

Fact Sheet #1: Different Models of Tourism

Competitive and Sustainable Tourism in Sinaloa Sur



What's the Issue?

Tourism is sometimes referred to as the 'industry without smokestacks', implying that it is relatively benign. But the reality is that far too often, tourism has damaged the destination it claims to be benefiting. Different kinds of tourism have different impacts (both positive and negative) on the people, economy and natural environment of a destination. A look at *National Geographic Traveler Magazine's* Places Rated article¹, for instance, shows that the most revered tourism destinations – such as the Fjords regions of Norway and the Island of Corsica -- are also the beneficiaries of careful planning and thoughtful policy. On the other hand, destinations that rated badly, such as Venice, Italy and Costal del Sol, Spain suffer from pollution, crowds, and poor-quality development. Understanding the impacts of different models of tourism is an important part of making choices that build an internationally competitive and sustainable destination.



The two primary models to consider are "high volume/low value" which is the most common for coastal destinations in Mexico today, and "low volume/high value" which is less common but still attainable and with benefits that outweigh the drawbacks. The pros and cons of each are detailed below:



Weighing Different Models of Tourism:

High-Volume/ Low-Value Sun & Sand Tourism	Pros: <ul style="list-style-type: none"> Capacity for high visitor volume creates lots of low-skilled jobs and tax revenue. The 1.3 m inhabitants of Quintana Roo are supported directly or indirectly by large scale tourism, which is the primary economic driver of the state.²
	Cons: <ul style="list-style-type: none"> Coastal resort destinations offering generic sun and sand holidays must compete fiercely to attract large numbers of visitors. They typically do so by dropping prices, which increasingly leaves less money per visitor in the local economy. In Cancun, for example, average expenditure per visit remained essentially flat from 1989 to 2004, while arrivals grew by 56% to 3.3m.³ High volume = high consumption of natural resources. Tourists tend to consume seven times more water than does a local resident – and a typical 18 hole golf course is known to use as much water as 60,000 residents.⁴ High volume = high consumption of government resources as migrant workers are attracted for construction and service jobs. The new population required to service the CIP Costa Pacifico as it was originally proposed would have required 110,000 new residents, along with housing, schools, roads, hospitals, police, etc. Salaries tend to be low. In 2005, salaries accounted for only 20% of hotel expenditures in Cancun, compared to an average of 31.1% for hotels in the US.⁵ High volumes can degrade local cultures and traditions. According to the United Nations Environment Programme, "Once a destination is sold as a tourism product, and the tourism demand for souvenirs, arts, entertainment and other



	<p>commodities begins to exert influence, basic changes in human values may occur. Sacred sites and objects may not be respected when they are perceived as goods to trade. ⁶</p> <ul style="list-style-type: none"> • Large scale tourism often displaces long-time local residents. Along coastlines in Guanacaste, Costa Rica, for instance, the tourism construction boom tempted many rural residents to sell their family farms, only to find they had lost their economic self sufficiency and lacked skills to get decent jobs in the new tourism economy. ⁷
<p>Low volume/high value (Smaller and medium-scale coastal eco/nature tourism that emphasizes local and authentic experiences)</p>	<p>Pros:</p> <ul style="list-style-type: none"> • Smaller volumes of visitors can have lesser impact on both local culture and natural resources. Intrepid Travel, a tour company that has won numerous eco-awards, keeps group sizes to a maximum of twelve, for this express purpose. ⁸ • High per-visitor expenditure with relatively little consumption of natural and government resources. By pursuing ecotourism as a strategy and ‘brand’ identity in the 1990’s, Costa Rica was able to raise tourist expenditure per capita beyond levels seen in France (the world’s #1 international destination by volume. ⁹ • Smaller demand for new jobs means less migration/population growth. In the Osa Peninsula of Costa Rica, small scale ecotourism has offered better pay and kept young people in the community, without attracting too many new migrants. ¹⁰ • Consumers of high-value, low-impact tourism are more dedicated travelers, and demand in this market is less volatile. In 2009, at the height of the economic crisis, for example, 60% of these tourists indicated they had maintained, and 30% had increased their consumption of responsible tourism activities <p>Cons:</p> <ul style="list-style-type: none"> • Smaller volumes create fewer jobs, and less gross tax revenue • Can also drive up real estate values and displace long-time residents

How does this apply to Sinaloa Sur?

Sinaloa’s coastal tourism is on the verge of major changes, and the recipient of state, national, and international attention. When Felipe Calderon laid the first stone of FONATUR’s Playa Espiritu mega project in 2008, he did so in recognition of the area’s tourism potential and in hopes of attracting millions more visitors. The latest Programa Sectorial de Turismo del Estado prioritizes tourism as a new motor for development, and seeks to make Sinaloa the #1 tourism destination in Mexico (which would mean tripling the number of new arrivals to more than 12 million annually)¹¹ With the number of tourist arrivals in 2012 down by 24% since its peak in 2010, however, and as FONATUR reconsiders the fundamental concept of its CIP, there is an opportunity for the people of Sinaloa Sur to consider the kind of tourism that is right for them and make an effort to attract it.

Takeaways moving forward:

- There is a need to reconceptualize (replantamiento) the CIP Costa Pacifico to avoid repeating the mistakes of earlier CIPs
- There is a need for careful land-use destination planning and the pursuit of high-value, low volume tourism in Sinaloa Sur
- High Value tourism presents an opportunity to tie in other sectors of the economy, and build on Sinaloa Sur’s existing natural and cultural assets rather than importing an international model that requires competing on sun, sand and price.



¹ National Geographic Traveler <http://traveler.nationalgeographic.com/2009/11/destinations-rated/intro-text>

² Instituto Nacional de Estadística y Geografía. Perspectiva Estadística Quintana Roo. 2011.

<http://www.inegi.org.mx/est/contenidos/espanol/sistemas/perspectivas/perspectiva-qr.pdf>

³ Marisol V. Perez, "¿Quién Gana y Quien Pierde en el Negocio del Turismo? El Caso Cancún," March, 2009, P. 22.

⁴ 1^{er} Informe de las Naciones Unidas sobre el Desarrollo de los Recursos Hídricos en el Mundo "[Agua para todos, agua para la vida](#)" (2003); del 2^o Informe de las Naciones Unidas sobre el desarrollo de los recursos hídricos en el mundo, "[El agua, una responsabilidad compartida](#)" (2006); de la sección "[Turismo sostenible](#)" del PNUMA

⁵ Marisol Vanegas Perez, "¿Quién Gana y Quien Pierde en el Negocio del Turismo? El Caso Cancún," March, 2009, P. 22. And Robert Mandelbaum, PKF Consulting, *Moderate-Price Vs Upper-End Extended-Stay Hotel: Is There a Profitable Niche,?* October 1998,

http://www.hotel-online.com/News/PressReleases1998_4th/Oct98_RMandelbaum.html

⁶ United Nations Environment Programme, *Negative Socio-Cultural Impacts from Tourism*,

<http://www.unep.org/resourceefficiency/Business/SectoralActivities/Tourism/FactsandFiguresaboutTourism/ImpactofTourism/Socio-CulturalImpacts/NegativeSocio-CulturalImpactsFromTourism/tabid/78781/Default.aspx>

⁷ CREST. "The Impact of Tourism Related Development on the Pacific Coast of Costa Rica: Summary Report" April, 2010, p. 76.

⁸ Intrepid Travel. www.intrepidtravel.com

⁹ CREST analysis, 2010.

¹⁰ CREST. "The Importance of Ecotourism as a Development and Conservation tool in the Osa Peninsula," April, 2011, P 4.

¹¹ Joel Osuna, Noroeste.com, "Presentan Programa Sectorial de Turismo," Dec. 18, 2012.

<http://www.noroeste.com.mx/publicaciones.php?id=834258>

