-13. On the positive side, most think government has done well in marketing and in providing beach access.
In our 2003 survey, the visitor industry got low marks from residents for conserving natural resources, environmental protection, and "taking leadership role in solving community problems." (Somewhat better grades were given for "supporting local charities or community projects" – it was <i>leadership</i> that was seen as lacking.)	Chapter VI, Exhibit VI-6. Higher marks for making both residents and visitors feel welcome; planning resorts to fit the landscape; and giving a good sense of Hawai'i history and its peoples.
While residents believe tourism benefits outweigh problems, they associate the industry with threats to water supply, environment, traffic, housing costs, and crime.	Chapter VI, Exhibits VI-5 and VI-9. (From both past HTA/DBEDT surveys and the new 2003 survey.)
There is substantial public support for government expenditures related to "product quality" – public improvements and infrastructure in visitor areas, maintaining/expanding recreational facilities for both residents and visitors, and environmental clean-up.	Chapter VI, Exhibit VI-3 (based on past HTA/DBEDT resident surveys)
The Sustainable Tourism Study Group has demonstrated the possibility of finding "common ground" among industry, government, environmental, and Hawaiian stakeholders.	Chapter VII and Appendix.
Sustainable Tourism systems are now starting to be created in resort areas and nations around the world.	Chapter VIII.

- Land use planning mechanisms for resort development often attach permit conditions related to preserving natural or environmental assets, but only on a project-by-project basis. Land use hearings tend to encourage adversarial proceedings rather than collaborative planning by different stakeholders.
- Under the current mayor, the City and County of Honolulu has paid substantial attention to “sustainability” in general (including important tourism product quality issues in Waikīkī in particular). These have been guided by community input through the City’s “visioning” processes. However, the effort has not been permanently institutionalized, nor does it feature indicators, targets, monitoring and management responses, etc.

In short, there has been *movement* in Hawai`i toward an ongoing system focused on preserving what may alternatively be considered “quality of place,” “the tourism product,” or “key natural and cultural assets.” But they have primarily consisted of individual initiatives or regulatory reactions, as opposed to a comprehensive, proactive, results-oriented planning and management system.

Tourism Trends, Perceptions, and Socio-Cultural Impacts

The final part of this chapter summarizes selected other key study findings, and offers or summarizes associated recommendations. We sum up:

- Tourism growth and change patterns, then offer some consultant recommendations to improve understanding/monitoring.
- Perceived vs. “actual” socio-cultural impacts, then briefly reiterate relevant Study Group and Native Hawaiian Advisory Group recommendations rather than offering additional ones of our own.

Tourism Growth and Change Patterns

Chapters II and III discussed a number of tourism trends and related issues. We believe the following are particularly worth emphasizing and, in the following subsection, offering some recommendations about.

- The Hawai`i visitor industry *might be approaching “natural limits” to its size and growth.* Exhibits II-1 through II-6 reviewed the concept of resort destination “life cycles” – the theory that a destination will eventually stagnate (and face either decline or, only if changes are made, rejuvenation) because its appeal is undermined by erosion of the quality and uniqueness of the place – and showed that overall Hawai`i tourism

data since 1951 almost perfectly match the “S-curve” of declining growth posited by this sort of theory.

It is too soon to know if this theory is actually true for Hawai`i. Many of the factors slowing tourism growth since 1989 have arguably been external forces, and some of these may be changing back to Hawai`i’s advantage. The coming year (2004) is predicted to feature substantial growth in the industry, although growth thereafter is expected to slow again. One of the most interesting questions is whether there will be any lasting resumption of growth in higher-spending foreign markets. A closer look at Hawai`i’s long-term tourism trends suggest ongoing strength and growth in the *domestic* market, but unquestionable decline in the *international* market – both in expenditures and numbers, and both in the Japanese and other foreign segments.

(The resident survey conducted for this project in late 2003 [Chapter VI] found 50% of residents had “mixed” feelings about Hawai`i’s long pause in tourism growth and another 30% thought it was actually “good” – but on another question, a small majority also said it was “good” that State economists think major growth will resume.)

- Neighbor Island tourism has in some ways become a different “industry” from Waikīkī tourism, with far more impacts on residents. Statewide, 1 of every 8 people present in Hawai`i on any given day is a visitor. But in Kaua`i and Maui, it is 1 of every 4. Waikīkī has had an on-again, off-again love affair with the Japanese visitor, but relatively few Japanese go to the Neighbor Islands (and spend relatively little when they do). The Neighbor Islands attract higher-spending domestic visitors, and some resorts there are beginning to specialize primarily in recreational real estate with little or no hotel component. *(The 2003 resident survey, like past surveys, found Maui and Kaua`i more concerned about tourism impacts and relatively more hesitant about renewed tourism growth.)*
- Whether or not Hawai`i tourism is growing, it is definitely *changing* – in ways that make it somewhat harder to measure and “manage.” That is:
 - Few new hotels are being developed, because room rates do not currently provide an adequate or certain return on the cost of land purchase and construction. *(Our 2003 resident survey found that nearly two-thirds of Hawai`i residents thought this was a good thing. This is consistent with past resident survey results indicating opposition to new hotels, despite desire for more tourists or tourism jobs.)*
 - Cruise ships are gaining a small but larger share of the market. *(As of 2003, there was overwhelming – nearly 80% – approval for this trend.)*

- Residential-area bed-and-breakfasts and individual vacation rentals are believed to be proliferating because of direct marketing over the Web, though good numbers on this are very hard to come by because many or most of the units are actually illegal. *(In 2003, a small majority approved of B&Bs, though there was somewhat less enthusiasm for “no-host” vacation rentals in residential areas.)*
- Timeshare projects are replacing hotels (conversions or new projects), meaning dispersed ownership, lower expenditures, and fewer on-site jobs, but more steady year-round occupancy and direct in-community expenditures. *(The 2003 survey showed some hesitation and mixed resident attitudes, though 47% approved.)*
- Vacation homes are a rapidly-escalating ancillary aspect of tourism. Master-planned resorts in Neighbor Islands and rural O`ahu always depended primarily on sale of recreational real estate, and we reported some data suggesting such *on-resort* development is a significant economic boon (though certain social questions remain to be answered). We have far less solid information about the numbers or effects of vacation homes in residential beachfront communities (e.g., Kaua`i's North Shore or Lanikai on O`ahu) or, perhaps even more importantly, in “agricultural subdivisions” throughout the state.

(Hawai`i residents as of 2003 showed particular concern over this development. While few labeled it as definitely “bad,” only 41% thought growth in on-resort recreational real estate was “good for Hawai`i,” and only 21% approved vacation homes in off-resort agricultural lands. Most of the rest had uncertain or “mixed” feelings.)

- While solid numbers are lacking, anecdotal evidence suggests a dramatic increase in numbers of visitors wanting to experience the “real Hawai`i” – wilderness hiking trails, river or ocean recreational assets, etc. This is thought to be a function of repeat visitors and proliferating guidebook and Web information about once “hidden” natural and cultural assets. State and county planners report increasing resident complaints about both commercial and non-commercial visitor use of these natural assets – though it should be noted that, from the perspective of natural area managers, growth in resident population and use also affects the quality of natural areas.

(The 2003 survey found relatively few residents who said increased numbers of people using hiking trails or ocean recreation areas formed a “big concern” for them personally... just 18% on O`ahu and 25% - 30% on Neighbor Islands. However, of those few who did express concern, there was a very high proportion – on Maui and Kaua`i, about 80% –

who thought tourism bears some or most of the responsibility for this situation.)

Summary Statement: In the 1980s, Hawai`i believed in the concept of “self-contained resort areas.” That idea has been disproved. Many visitors are no longer content to stay in “golden ghettos.” For better or worse, they are spending more of their time and more of their money outside resort areas. To the extent that Hawai`i wishes to pursue the Impact Management approach, strategies will have to become more sophisticated than simply designating certain portions of island for resort land use classification and expecting tourism side effects to be largely contained to those areas. However, as discussed further later in this chapter, this situation also helps reinforce the desirability of an expanded Sustainable Tourism planning/management system.

Recommendations: Monitoring Tourism Growth and Change

We are concerned that some of the foregoing trends in tourism are not yet being well measured and monitored, and in some cases not being planned for. The following recommendations therefore focus primarily on information collection and on very broad planning strategies.

1. The State and counties should begin to define recreational real estate (vacation homes, etc.) as a separate economic activity, meriting both analysis and planning in its own right.⁶³

- Modify the in-flight survey of visitors and returning residents to record vacation homeowners or their nonpaying guests. While the numbers in this category will be relatively small compared to traditional visitors, this will produce a database for follow-up research into issues such as occupancy levels, initial vs. subsequent expenditures, location (on- vs. off-resort), demographic characteristics, opinions and attitudes, etc.
- In initial follow-up research, focus on learning about the extent to which part-time residents are making concentrated purchases in selected residential areas or, especially, “agricultural subdivisions” outside resorts. Such research should include likely future expansion of actual housing structures (as opposed to investment in unimproved land) in agricultural subdivisions for part-time residential use.
- Use the State “Rural” land use classification and appropriate county zoning labels for purposeful designation of recreational real estate

⁶³ Or, alternatively, begin to think in terms of an overall “Vacation Industry,” with at least two component or sub-industries: the traditional “Visitor Industry” for short-term vacationers and the “Recreational Real Estate Industry” for part-time residents. Either way, recreational real estate must be recognized as something related to, but distinct from, traditional tourism.

projects that lack hotels or other classic “Resort” characteristics. That is, because recreational real estate is a rising and enduring market reality, plan *for* it – not just screen *against* it – in agricultural or other non-resort areas where demand is likely to occur. There will be many places where such activity will not be desired, but there must also be mechanisms for determining where it should be allowed and encouraged.

- Work with Realtor organizations that collect residential housing sale and value numbers on each island to explore the feasibility for separate reporting of data in areas where buyers are primarily full-time residents vs. areas where buyers are primarily part-time residents.
- As any Sustainable Tourism Systems are developed at State or county levels, provide for inclusion of resort-residential developers, off-resort developers or Realtors specializing in vacation property, and relevant homeowners’ associations in collaborative planning bodies.
- Petition the U.S. Bureau of the Census to gather future housing data in a way that provides more detailed information about the current category “held for seasonal, recreational, or occasional use” (SROU). This SROU category currently combines second homes, timeshare, and some other uses.⁶⁴

2. The State should also expand its regular tourism research program to gather more information about two other emerging non-traditional forms of tourism in Hawai`i – timeshare and residential-area transient vacation rentals. (These would supplement information on the cruise industry that the State has already started to collect.)

- The American Resort Development Association (ARDA) sponsored studies of Hawai`i’s timeshare industry in 1997 and 2000,⁶⁵ and these could provide a baseline – and potential collaborator – for a regular (if not necessarily annual) time-series analysis of key timeshare statistics.
- Bed-and-breakfasts and vacation rentals in residential areas pose a difficult problem because they are largely illegal, though counties lack resources for enforcement. Available information exists primarily on the Web, and so some sort of algorithm for search engines might be the best way to gather some type of standardized information.

⁶⁴ In the meantime, a better initial estimate of the geographical distribution of second homes in Hawai`i could be achieved by (a) a GIS mapping of SROU’s by area according to the 2000 Census, then (b) using DBEDT’s 2000 *Visitor Plant Inventory* to subtract timeshare units from the larger SROU category. The remainder would presumably be mostly second homes, though there is no way of knowing how many of them are for out-of-state vs. in-state residents.

⁶⁵ The 2000 study remains available as of this writing for a fee via the ARDA Research Library website: http://www.arda.org/industry/arda/pubs/research/research_library.htm.

3. To improve understanding of potential future tourism growth under existing land use permits, the State should work with counties to standardize reporting of “permitted but unbuilt” visitor units – including, if possible, residential units on resorts or in designated recreational real estate projects.

DBEDT’s annual *Visitor Plant Inventory* currently collects information from each county planning department about “Planned Additions and New Developments.” This is a useful project-by-project monitoring of expected short-term changes. However, different counties report by different levels of visitor units (e.g., Maui generally only tracks hotel or timeshare projects, while O`ahu reports condos and even B&B’s) ... and none currently appear to track resort-residential units.

4. The State should focus some of its visitor research more specifically on the questions of satisfaction with key underlying natural and cultural assets, in order to determine the extent to which concerns about “unique sense of place” or “product quality” (vs. external factors or economics) are actually affecting likelihood of return to Hawai`i.

- Modify the current Visitor Satisfaction and Activity Survey, which now gathers only indirect information on this topic by asking only those who say they are unlikely to return why that is so. To provide a better “early warning system,” we need to be tracking general satisfaction on the part of a representative cross-section of *all* visitors in regard to satisfaction with:
 - Congestion vs. relaxation quotients;
 - Sense of authenticity vs. commercialism;
 - Friendliness of residents and visitor industry workers;
 - Uniqueness of the overall destination area.⁶⁶
- In research conducted in international markets, explicitly explore the importance of such factors, as well as the importance to foreign travelers of various emerging international certifications and standards for “nature tourism” that Hawai`i (along with much of the rest of the United States) may not yet have adopted.

5. Counties are encouraged to legalize but regulate bed-and-breakfasts – and possibly also vacation rentals in certain residential areas, though probably with tighter standards because of the lack of on-site hosts. We

⁶⁶ The Visitor Satisfaction and Activity Survey currently asks all visitors for satisfaction ratings on specific components of the industry – accommodations, restaurants, shopping, golf courses, activities and attractions, transportation, airports, and parks & beaches. This is useful information, but it is mostly about specific commercial activities rather than the overall place.

recognize this is a “county home rule issue,” but make the recommendation because the current situation reminds us of Prohibition America: Laws were flouted so widely that it proved wiser to keep liquor legal but controlled than to outlaw it.

- Key decisions to be made at county levels would need to include –
 - Maximum number of structures/units permitted in a given residential area. Such a legal maximum would reassure residents their neighborhoods will not gradually evolve into a de facto hotel area, and give both existing operators and residents more freedom and incentive to report subsequent illegal operations.
 - Noise, parking, and other nuisance control factors. If these were spelled out in codes readily available to neighbors, residents could report violations (or informally discuss them with proprietors) without the sense that their report would result in the total elimination of a business depended upon by a close neighbor.
- Funds for county enforcement of such standards could come from dedication of the Transient Accommodations Tax for such units (i.e., return to counties) and/or from higher property taxes applied to these units than to surrounding “purely residential” properties.

Perceived Vs. “Actual” Socio-Cultural Impacts

Resources available for this study were directed largely to public input, as well as to inventorying socio-cultural *issues*. Through resident surveys, public meetings, website input, past professional experience, and the Native Hawaiian Advisory Group’s work on “observed impacts,” this report has provided extensive documentation about what Hawai‘i residents *believe* (and, in the case of the Native Hawaiian Advisory Group, we would argue “*believe with authority*”) are the socio-cultural impacts of the industry here.

It is much more difficult to establish “actual” socio-cultural impacts, to establish *proof*. In this particular study, we had a limited amount of resources for such evidence-based analysis, and used them to address these topics:

- What are the “spillover” effects of tourism? This effort actually provided more of an extended issue inventory, with scattered quantitative documentation, regarding the types of effects that tourism has on residents when it “spills over” from designated resort areas.
- Does tourism make crime “worse?” Surveys show many residents believe so. Our analysis suggested tourists are more likely to be

victimized than residents, but this effect is very small compared to other factors affecting crime rates (e.g., percentage of population consisting of young males) – crime rates have generally been falling over the past 25 years or so. So the *effect of tourism on crime* has been minimal here lately. Of course, this says nothing about the *effect of crime on tourism*, which is probably a subject of more concern within the industry itself.

- Does tourism make housing costs “worse” for residents? Again, surveys show many residents believe so. But our ability to explore this question with any degree of thoroughness was extremely limited. Our survey of “particularly knowledgeable Realtors” on various islands suggested these “experts” believe there are real effects, but mostly limited to areas fairly near resorts.

But even with vastly augmented resources, proof is difficult in the social domain. For one thing, the vast cultural and economic forces contributing to the growth of tourism here – statehood, jet planes, television, and other factors that both “shrink the world” and bind Hawai`i more tightly to outside economies – can produce change indirectly through tourism, but also directly themselves. How much of the “westernization” of Hawai`i and its population is due to such factors, vs. tourism alone? And how do we establish what “tourism-related” socio-cultural impacts would or would not have still occurred if tourism had been replaced by some other (hypothetical) economic engine over the past decades? If a “tourism impact” could have been caused by another industry, is it still a “tourism impact?”

The Native Hawaiian Advisory Group eloquently argued that such questions are of limited relevance to Native Hawaiians who may feel alienated because of larger historical forces – to them, the visitor industry is just the “present-day flashpoint on a long trail of historical disappointments.” But the Native Hawaiian report also included discussion of ways the authors thought tourism might have distinctive impacts, or of how future research might try to disentangle tourism effects from those of larger forces.

There is a role for carefully directed research about the cause-and-effect of tourism on key topic areas. For example, although this is as much an “economic” as a “socio-cultural” topic, tourism implication for *housing cost* is something that merits and is subject to further research. However, that research must be done very carefully, because of the broad range of other factors that can affect housing values, either separately from tourism or in some interactive way. We would hope that some of the distinctions we made in our own tourism-housing “mini-study” about the different aspects of tourism itself – job creation at resorts, spillover demand from resort-residential housing, B&B development in residential communities, etc. – can help pave the way for more specific future research efforts that carefully distinguishes the *unique* effects of the visitor industry.

However, for many socio-cultural issues, it is far more important to *manage* the impacts than to study them. No study will ever definitively “prove” whether

tourism has preserved or cheapened cultural art forms used to attract and entertain visitors. But information can be gathered on both customer satisfaction *and* performer satisfaction. As per the Sustainable Tourism Study Group's recommendations,⁶⁷ voluntary standards can be established, and systematic reviews made by groups who understand both the industry and the culture. The true bottom line here is not the "real" impact of tourism on cultural art forms, but the sense of pride and self-respect on the part of performers and artisans, and of the wider Native Hawaiian community.

Recommendations Regarding "Socio-Cultural Impact Management"

Given the foregoing discussion, we will *not* offer our own independent recommendations about managing or mitigating socio-cultural impacts. Rather, we will defer to recommendations by the Sustainable Tourism Study Group and the Native Hawaiian Advisory Group. These are listed in full in the report's opening Executive Summary and closing Appendix, but key areas⁶⁸ include:

- Infusing Hawai'i tourism with Native Hawaiian values and authentic cultural content in entertainment and education, through development of voluntary standards and expanded certification programs;
- Inventorying and protecting cultural/historical resources of a physical nature, through use of Geographic Information System (GIS) databases;
- Encouraging visitor appreciation for Hawai'i's multi-cultural diversity by promoting awareness of activities such as bon dances or Chinese New Year celebrations;
- Educating visitors, workers, and vacation homeowners about the islands' social history and unique social fabric;
- Involving citizen patrol groups in efforts to reduce crime against visitors;
- Increasing Native Hawaiian voices in key decision-making organizations;
- Encouraging more in-community, small-scale "alternative tourism" (balanced by careful licensing and oversight); and
- Retrospective reviews of cultural resource management plans and monitoring programs to determine actual success in implementation.

⁶⁷ In Appendix, see Broad Goal 4 (Culture) – action recommendations for Specific Goals 1 and 2.

⁶⁸ One key socio-cultural area *not* addressed – though discussed at some length by the Study Group – involved the question of impacts on family due to shift work and other factors in service employment. With some regret, the group decided to omit this issue because it had a difficult time differentiating tourism impacts from those of other types of employment, and/or deciding on any action recommendations that seemed feasible to everyone.

APPENDIX: THE SUSTAINABLE TOURISM STUDY GROUP'S "VISION, GOALS, INDICATORS, AND ACTION RECOMMENDATIONS" DOCUMENT

See Chapter VII for background on Sustainable Tourism Study Group members, explanation of the document's history and logic, a "minority report," and other relevant information. A few of the closing points from that chapter's section on "Next Steps" bear repeating here –

Establishing Targets for Indicators: The Study Group recognized that indicators have additional value if measured against some benchmark or target goal. They felt they lacked the time and expertise to do this during the current phase of work, but agreed it should be done in the future.

Estimating Funding Required for Implementation and Seeking Funds: While some recommended actions might be carried out with existing resources by public or private agencies, many will require appropriations, grants, etc. The Study Group recognized that it was calling on the HTA, DBEDT, or other organizations to bring more groups together for further work; to conduct new research; and to carry out other activities. If the recommendations are to be implemented, affected agencies and/or the lead agency for a true Sustainable Tourism System (see below) will need both to price the recommendations and also to seek funds for implementation.

Extending the "Goals and Indicators" Framework into an Actual Sustainable Tourism System: As discussed in the report, the Study Group's work is consistent with initial steps recommended by the United Nations and other international organizations in creating a "Local Agenda 21" for Sustainable Tourism. But such a system will require an ongoing structure and commitment, both in terms of public coordination/funding and in terms of participation from the private sector. The Sustainable Tourism approach depends on continued involvement from both community stakeholders and the visitor industry itself. Unless the tenets of "sustainability" actually become part of the industry's business model, the ideas are unlikely to have any real lasting impact.

Note: The Study Group was facilitated by Dr. Peter Adler for its initial several meetings. When Dr. Adler relocated outside Hawai'i, the group was facilitated in most of its work on this document by Dr. Kem Lowry, chair of the Department of Urban and Regional Planning at the University of Hawai'i. Dr. John Knox was a secondary facilitator, and John M. Knox & Associates, Inc. provided logistical support and coordination.

VISION FOR SUSTAINABLE TOURISM IN HAWAII:

Sustainable tourism would honor Hawai'i's culture and history, protect our unique natural environment, engage the local community, support the economy, and please our visitors.

Broad GOAL #1 - VALUES: Sustainable tourism will reflect our own deepest values – *lōkahi* (harmony), *mālama`āina* (nourishing the land), *ho`okipa* (hospitality), *kuleana* (responsibility), and *aloha* (welcome)

Our visitor industry must strive to incorporate key Native Hawaiian values (both concepts and practices) into the operating systems of its organizations and institutions. Above all, it must achieve *lōkahi* among economic, environmental, and socio-cultural outcomes. The industry must protect and preserve Hawai'i's "sense of place," even as businesses seek to understand and satisfy the customer.

Broad GOAL #2 - ECONOMY: Sustainable tourism will provide good jobs, economic vitality, and diversity; provide opportunities for all sectors of the Hawai'i community; and retain as much of the benefit as possible within our own economy

Economic realities change over time, and investors expect a return, so some tourism revenue will always leave Hawai'i. But as much income as possible should remain here, and should flow through the economy in ways that benefit everyone, especially families who have been in the Islands for many generations and who have worked to lay the base for tourism success.

Broad GOAL #3 - ENVIRONMENT: Sustainable tourism will operate in harmony with our ecosystems, enhancing natural beauty and protecting the islands' natural resources

Like any economic activity, tourism implies a human population, a "built environment," and some consumption of resources. An industry that relies on beauty and on the abundance of nature has a special responsibility to help protect the landscape and the natural resources of land and sea.

Broad GOAL #4 - CULTURE: Sustainable tourism will be part of a larger effort to perpetuate the customs and traditions of Hawai'i's ethnic cultures, especially our Native Hawaiian host culture

Although responsibility must be shared with the wider community, Hawai'i's visitor industry should be a dynamic agent for respecting and enhancing Hawai'i's cultural customs and traditions, especially those of the host culture, as an important and valuable segment of the visitor experience – and part of what makes these Islands special for those of us who call Hawai'i home.

Broad GOAL #5 - SOCIAL HARMONY: Sustainable tourism will reinforce Hawai'i's heritage of tolerance, diversity, respect, and Aloha among our various ethnic and social groups, and among residents and visitors

Hawai'i's history of social change can lead to fears about dispossession and dominance by elites, but our overall social evolution has resulted in a relaxed, friendly, and partly blended "local" culture that is highly prized. Tourism must support this social fabric – including harmony between residents and visitors.

Broad GOAL #6 - PLANNING: Sustainable tourism will be planned to protect communities' sense of place for current and future generations

Like any industry, tourism tends to change or grow in spurts, as economic conditions shift. Advance contingency planning is needed to assure that "opportunity" to some is not "overwhelm" to many when it does occur. Similarly, when tourism extends into residential or resident-oriented commercial or recreational areas, careful planning is required to balance benefits with possible problems.

For these goals, we define "Tourism" not just as those activities serving the traditional short-term leisure visitor (for example, hotels or tour companies), but also related or emerging activities – business meetings, vacation home developments, cruise ships, sporting events, and so on.

SPECIFIC GOALS, RECOMMENDATIONS, AND INDICATORS

Broad GOAL #1 - VALUES: Sustainable tourism will reflect our own deepest values – *lōkahi* (harmony), *mālama`āina* (nourishing the land), *ho`okipa* (hospitality), *kuleana* (responsibility), and *aloha* (welcome)

Specific Goals	Indicators	Action Recommendations / Responsibility*
1) Hawai`i's visitor industry will reflect the values named above in both its marketing and daily operations, thus contributing to the uniqueness of Hawai`i as a destination.	a) To be determined, based on strategy as described in "Action" column. (<i>Responsibility: Hawai`i Tourism Authority [HTA] coalition or sub-committee described in "Action" column – should include both cultural practitioners and industry representatives</i>)	i) Develop a specific strategy for explaining and publicizing these values, and for measuring success. This strategy may be coordinated with programs to inform residents about benefits and costs of tourism in Hawai`i. (<i>Responsibility: HTA, spearheading a coalition of industry, community groups, and state/county governments.</i>)
2) Both visitors and residents will be aware of, and appreciate, these values.	a) Visitor and resident survey items measuring awareness of unique Hawaiian themes and values. Analysis should determine the extent to which such awareness contributes to overall satisfaction among various visitor market segments and resident demographic groups. (<i>HTA and Dept. of Business, Economic Development & Tourism [DBEDT]</i>)	i) Develop an ongoing public awareness effort. (<i>HTA and coalition suggested above</i>) ii) The coalition could designate appropriate organizations to: - assemble and publicize a website dedicated to the various existing industry efforts to educate employees, other residents, and visitors about cultural values; - assemble a similar website dedicated to environmental values.
3) The level of both visitor and resident satisfaction with Hawai`i's tourism experience will be maintained and improved.	a) Visitor survey questions about satisfaction. (<i>DBEDT</i>) b) Resident survey questions about satisfaction with quality of product, "face of Hawai`i" in tourism. (<i>HTA</i>)	i) Continue current regular visitor and resident satisfaction surveys – adding questions about desired improvements – and report back to the community, local governments, and the State both on-line and through Annual Reports. (<i>DBEDT and HTA</i>) ii) Assure coordination among agencies conducting surveys, including the University of Hawai`i. (<i>DBEDT, HTA, UH School of Travel Industry Management [TIM]</i>)

* While it is important that some group/agency be responsible, organizations named in this document are just the Study Group's initial and tentative suggestions, subject to feedback from the suggested agencies.

Broad GOAL #2 - ECONOMY: Sustainable tourism will provide good jobs, economic vitality, and diversity; provide opportunities for all sectors of the Hawai'i community; and retain as much of the benefit as possible within our own economy

Specific Goals	Indicators	Action Recommendations / Responsibility
<p>1) Hawai'i's visitor industry businesses will be economically healthy.</p>	<p>a) Payroll levels for tourism-related businesses. <i>(Department of Labor and Industrial Relations [DLIR])</i> b) Others to be determined, based on data collected by DBEDT in analysis recommended in "Action" column. <i>(DBEDT)</i> c) Visitor expenditures per day (constant dollars). <i>(DBEDT)</i> d) Average daily hotel room rates (constant dollars). <i>(DBEDT)</i> e) Hotel occupancy rates. <i>(DBEDT)</i></p>	<p>i) Every [3*] years, analyze the industry's economic health vis a vis comparable destinations, and identify reasons for any problems. <i>(DBEDT)</i> ii) Determine feasibility of annual identification of "tourism-related" businesses, to permit studies and measures. <i>(Tax Dept.)</i></p> <p><small>* This document suggests such timeframes tentatively, subject to comment by agencies</small></p>
<p>2) Hawai'i's visitor industry jobs will be highly competitive with those in other American visitor destinations in regard to pay, job stability, and good working conditions.</p>	<p>a) Average wages/benefits for workers in selected Hawai'i tourism sectors vs. available data from standard set of other destinations. <i>(State Dept. of Labor and Industrial Relations [DLIR])</i></p>	<p>i) Every [5] years, review wages and benefits of employees in competitive destinations to compare to Hawai'i wages and benefits. <i>(DLIR)</i></p>
<p>3) Hawai'i-born residents will have the greatest possible educational opportunities to prepare for management-level or other well-paying tourism jobs.</p>	<p>a) Proportion of industry management positions occupied by longtime Hawai'i residents (to be measured in workforce surveys recommended in "Action" column). <i>(DLIR or DBEDT)</i></p>	<p>i) Alternate surveys about resident attitudes toward tourism with surveys of tourism workforce. <i>(HTA or DBEDT)</i> ii) Encourage and provide opportunities for local-area resident training for industry employment. <i>(State and local governments, resort developers and operators, and other industry organizations)</i> iii) Expand current management and interpretive training opportunities. <i>(The University of Hawai'i's system)</i> iv) Strengthen these programs to ensure graduates have strong business and financial analysis skills. <i>(The University of Hawai'i's system [TIM, community colleges])</i></p>
<p>4) Hawai'i policy makers will promote investments in tourism that encourage visitor spending that remains in Hawai'i's economy.</p>	<p>a) Proportion of tourism dollars and profits remaining in the economy after they enter the economy. <i>(DBEDT)</i></p>	<p>i) Determine whether existing state economic models and databases provide sufficient information to measure this issue reliably, and request funds for new information tools if not. <i>(DBEDT)</i> ii) Every [5] years, publish a report on this topic, in terms that are clear and understandable to the average citizen. <i>(DBEDT)</i></p>

<p>5) Larger tourism employers (such as hotels and airlines) will maximize the use of local products and services.</p>	<p>a) Prevalence of “buying local” efforts – specific measure to be determined through studies recommended. <i>(Dept. of Agriculture [DOA] and/or the UH’s College of Tropical Agriculture and Human Resources [CTAHR/UH])</i></p>	<p>i) Conduct periodic studies to measure extent of “buying local” efforts by major employers, to analyze obstacles and identify strategies for addressing them. <i>(DOA and/or CTAHR/UH)</i> ii) Publish “best practices” in trade journals. <i>(Hotel and other professional associations)</i></p>
<p>6) Hawai‘i tourism will increasingly consist of diverse markets based on the full spectrum of our natural and cultural resources (e.g. eco-tourism, agri-tourism, “wellness,” educational visitors).</p>	<p>a) Number and proportion of total visitors coming to Hawai‘i to engage in “wellness” and other emerging tourism activities. <i>(DBEDT)</i> b) Number and proportion coming for short term degree and non-degree educational programs. <i>(DBEDT, working with educational institutions)</i> c) Number of new programs designed to attract wellness and educational visitors. <i>(Continuation of HTA effort)</i></p>	<p>i) Assist private promoters of sports and “wellness” events – as well as nature- and culture-based tourism businesses – that attract new visitors. <i>(HTA)</i> ii) Tailor more college courses/ programs to degree and non-degree visitors. <i>(UH, Hawai‘i Pacific University, and other accredited institutions of higher learning)</i></p>
<p>7) Hawai‘i will promote high-quality forms of “alternative tourism” with appropriate licenses and permits.</p>	<p>a) Numbers or rates of small-scale businesses that lack proper licenses. <i>(State Office of Planning [OP], in coordination with Dept. of Land and Natural Resources [DLNR] and other agencies)</i> b) Number of permits by county for transient vacation units (bed-and-breakfasts [B&Bs] or individual rentals). <i>(DBEDT, from State Tax Dept. and County planning agencies)</i></p>	<p>i) Determine methods to identify and track numbers of unlicensed operators of small tourism businesses – e.g., bed-and-breakfasts (B&Bs), small tour vehicles, water sport tours, etc. <i>(OP, in coordination with DLNR and other agencies)</i> ii) Review existing studies of “alternative tourism,” including B&Bs, both for economic benefits and community impacts. <i>(DBEDT)</i> iii) Promote development of web pages, calendars, and other ways to disseminate information about small-scale tourism opportunities. <i>(HTA)</i></p>
<p>8) All parts of the visitor industry will pay the taxes and fees for which they are legally responsible.</p>	<p>a) Estimates of increased revenue attributed to the identification of such businesses. <i>(Tax Dept.)</i> b) Number of reported activities under any “watchdog” system that is established. <i>(HTA)</i></p>	<p>i) Work with community groups and government agencies to identify visitor activities lacking General Excise Tax licenses, to ensure such businesses pay taxes and comply with standards. <i>(HTA)</i></p>
<p>9) The Hawai‘i visitor industry will encourage local entrepreneurship.</p>	<p>a) Percentage of total visitor industry workers consisting of small business owners in workforce surveys. <i>(HTA)</i></p>	<p>i) Tourism-related workforce development programs will include programs for entrepreneurial training. <i>(DLIR and Community College system)</i></p>

Broad GOAL #3 - ENVIRONMENT: Sustainable tourism will operate in harmony with our eco-systems, enhancing natural beauty and protecting the islands' natural resources

Specific Goals	Indicators	Action Recommendations / Responsibility
<p>1) Hawai'i's unique natural resources will be protected through ongoing public-private collaboration.</p>	<p>a) Percent of park and other resource users indicating high satisfaction with resource conditions as indicated in user surveys and expert panels. (DLNR)</p> <p>b) Number and types of joint industry-environmental proposals and programs, stemming from coalition activities recommended in Action column. (HTA/DLNR)</p> <p>c) Number of reports from public reporting system recommended in Action Column, along with data on State responses. (DLNR)</p>	<p>i) Establish an ongoing monitoring and evaluation process to determine satisfaction levels on the part of natural resource users. (DLNR)</p> <p>ii) Bring together a public-private partnership – including visitor industry associations, government agencies, and environmental groups – to explore (1) the feasibility of forming and funding a private nonprofit or coalition dedicated to identifying mutual goals, and (2) continuing this sort of partnership on an ongoing basis. (HTA, DLNR)</p> <p>iii) Assign responsibility for creating and funding a 24-hour reporting system for illegal or destructive practices that degrade natural assets. (DLNR)</p> <p>iv) Develop or enhance educational programs on how both the visitor and resident community can help preserve and protect our natural resources. (DLNR, UH System, HTA)</p>
<p>2) Hawai'i's natural resources should be funded adequately in order for them to be improved, preserved, and protected.</p>	<p>a) Level in constant dollars of resources allocated for natural resource protection. (DLNR)</p>	<p>i) Establish resource protection funding priorities and increase education and enforcement activities to assure sustainability of natural resources. (State government)</p> <p>ii) Study the feasibility of establishing a voluntary visitor donation fund for Hawai'i natural resource protection/enforcement. (DLNR, Tax Dept.)</p> <p>iii) Explore all revenue resources for resource protection: government, private sponsorships, user fee for commercial operations and individual visitors. (State government)</p>

<p>3) All commercial or individual visitor (or resident) use of public resources will maintain or restore the resources for the next generation (including condition of existing access, restrooms, and other public facilities).</p>	<p>a) To be determined, based on results of study effort recommended in Action column. <i>(DLNR)</i></p>	<p>i) Work with stakeholders – such as commercial users, residents, and natural resource managers – to determine “limits of acceptable change,”[†] scientific evaluation, and other evaluation methods for key categories of resources and/or specific resources felt to be at risk, and create a priority action plan for each such resources. <i>(DLNR)</i></p>
<p>4) All commercial tour uses of specific natural resources will include education about the nature of the resource and how to protect it.</p>	<p>a) Proportion of tour operators that are certified. <i>(DLNR, UH System, HTA)</i> b) Proportion of visitor and resident resource users very satisfied with education processes, content and impacts. <i>(DLNR, UH System, HTA)</i></p>	<p>i) Develop a certification program for tour operators, guides and interpreters – including knowledge about Hawai‘i natural areas and good educational techniques <i>(DBEDT, UH System, HTA)</i> ii) Work with all State and county agencies granting relevant permits for commercial tour uses to develop criteria for education as part of permit process. <i>(DLNR)</i></p>
<p>5) Both visitors and residents will be protected from new alien pest species by vigorous interception and eradication programs.</p>	<p>a) Rate of pest species introduction and diffusion. <i>(Hawai‘i Invasive Species Council [HISC])</i> b) Rate of interception/eradication of pest species. <i>(HISC)</i></p>	<p>i) Seek adequate state/federal funding for existing state/federal alien pest species task forces and action plans – with particular emphasis on preventing catastrophic invasive species such as the brown tree snake. <i>(HISC)</i></p>

[†] “Limits of acceptable change” is a participatory process in which stakeholders define preferred and/or “acceptable” changes in use of natural resources.

<p>6) Hawai'i's visitor industry will become a model of "best practices" in water- and energy-saving systems, as well as place-sensitive design, in all visitor facilities.</p>	<p>a) Number and level of businesses utilizing tax incentives recommended in Action column. <i>(Tax Dept.)</i> b) Rate or number of hotels/resorts that participate in a "green building" certification program. <i>(DBEDT)</i> c) Rate or number of hotels/resorts and other identifiable tourism businesses that participate in water, energy conservation, and recycling programs. <i>(DBEDT, with relevant utilities and industry associations)</i></p>	<p>i) Explore need for additional visitor industry-specific tax incentives to encourage water and energy conservation. <i>(Tax Dept.)</i> ii) Develop and publish set of visitor industry "best practices" for place-sensitive design, construction, and remedial conservation efforts. <i>(DBEDT and HTA)</i> iii) Publish annual professional group nominations of best examples of "place-sensitive" design in Hawai'i. <i>(Joint committees of the local chapters of the American Planning Association, American Architects' Association and American Society of Landscape Architects)</i> iv) Expand and develop water, energy conservation, and recycling programs in the visitor industry. <i>(DBEDT, with relevant utilities and industry associations)</i></p>
<p>7) Hawai'i's visitor industry will become a model of "best practices" in water- and energy-saving systems, as well as place-sensitive design, in all visitor facilities.</p>	<p>a) Number and level of businesses utilizing tax incentives recommended in Action column. <i>(Tax Dept.)</i> b) Rate or number of hotels/resorts that participate in a "green building" certification program. <i>(DBEDT)</i> c) Rate or number of hotels/resorts and other identifiable tourism businesses that participate in water, energy conservation, and recycling programs. <i>(DBEDT, with relevant utilities and industry associations)</i></p>	<p>i) Explore need for additional visitor industry-specific tax incentives to encourage water and energy conservation. <i>(Tax Dept.)</i> ii) Develop and publish set of visitor industry "best practices" for place-sensitive design, construction, and remedial conservation efforts. <i>(DBEDT and HTA)</i> iii) Publish annual professional group nominations of best examples of "place-sensitive" design in Hawai'i. <i>(Joint committees of the local chapters of the American Planning Association, American Architects' Association and American Society of Landscape Architects)</i> iv) Expand and develop water, energy conservation, and recycling programs in the visitor industry. <i>(DBEDT, with relevant utilities and industry associations)</i></p>
<p>8) Hawai'i will preserve as much as possible of its current undeveloped coastline.</p>	<p>a) Percent of coastline remaining undeveloped, by island. <i>(County and State planning agencies)</i></p>	<p>i) Develop dedicated sources of funding to protect undeveloped coastal lands. <i>(DLNR, DBEDT, County governments)</i> ii) Initiate a conservation district sub-zone review to determine which coastal lands should be placed in the protective sub-zone of the conservation district. <i>(OP, DLNR)</i></p>

Broad GOAL #4 - CULTURE: Sustainable tourism will be part of a larger effort to perpetuate the customs and traditions of Hawai'i's ethnic cultures, especially our Native Hawaiian host culture

Specific Goals	Indicators	Action Recommendations / Responsibility
<p>1) Visitor entertainment and education activities will present Native Hawaiian and other Island cultures in an accurate and respectful way.</p>	<p>a) Standardized questions from brief performer survey recommended in Action column. <i>(HTA)</i></p> <p>b) Other indicators to be determined, based on "code of standards" and grading system recommended in Action column. <i>(Responsibility to be decided by recommended HTA study group)</i></p>	<p>i) Conduct a brief standardized survey, at least every [5] years, of performers or participants to measure extent to which they feel pride or exploitation. <i>(HTA to conduct survey, or else facilitate hotel/attraction associations to conduct it)</i></p> <p>ii) Assemble a group of key stakeholders (hotels, attractions, performers and unions, cultural groups) to produce a voluntary "code of standards" that seeks to balance market realities, artistic freedom, and resident desires for cultural authenticity. Also determine feasibility of system for periodic "grading" of major venues relative to the code. <i>(Office of Hawaiian Affairs [OHA] with HTA and appropriate visitor industry organizations)</i></p> <p>iii) Perpetuate the HVCB's "Keep It Hawai'i" award program. If the HVCB is refocused purely on out-of-state marketing programs, then a State agency such as HTA should perpetuate the program, continuing to include community input in making awards. <i>(HTA)</i></p>

<p>2) Visitors will get accurate information about Hawai'i's cultures, history, and geography both from tour guides and interpreters, and also from guidebooks and visitor publications.</p>	<p>a) Yet to be determined, based on conference suggested in Action column. <i>(HTA, contracting with qualified groups as per the Action column)</i></p>	<p>i) Expand the previously suggested conference of stakeholders about performance authenticity (Broad Goal 4, Specific Goal 1) to include a focus on written and spoken accuracy in guidebooks and tours – with recommendations about evaluating, grading, and/or certifying guidebooks and interpreters, as well as criteria for such evaluation. This should include consideration of an official Hawai'i "stamp of approval" for accuracy and authenticity in all forms of informational content about Hawai'i's cultures. <i>(HTA to initiate conference, with later implementation by qualified contractors)</i></p> <p>ii) Expand existing tour guide certification processes, and add cultural component to previously recommended new certification programs for eco-tour operators (Broad Goal 3, Specific Goal 3). <i>(Community colleges and other educational institutions)</i></p>
<p>3) Cultural and historical resources of a physical nature will be well inventoried, publicly identified where appropriate, and protected for future generations.</p>	<p>a) Number and condition of particular types of cultural resources – with specific types to be determined – based on cultural resource tracking recommended in the Action column. <i>(State Office of Planning, possibly in conjunction with HTA, OHA, DLNR's State Historic Preservation Office, and other community organizations)</i></p>	<p>i) Explore funding options that would assure development over time of a high-quality Statewide Geographical Information System (GIS) Program for implementation by government agencies and/or Native Hawaiian community organizations. This would eventually include a statewide mapping database of each community's cultural resources that would include appropriate selected historical sites, important native landscapes, <i>wahi pana</i> (sacred places), historic buildings, trails, waterways, shoreline environments, and so forth. <i>(Legislature, Office of Planning GIS Program)</i></p>
<p>4) Continuing historical and ethnic customs and traditions, such as bon dances and Chinese New Year festivities will be shared with visitors to experience our multi-cultural lifestyle</p>	<p>a) Number of historical and cultural events advertised and/or reviewed in airport magazines, websites, and similar publications. <i>(HTA)</i></p>	<p>i) Monitor and summarize coverage of such events in sampled publications. <i>(HTA)</i></p>

Broad GOAL #5 - SOCIAL HARMONY: Sustainable tourism will reinforce Hawai`i's heritage of tolerance, diversity, respect, and Aloha among our various ethnic and social groups, and among residents and visitors

Specific Goals	Indicators	Action Recommendations / Responsibility
<p>1) Visitors – as well as new industry workers in-migrating to Hawai`i – will be encouraged to learn about the islands' social history and unique social fabric.</p>	<p>a) To be determined, based on evaluation measures recommended in the Action column – but could include visitor satisfaction survey questions measuring awareness of such materials and reactions to them. <i>(DBEDT)</i></p>	<p>i) The HTA-led coalition suggested in Broad Goal #1, Specific Goal #1 could also recommend and help implement ways to inform visitors and newcomers, including but not limited to</p> <ul style="list-style-type: none"> - in-flight films and written materials; - various short articles appropriate for audiences such as second home purchasers, new industry workers, etc.; and - references to respected social histories available in Hawai`i libraries. <i>(HTA to initiate discussions, with eventual implementation by groups such as County Visitors Bureaus [CVB's] or Chambers of Commerce)</i> <p>ii) Recommendations about methods should be accompanied by suggested evaluation measurements and approaches. <i>(HTA)</i></p>
<p>2) Vacation homeowners will be encouraged to learn about and support the surrounding community, and be welcomed into appropriate community groups/events.</p>	<p>a) To be determined, based on measurement strategies as recommended in Action column. <i>(Hawai`i Resort Developers Conference [HRDC])</i></p>	<p>i) Develop strategies and informational vehicles for resort developers to assist longtime resident groups to work with homeowners' associations in resort communities. Strategies should include ways to measure and report nature and number of such efforts. <i>(HRDC, Chambers and community groups)</i></p>
<p>3) Crimes against visitors (such as car thefts or assaults at popular destinations) will be minimized in the future.</p>	<p>a) Number of crimes in patrolled areas (as recommended in Action column) vs. crimes in comparable unpatrolled areas. <i>(County police departments, with HTA and Visitor Aloha Society of Hawai`i [VASH])</i></p>	<p>i) Encourage various ways to "patrol" parks or scenic areas with high visitor counts – citizen volunteer groups, parking attendants, food vendors in daylight hours, etc. <i>(State and county parks departments, with HTA and CVBs)</i></p>
<p>4) Residents and visitors will value personal interactions with each other, and perceive one another as friendly, respectful people.</p>	<p>a) Standardized questions about perceived friendliness in visitor and resident satisfaction surveys. <i>(DBEDT, HTA)</i></p>	<p>i) In ongoing resident and visitor satisfaction surveys, monitor basic social attitudes and analyze any emerging issues carefully. <i>(DBEDT, HTA)</i></p>

Broad GOAL #6 - PLANNING: Sustainable tourism will be planned to protect communities' sense of place for current and future generations

Specific Goals	Indicators	Action Recommendations / Responsibility
<p>1) The visitor industry will pay its fair share for impacts on public infrastructure (roads, sewers, water, delivery systems, county and state parks, etc.).</p>	<p>a) Amount and percent of total government revenues generated by visitor industry that are spent to help upgrade parks and other infrastructure. <i>(DBEDT, DLNR, County planning agencies)</i></p>	<p>i) Initiate collaboration among State, counties, and community groups regarding priorities for funding for construction, maintenance and improvements. <i>(DLNR, DBEDT, Dept. of Transportation)</i> ii) Because tourism is always changing, every [5] years the State Tax Dept. should work with DBEDT and tourism-related agencies to determine if the present system of tourism taxes/fees is still providing the fullest and fairest way to pay for impacts on public infrastructure. <i>(Tax Dept.)</i></p>
<p>2) Government will invest in public infrastructure at a level sufficient to ensure their sustainable use and enjoyment by both visitors and residents.</p>	<p>a) Standardized questions in resident and visitor satisfaction surveys about conditions of parks and other infrastructure. <i>(HTA, DBEDT, UH-TIM)</i></p>	<p>i) The State and counties should be responsible for adequately reserving funds for maintenance and replacement of infrastructure for major resort areas.</p>
<p>3) State and local governments will determine (a) optimal levels of, (b) locations for, and (c) regulations affecting transient vacation rentals (TVR's) and bed-and-breakfasts (B&B's) located in residential areas.</p>	<p>a) Community perceptions of impacts/satisfaction, as revealed in standardized survey questions in target communities, as recommended in Action column. <i>(OP, county planning departments)</i></p>	<p>ii) If funds available, conduct impact analysis in selected neighborhoods thought to have high numbers of TVR's or B&B's, to measure effects on neighbors, community, area infrastructure. These should include standardized surveys about satisfaction and impacts. <i>(OP, county planning departments)</i></p>
<p>4) In planning for tourism, policy makers will balance statewide or islandwide interests with the concerns of particular communities that may be more heavily impacted by tourism.</p>	<p>a) Standardized questions about satisfaction and impacts in high-impact communities vs. general population, though surveys recommended in Action column. <i>(HTA)</i></p>	<p>i) Identify specific geographical and other stakeholder communities dealing with disproportionate tourism impacts. <i>(OP)</i> ii) Occasionally increase HTA resident sample size so that some identified communities can be included as part of ongoing resident survey effort. <i>(HTA and DBEDT)</i> iii) Identify methods to allocate public resources to mitigate identified high impact areas as a priority. <i>(HTA)</i></p>

<p>5) Larger hotel, timeshare, and resort condominium structures will remain concentrated at several designated resort areas on each island, as indicated by county general plans.</p>	<p>a) Proportion of all visitor units that are concentrated in county-designated resort destination areas. <i>(County planning departments)</i> b) Proportion of shoreline that is/ is not designated for high-intensity resort development. <i>(Counties)</i></p>	<p>i) County land use plans and regulations should continue to emphasize policies of concentrating major resort structures. <i>(OP, county planning departments)</i> ii) Land use plans should also call for renovation of existing visitor industry infrastructure where appropriate. <i>(Same agencies as above.)</i></p>
<p>6) Smaller tourism businesses located outside designated resort areas will be designed to blend unobtrusively into immediate community surroundings.</p>	<p>a) Annual number of public complaints or compliments on this issue, by location. <i>(County planning departments)</i></p>	<p>i) Government plans and regulations should provide ways to assure visitor activities fit the immediate local context. <i>(OP, county planning departments)</i></p>
<p>7) Hawai'i tourism will be planned in ways that respond both to local impacts and to global trends.</p>	<p>a) To be determined, based on adaptability study recommended in Action column – but possibilities include changes in % of labor force in direct visitor industry employment, number of tourism-related starts/failures, for each 1% change in visitors, changes in tax revenues for each 1% change, etc.). <i>(DBEDT)</i></p>	<p>i) Develop system for measuring Hawai'i visitor industry ability to adapt to change – both short-term growth spurts/ declines and also long-term global events/trends. <i>(DBEDT)</i> ii) Future “scenario” planning jointly undertaken by appropriate State and academic agencies. <i>(HTA, DBEDT, UH)</i> iii) Develop contingency plans to respond to probable and/or “high-impact” futures that could substantially affect the nature of tourism or its effects on Hawai'i. <i>(HTA, DBEDT, UH)</i></p>



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