

A Pro-Poor Tourism Case Study :
Efate Island, Vanuatu.

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Abstract

Vanuatu is classified as a “Least Developed Country” by the United Nations Development Program and is constrained by its socio-economic environment. The majority of Ni-Vanuatu live in a predominantly rural situation, within a traditional cultural environment, and are sustained economically through an informal economy. The minority, constituting 30% at most, work in the formal economy and reside in urban areas. Tourism is the dominant industry on Efate Island with most activity concentrated around the Port Vila locality. Tourism contributes around 88% of the gross earnings to the Efate economy and is seen as the mechanism by which Ni-Vanuatu can transition from their traditional livelihoods into the formal economy.

This study concentrates on how the tourism industry could be adjusted to optimise its Pro-Poor performance, while also meeting the future needs of industry. Vanuatu possesses a unique set of characteristics and four basic themes emerge; firstly, how cruise and landed tourism function and interact; secondly, optimisation of landed tourism at a macroscale level to meet future growth; thirdly, enhancement of human capability within the industry; and lastly, how the industry at its various microscale levels fulfils societal and cultural needs of Ni-Vanuatu peoples.

The study is primarily exploratory and seeks to establish future areas of research that could contribute to the enrichment of the industry. The scope of the inquiry is purposely broad to enable a whole of industry perspective to be considered. Using a pragmatic paradigm in conjunction with a case study research strategy, a sequential investigation of the tourism industry was carried out to evaluate Pro-Poor characteristics. Commencing with the dual touristic economy the study incorporated a process of funnelling down through consecutive layers of tourism and hospitality, obtaining significant findings.

Firstly, while the dual touristic economy based on Cruise and Landed tourism was seen to benefit Vanuatu, they do not co-exist in a complementary fashion, and the former impacts significantly on the later. Unquestionably, Landed visitors are more valuable to the Vanuatu community and should be prioritised. It was found that Ni-Vanuatu would benefit positively if the activity of cruise tourism was more tailored, and systematised around the needs of Landed tourism.

Secondly, utilising WTTC figures tourism and hospitality employment was found to be at comparably low levels relative to its contribution to the national economy. With the forecasted growth in the next decade, the lack of adequately trained staff within the industry will escalate. By instituting a “human capability strategy”, there was an opportunity to transition significant numbers of Ni-Vanuatu from the informal economy into the formal economy, while increasing the collective education, skills, and earnings of Ni-Vanuatu working within the industry.

Thirdly, an assessment of Vanuatu's education and Technical and Vocational Education and Training (TVET) capabilities indicates that it is not able to provide the projected numbers of adequately trained staff for tourism's future needs. There are extremely high rates of unemployment amongst 15-30 year olds and if the TVET capability was built up there is an opportunity to channel young Ni-Vanuatu into positive pathways. However, the required investment in education and TVET, including adequately trained educators is substantial and must be carried out in accordance with a coordinated action plan.

Finally, an assessment of the social and cultural characteristics within the industry revealed a number of aspects. Generally, unemployment of females in Vanuatu is higher than males, and they can be marginalised as a consequence. From a Pro-Poor perspective they are preferred within tourism due to their attitude and aptitude in the industry, and significantly, this goes some way to address the national imbalance.

Tourism has the potential to be the instigator of Pro-Poor implementations but only if positive action is undertaken. Ultimately, there is a need at governance, industry, and development levels to action strategies in each of the four themed areas.

Research Ethics Approval.

The approval of the AUT Ethics committee (AUTEC) was received on 29th May 2017.
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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Signed  _____ Date 9th July 2018

PART A – Introduction and Literature Review.

1.0 Introduction.

The discourse surrounding tourism and poverty alleviation is substantial and diverse, attracting significant academic interest. Tourism is promoted as an economic panacea for developing nations, but there are questions over who benefits most, the poor or the non-poor. Sobering and pervasive critiques (Chok, Macbeth, & Warren, 2007, p 146) insist that :

“ Globally, there is a lack of convincing empirical evidence to support the claim that tourism benefits the poor.”

(Chok, Macbeth, & Warren, 2007, p 146)

A weakness in data exists in evaluations, and while outcomes are often based on economic rationale, this often overlooks social and cultural considerations. A greater awareness of the interrelationships existing between the various elements involved in tourism and hospitality can be discerned through tourism organisational structures.

“Pro-Poor Tourism” was a concept coined in the 1990s that championed the plight of the poor within the industry. However, tourism is made up of a collective of capitalist businesses whose managers are tasked with maximising income and minimising costs which are often incompatible with altruistic actions designed to progress the lives of what they perceive as peripheral communities.

It is typical for Pro-Poor evaluations to have an extrinsic perspective when viewing tourism organisational frameworks, and they often explore the possibilities of adding new elements to the structure or to fill unrealised industry niches. While such niche explorations deal with significant sectors, they are often secondary to accommodation, and food & beverage. Further, because of complexity, Pro-Poor implementations are frequently investigated on a localised “microscale” basis.

This study aims to take a different approach, in three distinct ways :

- Instead of being extrinsically focused, it seeks to concentrate on the intrinsic features of the industry that is already in place. Its evaluations aim to look at and identify what current aspects of the industry are Pro-Poor, and as a consequence explore those aspects that could enhance Pro-Poor development, and to a lesser extent how those that diminish Pro-Poor growth should be restricted.
- Rather than looking at a localised industry on a “microscale”, it seeks to examine sectors on a “macroscale” whereby industry sectors, or at least larger businesses can be generalised and analysed.

- Evaluations are anthropocentric in respect to their outlook. While environmental sustainability is important and economic viability critical, this study considers the situation of people as being its primary consideration.

By necessity, this format of this study diverts somewhat from traditional configurations. Development in Melanesia has had mixed results, despite notable efforts to advance progress. Part of the reason for this is that Melanesians are proud of their traditional culture and do not easily accept changes thrust upon them by outsiders. Presently, average Ni-Vanuatu know little about living in a modern society and much of what they do know is shrouded in mystery and fantasy. When it comes to tourism, development, and progress, Ni-Vanuatu find themselves without a voice. It is therefore exceedingly difficult to carry out research from an emic perspective, and as a consequence, studies become more structured, economics focused, with a consequent etic perspective. To mitigate this a “pragmatic paradigm” has been utilised, that includes axiological processes that serve to make the study more “Ni-Vanuatu centric”.

The incorporation of a pragmatic paradigm in this research embeds a differentiated process of establishing theory, and how that process is written and presented. First and foremost, it neither professes to be qualitative nor quantitative and combined with a “case study research” strategy, lends itself to a report style presentation. In some ways, the case study approach circumvents formal mechanisms (section 4.1). A pragmatic paradigm is founded in “problem-solving”, and therefore has as a focus on resolving questions. Chapters are organised in sequential order, starting with the largest topic affecting the study, and progressively “funnelling” its focus in each subsequent chapter through more specific aspects that become increasingly narrow and intense in their scrutiny. In keeping with this process, each chapter commences with its own specific set of questions, continues with the consideration of empirical materials, and development of relevant theory, and concludes with a discussion of the initial questions. In this manner, each chapter becomes its own research sub-set. A discussion is included at the end of the research but is aligned with specifics concerning research objects outlined in this introduction, while the conclusion is focused on providing recommendations and actions. The conclusion has been purposefully kept brief, and because of the exploratory approach of the study, much is directed at identifying areas where more detailed research is needed and would hold ongoing significance.

In brief, the presentation of the research is divided into four parts:

- Part A deals with the research outline, it’s location and setting, developmental aspects of Efate Island, along with the literature review which informs the subsequent sections

of work. Chapter 1.0 includes this introduction but also encompasses the research setting, so as to better inform and provide context. While aspects of traditional culture have been included, it is reduced from its original extent as a result of the induced theory resulting out of the open-ended nature of interviews. However, it's relevancy to Ni-Vanuatu themselves and their interaction with development is an important factor. Chapter 2.0 deals with Pro-Poor Tourism, along with difficulties it faces in regard to its aim to create "human flourishing".

- Part B is concerned with the research approach, design and framework. Chapter 3.0 provides a detailed review of the process undertaken to choose the study's paradigm, while chapter 4.0 looks at methodology and methods. Of particular note is the incorporation of lengthy "verbatim quotations" from participants, which has been purposefully included to highlight their understandings and perspectives. While much of these interviews could be condensed down, it would lessen believability and authenticity.
- Shaped by the previous parts, Part C includes chapters 5.0 to 8.0 and constitutes the "funnelling" of inquiry. Chapter 5.0 deals with Vanuatu's industry dichotomy of "Cruise" and "Landed" tourism along with their relative Pro-Poor merits. Steered by the outcome of this, chapter 6.0 looks at the organisation of the major sectors of "Landed tourism" to investigate scenario's that could enhance Pro-Poor implementations on a "macroscale" basis. By the very nature of its inquiry, much relies on analytical considerations and so that they don't overwhelm the study, the detailed calculations are included within Appendix B. Subsequent to the "human capability strategy", the focus is channelled to the state of the education and TVET systems in chapter 7.0, and whether they are adequate to service such a strategy. Following this chapter 8.0 deals with some of the social and cultural aspects of Ni-Vanuatu employment within tourism businesses.
- Part D concerns itself with discussions around the research objects, along with final recommendations and action, both of which have been discussed above.

1.1 Melanesia: Brief Overview.

Melanesia consists of a numerous set of islands spread over a wide expanse of the Pacific that are diverse in their size, character, and peoples. Pacific peoples have been haphazardly segmented into Polynesian, Melanesian, and Micronesian cultures, with many similarities existing due to a commonality of origin. However, Melanesian cultures possess a unique character and identity that is distinct from other Pacific peoples, while being culturally diverse within their own grouping. The neighbouring countries of Papua New Guinea, Solomon Islands, Vanuatu, Fiji and New Caledonia make up the recognized Melanesian Nations.

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Fig 1.1 Map of Designated Pacific Peoples: Polynesian, Melanesia and Micronesia

(CartoGIS Services - ANU, 2017b)

1.2 Vanuatu: Brief Overview.

Common amongst Pacific Island Nations, Vanuatu consists of an archipelago of islands that are spread over a considerable global space in comparison to its land area. Of its 83 islands, only 65 are inhabited, with many only sparsely occupied, and limited to thirteen larger islands (Asian Development Bank - Pacific Liaison and Co-Ordination Office, 2017).

Vanuatu's Island landscapes typically consist of forested low mountain ranges with an appreciable number of volcanoes. Many of the islands are formed from coral deposits,

which have either been subjected to uplift or alternatively have been built up around igneous strata associated with volcanic action. The development of coral reefs has resulted in significant but narrow coastal strips. Most islands experience substantial seismic activity.

The forebears of Melanesian people arrived in Vanuatu around 550 BC and developed into one of the most culturally diverse groups of peoples on the globe. Today, over 110 distinct languages exist along with unique associated cultures and traditions. The notion of identity and living by the ways of “Kastom” are extremely strong within Ni-Vanuatu (Jolly, 2007).

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Fig 1.2 Map of the Republic of Vanuatu (CartoGIS Services - ANU, 2017c)

Early European influence was convoluted, and initially made its appearances in three guises; “blackbirders”, settlers, and missionaries (JJ Robert, 2002). The astringent Christian missionaries attempted to tear the fabric of traditional Ni-Vanuatu society apart, and ultimately were successful in supplanting local pagan belief. The result is that today, Ni-Vanuatu are staunch Christians, while at the same time often living within the ways of “kastom”.

Interaction with Europeans merely created greater mayhem (JJ Robert, 2002) and the continual conflict resulted in the formal administration or rule occurring from 1906, under a joint British and French system known as the Condominium. Separate systems of currency, education, health, and justice occurred. The two powers often took uncoordinated and often conflicting actions and caused the administration to be known as “Pandemonium” (Jolly, 2007).

The Second World War introduced American culture to Ni-Vanuatu, and the more relaxed, open attitude of Americans who seemed to possess unending wealth, would cause significant disquiet amongst local people, and dissatisfaction with the Condominium. Two significant secessionist movements occurred; “Nagriamel” on Santo and “Kapiel” on Tanna, largely as a cultural reaction to European dominance. Both movements were subdued, but ultimately independence was gained in 1980.

1.3 Efate Island: Brief Overview.

Efate is strategically placed in a central location along Vanuatu’s 1000 km North-South extent, making it a logical administrative centre for the country. Overall the island is 46 km long and 33km at it’s widest point and encompassing an area of 980 sq km. Compared to the main islands of other Melanesian countries, it is less than 10% of the size of the main Fijian island of Viti Levu at 10,389 sq km, and 20% the size of Guadalcanal the main island of Solomon Islands at 5,302 sq km. In terms of population, Viti Levu has a population far exceeding Efate, while Guadalcanal is comparable in population numbers.

The origin of Efate commenced with volcanic formation around five million years ago, with subsequent coral formation and continual uplift. The island periphery consists of coral reefs that are situated in close proximity to the coast, generally within 20m- 50m, with the coastline itself being a mix of mainly coral outcropping 2-6 metres above mean sea level interspersed with a much smaller number of sandy beaches. While the interior is rugged and heavily covered in tropical forest, the land itself is of poor quality and only

patches of rich arable soil exist. As a consequence specific areas are notable for subsistence horticulture, while others are simply left fallow.

Most development has occurred either within the bounds of Port Vila itself or in the immediate peripheral areas surrounding it. Reasons for this vary but are mainly associated with a lack of infrastructure.

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Fig 1.3 Map of the Republic of Vanuatu, taken from (CartoGIS Services - ANU, 2017a)

1.4 Pre-European Cultural History of Efate.

Thieberger (2006) notes that there is no general written history of Efate and consequently an ethnographical perspective becomes important. By comparing it to other Vanuatu islands, Efate as an island appears to lack kastom, and whether this comes from within “Man-Efate” the people of Efate, or whether it is the result of having greater contact with Europeans over a greater period of time is not clear. Even before the arrival of Europeans, Efate experienced a succession of settlement, migration and mixing of populations, in continual waves of movement.

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Fig 1.4 Language groups and hence inferred tribal culture of Efate Island and Shefa Province,
taken from (Thieberger, 2006)

1.5 Cultural Upheaval Caused by European Occupation.

It can be inferred that three severe effects or actions occurred as a consequence of the arrival of Europeans; de-population of the interior, a loss of Melanesian culture & identity, and finally a massive de-population due to disease and blackbirding.

Firstly, prior to the arrival of Europeans, a significant population of “bush” people, distinguishable from coastal dwellers, existed in the interior of the island. Intensive missionary work saw the entire depopulation of the interior by the early 1900s and mixing of cultures along the coastal fringes. As a consequence, coastal villages have not remained static over time, but instead include groups that today have only lived together for between one to three generations (Thieberger, 2006).

Secondly, as a part of their campaign to convert locals to Christianity, missionaries on Efate used a process of acculturation, including the removal of any symbols, tangible or

intangible that were associated with local culture and religious belief. In this way, while the missionaries stopped warfare, cannibalism and polygamy, their zealous activities also abolished the ancestor cult, kava drinking, inter-village feasts, and dancing. Physical items such as vertical drums or slit-gongs, still prevalent on many Vanuatu islands are largely absent on Efate.

Thirdly, and perhaps the most disabling, was the rapid depopulation of the island due to the effects of introduced diseases to which Ni-Vanuatu had no immunity. By all accounts prior to European contact Efate possessed a sizeable population, but serious epidemics in 1891, 1895 and 1903 caused a severe decline in its adult population.

The result of early European contact had a significant impact on the subsequent uptake of modernity associated with western culture. Thieberger (2006) references anthropological work carried out by Philibert in 1976 who compares the juxtaposed reaction to modernity with that of the fundamentalist kastom of “Jon Frum” in Tanna and posits them as two opposite ends of Ni-Vanuatu reaction to cultural contact.

1.6 Vanuatu : Population and Internal Migration to Efate.

In regard to its population concentration, the contrast between Efate and the remainder of the country is startling. A mini-census carried out by the Vanuatu National Statistics Office following tropical cyclone Pam (VNSO, 2017) indicated that the country possessed a population of 272,459 people of which 86,402, being 31.7% of the total were domiciled on Efate. While the average population density overall rested at 22 people/ km², the comparable figure for Efate was three times greater at 65 people/ km². In comparison with the last official census carried out in 2009, the corresponding figures included a total population of 234,023 with 70,206 people or just under 30% residing on Efate. (VNSO, 2011b). Efate’s population continues to climb and it’s relatively high population density distinguishes it from the remainder of the country. Internal migration towards Shefa Province is clearly illustrated within the census figures, which show that despite a falling growth rate in Vanuatu as a whole, the internal migration has increased dramatically.

1.7 Efate: Geo-Spatial Distribution of Population.

The geospatial distribution of population within Efate in 2016 is equally revealing as Shown by Fig 1.5, with 50% residing within the Port Vila urban area itself. Much of the incoming population is derived from the outer islands. Given the high affiliation that Ni-Vanuatu have with the culture and identity of their island of origin, most internal migrants will domicile themselves within areas regarded as enclaves of their homeland.

Most go about their day-to-day lives through the routines, values, and customs of their home island. Being in close proximity, friction and disputes between corresponding groups occur from time to time as evinced by Blacksands, an informal squatter suburb of Port Vila. (RNZ, 2007).

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Fig 1.5 Geo-Spatial Distribution of Population on Efate, taken from (VNSO, 2017)

1.8 A Snapshot of Human Development of Ni-Vanuatu People.

It is important to obtain a snapshot of the human development of Ni-Vanuatu people at present. It is of particular interest to take various indices from the 2016 HDR (United Nations Development Programme, 2017b) report. Without diminishing the intent of the HDI calculation, a clearer picture of the three pillars used by UNDP can be included by extending the attributes considered, and Table 1.1 shows the Indices taken in this investigation.

In a development sense, charts have been prepared with those attributes linked to “having been” developed located around the outside periphery of the star chart, while corresponding values for developing nations are taken relative to this, and lie inside. A generalised developmental star chart for Vanuatu is shown in Fig 1.6 with comparative figures for UNDP indices for low, medium, high and very high development also denoted. A cursory inspection shows that Vanuatu hovers around medium development.

Vanuatu is classified by the United Nations as a Least Developed Country, representing the poorest and weakest people of the world (UN-OHRLLS, 2017a). However, the United Nations country profile (UN-Development Policy & Analysis Division, 2015b) indicates that Vanuatu exceeded by a significant margin, the GNI per capita, Human Assets Index, and

Economic Vulnerability index thresholds required to remain within the LDC category. Importantly, while the 2015 monitoring report (UN-Development Policy & Analysis Division, 2015a) indicates steady growth due to tourism, it also mentions that tourist numbers had stumbled and that the substantial ODA that the country received from Australia would be reduced in future years. Further, it was noted that the country “remained highly vulnerable to economic and natural shocks”, which was to be proven with the passing of Cyclone Pam, a category 5 event. Previously, earmarked for graduation from LDC status in 2017, this has been revised to 2020.

Increasing urbanisation, accompanied by an intrinsically high birth rate, stand out as posing critical cultural, social, and economic problems for Vanuatu as it attempts to modernise. Given that there is an extremely high urban drift to Port Vila, with little provision for relieving resulting socio-economic stresses, it is difficult not to see societal problems occurring in the future.

<p><u>Overall Human Development Attribute.</u></p> <ul style="list-style-type: none"> • Collated Global HDI. 	
<p><u>Health & Wellbeing Attributes.</u></p> <ul style="list-style-type: none"> • Life Expectancy • Health Expenditure. • Child Nutrition. • Gender Equality. 	<p><u>Population Attributes.</u></p> <ul style="list-style-type: none"> • Younger Age Dependency. • Older Age Dependency. • Population Growth. • Urban Population.
<p><u>Income Attribute.</u></p> <ul style="list-style-type: none"> • GNI per Capita. 	<p><u>Education Attributes.</u></p> <ul style="list-style-type: none"> • Literacy Rate. • Mean Years of Schooling.

Table. 1.1 Human Development Indices taken from HDR: 2016

(United Nations Development Programme, 2017b)

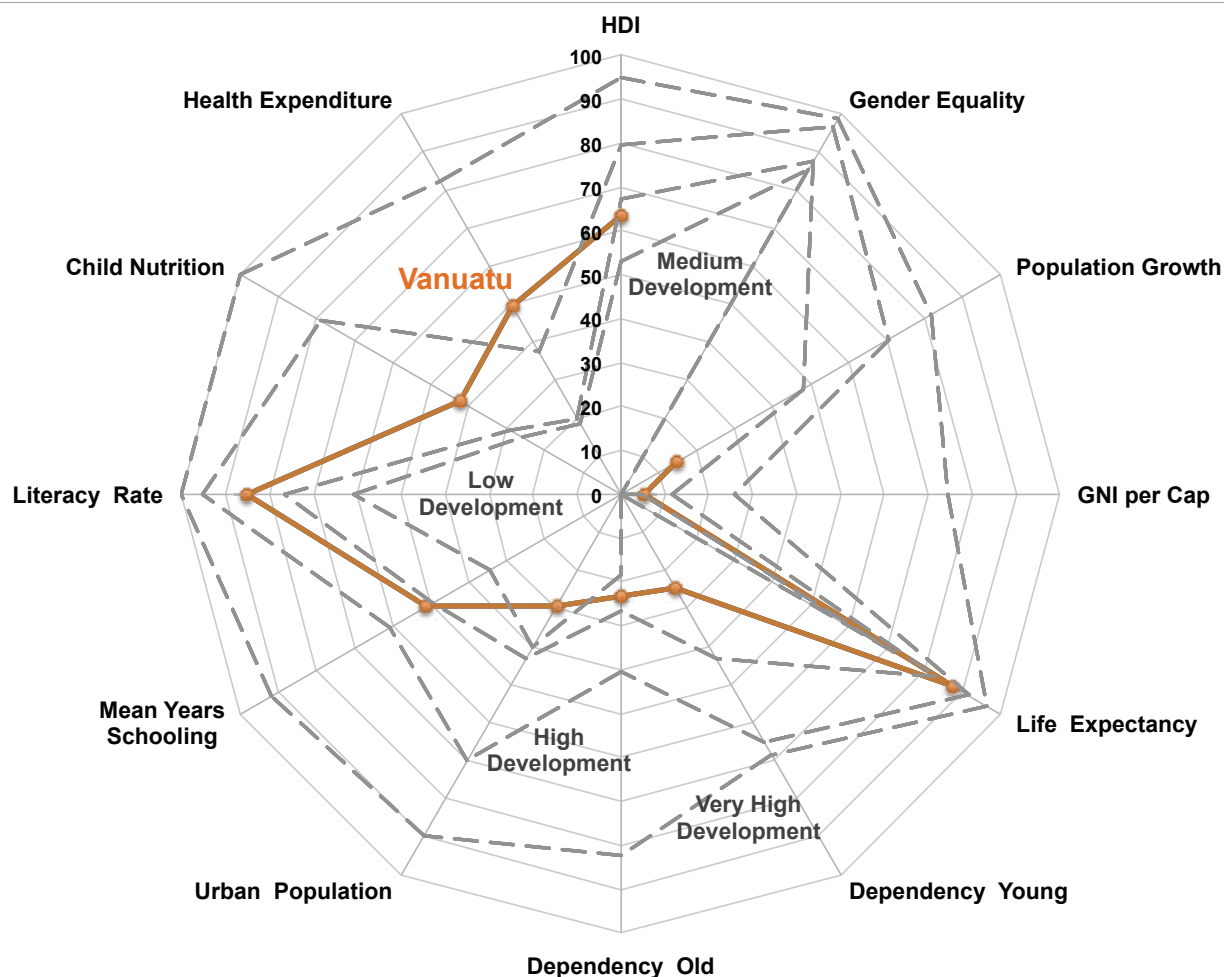


Fig 1.6 Human Development Star Chart for Vanuatu, overlaid with UNDP development

Classifications (United Nations Development Programme, 2017b).

1.9 Where People Live: The “Formal” and “Informal” Economy.

Much is made of the major role that tourism has within Vanuatu. However, outside of Port Vila most Ni-Vanuatu still live their lives as their forebears have, and are only impacted by improved technology such as mobile phones. A binary economy exists whereby the vast majority of Ni-Vanuatu exist within the “informal economy” and have little or no understanding of the world associated with the “formal economy”, which is largely confined to specific locations. The greatest obstacle most Ni-Vanuatu face, is the prospect of a future change, one where they have little voice (Cox M. et al., 2007).

The 2016 Mini Census (VNSO, 2017) shows that 75% of Ni-Vanuatu live in rural locations. Scheyvens and Russell (2013) references (Cox M. et al., 2007) in describing rural Vanuatu as being conflicted, by “subsistence affluence” on one hand, and a “poverty of opportunity” on the other. In particular, rural peoples live in traditional communities that still maintain a fairly strict “kastom” way of life, maintaining their livelihood by

subsistence agriculture, where monetisation affects only select aspects such as school fees.

The manifestation of “subsistence affluence” is illustrated by the Mini Census (VNSO, 2017) which reveals that 97% of rural Ni-Vanuatu engage in selected vegetable crop production, and 74% produce cash crops, no doubt for sale within local and regional markets. Along with this 86% of rural peoples also engage in livestock production. In short, rural peoples are not only able to survive, but can lead full lives provided continuing access to communally held land is assured (Scheyvens & Russell, 2013). In such situations, social order is maintained through traditional tribal mechanisms, and life has remained relatively unchanged for many generations. Conversely, the “poverty of opportunity” is illustrated by the lack of many basic services, and an almost complete absence of national and provincial support, and governance. There is often a lack of access to health, water supply, transport, communications, education and income-earning opportunities that would enable them to improve their standard of living (Cox et al., 2007).

In stark contrast to the Ni-Vanuatu majority, those involved within the “formal economy” are located within urban areas, with Port Vila being the nucleus. The Mini Census takes employment figures for the previous seven(7) days, which highlights the casual and transient nature of employment within the country, and reinforces the natural preponderance of uncertainty amongst Ni-Vanuatu (VNSO, 2017). The Mini-Census shows that 61% of people living in urban areas are employed, compared to only 19% in rural areas. Conversely, only 4% are involved in producing goods, items largely involved in the informal economy, compared to with 45% of those living in rural areas. A gross approximation can be made if it is assumed that only the “employed” portion of the population exists within the formal economy. Of the 146,283 people over the age of fifteen(15) only 43,571, or 30% were employed in the seven days prior to the census. However, this is likely to overstate the case, as rural employment is often on a casual basis, and there is a greater probability that those involved permanently within the “formal economy” are located within urban areas. If this is closer to reality, then those involved will be closer to 22,208 people or 15% of those over the age of fifteen. This constitutes an extremely small portion of the country’s population.

1.10 Ni-Vanuatu Identity: “Kastom” and Culture.

Before meaningful and sustained development can take place in Melanesian communities, a greater understanding of their societal organization, “Kastom”, and culture is required.

Harper (1994) astutely cites Kondo's description of culture through her ethnographic study (Kondo, 1990) taken from a cross-cultural perspective :

" Culture is no reified thing or system, but a meaningful way of being in the world, inseparable from the deepest aspects of one's self - the trope of depth and interior space itself a product of our own cultural conventions. These cultural meanings are themselves multiple and contradictory, and though they cannot be understood without reference to historical, political and economic discourses, the experience of culture cannot be reduced to these nor related to them in any simple, isomorphic way."

(Harper, 1994, p 407)

Along with much of what is understood about Melanesian peoples, "Kastom" is a European construct, and one, which is also inadequate in its explanation. Rather than simply being the manifestation of "locally derived cultural practices in the present", Taylor's (2008) time on Pentecost Island highlighted a much deeper meaning and :

" encompasses a more deeply felt sentiment of correctness in human behaviour and thought, one that is importantly merged with Ways of the Place."

(Taylor, 2008, pp10-11)

As such, "Kastom" embraces a communal rather than individualistic understanding, unique to a particular people, holding particular knowledge and beliefs, and located in a particular place. As a consequence, the Kastom from one island will likely have major differences to that of another.

The Melanesian term "wantok" arose during the 1800s out of the need for indigenous peoples to define themselves in the face of interaction with Europeans. While a recent term its "moral and spirit are integral parts of Melanesian societies since time immemorial" (Nanau, 2011) :

"Wantok is a term used to express patterns of relationships and networks that link people in families and regional localities and is it also a reference to provincial, national and sub-regional identities. It is an identity concept at the macro level and a social capital concept at the micro and family levels particularly in rural areas."

(Nanau, 2011, p32)

The wantok structure is particularly relevant in Port Vila, due to the significant presence of peoples that have migrated to Efate from other islands. A number of areas surrounding Port Vila are made up of enclaves of groupings from other Vanuatu Islands (Storey, 2003).

Both socially, economically and politically, the wantok framework is extremely important in providing communities with a network or cooperation, caring, reciprocal support and a shared attachment. Migrants, being separated by their homelands, are able to hold onto their sense of identity through their strong bonding with wantoks (Nanau, 2011).

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Fig 1.7 Diagrammatic representation of “Wantok” Frameworks. modified from

(Nanau G., 2008)

Fig 1.7 demonstrates the inter-relationships that are present within wantok frameworks, and inter-action and intra-action can bring wantok groups closer together, or drive them apart. Taken further, wantoks will provide political support to those within the group, and this generally outweighs feelings of national identity. (Nanau, 2011).

1.11 Vanuatu Tourism: A Brief Outline.

Similar to its Pacific neighbours, Vanuatu has placed some importance to tourism in developing its economy, although commitments to it at governance levels have varied. While it has an industry that caters largely to “fly and flop’ and leisure tourists, Vanuatu markets two characteristics:

- Its untouched physical landscapes that incorporate distinctive coastline, volcanoes, waterfalls, and tropical forests.
- Its rich cultural makeup promoted as being one of the last regions where authentic travel can be experienced.

These are considerable draws for prospective tourists and largely figure in the reasons that they choose Vanuatu as a destination. However, the reality is somewhat different and very few visitors travel away from Efate island itself. Port Vila is the main hub both for “Landed” and “Cruise” tourism, and the vast majority of visitors are confined to the immediate area around Port Vila itself, with some venturing further around Efate. A part of this lies with a lack of infrastructure, and until recently both road and power were limited outside the Capital. Tourists appear to be satisfied with relaxing at their accommodation, participating in popular “western’ style activities such as zip-lines, beach-buggies, motorized boats, diving, and yacht excursions. Cultural excursions are confined to a number of eco-attractions and bushwalking, and this reflects both a lack of real desire on the behalf of tourists to fully engage with Melanesian culture, as well as less importance being placed on such things by “Man-Efate”.

At an investment level, tourism is dominated by overseas owners and run by expatriate managers. Its focus is naturally directed at making a profit and therefore operational activities are geared towards the facilities themselves. As a consequence, accommodation, food & beverage facilities form a solid core of the industry, along with transport services. Tour operators are very much a secondary consideration, while the handicraft and souvenir industry is fairly rudimentary. The latter concerns itself with selling generic goods manufactured cheaply overseas and does little to enhance the country’s image. The industry makeup is unlikely to change in the immediate future, and most Ni-Vanuatu within tourism are employed within the accommodation, and food & beverage sectors.

1.12 Research Topic.

A Pro-Poor Tourism Case Study: Efate Island, Vanuatu.

1.13 Research Question.

Are there opportunities to grow the lives of Ni-Vanuatu through tourism?

1.14 Objectives of Research.

This research proposes to investigate the following questions emanating from the research question :

- (OBJ-1) “Cruise Tourism” and “Landed Tourism”; which is the most beneficial, manifests itself in a more Pro-Poor manner, and what holistic strategies would be Pro-Poor positive?
- (OBJ-2) Using macroscale modelling of the current “Landed Tourism” industry, is there a strategy that that would be Pro-Poor positive, that is also tourism industry positive?
- (OBJ-3) How is current “Human Capacity Building” meeting the needs of “Landed Tourism”, and is it sufficiently Pro-Poor positive?
- (OBJ-4) Through a cursory microscale evaluation of “Landed Tourism”, what current operational, social, and cultural effects are impacting Pro-Poor Tourism?

1.15 The Identified Research Gap.

There is a significant body of research on the anthropological basis of Melanesian and Ni-Vanuatu society, along with historical events, economic performance, and tourism performance of Vanuatu itself. There is also a raft of poverty alleviation reports carried out through various development institutions, and poverty alleviation studies. Further, there are a number of government tourism strategy and action plans, which make proposals in regard to growing the tourism as an industry.

Generally, there is an acknowledgement that there is a need to lift poor Ni-Vanuatu off the floor of subsistence living on one hand and that tourism may provide significant mechanisms of Pro-Poor development on the other. However, there is a gap in research considering direct linkages between Ni-Vanuatu, and the actual industry sectors. The opportunities for poor Ni-Vanuatu will depend on the extent and strength of touch points with these various industry sectors. Much of what is available only considers interaction at a “microscale” where touch points are limited and isolated. There is little in the way

of “macroscale” evaluations that provide industry-wide impacts and collective livelihood pathways for Ni-Vanuatu into the tourism industry over time.

1.16 Research Significance.

There is much debate over whether tourism provides positive effects on communities, and in particular poor communities. At destinations where tourism is growing, industry governance has choices on how future growth could, and should be manifested. Enacted policies, strategies and action plans impact society at all levels and has significance to Ni-Vanuatu livelihoods.

Having two strong industry types can provide benefits due to its broader overall base. However, there is the risk that one will cannibalise the other with increased leakage to overseas owners.

“macroscale” evaluations are able to consider the ability of Cruise Tourism and Landed Tourism to co-exist and helps determine which form provides a better investment for Ni-Vanuatu. Significantly, the results could be influential in determining future policies and strategies with respect to how each tourism form operates within Vanuatu.

Landed tourism is the largest employer in tourism and provides the greatest number of touch points with Ni-Vanuatu. General development theories contest their relative developmental benefits but overlook community-level impacts. Carrying out research that views organisations on a “macroscale”, while at the same time catering for the needs of projected future tourism growth provides an alternative approach. By simply matching human resource supply with tourism demand is of major significance to the transition of Ni-Vanuatu society from an informal economy to that contributing to a larger formal economy. Any consequent needs in regard to resultant increases in education and TVET training have major pro-poor implications for Ni-Vanuatu.

2.0 Literature Review.

2.1 Poverty: An Elusive Concept.

It is an over-simplification to base any study of poverty on a literal dictionary definition and it while often used as a starting point, work carried out from the late 1980s onwards made this approach unacceptable in research (Carbonaro, 1993, p. 10).

Further, the concept of poverty becomes elusive when studied within the context of real-life situations. The range of “meanings” attached are as diverse as there are individuals within different societies and cultures (Holden, 2013b). In fact, poverty is highly contestable and variable in its depth of meaning (Carney, 1992) and is constantly being extended to the point where a study of poverty has “almost become a study of social structure” (Carbonaro, 1993, p. 11). As a consequence, poverty as a concept has political, economic, anthropological, social and humanitarian definitions and extended meanings (Carney, 1992). Gordon highlights the contextual nature of poverty (Gordon, 2006) :

“The term ‘poverty’ can be considered to have a cluster of different overlapping meanings depending on the subject area or discourse.”

(Gordon, 2006, p. 29)

2.2 Context: A Critical Anthropological Perspective of Poverty.

On face value, an anthropological proposition that poverty has been created by humanity itself (Brewer, 2014) appears preposterous. Historic civilizations generally organized their lives in an egalitarian fashion whereby there was either enough for everyone or the group suffered collectively. With the event of complex societies, new notions arise which directly lead to the societal attributes of inequality and poverty. (Boehm, 2012). This is supported by established anthropological timelines that trace the journey of “modern mankind” from simple societies, through to present day complex civilizations (Hayden, 2014). As a consequence, the egalitarian society changed to one where a few were able to accumulate wealth at the expense of others, creating stratified communities including “the poor”.

It is contended that “poverty, doesn’t arise, but it is created” and the development of civilisations are largely responsible. The extent of the destitution of the poorest strata of society is sanctioned by actions of affirmation by humanity. The parallel with Melanesian countries balancing between traditional and modern societies is entirely relevant.

2.3 Theory: Modernisation.

Development theories have progressed through many diverse, and significantly opposed pathways since the early middle ages, when the onset of accelerated urbanisation, monetisation, and secularisation escalated an erosion of the notion of communal economic justice (Peet & Hartwick, 1999b).

The philosophy surrounding “Modernisation”, holds centre stage, and advocacy remains strong, being merely been amended by window-dressing to appease its critics (Peet & Hartwick, 1999a). Modernization is grounded in the historical pathway taken by first world nations, and proponents seek the emulation of that process for third world countries, although through a significantly shorter timeframe (Potter, Binns, Elliott, & Smith, 2008).

2.4 Historical Definition of Being “Poor”.

If poverty and modernisation are interlinked, then parallels can be drawn between societies affected by the industrial revolution in 18th century Europe, and developing Melanesian countries today. Both have involved a rapid change in economic and societal frameworks, with significant collateral damage to various community constituents. Similarly, the diverse range of “cargo cults” prevalent in Melanesia have parallels to the “millenarian movements” occurring in Europe (Ton, 2009). Consequently, it is particularly relevant to review poverty discourse from an earlier European age.

The 19th century saw the global dominance of the British empire, which provided a period of intense globalisation, industrialisation, and economic integration on a massive scale. The consequence was a transition of how societies functioned, as developed nations went through of process of “modernisation”.

Townsend (1962, p. 215) refers to the rudimental definition of “families living in poverty” provided by Rowntree in 1901, which links the adequacy of a family’s income to obtain the minimum necessities required to live. Amongst other things, this can, and has, been interpreted as meaning that poverty is related almost exclusively to income, and therefore primarily an economic consideration, a premise disputed by sociologists. Townsend counters the validity of the use of generalized poverty levels as thresholds (Townsend, 1962, p. 219), and instead considered that three crucial concepts were central to poverty alleviation:

(a) Prosperity.

Near full employment, a lifting of earnings by all socio-economic groups, along with unprecedented numbers of married women in employment.

(b) Equality.

A redistribution of wealth, resulting in a decrease in the gap between the rich and poor.

(c) Subsistence.

The establishment of a welfare safety net, that caters for those unable to provide an adequate level of subsistence for themselves.

2.5 A Significant Starting Point: The Copenhagen Declaration.

Commencing in 1990 the United Nations sponsored a number of Global Conferences or World Summits which provided a number of cohesive developmental frameworks, undertakings, along with formalized action plans in relation to poverty (Jolly, 1998).

Critical to any study on poverty, is the “World Summit For Social Development” (1995) which resulted in the “Copenhagen Declaration” that provided a more inclusive definition of both “Absolute Poverty” and “Multi-Dimensional Poverty” :

(a) **Absolute Poverty.**

“A condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services.”

(United Nations, 1995)

(b) **Multi-Dimensional Poverty.**

“Lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion. It is also characterised by lack of participation in decision making and in social and cultural life.”

(United Nations, 1995)

In mapping out the pathways for poverty alleviation, the United Nations Development Programme (UNDP) emphasises development evaluated at a human “level” rather than at wider politico-economic levels (Potter, 2008b; United Nations Development Programme, n.d.-b). As a consequence, pathways out of poverty must consider a persons ability to

function, their capabilities, and be inclusive of their voice and autonomy (United Nations Development Programme, 2017b).

2.6 What Poverty Means to Poor People.

An important aspect in poverty research is the contrast in “reality” between those affected by poverty, and those affecting development and poverty alleviation. Much is associated with the “worldview” of each, but ultimately it is those suffering poverty that pay the price (Chambers, 1995). Ultimately, a major influence in how poor people define poverty as it affects them is the degree of “control” that they have over their lives (Dichter, 2003); and important control factors are :

(a) Security.

This can be as simple as providing themselves with what they see as a safety net, and may be manifested in the form of land, lots of children, or safe savings. The flip side of this “vulnerability” has been identified in participatory studies (Chambers, 1995; Dichter, 2003; Feeny & McDonald, 2016) and is also the reason that Vanuatu’s graduation from LDC status has been deferred until 2020 (UN-Development Policy & Analysis Division, 2015a).

(b) Choices.

Having choices, but more than this. Not just having the freedom to choose, but also the actuality of the options themselves, having them and knowing what those options are (Dichter, 2003).

(c) Monetization.

The movement towards increased monetization places stresses on communities that previously had been able to cope using an informal economy (Abbot & Pollard, 2004). The inability to earn money surrounds both a lack of skills and education to derive income and a lack of opportunity or employment.

(d) Erosion of their Traditional Way of Life.

Associated to security, but also distinct in its own right. For those living in poverty, the breakdown of traditional society due to modernization, manifested by a loss of the knowledge of traditional customs and values, disrespect of chiefs and elders, and the organized way of the past has left a societal void (Abbot & Pollard, 2004). As a consequence law and order problems are increasing, as is the incidence of alcohol-related incidences.

(e) A lack of Infrastructure and Services.

A dearth of basic infrastructure and services are a concern for the poor, whose reliance on these go beyond other sections of society (Abbot & Pollard, 2004). With

many depending on good health, having sufficient medical facilities is seen as an immediate and constant priority. Similarly, the availability of adequate roads and transport is important in both the formal and informal economy. While seeing education as being important in escaping poverty traps, it is often seen as secondary to more immediate concerns.

2.7 Aspects of Human Development and the United Nations Development Indices (HDI).

The Human Development Report was first published in 1990 as the result of work carried out by economist Mahbub ul Haq with foundational contributions from economist/philosopher Amartya Sen. It was prepared independently of the UNDP administration and has been endorsed by the United Nations General Assembly (United Nations Development Programme, n.d.-c).

As illustrated in Fig 2.1, the calculation of country based Human Development Indices (HDI) is based on three pillars of a long and healthy life, possessing knowledge, and attaining a decent standard of living.

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Fig. 2.1: Calculation of Human Development Indices (HDI)

(United Nations Development Programme, n.d.-a)

The use of HDI allows a greater understanding of broader development, at global, regional and country levels (Holden, 2013b). Further, the Human Development Reports contain a numerous and wide range of associated indices, which can be utilized to obtain a better “slice of life” from a developmental standpoint (Potter, 2008b).

Over the intervening years since 1990, and perhaps in response to the formulation of HDI relativity, the world’s understanding of poverty has changed from “absolute” poverty (Mack, 2016), to that of “multi-dimensional” poverty (United Nations Development Programme, 2016). This has led to the publishing of comparative “human development indices” (United Nations Development Programme, 2017a), resulting in a recognition of the difficulties faced by SIDS nations (UN-OHRLS, 2017b), and in particular “least developed nations”(UN-OHRLS, 2017a).

2.8 Tourism has a History of Favouring the Non-Poor.

Subsequent to significant growth in travel commencing in the 1960s, tourism was promoted within development circles as the “eureka” mechanism for third world nations to progress towards modernity (de Kadt, 1981). However, much of the subsequent tourism development has been financed, controlled, and revenue stripped to entities outside of those nations. Crocombe (2008) makes reference to a study carried out by Minerbi (1992) regarding the tourism benefit to indigenous Fijians :

“ 67% of tourist revenue in Fiji goes to foreign owners and operators, 16% to Fiji Indians, 15% to Fiji Europeans, and only 2% to indigenous Fijians who are the majority of the population. As the share of income that stays in the country is highest from small accommodation and locally owned facilities, there is a strong case to encourage them.”

(Crocombe, 2008, p627)

One significant consequence is that disproportionate public funds are diverted to upgrade infrastructure for the visitor industry. Further, developmental loans promoted by global institutions are often directed to service overseas visitors rather than the local population but are ultimately paid for locally.

2.9 Pro-Poor Tourism: Conceptual Beginnings.

The work of de Kadt (1979) served as an incubator for alternative philosophies. The concept of “pro-poor tourism” was developed out of initial work commissioned by the UK Department for International Development (Roe, 2001), working with the Overseas Development Institute (ODI) from the late 1900’s (Harrison, 2008), with a working brief to investigate “ the extent that outbound tourism from the UK could contribute to poverty alleviation in destination societies”. Stated simply :

“ Pro-Poor tourism (PPT) is defined as tourism that generates net benefits for the poor. Benefits may be economic, but they may also be social, environmental or cultural. Pro-Poor tourism is not a specific product or sector of tourism, but an approach to the industry.”

(Roe, 2001, p2)

Pro-Poor can be any type of tourism, and can simultaneously include both large scale “Mass Tourism” driven by overseas investors, and small “Alternative Tourism” owned by local business people, both at the same destination. Research has been carried out by Caroline Ashley regarding the relationship between poverty and tourism (Ashley & Haysom, 2006; Ashley & Roe, 2002; Ashley, De Brine, & Wilde, 2007). However, perhaps more relevant to this particular study is the extensive body of work contributed by Regina Scheyvens with respect to the Pacific (Scheyvens, 2011; Scheyvens & Russell, 2009), and

the relationship between tourism and poverty in Vanuatu (Scheyvens & Russell , 2013), Fiji (Scheyvens & Russell, 2012) and Samoa (Scheyvens, 2008).

There have been recommendations made regarding tourism and poverty alleviation (World Tourism Organization, 2004, 2006; World Tourism organization & Netherlands Development Organization, 2010), and within these, much has been made of inclusive development in “National Strategic Plans”.

2.10 Pro-Poor Tourism: Difficulties Being a First World Construct.

Pro-Poor Tourism suffers from a number of difficulties, almost all of them due to the fact that it is a First World Construct aimed at gaining traction with the politico-economic environment just before the turn of the century (Harrison, 2008). It consists of a set of practices rather than a specific ideology, and this has encouraged first world academics to critique it for diverse and often polar rationalisations. Its proponents are mainly practitioners operating in the field and therefore lack the resources to respond to those in permanent academic posts (Harrison, 2008).

Pro-Poor Tourism as a mechanism is faced with a number of difficulties:

(a) Its Anthropocentric underpinnings can clash with accepted Moral Barometers.

Its basis is anthropocentric, pragmatic and seeks to work within whatever politico-economic environment exists in the regions where it is being utilized. This has led to it being embroiled in the arguments regarding neo-liberal development philosophy. At the centre of these arguments is whether or not it is capable of lifting the lives of the poor in “absolute” or “relative” terms.

(b) Identity Crisis.

It suffers from an identity crisis (Potter, 2008a). Most forms of tourism are identifiable by the theme they present to travellers, who either have empathy or not. However, in the same way, that “sustainable practices” are surrounded by a nebulous web of policies and “modus operandi”, Pro-Poor implementations are often shrouded in enigmatic and obfuscated accomplishments (Chok et al., 2007).

Conversely, Ecotourism and Community-Based tourism are two touristic themes whose social image is easily identifiable. Pro-Poor may involve either of these, but its primary focus is on creating opportunities for the poor (Binns & Nel, 2002; Potter, 2008a).

(c) Aimed at First World Institutions.

Pro-Poor marketing and promotional image is unashamedly aimed at those within the development industry, developmental institutions global governments and policymakers (Hussmann, 2010). Further, while obviously not explicitly stated, there is an implication that Pro-Poor Tourism is “essentially an ideal, promoted by well-fed whites” (Scheyvens, 2007).

(d) Readily Hijacked.

The fact that its core message can be harnessed by all and sundry in a barge of rhetoric without addressing structural issues such as redistributive policies, and social injustices make it an easy target to be hijacked (Chok et al., 2007; Holden, 2013a). To be effective, Pro-Poor Tourism requires belief at a business level to take altruistic stances, and commit to anthropocentric policies. However, tourism businesses have an obligation to maximise profitability and as a consequence may merely hi-jack Pro-Poor terminology.

(e) Ideally Suited to Large Scale Projects.

Proponents state that while its mechanisms are applicable to any type of tourism, it is ideally suited to large-scale projects, and mass tourism (Goodwin, 2005). This is based on the ability of implementations to increase the net income of the greatest number of impoverished people within a community (Gascón, 2015).

(f) Does not help the Poorest Social Strata.

It is acknowledged by proponents that it may not provide any substantive benefits to the poorest segments of society (Gascón, 2015).

2.11 Pro-Poor Tourism: Prioritising the Poor in Development.

Perhaps the greatest criticism of Pro-Poor Tourism is the fact that it has a neutral stance with respect to the relativity of benefits provided to the poor, compared to the non-poor. There is an acknowledgement that implementations designed to benefit the poor are also likely to benefit the non-poor and that there is no guarantee that the non-poor will not benefit proportionally more. For some, this is ethically unpalatable as there is an implication that Pro-Poor implementations line the pockets of rich locals and foreign investors, at the relative expense of the much larger body of poor (Kakwani & Pernia, 2000). For their part, proponents argue that within a prevailing market economy, projects would simply not occur without such compromises being accepted.

The difference between “absolute” and “relative” growth is a critical element in respect to redistribution ideology (Holden, 2013a) :

“ A ‘relative’ paradigm is centred upon a comparison of the changes in the incomes of the poor compared to those of the non-poor. Within this definition, growth can only be held as being pro-poor when the distributional shifts accompanying income growth favour the poor, that is, the incomes of poor people are growing faster than the rest of the population, leading to a subsequent reduction in income inequality within society. By contrast, in an ‘absolute’ definition economic growth is considered to be pro-poor if poor people benefit in absolute terms, against an agreed measure of poverty, typically income. In this scenario, the extent to which growth is held to be pro-poor depends on the rate of change in poverty as measured by how fast the incomes of the poor are rising.”

(Holden, 2013a, p121)

The argument of raising the livelihoods in absolute or relative terms goes to the heart of competing worldviews (Scheyvens, 2014). Neo-liberal economic theory is still prevalent and is still the worldview perspective of development institutions such as the World Bank and the Asian Development Bank (Holden, 2013a). Pro-Poor proponents advocate the pragmatic approach of working within the system and therefore acknowledging the lifting of livelihoods on absolute terms while promoting the desirability of implementations that lift livelihoods relatively.

Implementation of projects in market economy situations generally benefit the rich proportionally more than the poor (Kakwani & Pernia, 2000). An alternative approach is to mandate implementations that are deliberately biased towards the poor, and consequently, over time “those at the bottom end of the distribution curve of consumption would have the resources to meet their minimum basic needs”.

2.12 “Glocalisation” as a means to Develop Pro-Poor Initiatives.

Developing local grassroots business models is seen as a means whereby local populations can have direct input into the operation and management of tourism organisations. It is argued that this process of localisation is more culturally sympathetic, and spreads earnings more widely within communities. However, developing smaller competing projects in the face of “globalising neoliberal capitalist economic systems” has been a major obstacle, and most are unable to compete due to a lack of capital, managerial capacity, as well as possessing only limited business experience and acumen. A means of obtaining traction through a process of “Glocalisation”, whereby hybrid global-local cultural reconfigurations of tourism development occur (Trau, 2012) is advanced to bring some integration. Here it is contended that globalisation and localisation do not exist in conflict, but instead are able to exist in the same touristic space in a complementary fashion and development is “beyond Pro-Poor”.

“ it is not a question of either globalisation or localisation, but more a question of the degree to which change is mediated from the “bottom”, i.e. from the needs and aspirations of local communities, as opposed to agents from the “top”, such as the big international non-government organisations or BINGOs (aid donors, international financial institutions, banks, investors and the like)? Whether the binary is global–local, modern–traditional or individual–communal, the key point is that from the perspective of glocalisation they are negotiated in relation to each other.”
(Trau, 2012, p. 154)

Glocalisation is an important concept in developing stand-alone Pro-Poor initiatives but requires empathetic policies, legislation and governance from Development Institutions and Governments alike.

2.13 Pro-Poor Tourism: Measurability.

Pro-poor tourism has been unable to substantiate the benefits that it imparts, leading to much criticism (Gascón, 2015). At its centre lies a lack of measurability, data collection, and monitoring. Evaluation against expectations of implementations is fraught with inefficiencies, dubious data, the need to make assumptions and approximations.

The use of value chain analysis has provided verification of positive development in many parts of the world, providing incentives for major development agencies to become involved. Indeed, the Netherlands development agency SNV has been at the forefront of value chain development (Hummel & van der Duim, 2016) and his involvement in Africa, parts of Asia and South America. Fig 2.3 shows a generalised tourism value chain structure.

Valuable work has been carried out in respect to sections of the tourism value chain, particularly in respect to linkages between agriculture and tourism (Berno, 2015; Berno, Maltezas, & Laurin, 2014; Singh, 2015; Singh, Milne, & Hull, n.d.). However, in respect to accommodation, tour operation, transport, handicraft & souvenirs, and governance, there is little TVC developmental work being undertaken.

2.14 Pro-Poor Tourism: Mechanism Overview.

The critical aspect of the relationship between poverty and tourism is identifying areas of interaction between them. Three pathways of activity impacting the poor have been identified by Mitchell and Ashley (2010).

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Fig. 2.2 : Three Pathways Impacting the Poor. (Mitchell & Ashley, 2010)

(a) Direct Impacts:

Direct impacts of effects are defined as financial flows that arise from participation in the tourism industry. The most obvious and most quoted impact is the income from employment for businesses, or through tourism entrepreneurial endeavour :

- Employment within the formal economy.

Includes employment within the hospitality sector (hotels, restaurants, cafes and bars), the tourism sector (tour operators, guides, artefact and retail shop assistants, cultural show members, and entertainers), and transport sector (taxi and shuttle drivers).

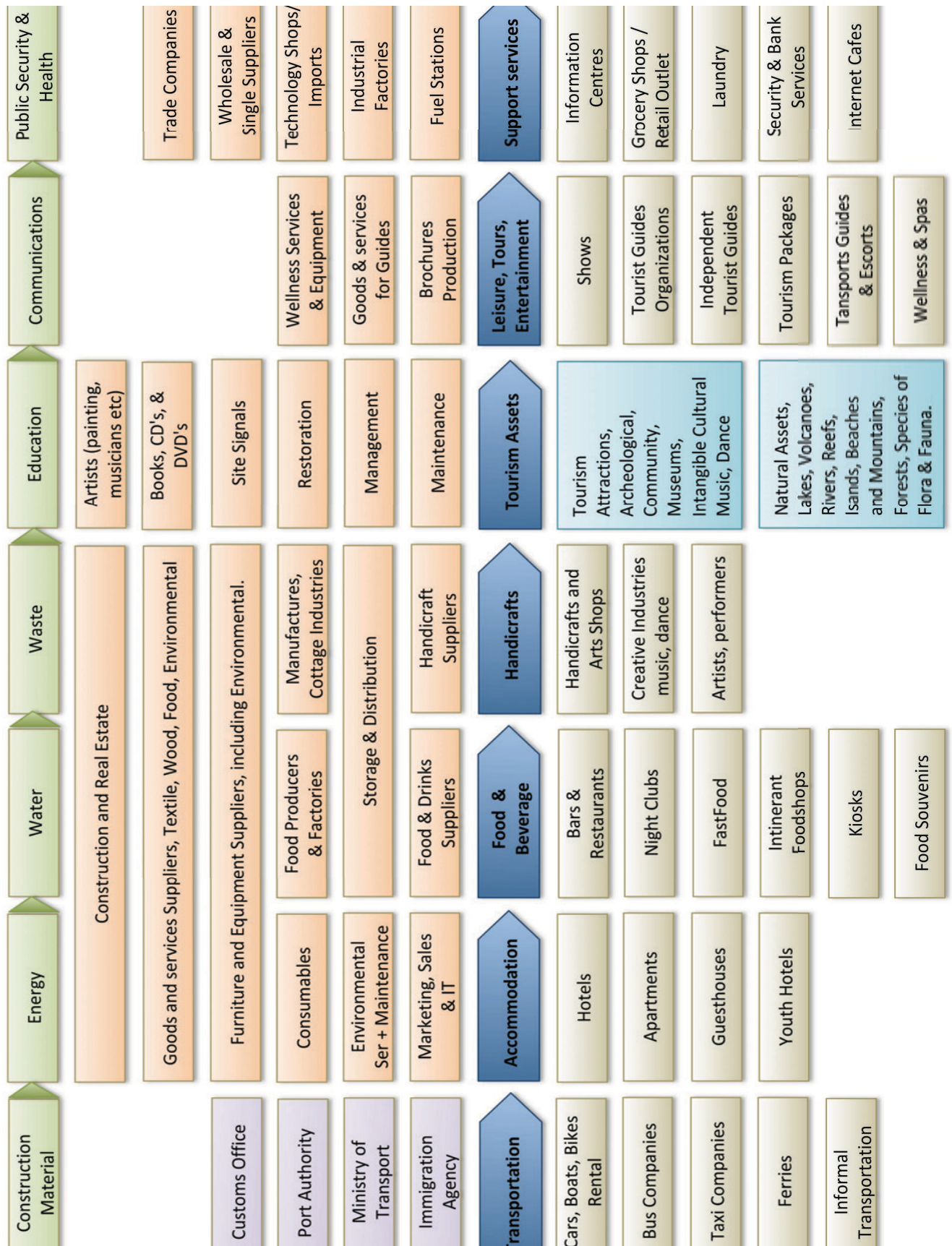


Fig 2.3 – A Generalized Tourism Value Chain Structure.

(Urosevic Z. & World Tourism Organisation, 2016)

Globally, income to the poor from formal sector employment varies from 12% through to 76% of total income to the poor, depending on government policy, minimum wage legislation and skill level of staff (Mitchell & Ashley, 2010). The variation within formal sector income illustrates the need to assess countries, and indeed regions, using case-by-case evaluations.

- Income from the informal economy.

Income derived by those in the informal sector is usually derived through artisan skills (handicraft and souvenir production, casual entertainers and cultural performers), entrepreneurial endeavour (market stall retailers, destination guides, casual operator/drivers).

Evaluations with an economic perspective tend to focus on monetary transactions, which may skew reality, as most Ni-Vanuatu remain within the informal economy. Also important are the livelihood impacts which may have financial implications or maybe non-financial and be entirely social in nature. Social effects are difficult to assess and for that reason are largely ignored in evaluation and monitoring programmes (Mitchell & Ashley, 2010).

(b) Secondary Impacts:

Secondary impacts are those that affect people who do not directly participate within the tourism industry but are not isolated from it and realise either beneficial or detrimental consequences as a result (Mitchell & Ashley, 2010):

- Indirect Impacts.

Indirect impacts occur when expenditure from the tourism industry affects industries outside itself, such as agriculture, general transport, commercial and retail. Typically, impacts are associated with supply chain relationships such as food supply to hotels and restaurants and much is made of linkages and leakages in such supply chains.

- Induced Impacts.

Induced impacts are those that result from the actions and expenditure of people that participate within tourism but are not tourists. Such impacts are simply related to people going about their normal lives, and the benefits occur because of greater socio-economic activity within communities.

2.15 The Research: Pro-Poor Enactment in a Transitional Economy.

Poverty is a complicated concept in Melanesia, and the characteristics outlined in section 1.9 impacts local understandings, while the UN definitions serve to focus attention on wider issues. Ni-Vanuatu themselves, perceive that subsistence farming is able to adequately provide for themselves, and is consistent with their traditional way of life. They are also being affected by impacts from modernisation, and for many, this is a world “they don’t know” and are increasingly being marginalised within. Nevertheless, Ni-Vanuatu do want increased social services and infrastructure, they do want to participate to some degree within that part of society that is monetised, and they do wish for greater choices for themselves and their children. The lack of these attributes is what poor Ni-Vanuatu associate with poverty. However, there is little understanding by Ni-Vanuatu that mostly such things are made possible through the mechanisms of a “Formal Economy”.

Pro-Poor implementations could lay a framework whereby Ni-Vanuatu transition from their “informal economy” to increase participation within the “formal economy”. The existing economic structure of Vanuatu could be evaluated and proposals made using Pro-Poor principles to enact them for the benefit of the poor. To counter past criticisms concerning Pro-Poor Tourism, such evaluations must have a pragmatic analytical foundation. To be Pro-Poor societal transition must be shown to benefit the poor in “relative” terms. This requires Tourism not only to be profitable but also to “robustly” show that it has helped the poor to progressively benefit from being within the formal economy.

METHODOLOGY, STRATEGY, AND METHODS.

3.0 Philosophical Aspects of Research Approach, and Applicable Research Paradigms.


3.1 Research Approach of Study.

There are seven generalized approaches to research, depending on information requirements (Jennings, 2010b) and singular, or multiple approaches may be apposite within the research design. Research may be exploratory, descriptive, explanatory, causal, comparative, evaluative, or predictive in nature.

Because little, if any, work has been carried out regarding the relationship of poor Ni-Vanuatu within the tourism - development nexus, the nature of this study is first and foremost exploratory. Despite this, there are also aspects of descriptive and explanatory research, which has lead to a significant amount of documents, and archival documents being incorporated into the study. The descriptive element is required to describe Ni-Vanuatu people, their culture and their way of life, a concept alien to many living within modern societies.

3.2 The Hierarchical Nature of Research Design.

In carrying out research, a hierarchical mechanism is utilized to define the purpose, contents, and bounding constraints of the proposed investigation :

- 
- Establishing the purpose of the Study.
 - Selecting the research question, aim and objectives.
 - Deciding on the most appropriate research approach.
 - Determining Guiding Research Paradigms:
 - Ontological Perspective.
 - Epistemological Perspective.
 - Axiological Perspective.
 - Creating appropriate research methodological blueprint.

Saunders et al (Saunders, Lewis, Thornhill, & Bristow, 2016; Saunders & Tosey, 2012) provide a recognised analogy to the peeling away of sequential layers of an onion to get to its core.

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Fig 3.1: The Simplified “Layered” Research Design (Layered Onion Analogy)

(Saunders et al., 2016)

3.3 Consideration of Ontological Perspective.

Ontology deals with the form and nature of reality (Guba & Lincoln, 1994). Tourism involves many objects, things, events and processes interacting together to produce its products. As an industry, almost all aspects surrounding it are fluid, blurred, and in many ways it defies definition. When considered as an ensemble, it poses considerable ontological challenges in respect to what exists, how it exists and how are objects, and things, ordered. Johannesson, Ren and Van der Duim (2015) assert that such an outlook is inadequate:

“We must shift our attention from researching and understanding what tourism is, to focus on how tourism works, how it is accomplished in different relations and how it leads to different impacts.”

(Johannesson, Ren & Duim, 2015, p2)

Similarly, development is imbued with cultural context and research frameworks. It is clear that both tourism and development are social constructs that are deeply rooted in anthropological, sociological, geographical, political and economic aspects of humanity.

While a number universal laws and truths exist in some of these social sciences, their applicability in the tourism-development nexus is contested. Even within economics, there is a numerous and diverse range of philosophies that purport to represent reality (Peet & Hartwick, 1999b). The reality within the tourism-development nexus is informed by :

- Universal laws and truths do not govern the social world within the nexus. The world is not objective, but significantly subjective instead.
- Human behaviour is not predictable because external forces do not govern it. As a consequence, human behaviour cannot be shaped and controlled once causal relationships have been established.
- The world is complex and shaped by a diverse array of power structures that have diverse human and geographic aspects.

3.4 Epistemological Perspective.

The epistemological perspective surrounds the relationship between the “knower” or “would be knower”, and what can be known (Guba & Lincoln, 1994). In an objective world, universality and intrinsic laws ensure that researchers have little impact or influence on study outcomes. However, in a subjective world, the mere presence of a researcher will affect and alter research findings. It is simply not a post-positivistic world where researcher bias becomes evident but instead verges on inter-subjectivity (Jennings, 2010a), where outcomes are co-created from shared views or experiences arising through the research process (Guba & Lincoln, 1994).

Further, it is noted that it is not without precedent for paradigms to take an intermediate position between the objectivist/subjectivist extremes, which should instead be reframed as an objectivist – subjectivist continuum and Jennings (2010a) cites several articles referencing the critical theory paradigm. The continuum not only influences any study undertaken, but is likely to change its outcomes. Heron & Reason (1997) note that while distinct realities may exist, these are always viewed through our own, the researcher’s, gaze :

“ Worlds and people are what we meet, but the meeting is shaped by our own terms of reference. The sceptic may ask how we can know we meet anything or anyone if the meeting is always given our own shape. ”

(Heron & Reason, 1997, p279)

3.5 Axiological Perspective.

Axiological considerations provide a major pillar from which this study has been framed. In this regard, axiological perspectives of the researcher will have a significant effect on decision-making processes within the research and therefore, the likely outcomes of that research (Biedenbach & Jacobsson, 2016).

Interestingly, a definition of axiology is absent from the “Oxford Dictionary of the Social Sciences” (Calhoun, 2002), and is merely referred to as “the study of values” in the “Oxford Dictionary of Philosophy” (Blackburn, 2005) and is not considered as one of the three “fundamental questions” (ontology, epistemology, and methodology) that Guba and Lincoln (1994) reference as being necessary in developing a suitable research paradigm. Further, in a study of the frequency of axiology considerations occurring within research papers Biedenbach & Jacobsson (2016) found :

“When looking at the frequencies it becomes obvious that, overall, researchers are silent about axiology.”

(Biedenbach & Jacobsson, 2016, p145)

Despite this, axiological considerations have been in existence since the beginning of philosophy and stem from the Greek words *axios* (worth) and *logos* (reason; theory). Throughout most of human history “the real and the valuable were the same” (Hart, 1971) and therefore strongly associated with ontological perspective. However, Jennings (2010a) includes it as a necessary consideration in paradigm compilation, aligning its definition with “ values, ethics and associated ethical practice.”

Taking this further, Heron & Reason (1997) in a comprehensive critique of the seminal work of Guba & Lincoln (1994) state :

“The question of value is not included as a part of the definition of an inquiry paradigm; it is considered to be only one of a range of selected practical issues on which each of their four inquiry paradigms will have a position. We think this is a serious omission, and gives a superficial account of the relation of values to an inquiry paradigm.”

(Heron & Reason, 1997, p286)

Its recent prominence stems in part from the rapid advance of physical science and a consequent separation of what was “real” and what was “valuable”; in essence just because something became real, did not make it either desirable or valuable to society. Hart (1971) cites an increased interest as being due to :

“The divorce of ontological and valuation questions, the ever-widening gap between physical and humanistic studies, ...”

(Hart, 1971, p30)

May (2011) succinctly explains the ontological and valuation perspectives faced by researchers :

“In philosophy it is often said that facts correspond to ‘is’ statements, whereas values correspond to ‘ought’ statements. In other words, to state a fact is to describe the way something is. Ought statements ascribe a value to something, or prescribe how someone should act.”

(May, 2011, p47)

For researchers seeking to establish a suitable paradigm for their study, Heron & Reason (1997) interpret that ontological, epistemological, and methodological aspects are all about matters to do with truth. They contend that these are of little use to humanity unless axiological questions are also given consideration: What is intrinsically worthwhile? However things are not valued universally, and, as an audience, different sections of society will value certain research in different ways. Taking this logic a step further, this judgement of values also applies to researchers themselves. To illustrate this, Biedenbach & Jacobsson (2016) in their research state :

“A different set of researchers would probably have valued other aspects and made different choices; hence, we thus adhere to the argument that values are a central part of the scientific inquiry per se.”

(Biedenbach & Jacobsson, 2016, p150)

Therefore, while there is strong support for the principle of “axiological neutrality” contained in Weber’s “wertfreiheit” or freedom from value, its applicability in anything other than pure analytical endeavour is illusionary (Vandenberghe, 2017).

3.6 In Search of a Guiding Research Paradigm.

The need to consider a less traditional, and more eclectic research design is made clearer with an inspection of the initial research design for this study.

The Preliminary Research Design.

In the context of the study setting there are many complex realities and therefore an “interpretive” (or “constructivist”) philosophy is appropriate with a relativistic ontology firmly in place. However, the epistemology is less clear being situated on an objective – subjective continuum but taken here as being subjective, transactional and value-laden. Because the research concerns “the poor” within a society the axiology is intrinsically valuable in contributing to social emancipation. Methodological choices indicate that inductive processes should be employed that are developed from constructions resulting from in-depth social interaction between

the researcher and the societal group that the study is centred around; in this case the poor. Enough of the hierarchical procedure or onion layers have been considered to align the research with either a “Critical Theory” paradigm or an “Interpretist” paradigm. However, both of these paradigms require an emic methodology and perspective that usually requires the researcher to become an “insider” with the group that the study is primarily concerned with to obtain empathetic understanding or “*verstehen*”. Normally, the researcher is embedded within the group or community over a considerable period of time.

It is at this point, that a straight forward research design falls apart. Three significant realities inhibit a straightforward research design. Firstly, it is not practicable in this study for the researcher to be embedded within the community, Secondly, the diverse and fragmented nature of Ni-Vanuatu communities on Efate would require consideration of not one but many communities, and thirdly, and perhaps most importantly the education, worldly experience, knowledge and understanding of the poor within Ni-Vanuatu society precludes them from contributing in many of the ways sought by the research. Essentially, even though the research would listen, “the poor” lack a voice, or more correctly, lack the vocal articulation to be heard.

A shift within the study’s paradigm away from a more structured framework, to one incorporating elements of “bricolage” occurred. Viewing the researcher as a “bricoleur”, in this case, someone who constructed their pertinent paradigm from a bricolage of available parts is not only acceptable but necessary to “make a solution to a puzzle” (Phillimore & Goodson, 2004). The terminology was coined by Denzin and Lincoln (1994) who state :

“The open-ended nature of the cultural studies project leads to a perpetual resistance against attempts to impose a single paradigm over the entire project.”

(Denzin & Lincoln, 1994, p103)

There are differences of opinion in regard to whether paradigms can be mixed, or whether mixing should be limited to methodologies. Ultimately, the answer lies in considering research philosophies as a continuum and that the closer paradigms are in their perspective the more they can be mixed. Knox (2004) argues that methodological pluralism is acceptable but that philosophical pluralism is not and acknowledges that deductive and inductive research reasoning can appropriately sit side by side to provide more substantial outcomes, and openly advocates the acceptability of mixing qualitative

and quantitative methodologies. Armitage (2007) quotes numerous researchers in respect to the acceptability of mixing methodologies. He also supports the inclusion of multiple philosophies within a single study and coined the concept of “Mutual Research Designs”, where different paradigms sit side by side within a single study.

Pathirage, Amaratunga & Haigh (2008) provide some clarification on the role that each philosophy or methodology might take within a study within an “elective affinity”, and that acknowledging this does not preclude a researcher to utilise, from the myriad of tools available, what is most appropriate in the context of particular research.

3.7 Relevancy of a “Pragmatist” Paradigm.

The pragmatist paradigm has been put forward more recently as the philosophical underpinnings for research that does not fall neatly within currently recognised frameworks and has a special affinity towards mixed methods. Considered somewhat controversial because of its departure from the Kuhnian paradigm framework, it professes a divergent worldview. Its foundations are not new but have developed significant interest through the recent writings of Rorty (Calhoun, 2002; Cherryholmes, 1992; Melles, 2008) amongst others, but relies heavily on the much earlier work of Dewey (Morgan, 2013). In essence its underpinnings centre around the naturalistic world, and concerns itself with the beliefs, actions, and outcome of people (Pansiri, 2005). The ontology and epistemology of truth become largely irrelevant, as “truth” is tied up with what the understanding that is obtained through the undertaking of actions, or stated simply “what experience shows truth to be”. Truth is not absolute but changes due to perpetual mechanisms of discovery and testing. (Cherryholmes, 1992; Morgan, 2013). Further, Pansiri (2005) cites Powell (2001) concerning the purpose of science and by implication research :

“ To a pragmatist, the mandate of science is not to find truth or reality, the existence of which are perpetually in dispute, but to facilitate human problem-solving.”

(Pansiri, 2005, p196)

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Fig 3.2: Dewey's Pragmatic Mechanism of Problem Solving (Morgan D.L., 2013)

3.8 A Pragmatic Axiological Framework.

If axiological neutrality is impossible to achieve, and axiological cleaning neither practical nor desirable, it becomes critical that the ensuing subjectivity is recognised and systematic, rather than ambiguous and chaotic.

In a pragmatist's view, things are value-neutral in themselves, and further nothing is always good nor bad, but instead moral judgements about them should not be based on the action that is done, but rather on the results of that action (Barger, 2008).

Much can be taken from the work of earlier theorists such as John Dewey, later modified by Lewis, and Russell (Hart, 1971). Dewey held that emotive views and cognitions are "continuously interacting with reality", and that as a consequence "they must be studied in close relation with objects, events, and persons" (Hart, 1971). Heron & Reason argue that the nature and framing of truth are related and must be approached from "values of being, about what human states are to be valued simply by virtue of what they are", and their promotion or fostering which they term "human flourishing". More specifically (Heron & Reason, 1997):

" flourishing is construed as an enabling balance within and between people of hierarchy, cooperation, and autonomy. In our view, social practices and institutions need to enhance human association by an appropriate integration of these three principles: deciding for others, with others, and for oneself."

(Heron & Reason, 1997, p287):

In respect to the promotion and fostering of “human flourishing”, the assertions of Bertrand Russell are relevant. Russell has made significant contributions within axiology, extending Dewey’s initial precepts (Hart, 1971), and contended that the definition good or bad remained relative to the society in which it is being considered and is determined by a process such that :

“Right desires will be those that are capable of being compossible with as many other desires as possible; wrong desires will be those that can only be satisfied by thwarting other desires.”

(Hart, 1971, p40)

Pragmatic axiology then provides a mechanism whereby judgements can be made on a logical basis rather than utilising alternative haphazard or unsound reasoning (Barger, 2001).

4.0 Research Methodology and Methods.

4.1 Consideration of a Case Study Research Scheme

In its simplest terms Flyvbjerg (2013) cites the Merriam-Webster Dictionary (2018) to derive an appropriate definition of “Case Study” :

“An intensive analysis of an individual unit (such as a person or community) stressing developmental factors in relation to environment. ”

(Merriam-Webster Dictionary, 2018, online)

Defining attributes are attributed firstly to Eisenhardt (Eisenhardt, 1989; Ravenswood, 2011), and more recently Yin (1994a) whose definition is most often quoted :

“A case study is an empirical inquiry that: investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. ”

(Yin, 1994a, p23)

Two specific characteristics (Yin, 2003) are appropriate; firstly regarding its location in the hierarchal order of the research framework:

“The case study as research strategy comprises an all-encompassing method covering the logic of design, data collection techniques, and specific approaches to data analysis.”

(Yin, 2003, p14)

And secondly, its ability to have differentiated evidence sitting side-by-side, or together. Yin states that “case studies can be based on any mix of quantitative and qualitative evidence” (Yin, 2003), and provides some clarification:

“And yes, case studies can include, and be limited to, quantitative evidence. In fact, the contrast between quantitative and qualitative evidence does not distinguish the various research strategies.

(Yin, 1989, pp24-25)

While Yin initially postulated case study research from a “positivist’ perspective, much discourse subsequently occurred over its methodological basis and it is currently acknowledged that qualitative, quantitative or mixed method methodologies can provide appropriate empirical data.

Proponents of Case Study Research would argue that, in many ways, it circumvents the formal mechanisms and hierarchical cogitation incorporated within Saunderson’s Research Onion (Saunders & Tosey, 2012) shown in Fig 3.1. As such, inquiry through successive onion layers becomes intermixed, and can provide significant advantages through a greater flexibility in approach. Platt (2007) notes that case study research has been used in completely divergent ways, amongst which is its utilisation as “a major category distinguishing completely alternative research styles”. Platt (2007) highlights the suitability of case study research in promoting “social betterment”, and in particular avoids research methods that :

“ misleadingly treats individuals as independent and equal and so conceals the realities of power in stratified societies.”

(Platt, 2007, p105)

Case studies may be “intrinsic” or “instrumental” in their approach and perspective (Stake, 1994). The former involves a particular case that has its own peculiar aspects and the study’s primary purpose is to understand the intricacies of the case itself. While the situation and context of this study is specific to Vanuatu, it also echoes similar contextual situations present in other Melanesian countries and there could be follow-on instrumental research.

Critically, the focus of case study research is its “unit of study”, and this ultimately determines the research framework. Stake (1994) denotes a unit of study as being a “functioning specific”, and may centre itself around an individual, a community, an organisation or indeed anything that exhibits specificity. Flyvbjerg’s itemisation of essential characteristics of a case study research (Flyvbjerg, 2013) is pertinent; Firstly, there should be a definition of the unit of study; Secondly, that an intensive scrutiny occurs involving a

vigorous and extensive level of “detail, richness, completeness, and variance”; Thirdly, the study is relatable to a timeline whereby impacts and effects involved in the study have developed over time and geographic location; Fourthly, that the study has a relevancy to its localised environment, setting and context. In being able to encompass the four elements, Stake (1994) proposes the procedure in Fig 4.1, which can be brought into the Case Study Evaluation in Fig 4.2.

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Fig 4.1: Case Study – Collection of Empirical Data. (Stake R., 1994)

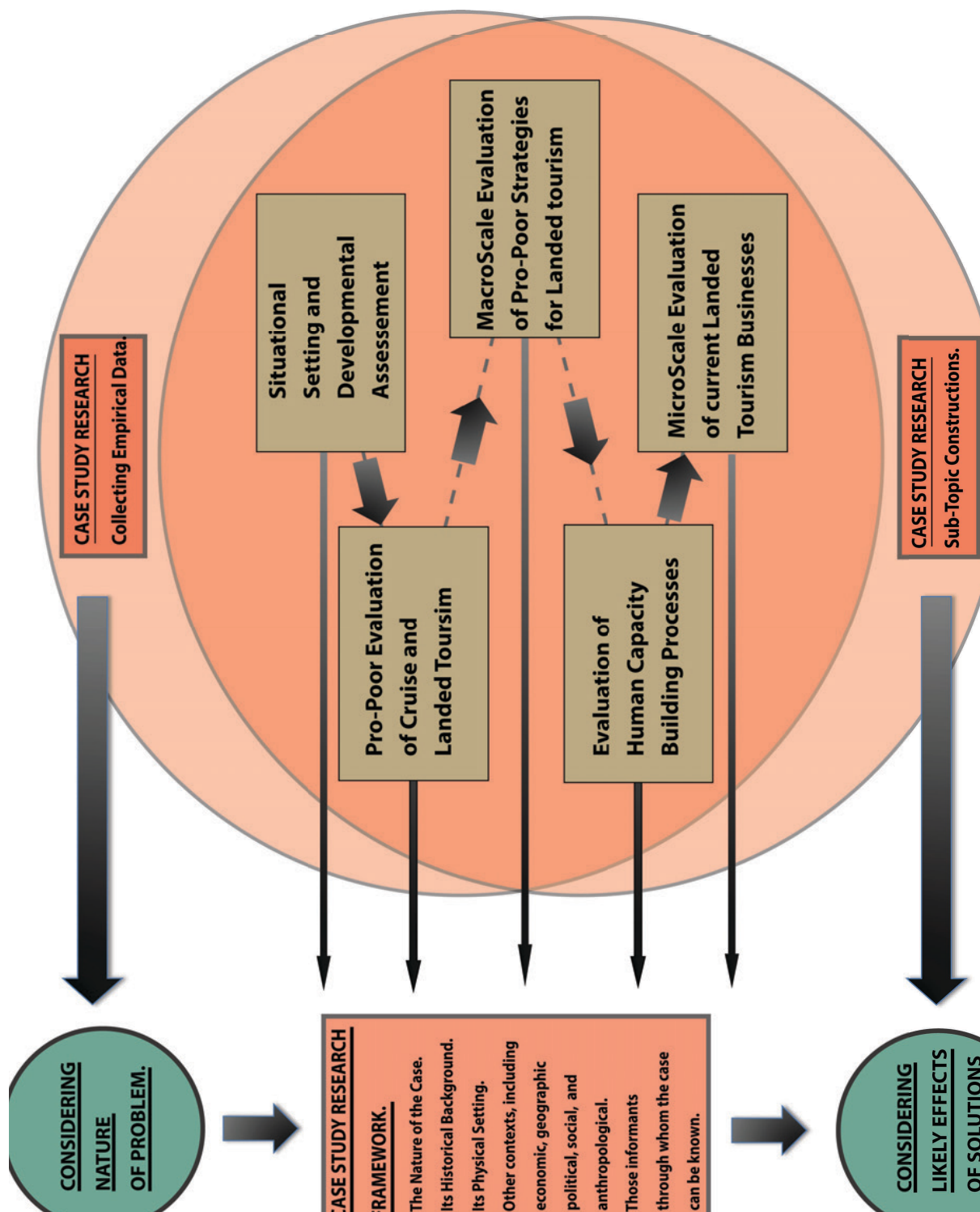


Fig 4.2 : Case Study – Research Activity Flow.

4.2 Primary or Secondary Empirical Data?

The most highly regarded and useful research within academia is often thought of as being obtained by way of primary data. The “a priori” reasoning for this is that there is a greater likelihood of fresher, more current, and perhaps more creative research being produced as a result. The same reasoning determines that the use of secondary data is merely a remixing of existing empirical data that is merely historical with lesser relevancy to current situations and context.

In Ni-Vanuatu society where identity is “dividual”, and knowledge along with a “sense” of the outside world is either non-existent or limited, gathering of primary data from populations from within is problematic. There is little to be advanced in asking a sample of Ni-Vanuatu questions about tourism or development frameworks that are alien to their conceptual understanding of the world.

Further, because of the nature and complexity of the topic, it is simply not feasible or useful to exclusively utilise primary data, nor would it provide all the necessary information. The tourism structure, national strategies are set down within formal document structures. Adherence to strategies and policies and current events and impacts are best located within newspapers, while analysis of economic, social, anthropological and political effects are to be found in academic studies.

4.3 Methods of Data Collection.

Perhaps it is in data collection where case study departs the most from the neatly categorised methodology encompassed within the quantitative-qualitative continuum. In what Yin (1994a) terms “collecting the evidence”, six sources are denoted; documents, archival records, interviews, direct observation, participant-observation, and physical artefacts. Multiple sources of data are a prerequisite (Denzin & Lincoln, 2003; Patton, 2002a; Yin, 1994b) and that the weighting of each source should not necessarily be determined by methodological preferences.

In this study documents, archival records, and interviews (including questionnaires) form the main forms of data.

(a) Documents.

Documents as a source cover a diverse and extensive collection of possibilities. Yin (1994b) stresses that the usefulness of documents are not based on any guarantee of accuracy or lack of bias. What they do is provide slices of social, economic, political and cultural enactments that occur around and impact on the area of study

that may be interpreted by the various actors as suits their needs (Hodder, 1994). They function in various ways, firstly, as a source of empirical data in their own right, secondly, as providing corroboration of other evidence, thirdly, by providing inferences that are worthy of further investigation. Often, the function that documents serve and the way in which they were produced are as important as their content (Prior, 2004).

Document types that are relevant to this study include :

- Administration Documents – In particular governmental strategy reports denote policy and proposed enactments at national, regional and community levels. Of equal significance are progress reports that measure both the ability and determination of the Vanuatu government to enact such strategies.
- Institutional Documents – These include documentation produced by institutional entities such as the United Nations, the World Bank, and the Asian Development Bank. These can drive the content of Administration Documents as strategies are often tied to development loans.
- Formal Studies or Reports – Formal studies include academic research that is both directly and indirectly related to the topic of study. While academic journals are a mainstay of this category, white papers, reports, and published books are also relevant.
- Newspapers and Articles in Mass Media - Selected newspaper articles, both from the “Daily Mail”, the foremost daily newspaper, along with online articles from “Radio New Zealand” are included.

(b) Archival Records: Governmental Statistics & Census Data.

Similar in some ways to Documents Yin (1994b) indicates that unlike documents, archival records may have widely varying importance, and can form a central pillar of a case. For this study, governmental statistics and census data provides information regarding the economic and social profile of Ni-Vanuatu peoples.

(c) Interviews.

Yin (1994b) amongst others (Flick, 2006; Krathwohl, 2009; Patton, 2002a) notes that interviews form one of the most important sources of empirical data, underlining the importance of “informants” :

“Most commonly, case study interviews are of an open-ended nature, in which you can ask key respondents’ opinions about events. In some situations, you may even ask the respondent to propose his or her own insights into certain occurrences and may use such propositions as the basis of further inquiry. The more that a respondent assists in this latter manner, the more that the role may be considered one of informant rather than respondent. Key informants are often critical to the success of a case study.”
(Yin, 1994b, p89)

Patton (2002a) outlines a major issue in regard to using informants :

“ The danger in cultivating and using key informants is that the researcher comes to rely on them too much and loses sight of the fact that their perspectives are necessarily limited, selective and biased. Data from informants represent perceptions, not truths.”
(Patton, 2002a, p321)

A total of eighteen interviews were carried out that varied from twenty minutes through to well over an hour. Of these, seven were carried out with Ni-Vanuatu, and eleven with expatriates working within the industry.

- Informed Experts – Expatriate Managers & Owners.

Expert sampling as its name implies is typically used when the research needs to obtain knowledge from individuals that have particular expertise. Often used in “exploratory’ research, it is particularly useful where there is a lack of empirical evidence within the topic, or alternatively a high level of uncertainty. Further, expert sampling is useful in determining a school of thought for a particular grouping (Flyvbjerg, 2013).

It was always understood that the use of informed experts would reference tourism and human development from a “top-down” perspective that would include a heavy worldview or “elite” bias (Kratwohl, 2009). This is acknowledged as being problematic as this “worldview” is not congruent with that of Ni-Vanuatu.

Of the eleven interviews carried out with expatriates, eight were particularly relevant and used in the subsequent research write-up. Because of the nature of using unstructured interviews, the subsequent inductive nature of their evaluation, and the limited scope of the study, the detail incorporated in the remaining three interviews were not utilised.

- Stakeholders.

It was anticipated that stakeholders would be Ni-Vanuatu that were involved or affected by tourism. Practically, the inclusion of Ni-Vanuatu provides some balance to the worldview of expressed in the body of interview data. However, the limited scale of the study simply did not allow for the time and resources to include more than a superficial sample.

Of the seven interviews carried out with Ni-Vanuatu, five were particularly relevant and used in the subsequent research write-up.

(d) Sampling and Research Methods for Case Study.

The argument against qualitative research surrounds is its lack of population representation and as a consequence, the generalizability of results (Gobo, 2004).

Critically, the methods incorporated in this research do not aim to find statistical characteristics about the population that the study centres on, namely poor Ni-Vanuatu, but instead hopes to obtain an understanding surrounding the diverse context surrounding their lives. In this respect, the use of “purposeful sampling” is of more use and likely to provide a greater array of insights (Patton M.Q., 2002b).

This case study research aims to delve into its topic, and therefore approaches sampling from an information-orientated selection (Flyvbjerg, 2013). Sampling has sought out samples that will be “purposeful” to the study because the researcher views the sample a rich source of empirical data (Gobo, 2004; Patton, 2002b).

4.4 Method of Research Write-Up.

The write-up of this study posed particular difficulties in regard to presenting its eclectic set of data in a meaningful and directed way. There was a risk that trying to straight-jacket a widely diverse collection of empirical data from multiple sources, evaluate it through an evidential process typical of case study research, and extrude it through a rigid reporting format would limit the studies intent. Inclusion of other complementary means of representation would help reflect a more sympathetic evaluation of the studies contextual characteristics.

Much of the concern surrounded the ability to adequately contextualise what was said, and how it was said during interviews. Development in Melanesian countries has had limited success, and in Vanuatu, much of this has to do with the cultural distance between Ni-Vanuatu, with expatriates and outside, due to their differing worldviews. As a consequence, the use of other techniques, more at home in other qualitative forms

were investigated. While acknowledging that this was not an ethnographic study, further reading indicated that it was possible to include an ethnographic perspective around interviews that would add value in a holistic way. A review of Mac, Ghail & Haywood (2015) used by Creswell and Poth (2018) in their illustration of an ethnographic study, provided some lucidity. It was felt that the following characteristics cited by Creswell & Poth (2018) could be used effectively :

- That chapters could be written in the form of “Tales” (Van Maanen, 1988), that were not strictly in a categorised form, but in a way that allowed a relevant topic to progressively unfold. In this way, impersonal “scientific” or “matter of fact” aspects could be brought together with questionnaire data and interviews in a way that makes some sense.
- Much of what goes on before affects subsequent chapters and therefore the unfolding of the research in the same way a story unravels in literature is not only relevant but also crucial.
- That chapters could embody a group of thick descriptions on matter relevant to the topic that sets the scene and provides a broad context. Placing data in a specific order within the tale, having the story told through several perspectives, and progressive focusing appears to be a relevant mechanism (Wolcott, 1994). Ultimately the data can be evaluated within the same chapter, and this may take the form of a more pragmatic approach utilised in case studies.
- Consequently, discussion of material within a chapter could take place at the end of that chapter, rather than placed in the more traditional ring-fenced section of its own. In this way, discussion is more connected to the material that it is associated with

4.5 Use of Verbatim Quotations in Research Write - Up.

In particular, it was felt that it was important that the research include complete excerpts of interviews, as it was considered that “how things were said” were as important as “what things were said”. Therefore the use of “Verbatim Quotations” has been used extensively in this study.

A review of academic literature regarding the inclusion of verbatim quotations is thin at best, and while quotations are often included within qualitative research, Corden and Sainsbury (2005) note that until recently “well developed conceptual and theoretical bases for inclusion of verbatim quotations were hard to find”. Studies carried out by Corden and Sainsbury (2005) amongst :

“ A group of experienced qualitative social researchers, whose publications were likely to have been influential in policy, practice or teaching”

(Corden & Sainsbury, 2005, p3)

was relevant to this research. Researchers outlined their reasoning for including Verbatim Quotations as follows :

- Discourse as the Matter of Enquiry.

Evaluation of research interviews involves a textual interpretation of transcripts, often through the lens of the researcher. Providing extended excerpts is seen as important as it imparts meaning in respect to the co-creation of the interview itself, where sometimes the word's of the interviewer are as important as those of the participant.

- Quotations as Evidence.

The use of quotations provides an 'audit trail', where readers are able to form judgments themselves from the information provided.

- Use of Spoken Word in Explanation.

Where a persons views or statements are difficult to reason, or complex, an excerpt can be useful in understanding or clarifying how they came about. Corden and Sainsbury (2005) state :

“ Understanding why people had particular views or perspectives, or behaved in the way they did, was sometimes made easier for readers by showing the ways in which individual people constructed what was happening to them and the linkages they made for themselves.”

(Corden & Sainsbury, 2005, p12)

- Quotations to deepen understanding.

The inclusion of quotations provides a means to show the depth of feeling that a participant may have about a topic. A researcher might describe feelings displayed by a participant, but such representations are more effectively shown through the inclusion of relevant excerpts.

4.6 Use of Questions (Propositions) in Research Write - Up.

The use “propositions” in the form of a series of questions are embodied within the write-up and some explanation is required in respect to their incorporation. For Yin (1989) propositions form one of the five components within case study research, and he often considers these through the development of questions:

“.... Each proposition directs attention to something that should be examined

within the scope of the study.”

(Yin ,1989, p30)

“Clearly, the proposition helps to focus attention on certain data and to ignore other data. The proposition also helps to organise the entire case study and to define alternative explanations to be examined. Theoretical propositions about causal relations – answers to “how’ and “why” questions - can be very useful in guiding case study analysis in this manner.”

(Yin ,1989, p107)

The use of questions does not signify that the “evidence” aspires to be either quantitative or qualitative, although Yin is emphatic that case study research can have evidence from both sitting side-by-side, or together. The research process utilised in this particular study has used inductive reasoning to produce its findings, however, once the thematic threads were developed, having questions, or more correctly “galvanising posits”, proved a useful focusing feature.

PART C – CASE STUDY RESEARCH :

PRO – POOR TOURISM IN VANUATU.

5.0 Pro-Poor Visitor Value : Fundamental Considerations Cruise Tourism vs Landed Tourism.

A central philosophy guiding the pragmatist paradigm is that it provides a design framework including a central tenet of problem-solving (section 3.7), which has at its core the identification of problems or questions (propositions), and their resolution. Resolution of questions of inquiry are guided by a pragmatic axiology that such resolutions must favour “human flourishing”, and be to the benefit of the community of people rather than a few.

Tourism in Vanuatu is a dual economy, and therefore the first pragmatic approach is to question and resolve the ability of each to contribute to the “flourishing” of Ni-Vanuatu society. In this regard the following questions are relevant to the “Cruise Tourism”, and “Landed tourism”:

- Question 1 – Are the earnings received from Cruise Tourism less than that received from Landed Tourism?
- Question 2 – Can Cruise Tourism coexist alongside Landed Tourism without impacting the later?
- Question 3 – Is Cruise Tourism less Pro-Poor than Landed Tourism?
- Question 4 – Does optimal Pro-Poor Tourism occur if Cruise and Landed Tourism are allowed to continue independent of each other unfettered?

5.1 Defining TVC is Highly Dependent on Visitor Type.

A generic tourism organisational structure that is based on a Value Chain Framework (TVC) can be postulated that has applicability for any destination, and such a framework is included as Fig 5.1.

5.2 A Dual Tourism Economy.

A number of organisations have prepared economic data regarding Vanuatu, however, there is substantial inconsistency, a lack of comparability, along with data that is difficult to locate. The Vanuatu National Statistics Office (VNSO), The World Travel and Tourism Council (WTTC) and the New Zealand Tourism Research Institute (NZTRI) have prepared various statistics, alongside strategic reports being funded by various aid agencies.

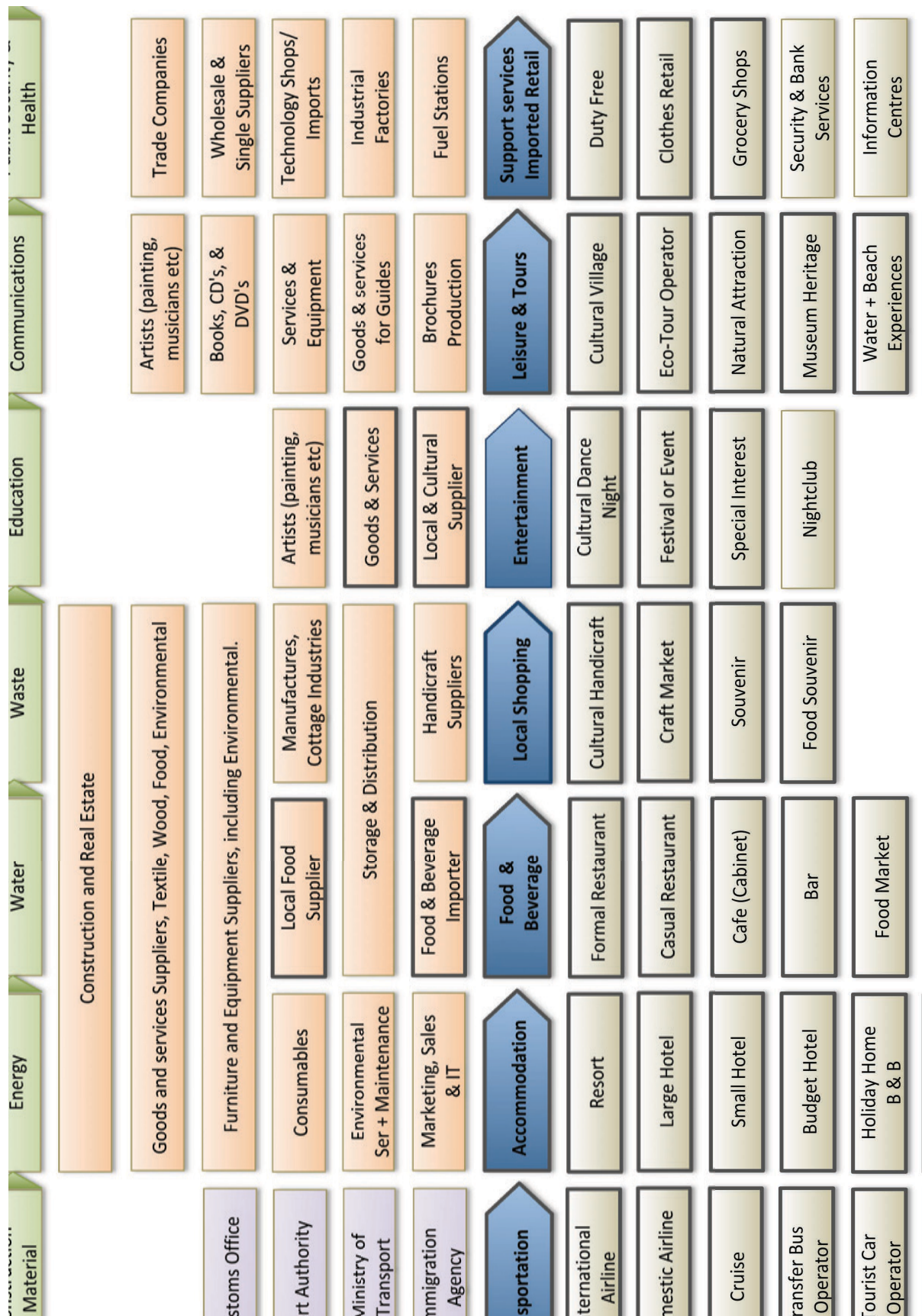


Fig 5.1 – An Overall Tourism Value Chain Structure for Efate Island, Vanuatu Structure

(Urosevic Z. & World Tourism Organisation, 2016)

Inbound tourism includes cruise passengers, as day visitors to Port Vila, and air passengers generally staying for a week or more. Tourism has a dual economy, with the economic characteristics associated with cruise passengers (cruise tourism) being totally different to that associated with the staying air passengers (landed tourism).

Cruise tourism is the most efficient at capturing tourist expenditure, as by its very nature all major expenses are incurred on board except for shore excursions. With the limited turnaround of cruise itineraries, time spent off the boat is limited, and generally for Port Vila, arrival is at 8.00 am and departure at 6.00 pm the same day. For most wanting to do anything outside the immediate Port Vila area, this requires booking to be made prior to arrival in Port.

While Vanuatu Statistics Office records International Visitor Arrival (IVA) information on a monthly basis, little more than this is recorded.

(a) **A Gauge of Importance by Visual Perception.**

Cruise tourism is experiencing substantial growth worldwide. Regionally, cruise round trips are rostered on a 7-10 day cycle, and with Australians accounting for 70-75% of passengers, the south-west Pacific is ideally located to service cruise routes. Both New Caledonia and Vanuatu are positioned in close proximity to the two major departure ports of Brisbane and Sydney, with Auckland also being relatively close. Cruise itineraries taking in Vanuatu most frequently include Port Vila, Luganville on Santo, and Mystery Island, with Port Vila receiving around 85% of passenger spending (Net balance Management Group Pty Ltd, 2014).

There is perhaps a heightened perception of the importance of cruise tourism, due to the visual presence of cruise passengers around Port Vila on cruise day. With a capacity of around 2,000 passengers per ship, the presence of large numbers of visitors in what is a fairly small central town centre is quite overpowering.

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Fig 5.2 – Monthy IVA statistics for 2013 Year (Vanuatu National Statistics Office, 2014)

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Fig 5.3 – Monthy IVA statistics for 2016 Year (Vanuatu National Statistics Office, 2017)

Fig 5.2 and Fig 5.3 show monthly visitor arrival statistics for the 2013, and 2016 years, which are the two years associated with economic data used in this section. Summing the arrivals for each year :

- 233,097 cruise passengers arrived in 2013 compared to 110,045 air passengers, with cruise contributing 67.9% of all visitors.
- By comparison, 2016 saw an increase of cruise passengers to 254,489, while air passengers decreased to 95,117. The decrease in landed tourists can be attributed in part to the fallout of Cyclone Pam, occurring March 2015, and drastically impacting the amount of hotel and resort accommodation that was available for the year following. As a consequence, the proportion of total visitors supplied by cruise tourism increased to 72.8%.

Increased cyclonic activity has made travellers more wary of when to travel to Vanuatu, and the period from November through to April is impacted by Cyclone season, with February and March generally known as the months of “death” for landed tourism. Conversely, Cruise tourism is perceived to be more flexible in regard to cyclones and has high visitor arrivals from November, falling away February-March. In this respect, it fills a significant void within the tourism calendar year, providing a levelling effect on tourism receipts.

(b) **A Gauge of Importance by Economic Comparison.**

Because there are no comprehensive economic statistics that give an overall comparison, or a detailed breakdown of spend, statistics have to be blended together in an ad-hoc manner. While this may be valid criticism, this is all that is likely to be available in the short term. For the purpose of this evaluation, data from three reports are blended :

- The Economic Impact of Travel and Tourism: Vanuatu 2015 (World Travel & Tourism Council, 2015)
- Assessment of the Economic Impact of Cruise Ships to Vanuatu. (Net balance Management Group Pty Ltd, 2014)
- Vanuatu International Visitor Survey: December 2015 – March 2016 (Milne S. & New Zealand Tourism Research Institute, 2016)

The blending is an attempt to produce a snapshot of economic spending and income for tourism activity and to determine a first look “Value Chain Structure” for the industry. Unfortunately, there are a number of inconsistencies; firstly, cruise data was available for the 2013 year, and similar breakdown figures for air passengers assembled for the 2016 year; secondly, that different currencies have been used in the various reports; and lastly, the fact that Cyclone Pam, a Category 5 Cyclone, caused a tremendous downturn in 2015. Conversion of currency in the reports have been based on “nearest actual annual exchange rates” issued by the Australian Taxation Office for the relevant years (Australian Taxation Office, 2018).

The cruise passenger report (Net balance Management Group Pty Ltd, 2014) includes both direct and indirect impacts but not induced impacts, and is based on surveys carried out with cruise passengers whereby their purchase values were obtained (that is the “gross value of output”), and does not necessarily allow for the alleged 50% commission that is taken by the cruise companies. It should, therefore,

be noted that neither the value of imported items nor that of the “intermediate domestic consumption” are likely to have been deducted.

Comparative figures for tourism overall, are based on a compilation of tourism satellite accounts and are taken from the Economic Impact of Travel and Tourism - Vanuatu 2015 (World Travel & Tourism Council, 2015). The WTTC figures are based on contribution to Gross Domestic Product (GDP) which calculates figures on gross domestic value added. For these published figures to be comparable to that contained in the cruise impact report, the costs associated with both imported items, along with the intermediate consumption are required to be backed out. The figures for 2013 can be gleaned from “The economic contribution of Travel & Tourism: Nominal prices” on page 13 (World Travel & Tourism Council, 2015).

Item	Value (Vatu mn)	Value (AUD mn)
<u>Direct Impacts</u>		
• Direct Contribution to GDP	15,120	166.15
• Purchases by tourism providers including imported goods.	13,672	150.24
Direct Contribution to Travel & Tourism	28,792	316.39
<u>Indirect Impacts</u>		
• Domestic Supply Chain	13,270	145.82
• Capital Investment	2,798	30.74
• Government Collective Spending	1,603	17.62
Indirect Contribution to Travel & Tourism	17,671	194.18
<u>Combined Direct + Indirect Impacts</u>		
Direct + Indirect Contribution to Travel & Tourism	46,463	510.41

Table 5.1 – Calculation of Overall Direct and Indirect Impact contribution to Travel and Tourism (World Travel & Tourism Council, 2015)

(c) **Pre-Arrival Payments.**

Tourists, in general, prefer to make prepayments for budgetary purposes, and their motivation is to maximize fixed costs and minimise casual spending at the

destination. An obvious difference between cruise and landed tourism is that the former directs funds offshore, whereas the latter usually has greater local content. By the very nature of their operation businesses involved in landed tourism are either registered Vanuatu companies, or are at least Vanuatu domiciled, and therefore are fully integrated within the Vanuatu economy.

Prepayments made within cruise and landed tourism is evaluated for their input to their direct contribution within Fig 5.5 and Fig 5.6, respectively. Items ringed in red show little or no input, while green indicates substantial contribution (faded rings indicate weak volumes). Those items ringed in yellow indicate that intermediate inputs are likely, but specific values cannot be obtained with any certainty.

Cruise Pre-Arrival Payments.

Cruise Pre-Arrival payments mainly occur for On-Board expenditure, in particular, accommodation, along with food & beverage, all of which involve 100% leakage. While there has been some suggestion that ships have taken on locally supplied bottled water and coffee (Net balance Management Group Pty Ltd, 2014), this forms a minuscule overall input. Generally, ship supply is strategically ordered to make the most of those countries where quality is guaranteed, supply certain, prices competitive and logistics reliable. Unfortunately, Vanuatu supply does not often qualify for those attributes.

In regard to pre-booked excursions, mark-ups in the order of 100% are charged by cruise companies on local prices and is seen by cruise lines as a way to maximise profits. For local operators to enter into arrangements with cruise tourism, heavy concessions have to be applied to their pricing, and operators are generally not permitted to offer the same tours or activities elsewhere.

Landed Tourism Pre-Arrival Payments.

Pre-Arrival Payments for Landed tourism vary, and for the largest resort and hotel developments, significant leakages occur both to service the offshore loans, but there is also a redirection of profits. Regardless of this, substantial local input occurs through employment, within accommodation, and food & beverage. On top of this local supply, at least in part, is encouraged. If tourists eat at cafés or restaurants outside of their accommodation, the local content is likely to be enhanced further, and there is a greater opportunity for the poor to participate within this activity.

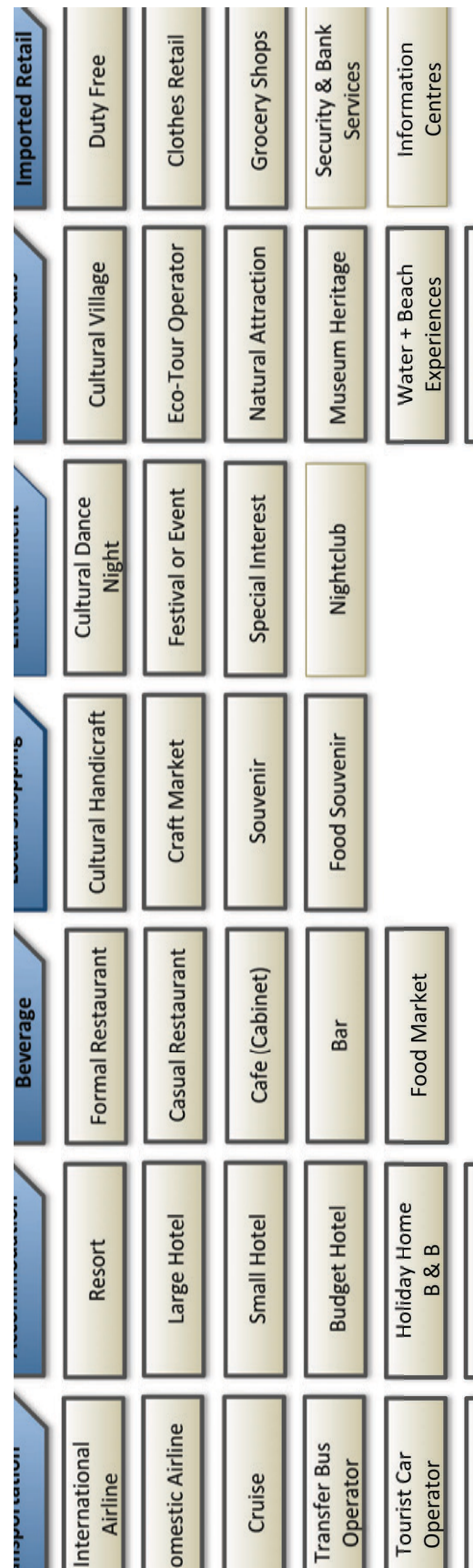


Fig 5.4 – “Direct Impact Contribution” Tourism Value Chain” Structure for Port Vila / Efate.

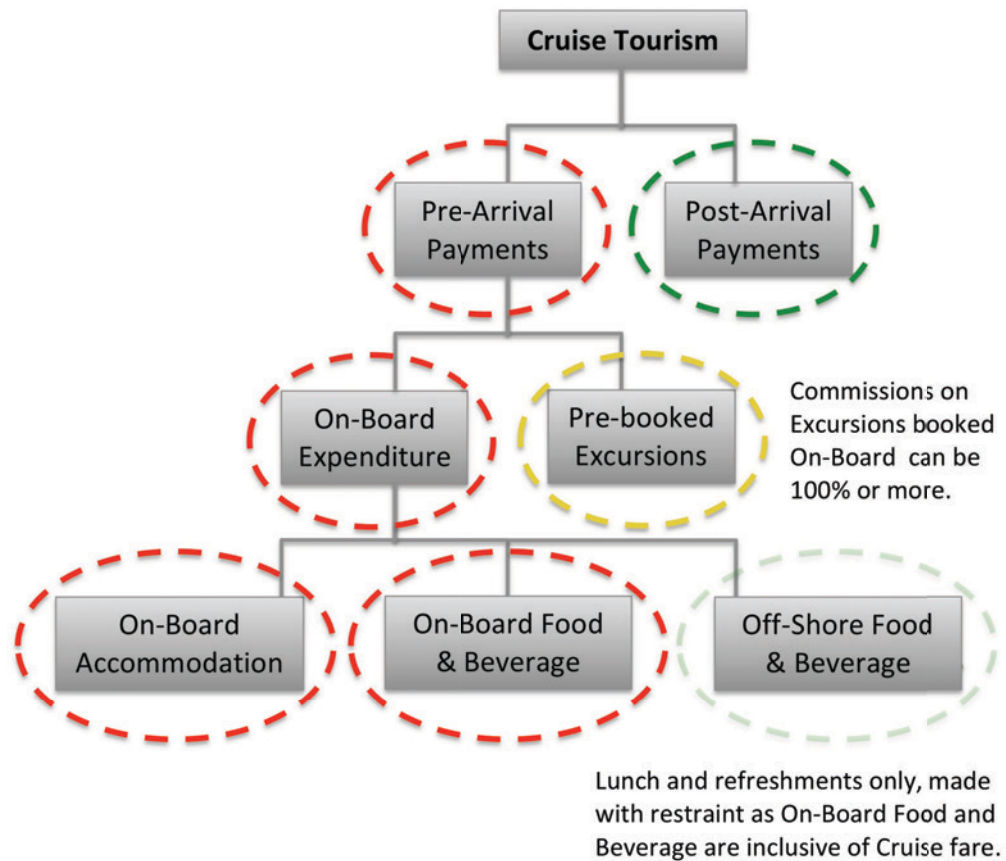


Fig 5.5 – Pre-Arrival & Post Arrival Inputs to Direct Impact Contribution from Cruise Tourism.

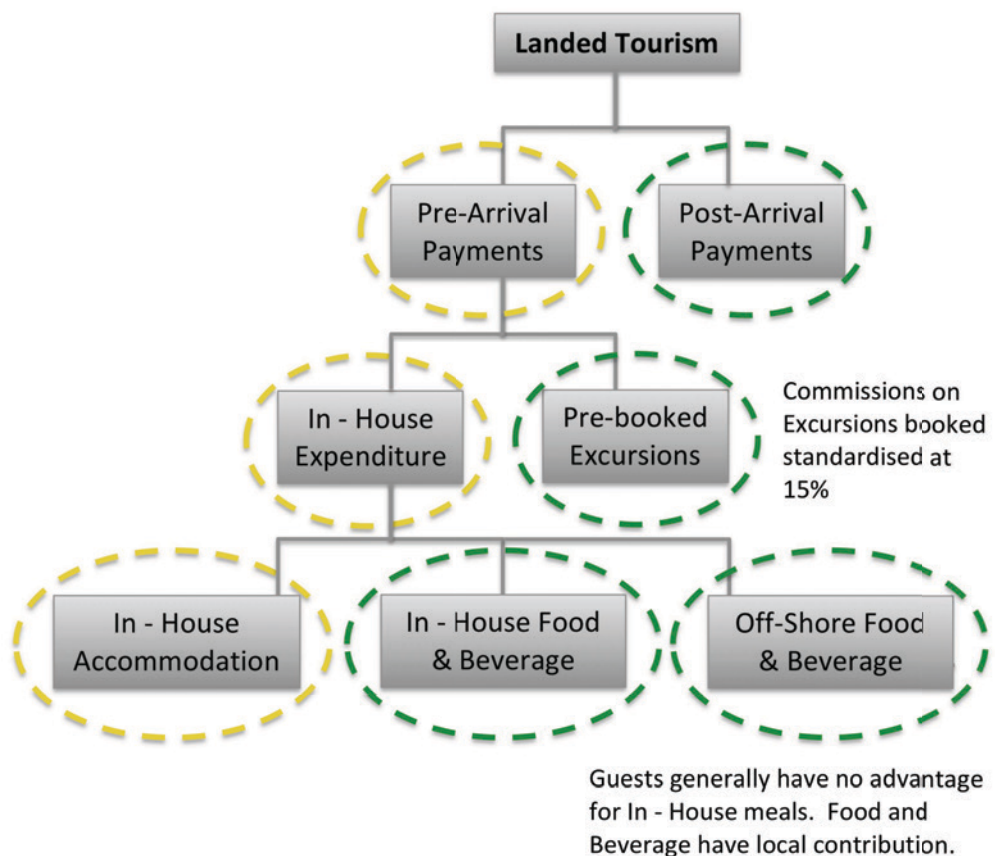


Fig 5.6 – Pre-Arrival & Post Arrival Inputs to Direct Impact Contribution from Landed Tourism.

(d) **Post-Arrival Payments.**

The WTTC figures do not distinguish between the types of tourism and Table 5.1 shows the relevant Direct and Indirect Tourism contributions for the complete tourism industry, including both cruise and landed tourism. Further, the figures are relevant to the whole of Vanuatu, including Santo, Tanna, and the outer islands. The following rationalisations are used to determine conservative figures applicable to Port Vila and Efate Island only :

- The landed tourism figures are obtained simply by subtracting the cruise tourism figures from the overall values, providing full figures for Vanuatu.
- Prepaid and local spend portions of tourist visits are broadly addressed in “Visitor Expenditure in Vanuatu” (Milne & New Zealand Tourism Research Institute, 2016). This calculation asserts that 60% of landed tourism is prepaid, while 40% is paid after landing at Port Vila.
- Port Vila is the gateway hub for landed tourism, and 99% of arrivals will overnight there. Only two other islands have any significance for tourism, Santo and Tanna, both of which attract 13% of tourists to venture to them (Milne & New Zealand Tourism Research Institute, 2016). Tourism is relatively low scale compared to the main island of Efate, and it would be conservative to assume that half post-arrival costs are attributed to travel on these islands. Therefore, relevant factors for post-arrival expenditure are :
 - Port Vila / Efate = $87.0\% + 0.5 \times (13\%) = 93.5\%$
 - Santo / Tanna = $0.5 \times (13\%) = 6.5\%$

Based on this, the contribution of Post – Arrival Contributions to Direct Tourism within Port Vila / Efate is calculated by :

$$\begin{aligned}\text{Total Direct Tourism} &= \text{AUD } 283.39 \text{ mn} \times 0.4 \times 0.935 \\ (\text{Efate: Post –Arrival}) &= \underline{\text{AUD } 105.98 \text{ mn}}\end{aligned}$$

The total Post – Arrival input to direct contribution from cruise tourism to Port Vila / Efate is AUD 28.0 Million (Net balance Management Group Pty Ltd, 2014)

$$\begin{aligned}\text{Cruise Direct Tourism} &= \underline{\text{AUD } 28.00 \text{ mn}} \\ (\text{Efate: Post –Arrival}) &\end{aligned}$$

Therefore, the landed contribution can be calculated. The difference between them of AUD 77.98 () constitutes the contribution of landed tourism.

Landed Direct Tourism = AUD 105.98 – AUD 28.00

(Estate: Post –Arrival) = AUD 77.98 mn

In 2013, the post-arrival contribution made by landed tourism is 2.7 times greater than the contribution made by cruise tourism.

(e) **A Comparison of Post-Arrival Payments between Cruise & Landed Tourism.**

<u>Item</u>	<u>Cruise Visitor Impacts</u>		<u>Air Visitor Impacts</u>	
	% Category	Value (AUD mn)	% Category	Value (AUD mn)
<u>Direct Impacts</u>				
Tours and Entertainment	33.8 %	9.5	11.1 %	8.6
Duty Free	14.2 %	4.0	2.5 %	2.0
Souvenirs	13.9 %	3.9	3.7 %	2.9
Transport	10.8 %	3.0	14.7 %	11.5
Services	10.8 %	3.0	3.7 %	2.9
Retail	8.7 %	2.4	10.4 %	8.1
Food and Beverage	7.8 %	2.2	29.4 %	22.9
Accommodation	0.0 %	0.0	24.5 %	19.1
Direct Contribution to	100.0 %	28.00	100.0 %	78.0
Travel & Tourism				

Table 5.2 – Breakdown of Expenditure Categories for Cruise and Landed (Milne & New Zealand Tourism Research Institute, 2016; Net balance Management Group Pty Ltd, 2014)

Investigation of the contribution categories from the two types of tourism indicate that there are contrasting behaviours in regard to their Post-Arrival payments. This is perhaps most clearly shown in the percentages diagram shown in Fig 5.8, where:

- Landed Tourists generally spend their money on categories associated with standard lifestyle activities including food & beverage, retail, and transport.
- Conversely, Cruise Tourists generally use their discretionary spending on duty-free, souvenirs and tours and entertainment.

- It is noted that for Cruise Tourists, tours and entertainment have been included in both Pre-Arrival, and Post-Arrival discussions, but in actuality, they will be referring to the same items.
- The wording in regard to tours and entertainment may, in fact, be misleading, as it specifies that it “includes” local content, with the inference that it will likely be a Gross figure, including the ships mark-up.

The two tourism forms are put into perspective when actual value is considered:

- Given that Cruise Tourists make up 67-72% of all tourists, spending of Cruise Tourists is actually distorted. If considered on a per capita basis, their spending on tours and entertainment would be tempered.
- Tours and entertainment found in Port Vila, are generally not culturally focused, and operations generally involve some investment, which is beyond most Ni-Vanuatu. Therefore, the local population is generally relegated to employment in this sector.
- The actual value spent by Landed Tourists on food and beverage is substantial, while Cruise Tourists spend only a tenth of this and therefore make little or no contribution. The food and beverage sector provides significant employment, in larger establishments, and opportunities for Ni-Vanuatu to establish their own businesses.
- The use of transport is an important input for Landed Tourists. Excepting for the larger tour bus companies, this is a sector that is exclusively Ni-Vanuatu including ownership of taxi's and buses.
- Retail is somewhat mixed, as it generally has little local goods and services, but significant employment. Unfortunately, government policy has allowed this area to be dominated by Chinese leaving little or no opportunity for Ni-Vanuatu.
- Duty-Free is a popular activity for Cruise Tourists, but contributes little or nothing, other than some employment, as goods are fully imported.
- Souvenirs, generally surround imported fabrics, and cheap generic trinkets, with some local carvings interspersed. Often the ultimate insult is that items displaying national symbols and attributes, are generally manufactured elsewhere and imported.

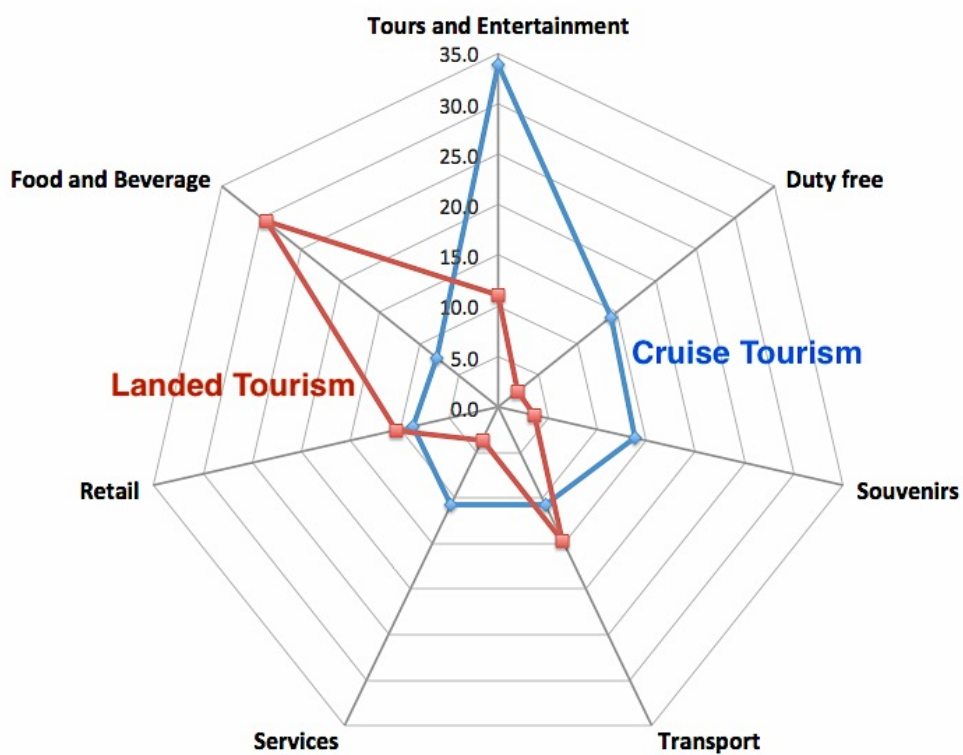


Fig 5.7 – Post Arrival Inputs: Category Breakdown by Percentages for 2013, Cruise & Landed Tourism.

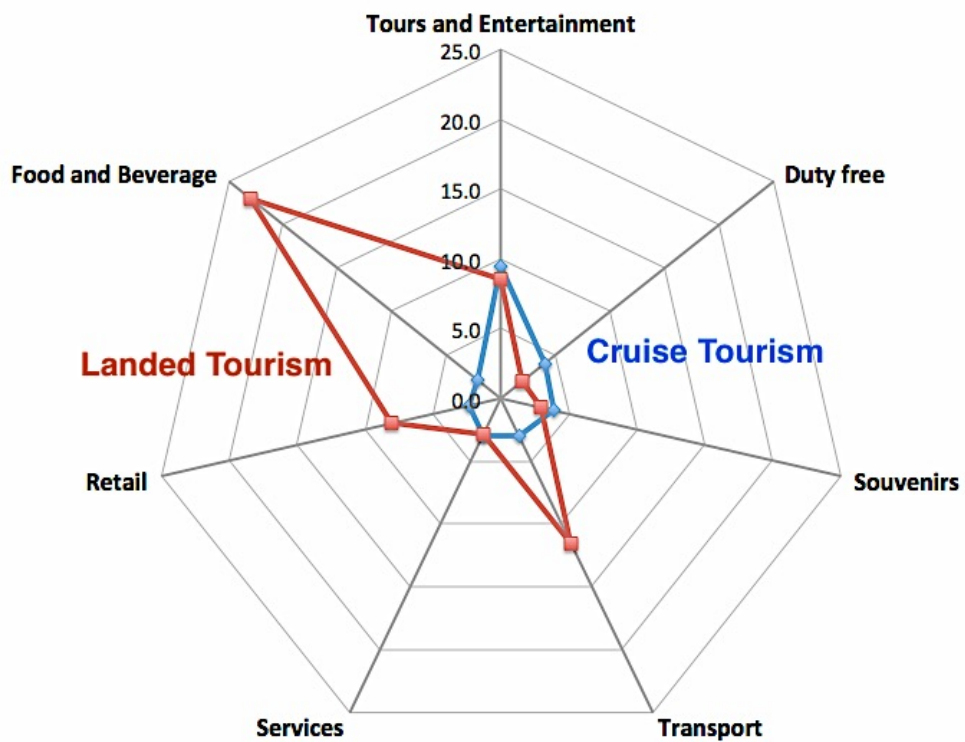
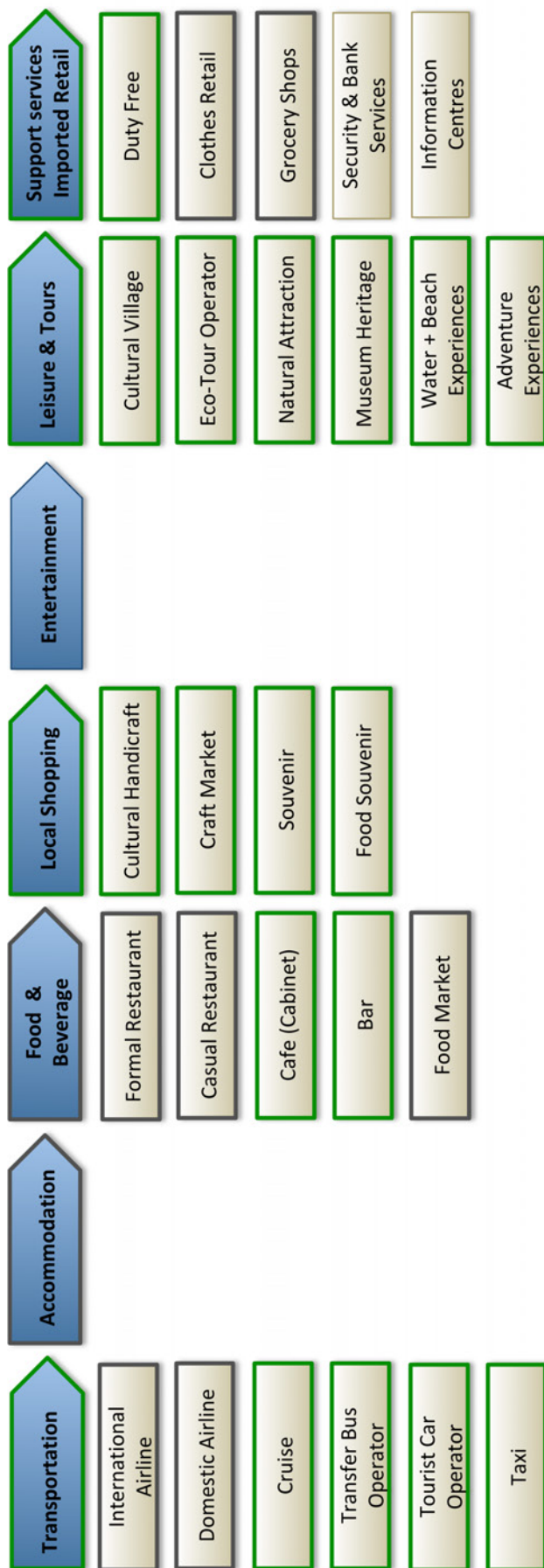
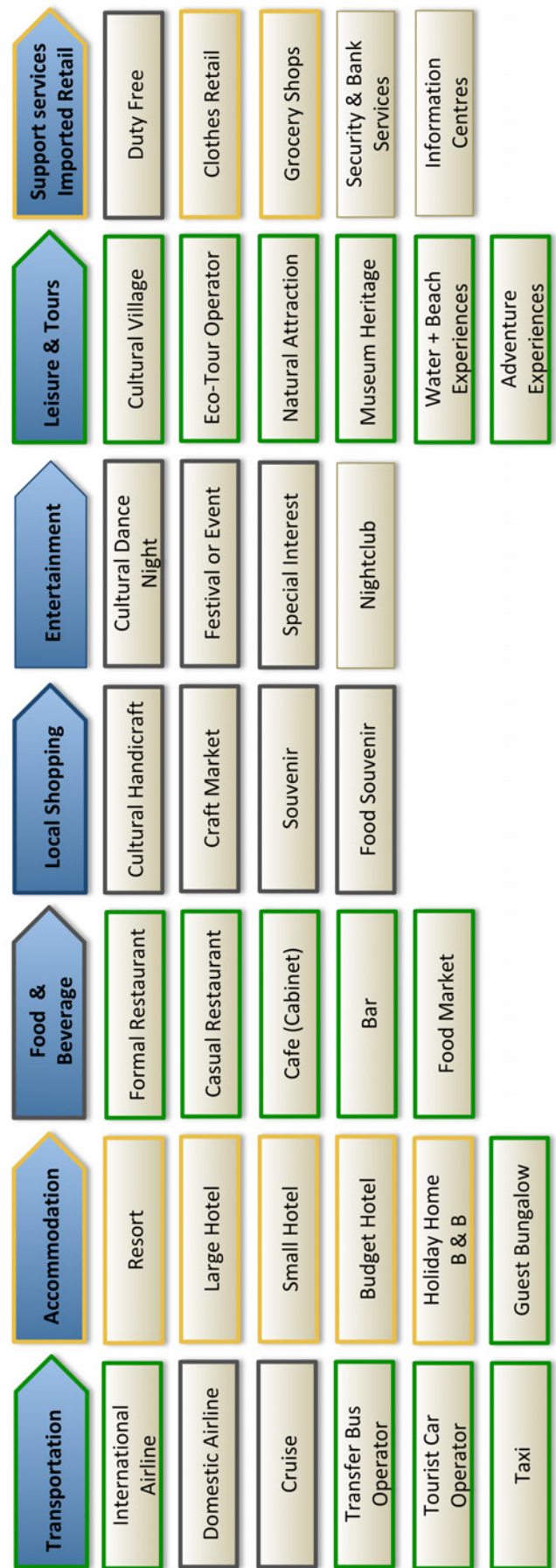


Fig 5.8 – Post Arrival Inputs: Category Breakdown by Percentages for 2013, Cruise & Landed Tourism.



Tourism Value Chain Structure : Cruise Tourism



Tourism Value Chain Structure : Landed Tourism

Fig 5.9 – Direct Contributions to Tourism Value Chain Structure: Cruise and Landed Tourism.

5.3 Tourism Sectors that have the Potential to Provide the Strongest Pro-Poor Returns.

Two approaches can be taken to develop Pro-Poor tourism:

- Firstly, to determine areas where little, or alternatively where misdirected, activity is occurring and fill those missing niche opportunities.
- Secondly, to evaluate and optimise organisationally dominant sectors in a way that benefits both the industry, along with poor people.

A simplified Value Chain Structure is included in fig. 5.9, and the cursory value chain analysis herein establishes that accommodation, along with food & beverage, are the dominant sectors. While much can be achieved in developing tour operations, cultural experiences, and handicraft retail, the importance on GDP and employment figures is secondary to those of the first primary sectors.

A comparison of visitor behaviour during their stay serves as a comparison between accommodation and cruise tourism, in regard to their relative worth. The year after Cyclone Pam was perhaps the worst year for landed tourism, and while 2016 resulted in an increase in visiting cruise passengers to 254,489, there was a substantial decrease in landed passengers to 95,117. The average length of stay for landed passengers was 9 nights, while cruise ships dock in Port Vila at about 8.00 am in the morning and depart by 6.00 pm in the evening (Milne & New Zealand Tourism Research Institute, 2016). That equates to 254,489 visitor/days ($254,489 \times 1$) for cruise tourism, compared to 856,053 visitor/days ($95,117 \times 9$) for landed tourism. Based on this cruise visitors account for only 23% while landed visitors account for 77% of the visitor/days in Vanuatu. Cruise passengers pay nothing for accommodation, and little for food and beverage, whereas landed passengers pay for each night's accommodation along with meals each day. Further, all secondary tourism activities such as tours, cultural shows, and handicraft purchase are equally available to both tourism types.

5.4 Cruise Tourism Reports & Strategies: Context for the Poor.

(a) Vanuatu's National Cruise Action Plan.

Vanuatu's National Cruise Tourism Action Plan (DoT, 2012) was prepared by the Department of Tourism with funding provided by P&O Cruises and local sources. A significant section of the action plan is headed "Why Increase Cruise Tourism?", however, an evaluation reveals that the Vanuatu economy is only mentioned in passing, and Ni-Vanuatu living in Port Vila are not mentioned at all. Instead, the

section dwells on actions that Vanuatu should do to make itself more attractive to Cruise companies. From a livelihoods perspective, important aspects include :

The need to develop the handicraft, and souvenir sector to move away from selling overseas sourced product to locally sourced items and does foresee the need for a “Vanuatu-made” brand (Key Area 3 - Actions 18 through 20).

Education is outlined in Key Area 5 of the report but its opening stanza clear denotes its purpose:

“There is a lack of community awareness about the importance of cruise shipping to the local economy.”

There are a number of initiatives designed to enhance the engagement of local peoples with cruise tourism (Actions 35-40). Importantly, Actions 41-44 are directly aimed at providing both formal and TVET education to the cruise industry. In particular, HTLTC should improve hospitality training regarding cruise, and exploring ways to increase Ni-Vanuatu employees on ships.

The need to upgrade port facilities, and to cater for larger ships that can carry up to 3,000 passengers. The inadequacy of port facilities is clearly denoted in Key Area 2, actions 11-14. Further, a review of the Vanuatu Cruise Ship Schedule (Crew-center, 2017) shows that at present the consecutive days when a cruise ship (different ships) is in port is significant. It is clear that during peak times both the overall cruise traffic, along with the need for flexibility if delays occur, will require the facility to cater for two ships at a time, perhaps using the container facility as a secondary berth. The over-capacity aspect of increased day visitors on Port Vila has not been addressed and instead the report places far greater emphasis on increasing visitor traffic :

“The Government must employ effective and progressive ‘demand side’ strategies to retain, develop and grow high volume, high yield cruise tourism in an increasing competitive regional market.”

(b) **Vanuatu International Visitor Survey (IVS): 2016**

An evaluation of IVS also places some emphasis on the importance of cruise (Milne & New Zealand Tourism Research Institute, 2016), indicating that 9% of returning visitors have been to Vanuatu previously on a cruise. It also provides some evidence, in the period between 2010-2016 that for 14% the experience on the first cruise was the prime reason for the return visit, and for another 27% it was very influential.

It is known that cruise tourists do have a propensity to remain solely within cruise tourism (J.D. Power Research, 2017). In fact, the CLIA report states that 92 % of cruise tourist will probably or definitely book a cruise as their next vacation. Added to this, only a handful of people indicated other types of vacations as “best”, including as little as 8% who cited a land-based vacation “trip”, and 7% who cited an all-inclusive resort. It is clear that cruise holidays begets more cruise holidays.

5.5 Port Vila Business Community: Context for the Poor.

(a) Expatriate Business Senior Manager: John.

John is a major business owner that supplies the tourism and hospitality industry, and is active on the Vanuatu Chamber of Commerce and Industry (VCCI) :

Interviewer: We've got two main streams of tourists coming in, we've got those that are flown in, they come and stay here for a good number of days, and we've got the day they tourists, who come in on cruise boats. It appears that it is our policy to incentivise cruise boats to come here. What's the chamber's attitude to the two types of tourists?

John: Well the Chamber's attitude is that it's very positive on both. Because it's exposing the country to a potential export market of tourist. They do realise that the airport is more critical. You know, the airport closing does a lot more damage to the economy instantly than a cruise boat not turning up for a month.

Interviewer: Do you think that's because overall per stay there is a lot more spending?

John: A lot more spend, but I don't think the government, and I don't think chamber, and I don't think the tourism office fully comprehended it. They see the cruise boats has bringing in a lot of tourists, and they see that as something they can hang their hat on, and say that it is an achievement that they have increased the amount of tourists coming in. Curiously Fiji doesn't count cruise boat people as tourists but counts them as day visitors. Their data which they have on their own website shows how little value they are. One cruise boat tourist is worth something like \$20 per person to the economy per day, whereas one airport tourist is worth more like \$400 per day, so the value of an airport tourist is 10 to 20 times more, and they stay for 10 days on average, so that with 100 to 200 times more as individual person.

So when you think of it like that, you know we get a thousand cruise passengers get off the boat a lot stay on the boat because they don't want to deal with the riot down the wharf, or life is pretty good on the boat, free food, doesn't cost them anything. But a thousand cruise boat passengers

come off the boat, all we need is 5 to 10 extra airport passengers on a plane to equal those guys.

Interviewer: The other point about that, the effect of the cruise boat, the influx of people on what they call cruise-day day. How does that affect your business when a boat is in. You were mentioning I think that 50% of your custom would be through hotels and the other 50% the local expats?

John: Cruise boats have almost zero impact on us because they tend not to spend any money on food and beverage.

Interviewer: Does that mean though that expats stay away on that day?

John: Yes, they fill-up town and occupy seats, but they don't really spend any money, so as a result, they occupy a space were our high-value customer could be. And most expat's see a boat in town, they avoid town. So if you want to go to town, you don't, you go somewhere else. The expat's go where the cruise tourists aren't. A bit of a generalisation.

.....

John: I don't think the cruise boats are necessarily negative, but they are not the positive impact that people would like to believe. I've seen the reports that are produced, that P&O have commissioned to be independent, and the reports say the vast majority of people wouldn't come back, or can't make up their mind, but a minority of people consider coming back, and we are talking 10 to 15% is in one of the reports I saw, and I don't think it's a good scorecard. Ten to 15% of people say they wouldn't come back is bad.

Interviewer: You mean 10 to 15% would come back is bad?

John: Ten to 15% saying that they would consider coming back and they would consider coming back for a longer holiday, a longer stay. The majority, the rest of it was split with, they are undecided, so of the remaining 80%, 40% said no they wouldn't come back, and 40% said I don't know if they would they wouldn't. Generally, if you're not too sure if you would, or you wouldn't, your hearts not in it, you're not coming back. So if it was a business, and Vanuatu was run as a business, you would know you've got massive public relations issues going on. If I had that problem here, 80% of my customers were not sure if they would come back or not, or definitely wouldn't, and only 10 to 15% would come back, I'm doing something really wrong, and I'm not going to be in business for much longer.

Interviewer: That talks about intention, it is not a actuality. The only proof in the pudding is see if you can then get data to say that they do come back.

John: Yes, of the 10 to 15% maybe 20% said they would, I would you would be lucky if 10% of those actually do.

(b) **Expatriate Business Senior Manager: Henry.**

Henry is the General Manager of a significant Boutique Resort, and is one of the larger facilities that is highly regarded for its service and ambiance:

Interviewer: From the business's point of view, what is the priority in terms of tourism for Vanuatu, passengers flying in, guests flying in, or making a priority of increasing cruise number?

Henry : The stats speak for themselves. The cruise line bringing about \$25 per person. People who land at the airport bring in much more.

Interviewer : That is per day?

Henry: Per day, and so the stats have done, and they've been done numerously, and its people who have their backside on a plane landing at the airport will contribute to the whole economy. People come the cruise ship will just use 1% of the economy, and it's a false economy for what some tourism figures say in this country.

While the resort has an extensive training program including sponsoring staff through the TVET courses, there is a high attrition rate of trained employees to cruise companies :

Interviewer: The staff that have done the course, have you tried to tie them, and have they stayed?

Henry: We put through 15 staff members last year, and out of that 15 staff members we have 4 that stayed. So it's a little bit frustrating, but it's tourism around the world, it's hospitality around the world. It happens everywhere. We all want to further ourselves, whether we come from New Zealand, Australia, or Vanuatu, we all have our own agendas. With the people that left, we wish them well, but they went onto the cruise ships, and I know that was their aim to go.

Interviewer: Had they ever expressed it?

Henry: No.

Interviewer: The ones gone through the Institute, would that be a similar story?

Henry: Yes. Very very much so.

(c) **Ni-Vanuatu Tour Booking Agent: Marilyn .**

Marilyn is involved in a small family business of four people working in two small shops in the centre of Port Vila, where they take bookings for tours and excursions on commission:

Interviewer: Do you get many people from cruise's coming to your kiosk.

Merilyn: Yes.

Interviewer: But you know that they are encouraged to do a lot of their bookings on the ship itself.

Merilyn: I found out that yesterday we had a big cruise ship and we have two people doing the Zip Line, and others doing the same on our tour. On the ship, it's more expensive. They tell me that they look at the prices on our brochures and they say that the ship is more expensive so they decided not to book any tours on the ship. When they come here they come straight to us.

(d) **Expatriate Tourism Operator /Owner : Wendy.**

Wendy and her husband own a tourism businesses outside of Port Vila:

Interviewer: Cruise. When you say you are you're getting nothing, are you getting no tours or no money?

Wendy: Almost no tours. I don't know what's gone on. P&O especially have just really dropped the bundle. They have cut the number of tours on the boat, so we have lost one (boat), we are supposed to have another one go on (boat), nothing's happened. we are supposed to be on all of them(boats).

Interviewer: So it's a boat specific thing?

Wendy: They will only have one of each type of tour.

Interviewer: If I remember rightly that it (tours) have to be something that you don't offer elsewhere?

Wendy: On my website, I cannot pre-sell the tours that they have on the boat, on the day of the boat. If people contact me on my website and say that they are coming in on this boat, and we want to do the then I have to say no.

.....

Interviewer: One of the troubles is that the people on the boat have worked out that the boats are charging twice the money.

Wendy: They are, but I can't make as much money off individuals as I can off the people off the boat (groups of people), because for me, the costs is transport, and so I can full up a bus. So even though I sell it for less, I make more money because I can cut my transport costs.

Interviewer: if you've got a good arrangement with them then our cruise is a good thing?

Wendy: I like them.

interviewer: You do like them? And they are good to get on with?

Wendy: They are horrible to get on with. Nowhere else in the industry do you give a product, and they market it for you, and you have no idea what they are doing. I mean I hate the whole process, but as a way of how we survive, I quite like the boats.

Interviewer: With the wharf extension now and that the spectre of having 2 boats in on the same day?

Wendy: We can only get one boat at the wharf. So the whole exercise was short minded really? We need to be able to get two boats. For cruise boat tourism to grow we need to put two boats at the wharf.

Interviewer: Do you think that Port Vila could sustain that number of tourists?

Wendy: Yes. It's all about numbers. You can't have what we have got without numbers. That is the only way. Until we start getting numbers, nobody is going to start being reasonable (with prices). They are all after the maximum they can get per day.

(e) **Expatriate Food & Beverage Senior Manager: Susan.**

Susan is the senior manager in a café with a great reputation in the centre of Port Vila:

Interviewer: Cruise boat people. Do you get many of them ?

Susan: A few years ago it was very, very busy with the boats, but these days we get some. This week every day there is a cruise boat. On Tuesday there is one of the more exclusive cruise boats. Those people have a little more money so they are going for lunch somewhere else, so they will come. Some of the others they don't come, they get told on the ship not to go and eat anywhere because they could get sick.

Interviewer: They are told that?

Susan: Yes. And of course they have breakfast, lunch and dinner on the ship, so they can eat as much as they want, so why would they spend money?

5.6 Discussion on the Pro-Poor Value of Cruise vs Landed Tourism.

Stated in a crude economic fashion, at a macro level, tourism's value in helping poor Ni-Vanuatu escape poverty boils down to how much monetary exchange the poor receive from the presence of tourists. The greater the magnitude of the monetary exchange, the greater is the potential for Pro-Poor implementations. Further, there are no conceivable social, cultural, or political arguments surrounding cruise tourism that do not also apply to landed tourism, and therefore these aspects can be set aside.

The duality of visitors to Vanuatu is perhaps the most significant aspect of tourism within the country, but for all of that, there is very little work done on detailed value cross-comparisons between the “cruise” and “landed” tourism. The sight many Ni-Vanuatu see in central Port Vila on “cruise days”, is of a multitude of visitors that raise expectations in locals that are akin to cargo cult status. However, a cursory evaluation of the Value Chain Structures is revealing, and an important consideration in Pro-Poor evaluations. It stands to reason that the larger the structural web of the Value Chain Structure, the greater will be the “touch points” with Ni-Vanuatu, and further, for each touch point, there is likely to be an “exchange” that accords value. A portion of the aggregated value remains in Vanuatu, and a percentage of that is distributed to the cross section of Ni-Vanuatu peoples. Three attributes will determine the magnitude of the aggregated exchange; firstly, the length of stay on “land”; secondly, the number and extent of daily touch points; and thirdly, the desire to spend by visitors.

(a) **Discussion of Question 1**

This research considers comparative earnings from direct contribution only and shows that the earnings from Landed Tourism is considerably more than that from Cruise Tourism. If Indirect and Induced contributions were included, the disparity would likely be higher.

The comparative Pro-Poor value of cruise, as opposed to landed tourism, appears to be a relatively easy matter, as cruise visitors remain in port less than a full day, have a limited set of localised touch points, and have a propensity not to spend because much is free on board the ship. This is supported by evaluative calculations carried out which indicates that the “Direct Tourism” value of “landed tourism” to Port Vila is roughly AUD 78 million, compared to that of AUD 28 million for “cruise tourism”. Further, table 5.2 (along with fig 5.7 and fig 5.8) indicates that the direct spend by “landed tourism” is spread widely over the Tourism Value Structure, with accommodation, food & beverage, transport, and tours, being significant recipients. Conversely, “cruise tourism” is very narrowly focused and its largest contribution is towards tours.

If the two tourism types are compared through their direct spend (or the destinations earnings) per visitor, a truer picture is obtained. Table 5.3 provide comparative direct earnings per visitor, which clearly shows the value of a landed visitor being six times greater than that of a cruise visitor. Further, because the touch points landed tourism on the Value Chain Structure, a far greater indirect and

induced tourism spend will also occur, and this can easily be discerned from the WTTC reports (World Travel & Tourism Council, 2015, 2017).

Tourism Type	Direct Earnings	Tourism Visitor Numbers	Earnings per Visitor
Cruise	AUD 28.0 mn	233,097	AUD 120 / visitor
Landed	AUD 78.0 mn	110,045	AUD 709 / visitor

Table 5.3 – Earnings per Visitor for Cruise and Landed Tourism for 2013 year.

Fairly detailed annual statistics are available from the South Pacific Tourism Organisation (SPTO) for all Pacific nations (SPTO, 2016, 2017), and figures show that New Caledonia is by far the largest recipient of cruise tourism, benefiting from 48.2% of all cruise arrivals in 2016, and 50.2% in 2017. In fact, New Caledonia received approximately 500,000 cruise visitors each year, over twice that received by Vanuatu, and could perhaps be held up as the exemplar for other Pacific nations to follow. Again no comparative figures between cruise and landed tourism are presented under the auspices of the UNWTO tourist/excursionist definitions. In the same report, tourism “earnings per visitor” is similar for both New Caledonia and Vanuatu (SPTO, 2017) , but they do not include figures from cruise visitors, and one suspects that if they did the New Caledonia figure would drop substantially in comparison to Vanuatu, and plummet relative to that of the Cook islands which has little or no cruise tourism at all.

(b) **Discussion of Question 2**

Cruise has multiple interaction points with landed tourism and impacts Landed Tourism, particularly where it concerns Pro-Poor activities. Infrastructure spending, direct effects on local businesses, and asserting control over tourism activities in the Port Vila area are significant impacts on Landed Tourism.

The Government’s attitude is embodied within its action plan, a document that is in part sponsored by the cruise industry and is self-serving towards the industry without placing any real obligations on the industry to contribute to local industry development. There is an argument at governance level that docking fees contribute to the national economy and allows the government to provide Pro-Poor services to

Ni-Vanuatu. This is weak at best and implies that such earnings are achieved with limited investment spent. The Vanuatu government would be forgiven for believing this, as the New Zealand Government sponsored the present wharf facilities to a stand-alone cruise boat docking, along with a harbour waterfront beautification programme in a tourism infrastructure upgrade, to the tune of NZD 20 million (MFAT, n.d.). Of more concern is the development of the Lapetasi International Cargo Wharf, which was implemented after a feasibility study by the Australian Government through DFAT, and a development loan by the Japanese Aid agency Official Development Assistance (ODA) for VUV 9.5 billion. Lapetasi is a “Multi-Purpose Wharf”, whose loan must be paid back by the port operating company Ifira Wharf and Stevedoring Ltd (Vanua, 2018). There is the question of how long it will be before Ifira is required, or desires, to take on cruise ships to help cashflow the upgrade. The likelihood of having two cruise ships in a port becomes a very real possibility.

Tourism business owners in Port Vila generally witness the manifestation of cruise tourism and are well aware of its consequences. The official views of the Chamber of Commerce appears to be that both cruise and landed tourism are positive, with a recognition that the airport is more critical. However, John a local business owner is well aware that landed tourism brings in much more money to the economy than landed, and this view is supported by Henry, a senior manager of a local resort. Both point to the misinformation regarding actual contributions that are included in some reports. Others, such as Susan, who is the manager of a food & beverage facility, is categorical in her views that cruise visitors spend little in her sector of the industry. It is difficult see how cruise contributes in a Pro-Poor manner when the touch points have become so minimal.

Much is made of the volume of customers that cruise brings to tour operations and the handicraft industry, and here the contribution is mixed. Wendy the owner of a Tour operation is clear that she is dependent on cruise tourism for survival, and would support its expansion for financial reasons. However, she is completely at the mercy of the cruise companies who determine the nature of her product, how it is marketed and exerts other controls over how she manages her product elsewhere. Further, Wendy’s margins are squeezed while cruise companies place substantial markups on the same tours, which are leaked out of the economy. This is confirmed

by Marilyn, a tour booking agent, whose experiences include cruise visitors wanting to make instant tour bookings away from the ship.

Perhaps the most important aspect of Pro-Poor implementations within the tourism industry is the up-skilling of Ni-Vanuatu through education and training programs. It is assumed that such training will primarily benefit landed tourism facilities. However, having sponsored around fifteen employees at considerable cost to through TVET training, John's business lost eleven, who subsequent to their training left to join a cruise ship. The poaching of trained staff without recompense is a substantial sinkhole in the industry that needs further research and evaluation.

(c) **Discussion of Question 3**

From a Pro-Poor perspective, the cruise ship development is less positive, and more negative for the following reasons :

- The development of the port and associated waterfront has little to do with the lives of Poor Ni-Vanuatu, other than possible engagement within the development of handicraft and souvenir manufacture. Presently, the number of low quality retail handicraft stallholders is excessive and is detrimental to the industry.
- In regard to a return on investment for poor people, monies expended on wharf upgrades do not better the lives of poor people and would have been better spent on more directed projects. In fact it can be argued that such infrastructure upgrades will help non-poor by encouraging the sale of imported goods to those least able to purchase them and incorporate substantial leakages offshore.
- Presently, the flood of cruise visitors in the small area of Port Vila on cruise day is detrimental for both locals and landed tourists. No research into cruise over-tourism has been undertaken, and there are concerns that central Port Vila will simply be unable to cope with larger ships, and become impossible if simultaneous docking of two ships commences.
- The cruise companies provide little in the way of development to Port Vila's tourism industry, or training of Ni-Vanuatu. It appears inequitable that a sector that creates huge dislocation in the normal running of an urban area and gains substantial earnings in the process, contributes little in respect to the industries, and associated services needed to cope with that dislocation.

Conversely, from a Pro-Poor perspective, landed tourism is positive for the following reasons :

- Its development is labour intensive and helps local Ni-Vanuatu transition from the informal economy to the formal economy, providing income for whole family groups.
- The touch points on the Value Chain Structure is relatively high, resulting in a broader range of opportunities across a more diverse range of industries. Contributions to the Vanuatu economy are not limited to direct tourism contributions, but also through indirect, activity. Linkages with agriculture should be an important factor.
- Employment is perhaps the single biggest benefit to poor Ni-Vanuatu, and the ability to earn income is paramount within the Port Vila urban area so that families can pay rent on leased land, and purchase food because they are less able to be self-sustaining.
- The development of landed tourism facilities creates positive infrastructure development, along with other induced impacts that has far-reaching implications for the whole of the Vanuatu economy. A prime example is the building industry, which benefits not only through employment but also by the creation of building products.
- Landed tourism creates demand for increased education and TVET initiatives, and the increased level of competence creates opportunities for the poor through greater knowledge and increased pathway choices.

(d) **Discussion of Question 4**

Optimum Pro-Poor Tourism can only happen if some control is exerted over the operation of Cruise Tourism so that its benefits are maximised during low season periods for Landed Tourism, and some limitation placed on it during the high season for Landed Tourism.

While cruise and landed tourism have been able to coexist together in Vanuatu up to this point, tourism has reached a crossroads where the development of Cruise may continue at the expense of Landed tourism. Research should be undertaken to determine what boundaries should be placed on it so that the maximum return is obtained for the Vanuatu economy.

6.0 Landed Tourism Optimisation Scenarios.

Utilising a pragmatist paradigm allows the research to move through the areas of research which progressively and more intensely connect tourism in a manner which benefit a Ni-Vanuatu. Chapter 5.0 looked at the relative contribution of Cruise Tourism and Landed Tourism made to the benefit and development of Ni-Vanuatu society. The Pragmatic approach allows a resolution in a staged manner, directing subsequent lines and area of inquiry (questions or propositions) from the resolution of the previous area. It is noted that in accordance with the pragmatic axiology, a resolution is determined by the resolution “value’ to Ni-Vanuatu (section 3.8). Chapter 5.0 provided discussion and resolution that Landed Tourism provided a better opportunity for “human flourishing” than Cruise Tourism. Therefore Chapter 6.0 looks at opportunities that exist and around Landed Tourism.

Because consideration must be given to those things that provide for the maximum number of “right desires” (section 3.8), the approach must be to focus on those parts of landed Tourism that will benefit the most number of Ni-Vanuatu and particularly poor Ni-Vanuatu. Resolution of questions concerning aspects of Landed Tourism will help identify positive mechanisms for Ni-Vanuatu within the industry. The research is guided by the perspective that these mechanisms should be “global’ rather than “local”, that as a consequence major industry sectors are more relevant that smaller sectors such as the handicraft sector. In this regard the following questions are relevant to Landed Tourism:

- Question 5 - For Port Vila and Efate Island:
 - a) Is tourism the dominant source of revenue?
 - b) Is the employment of people within tourism commensurate with its contribution to the economy?
- Question 6 - In regard to Ni-Vanuatu participation in economic endeavour:
 - a) Is the activity in the Informal Economy greater than within the Formal Economy?
 - b) Are all demographics actively involved?
- Question 7 - Is the evaluation of business organisational structures within Landed Tourism an efficient means of enacting Pro-Poor Philosophies?
- Question 8 - Is a scenario (Scenario 1) where there is no industry growth positively Pro-Poor?
- Question 10 - In a scenario (Scenario 2) where the aggregate of the Landed Tourism organisational structure expands 20% on a 3 yearly cycle :
 - a) Is it positively Pro-Poor?

- b) Does it provide employment to levels advanced by World Travel and Tourism Council data?

Question 11 - Is a scenario (Scenario 3) where 50% of Landed Tourism businesses are owned by local Ni-Vanuatu Pro-Poor Positive?

6.1 Progressive Pro-Poor Tourism.

One interpretation of carrying out Pro-Poor action is to simply give unemployed people paid work. Done at scale, such action was seen as benefiting the poor because in absolute terms their lot was better than was it was previously. Today, such processes are questioned because instigators can obtain substantially skewed gains in an environment where the poor are unable to progress any further than the lowest paid employment. Consequently, the relative disparity between the non-poor and the poor increases rather than decreases over time.

The stance of Kakwani and Pernia (2000) is more conditional and schemes must be screened so that impacts “benefit the poor proportionally more than the non-poor”. With consistent application, the livelihoods of the poor will progressively improve relative to the non-poor. Unfortunately, this requires a complete detailed and time-consuming evaluation, which is generally impractical.

A more pragmatic approach is to carry out a comparative analysis, where scenarios are compared, and which generally considers the workforce only. For the purposes of the evaluation, the present is taken as a baseline, and scenarios are considered to be positively Pro-Poor if they provide an enhancement over baseline figures.

6.2 A Disconnection Between GDP and Employment Figures.

The importance of tourism to GDP is undeniable and highlighted in the “Travel & Tourism Impact 2017: Vanuatu” report (World Travel & Tourism Council, 2017). The aggregated contribution of direct, indirect and induced effects of tourism amounted to 44.4% of GDP and clearly stands out as the dominant industry within the “Formal” economy of Vanuatu. The direct contribution amounts to between 17-18 % of GDP, accommodation, along with food & beverage, contributes significantly to both indirect and induced impacts.

Given the level of contribution of tourism to Efate Island, and the acknowledgement that both accommodation and food & beverage sectors are labour intensive sectors, it would be expected that employment numbers within these sectors would possess parallel attributes to GDP contribution, and be dominantly represented.

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Fig 6.1 Vanuatu: Total Contribution of Travel & Tourism to GDP (World Travel & Tourism Council, 2017)

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Fig 6.2 Vanuatu: Direct Contribution of Travel & Tourism to GDP

(World Travel & Tourism Council, 2017)

The majority of tourism activity occurs in and around Port Vila (Vanuatu DOT, 2011), and at 88.4 % actual contribution to the Efate Island economy, the dominance of tourism is overwhelming. Agricultural production and livestock rearing are dominant on most other islands, and the contribution to national GDP from these industries is attributed to them.

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Table 6.1 Estimate of Sectoral Contribution to the Economy (Vanuatu DOT 2011)

6.3 Employment and Human Capability in Port Vila Tourism.

Gaining an appreciation of employment characteristics is critical to formulating Pro-Poor initiatives. Unfortunately, figures are sketchy and contradictory. Presently, the Vanuatu tourism strategy is directed by the “Vanuatu Strategic Tourism Action Plan: 2014 -2018” (Vanuatu Govt., 2013), which incorporates a mantra of “doing the basics better”. By its own admission, the action plan does not know the number of Ni-Vanuatu employed within the industry but bases an evaluation of 8,000 full-time equivalent employees on rough estimates of accommodation beds and tourism operators. However, critically the Action Plan notes :

“The recent South Pacific Regional Tourism Hospitality Human Resources Development Plan 2013 has little information or strategies for HRD in Vanuatu”

Given that employment and derived income from tourism is crucial to lifting the floor for poor Ni-Vanuatu, a lack of a “Human Capability Plan” impedes accuracy and precision of any evaluation.

(a) Employment Within Formal and Informal Economy.

While Census figures are generally considered to be a reliable snapshot at a particular point in time, the last full Vanuatu Census occurred in 2009 (VNSO, 2011a, 2011b), although this has been supplemented by the 2010 Household Income and Expenditure Survey (VNSO, 2012), and the 2016 Post TC Pam Mini-Census (VNSO, 2017). A number of distinct characteristics stand out in regard to the income of Ni-Vanuatu:

- There is an acknowledgement that being “economically active” encompasses both the formal and informal economies. Viewed simply, the formal economy

embraces employment or income derived from monetary exchanges, while the informal economy takes into account kastom systems of barter, gifting, reciprocation and other forms of traditional exchange. While 71% of Ni-Vanuatu over the age of 15 were economically active in the labour force, only 30% were engaged in the formal economy. The consequence of this is that “one paid person supports, on average, about 4.5 other people” (VNSO, 2011a). By implication, 70% of economically active workers were involved in the informal economy.

- A large majority of households “produced and consumed” in the home. While 92% of rural peoples produced from “own account”, 52% of the urban population were still active in this respect (VNSO, 2012)
- Unemployment rates for urban Ni-Vanuatu between the ages of 15 to 30 years, is extremely high (VNSO, 2011a), with an unemployment rate of 35% for younger urban Ni-Vanuatu, falling to 13% at the age of 30 years. For Shefa Province (Efate Island plus a few outer islands) the number of people in this age group is 29,077 (VNSO, 2017), indicating that approximately 5,815 people in this age group were unemployed in any form of work.

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Fig 6.3 Taken From fig 115: Population aged 15 and older by age, sex and unemployment rate (%), Urban areas :2009 (VNSO, 2011a)

(b) **Tourism Employment Deduced From VNSO Statistics.**

VNSO statistics, do not account for tourism directly within their employment categories. It is, therefore, necessary to determine upper and lower bound figures.

Upper Bound Tourism Employment.

In 2009, the total number of paid employed people in Port Vila across all industries was only 16,447 people (VNSO, 2011b). It is useful to estimate an upper bound employment figure deduced by the elimination of workers within industries that are not tourism. Industries outside of tourism include 15% working in the public service, 12% in construction, 8% in transport and storage, 7% each in both household activities and agricultural/fishing, and 4% in manufacturing. There is also 18 % in other sectors of which it appears that the majority of these (14%) are in elementary work (VNSO, 2011a). The aggregate of these, excepting those in not in elementary work is 57% or 9,375 people. By implication, the absolute maximum people that could be remotely taken as being employed within tourism is 7,072 consisting of the difference in figures (16,447 - 9375), for tourism, this is an impractical number that includes all workers in retail, wholesale, motor repair, and elementary work.

Lower Bound Tourism Employment.

Within the 2009 Census figures, table 6.2 highlights industry elements of accommodation, along with food & beverage. It is to be noted that “Wholesale and retail trade, repair of motor vehicles” is dominated by Chinese owned retail stores, with significant input from wholesale (as almost all goods are imported), and vehicle repair (to service the extensive private bus network). It is most likely that less than a quarter of this figure would be tourism related, and taking one quarter would be conservative.

There is also the 14% (2,303) noted as being in elementary employment, covering a multitude of activities including general labouring and portering. It would be generous to take half as working within tourism.

Based on this a lower bound figure can be deduced as follows:

$$\begin{aligned}\text{Tourism} &= \text{Accommodation} + \frac{\text{Wholesale}}{3} + \frac{\text{Retail}}{2} + \frac{\text{Elementary}}{2} \\ \text{Employees} &= 1,628 + 3,088 / 3 + 2,303 / 2 = \underline{3,809 \text{ employees}}\end{aligned}$$

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Table 6.2 Taken From table 7.11 – 2009 Vanuatu Census: Working population 15 years and over in private households by industry, sex, and by province and urban-rural residence. (VNSO, 2011b)

Mean Employment Figure for Tourism Employment.

Taking the mean of the upper (7,072) and lower (3,809) bound values provides the best guess figure of 5,440 people employed within tourism in Port Vila in 2009. Updating this to 2017, assuming relevant employment has paralleled air tourism visitor growth from 2009 to 2017 gives the best guess employment figure on a demand basis. Landed visitor arrivals in 2009 totalled 104,256 (VNSO, 2010) and increased to 111,406 (VNSO, 2018) in 2017, amounting to an increase of 6.86%. On this basis updated best guess employment figures amount to 5,813 employed persons.

Employment Item	2009 Values	2017 Values
Upper Bound	7,072	7,557
Mean	5,440	5,813
Lower Bound	3,809	4,070

(c) **Comparison of Employment Figures from MCA – Tourism Survey –**

Baseline Study: TRIP Consultants.

Trip Consultants carried out a baseline tourism study in 2008 (TRIP Consultants, 2008), which was then extended to the whole of Vanuatu based on tourism turnover. Trip Consultants calculated a baseline employment figure for the whole of Vanuatu in 2007 of 3,800 Full-time equivalents.

It is noted by Trip Consultants that the informal economy played an important role in tourism and that “many of these informal workers were concerned with activities that would touch upon tourists e.g. retail, handicrafts etc”, and that their inclusion may push the direct jobs to be over 5,000 full-time equivalents.

The Trip Consultants report appeared to be consistent with the best guess figures calculated above.

(d) **Employment Figures From WTTC Reports.**

While it is unclear how the World Travel & Tourism Council obtains its employment figures, it is most likely inferred from the economic figures that it receives. While their partner organisation STR collects hotel data, it is unclear if it collects data from Vanuatu. Therefore, employment figures are likely to be formularised and should be regarded as what should be expected within the industry based on empirical worldwide data. A comparison with Vanuatu National Statistics office statistics is appropriate, and Fig 6.5 for direct employment indicates that direct employment figure of around 9,700 in 2009, to approximately 10,200 in 2017 would be appropriate.

The WTTC figures appear to be at odds with the best guess estimate of 5,813.

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Fig 6.4 Vanuatu: Total Contribution of Travel & Tourism to Employment

(World Travel & Tourism Council, 2017)

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Fig 6.5 Vanuatu: Direct Contribution of Travel & Tourism to Employment

(World Travel & Tourism Council, 2017)

Another noteworthy report addresses the socio-economic impact of tourism in Vanuatu (Scheyvens & Russell, 2013), but this also makes reference to the 2011 WTTC report, which provides similar figures to the 2018 WTTC report.

(e) **Projected Human Capacity Growth.**

Two effects highlight the need to increase human capacity in the industry:

- **Human Capital Enhancement.**

The variance in employment figures between the “best guess” employment numbers included in this report, and the 2017 WTTC report (World Travel & Tourism Council, 2017), indicate that there is an under-investment by tourism businesses in regard to human capital. Unless this disparity is rectified, rapidly decreasing service quality will impact Vanuatu’s reputation as a tourist destination.

- **Organic Tourism Employment Growth.**

The natural growth in landed tourism numbers will result in organic growth in tourism employment. The 2017 WTTC report indicates that tourism will provide 3.7% growth in employment annually from 2017 through to 2027.

Based on the 2017 WTTC Report, that there is a requirement to cater for 14,000 people employed in “direct tourism contribution” to adequately service the industry at that time (refer appendix section B.2 & B.7). It is appropriate to consider the required percentage growth (on a compounded basis) to take the 2017 figures moving ten years forward to 14,000 in 2027. The year on year employment growth required using the upper, and lower bound, and mean figures are determined below.

Compounding formula $P' = P \times (1 + r / n)^{nt}$

2017 Employment Description	2017 Employment Figures	Total No. of Required employees	Required Annual % Increase
Upper Bound	7,072	6,928	7.07 %
Mean	5,813	8,187	9.19 %
Lower Bound	4,070	9,930	13.15 %

6.4 Modernisation and the Development of Formalised Society.

Vanuatu society largely surrounds subsistence farming with approximately 80% of households working within the informal economy. Much of Ni-Vanuatu identity, kastom, and way of life surrounds activities associated with the informal economy. Financial transactions occurring as a result of barter, gifting, or reciprocation effectively lies outside

of the formal governance system. This is not to say that Ni-Vanuatu do not fulfil their social and cultural obligations and achieve a relatively good standard of living.

At a national level, transference of society from an informal economy into a formalised economy, provides a larger monetary system, a stronger capability to control where money flows to, and an enhanced ability to skim monetary flows (duties and taxes) to carry out its governance. Theoretically, benefits accrue to the population through :

- Monetary income that can be used by households to purchase goods and services requiring money, such as schooling.
- Enhanced social services through increased government revenue (taxes and duties).

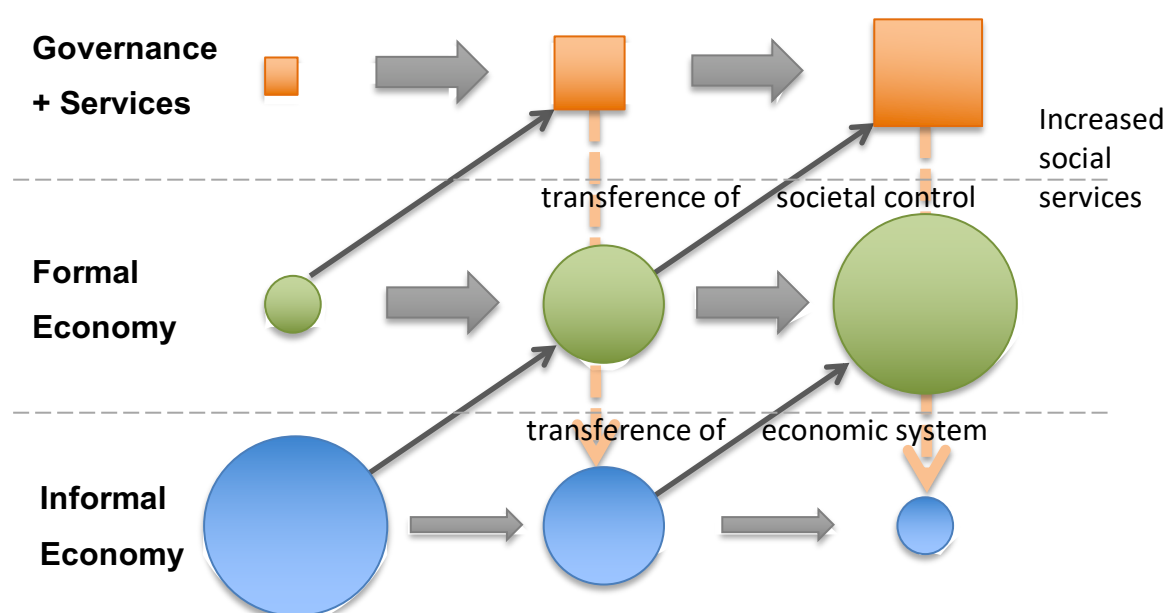


Fig 6.6 Transference of Economic System and Governance resulting from a change of Informal to Formal Economy.

Whether or not sociological, cultural, political, and economic benefits accrue as a sum of its parts, depends largely on a perception of whether modernisation is a positive or negative impact.

For poor Ni-Vanuatu, whether or not it is beneficial for a person to stay totally within the informal economic system or whether their lives would be better off as a gardener or cleaner in the formal economic system is debatable. Considerations based solely on financial benefits may ignore more intangible social and cultural benefits of staying in traditional society and the informal economy. To place some neutrality on this aspect, it

is taken that the quality of life for a person within the informal economy is equal to that of an unskilled worker in the formal economy (refer Appendix Sections B.2 and B.7).

6.5 Application of “Glocalisation” on Efate Island.

Establishing organisational structures that prioritise glocalisation is seen as a platform whereby poor Ni-Vanuatu can contribute and benefit within the tourism industry. However, there are distinctively contrasting policies in place between the main island of Efate (and perhaps Santo) to the rest of the Vanuatu islands, which is amply illustrated by the almost total absence of local bungalow accommodation on Efate. Bungalow ownership and management is a protected area of tourism and is actively encouraged on peripheral islands, and yet is unable to find a niche on the island where most tourism activity occurs. Reasons for this are in part blamed on the land tenure and leasing system in Vanuatu (Trau, 2012), and is identified as an issue amongst the majority of Pacific countries. The fact that legal titles of land are generally available on Efate, and some parts of Santo, allow for the leasing of much coastal land to outsiders. Conversely, little land on the majority of islands possesses formal legal title, remaining instead in Kastom ownership (often disputed) and therefore holding no attraction to outsiders. It is open to conjecture whether bungalow accommodation on outer islands would have such prominence if land titles were more available.

Further, the development of purely locally owned tourism businesses face inherent difficulties and is simultaneously torn between criteria demanded by a globalised industry and the expectation of localised communities associated with such projects. One such localised business surrounds Chief Roi Mata’s Domain (CRMD) an area owned by a group of local Ni-Vanuatu communities in Lelema eastern Efate which achieved a UNESCO World Heritage listing in 2008. Under the auspices of the local chiefs, the World Heritage Tourism Committee (WHTC) was set up to manage the Heritage Area along with the Roi Mata Cultural Tours which has exclusive rights to tours to the area. Vanuatu’s main cultural identity, the Vanuatu Cultural Centre provides external advisory and funding assistance, and successively, four Australian Youth Ambassadors for development were assigned to the project (Trau, 2012). Despite the support and “scaffolding”, the project has failed to manifest a viable and sustainable localised business able to bridge the expectations of either globalisation or localisation :

“ Almost three years after the inscription of CRMD on the World Heritage list in July 2008, the possibility of increasing profit margins remains as elusive as

ever. While Roi Mata Cultural Tours has generally managed to fund the expenses of the WHTC, including transport, stationery, and a nominal sitting allowance, even this becomes difficult during the low tourism season. The key indicators of poverty reduction for the Lelema communities—increase in incomes for individuals and households and the provision of services such as schooling and health care for all community members—are clearly not yet attainable, and indeed seem remote in the short to medium term.”

(Trau, 2012)

6.6 A Hypothetical Human Capability Strategy.

For Vanuatu, there is a shortfall in both staffing levels and staffing capabilities. Therefore, a human capability growth strategy is required to lift both of these characteristics of the industry.

There is an opportunity to rectify shortfalls if a pro-active stance across the whole industry is enacted, that will also incorporate Pro-Poor attributes. Stated simply :

Human Capability Strategy.

It is possible that a positive growth of the aggregated collection of tourism businesses can result in Pro-Poor growth due to a greater number of staff being employed, and employees at lower organisational levels gaining TVET training and being promoted into higher positions.

A procedure that evaluates the progressive Pro-Poor Tourism is posited through this research to consider a number of “industry growth” scenarios. While a full description, along with scenario evaluations are included within Appendix B, the critical aspects include :

- That the tourism business (industry) is modelled as a hierarchical pyramid, in regard to its organisational structure.
- That a human capability cycle (HCC) can be established that brings Ni-Vanuatu from the informal economy (outsiders), provides them with TVET training during the cycle, and employment within the pyramid at its end.
- That over a number of HCC cycles industry growth can result, bringing more Ni-Vanuatu into the industry, lifting the capability of the collective workforce and providing a corresponding lift in income of the collective workforce.

If businesses are considered as an aggregate, the “employment attribute”(EA) is a measure of the increase or otherwise of the number of Ni-Vanuatu employed within the industry, through the enactment of a scenario. Similarly, the “cyclic income attribute”(CIA) is a measure of whether their collective earnings have increased or not over baseline figures. More importantly the “Cycle Up-Skilled Income Attribute” (CUSIA) measures the collective group of Ni-Vanuatu under the theoretical situation where no training or up-skilling occurs, with commiserate reflection in the group’s income.

A difficulty with Pro-Poor evaluations is that they appear to look at implementations in a very rigid manner so that they either “are” or “are not” Pro-Poor. An alternative perspective and one that is more practical is to consider implementations to be “progressively” Pro-Poor, over a period of time. Such progressions can be monitored within development cycles. In the case of this proposed human capacity strategy, the use of HCC cycles within longer termed industry growth cycles (IGC), allows evaluations to be carried out at the end of each HCC.

Therefore, a progressive form of Pro-Poor Tourism can be defined:

Definition of Progressive Pro-Poor Tourism (PPPT).

For “Progressive Pro-Poor Tourism” (PPPT) to occur, the “employment attribute” (EA) for each human capability cycle (HCC) must increase, and the “up-skilled income attribute” (USIA) must be greater than its predecessor in the previous HCC cycle.

An extensive glossary of terms, along with descriptions and detailed scenario workings, and details of assumptions are included within Appendix B.

6.7 The Hypothetical Tourism Organisational Pyramid.

While it is unlikely that any two tourism businesses will incorporate the same organisational structure, efficient businesses will involve similar configurations. The business organisational structure is the defined levels of employment and management that occurs within it and is configured here as a pyramid.

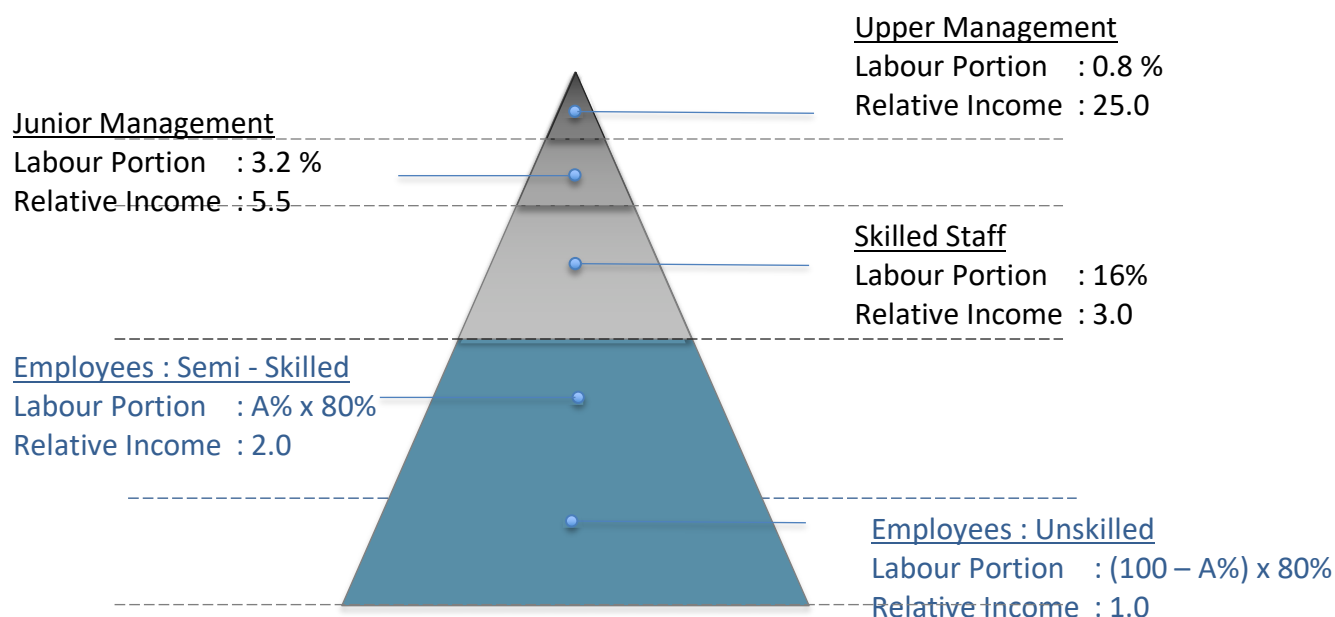


Fig 6.7 Hypothetical Organisational Pyramid for Tourism / Hospitality Businesses.

Division of labour in such businesses in Vanuatu can be broadly be categorised into four distinct categories :

- Senior management.
- Junior management.
- Skilled Staff.
- Employees (both semi-skilled and unskilled).

There are few if any Ni-Vanuatu senior managers, and at this stage senior managers are excluded from the Ni-Vanuatu aggregate of proportions.

6.8 Assumptions of Human Capability Strategy.

A number of assumptions are made, and a detailed account of these are included within Appendix B, section B.2 while further discussion of the assumptions is included within section B.7.

6.9 Baseline Organisational Characteristics.

Considers organisation at the commencement of the “Industry Growth Cycle”, for comparison to Scenario outcomes. All “human capacity cycles” use the baseline attributes as a reference datum.

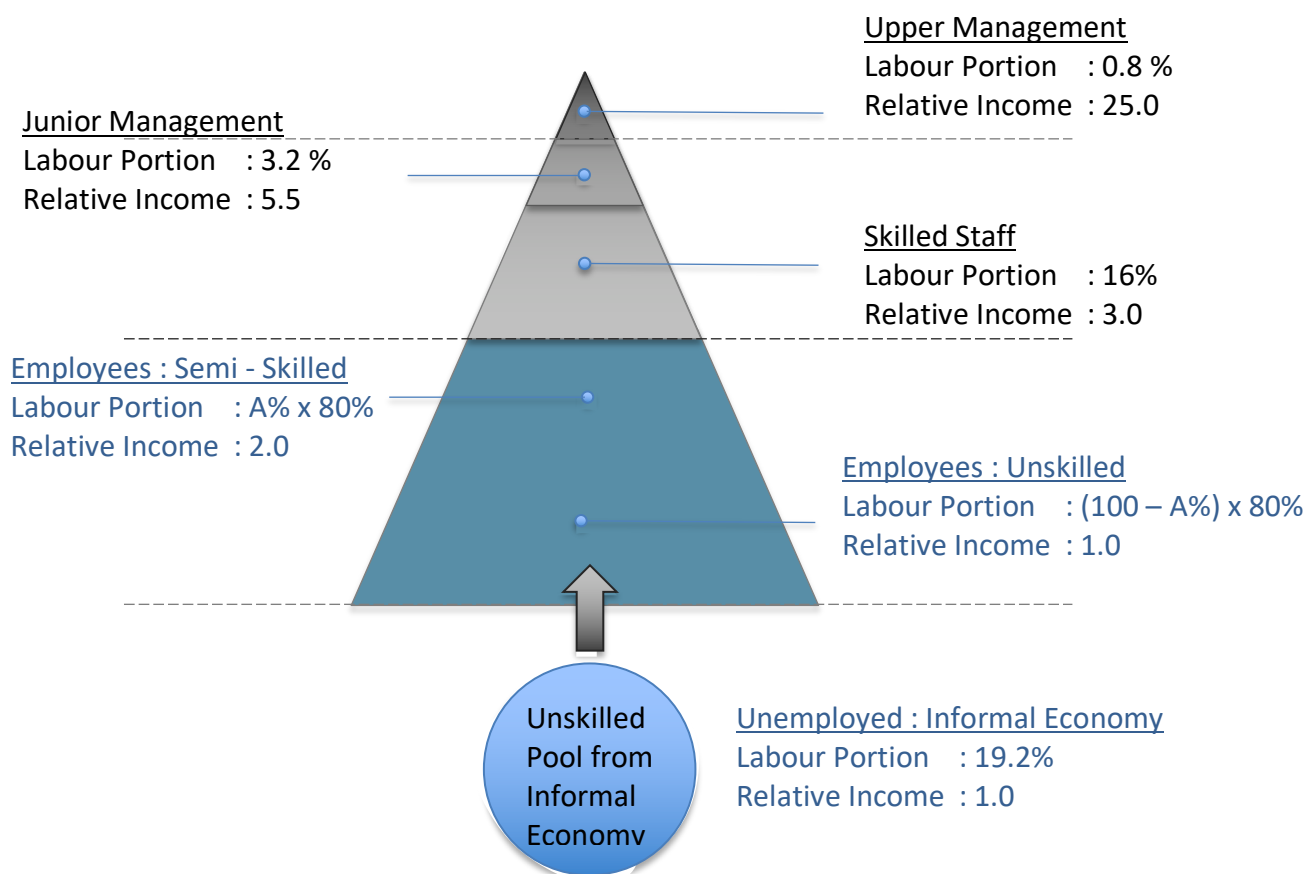


Fig 6.8 Baseline Organisation.

The unskilled labour portion of 19.2% representing those in the informal economy, are taken from table 7.8 of the 2009 Census (VNSO, 2011), combining figures associated with employment status of people 15 years and older who were involved in “producing goods for own consumption” along with “unpaid family work”. The Table includes all the islands in Shefa Province, and so to account for Efate only, those figures from both the Shepherd islands and Epi Island were subtracted.

6.10 Scenario 1 : Static Organisational Growth.

Merely employing people from the informal economy, and bringing them into the formal economy as an unskilled employee without any cycle of tourism industry progression, does not provide positive Pro-Poor impacts. Attrition back to the informal economy, or to other industries means that employees are lost to the tourism industry. For the purposes of evaluation, the attrition of staff is considered to occur over one cycle. With no increase in EA or CUSIS, scenario 1 cannot be considered to be progressively Pro-Poor.

Parameter Designation	Parameter Value
Baseline Employment Attribute	1.184
Employment Attribute (EA)	1.184
Cycle Income Attribute (CIA)	0%
Cycle Up-skilled Income Attribute (CUSIS)	0%

Table 6.3 Scenario 1 - Progressive Pro-Poor Evaluative Parameters .

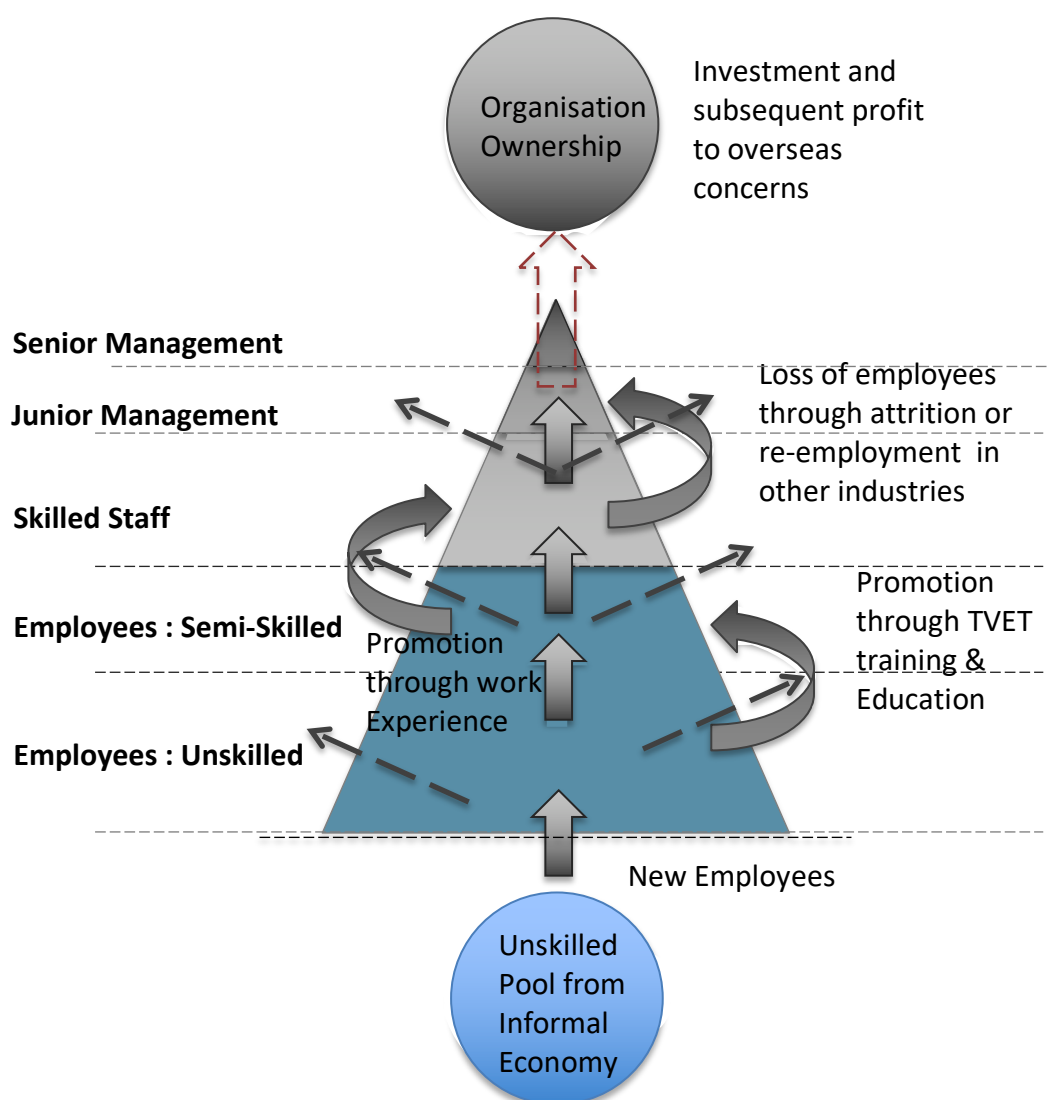


Fig 6.9 Scenario 1: Static Organisational Growth .

6.11 Scenario 2: Growth of Existing Organisations.

Ownership structure	: Status Quo
Industry Growth	: yes
Human Capacity Growth	: 20%
Human Capability Cycle	: 3 years.
Industry Growth Cycle	: 12 years
Portion "A" of Semi-Skilled	: 33.33%

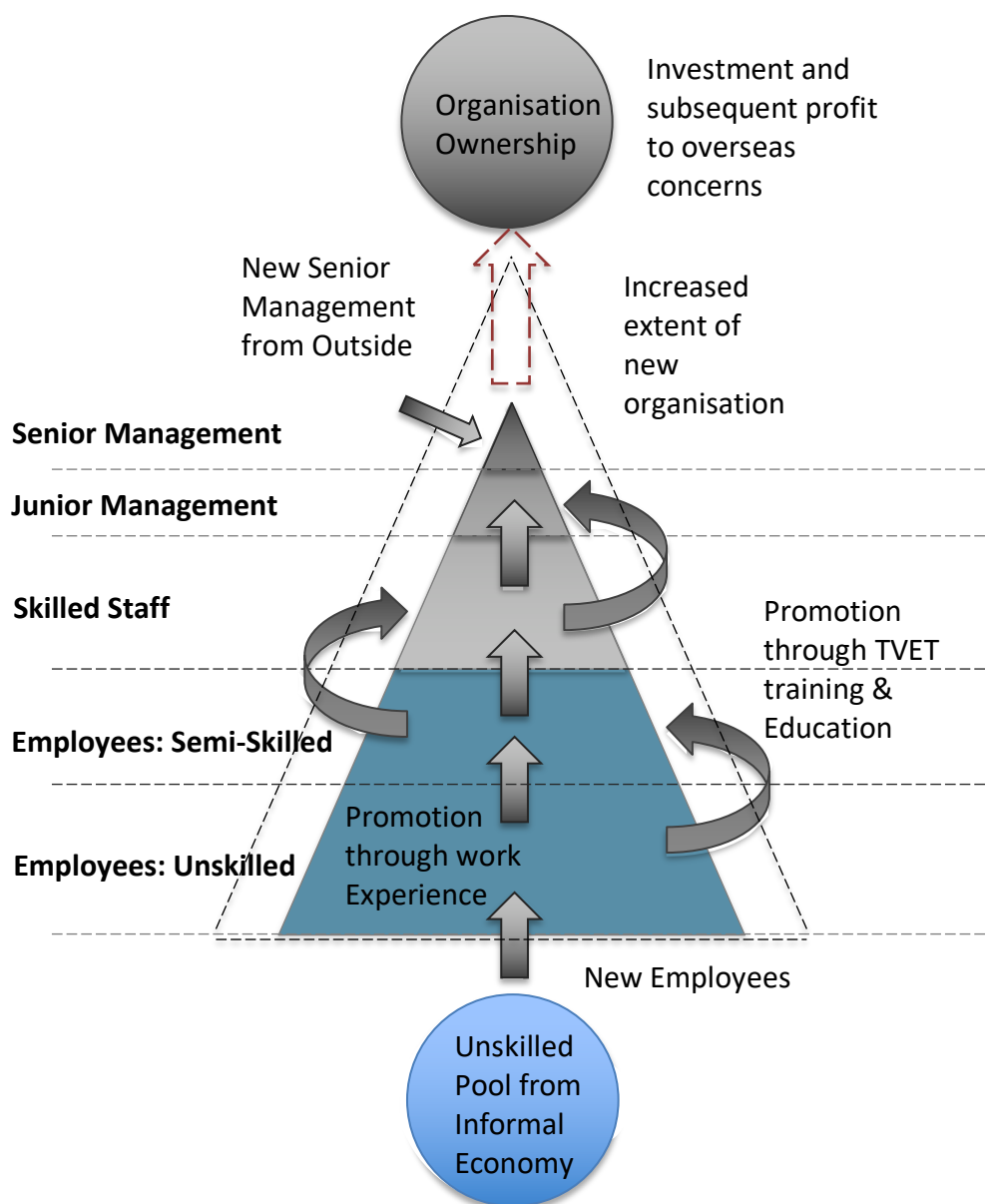


Fig 6.10 Scenario 2: Growth of Existing Organisations.

Scenario 2 promotes progressive Pro-Poor Tourism because :

EA => 1.184 => 1.413 => 1.687 => 2.013

CUSIA => 7.4% => 14.5% => 21.2% => 27.4%

By increasing the existing organisation by 20% overall each three years, over the twelve year industry cycle, the number of people employed is doubled (taken from the informal economy), and as a consequence of the growth the collective income of Ni-Vanuatu in the organisation has increased by 27.4 % over this period.

Parameter Designation	Parameter Value
Baseline Employment Attribute	1.184
<i>First Human Capacity Cycle (HCC) – 3 years</i>	
Employment Attribute (EA)	1.184
Cycle Income Attribute (CIA)	7.4 %
Cycle Up-skilled Income Attribute (CUSIA)	7.4 %
<i>Second Human Capacity Cycle (HCC) – 3 years</i>	
Employment Attribute (EA)	1.413
Cycle Income Attribute (CIA)	7.4 %
Cycle Up-skilled Income Attribute (CUSIA)	14.5 %
<i>Third Human Capacity Cycle (HCC) – 3 years</i>	
Employment Attribute (EA)	1.687
Cycle Income Attribute (CIA)	7.4 %
Cycle Up-skilled Income Attribute (CUSIA)	21.2 %
<i>Third Human Capacity Cycle (HCC) – 3 years</i>	
Employment Attribute (EA)	2.013
Cycle Income Attribute (CIA)	7.4 %
Cycle Up-skilled Income Attribute (CUSIA)	27.4 %

Table 6.4 Scenario 2 - Progressive Pro-Poor Evaluative Parameters .

Compounding Effect Over 12 Year Industry Growth Cycle

For the purpose of comparing against Industry employee growth requirements, the year on year, compounded growth is calculated below :

$$\begin{aligned}\text{Compounding formula} \quad P' &= P \times (1 + r / n)^{nt} \\ \Rightarrow r &= {}^{nt}\sqrt{(P' / P)} - 1.00 \\ &= {}^{12}\sqrt{(2.013)} - 1.00 \\ &= \underline{0.060 \text{ or } 6.0 \%}\end{aligned}$$

Comparing this to the required annual compounded growth :

Upper Bound	7.07 %
Mean	9.19 %
Lower Bound	13.15 %

While providing an increase in employee numbers, Scenario 2 does not provide sufficient new employees to meet the WTTC employment figures. The human capacity growth percentage will have to be increased above 20% over three years presently taken.

6.12 Perspectives of Expatriate Owners and Senior Managers on Business Organisational Structure.

At present tourism businesses have organisational structures that suit the way that they operate, but have also been patch-worked around groups of long-serving Ni-Vanuatu. Edward's boutique resort is typical of this with a number having served for over twenty years or more. Henry, the senior manager of a larger resort has similar groupings that have been with his business for over fifteen years. In most cases, they fall within the junior management roles defined in this research. Outside of this, both have well defined hierarchal staff levels that would not be out of place within the organisation pyramid incorporated in this research. It is notable that in Edward's property that he specifically employs ex-cruise staff, indicating that there may be some counter benefits to the cruise industry. However, generally in regard to staff at the lower levels, particularly those who are semi-skilled, attitudes are fragmented and may not be overly committed to either the business or the industry. Service can be exemplary as on Sundays at Edward's resort, or at the other end of the scale, staff may merely want their pay-check so that they can participate in other activities.

(a) Personal Expatriate Narrative: Edward.

Edward is the owner of a small boutique resort that provides a high standard of service and possesses a restaurant with an impeccable reputation.

Edward: A lot of the staff have been there more than 20 years or 23 years or so. For our front of house, we like having staff that have been on the cruise ships, who have worked overseas for P&O or Carnival, or any of those ones, Holland of America etc. You've got your chefs, we have got two chefs who have been trained at chef schools years and years ago, and are a bit more mature, along with those doing apprenticeships. Anyone that's out in the housekeeping, or gardening, are unskilled labourers. We have got a head maintenance guy who's been to some electrical technical school. He is our head guy.

Interviewer: Just looking at the chefs, how long have they been with you? They are Ni-Vanuatu?

Edward: We've got one expat chef. We've got two expat staff total, one is the general manager, and the other is the executive chef, who doesn't actually cook. He does all the training and upskilling but doesn't chef. They have been there on-and-off more than 10 years the been there for a long time.So we have got two chefs, two cooks, and we've got kitchen staff.

Interviewer: Ni-Vanuatu and managerial positions? You've got the GM, and the executive chef? Do you have a middle tier?

Edward: Yes we've got the head of the spa, she is Ni-Vanuatu. She was one of my house girls. We have got our Front Office manager who came off the cruise ship, and she is basically assistant general manager. Then we have got the head of front of house, who looks after the waitresses, and barman. Then we've got Aru who is head of anything that's outside. So he's in charge of all the day-to-day issues, making sure rubbish is taken away, and maintenance is taken care of, fixing things that break. Because we are a small boutique resort, we have to have the ability to run when the expats are not there. A good example of that is on a Sunday, where we don't have any expats onsite and it's one of our busiest days of the week. Sunday's are run by our Ni-Vanuatu, from turning on the computer systems, doing day rollover, right through to the end of the day when they're doing lock-up, doing stock-take, doing the cash up and putting the money in the safe.

(b) **Personal Expatriate Narrative: Henry**

Henry is a senior manager at a medium sized resort, that has a good reputation for the quality of its staff and level of service that it offers:

Interviewer: Staff turnover, is it a high turnover?

Henry: Last year it was, this year not so much. We still have core fundamental staff grouping which some of been here 15 years.

Interviewer: Would they be in middle management?

Henry: Middle management, and some top end of the managers, have been here right from the start, all the way through. The ones that have been here for a short amount of time, they come and go.

Interviewer: In terms of attitude to the job?

Henry: Short-term staff, turn-up, get a paycheck, go out, drink kava.

(c) **The Perspective of Expatriate Owner Edward on Tourism Industry Growth.**

Views on the need to stimulate industry growth are varied, with many pointing to the need to increase the industry to be able to take advantage of scale. Edward's views on tourism industry growth are based on a firm belief that the Industry in Vanuatu is relatively immature and requires expansion:

Edward: What we really need is a big international group to make a commitment to build a five-star resort, and what I mean is larger than 180 rooms, with large conference facilities just like a Sofitel, or a Hilton. That's gonna cost about \$70 million; they build that, that will create the influx.

Further, quoting the experience of Fiji, Edward feels that a five star resort provides the stimulus required to kickstart growth in the Industry :

Edward: It started with one resort the Sheraton on Denarau Island, and then that fed into other five-star resorts on the island, and then the marketing and branding that was done, then developed other Branded places. Then up the coast, you start getting places like the Warwick and then Pacific Harbour was developed. Then you started getting into their outer island resorts like Turtle Island resort which is the luxury five-star now and then there is some you've got the Hilton, you've got the Mamanuca's which have got five-star which is all based on one resort (Sheraton).

The consequences of increased scale then provide the foundation for the development of the second tier island development and tourism/hospitality businesses to service an expanded basket of tourist preferences.

Edward: If you look at Fiji, at Denarau I think that any one time they've got 10 fast ferries, each 150 person capacity, and all they are doing is feeding the influx of visitors that want to go and see the greater part of Fiji. Vanuatu should be the same and have fast ferries. Port Vila should have fast ferries going out to Pele and Nguno, and taking the trips up to the Maskelyne Islands and all those other islands. But we've only got 100,000 hundred to 150,000 visitors coming into Vanuatu to start with; we don't have 800,000 or 750,000 coming like Fiji does, so it's just the power of numbers.

6.12 Scenario 3: Part Local Ownership – No Growth.

Ownership structure	: 50% profit share
Industry Growth	: no
Portion “A” of Semi-Skilled	: 33.33 %

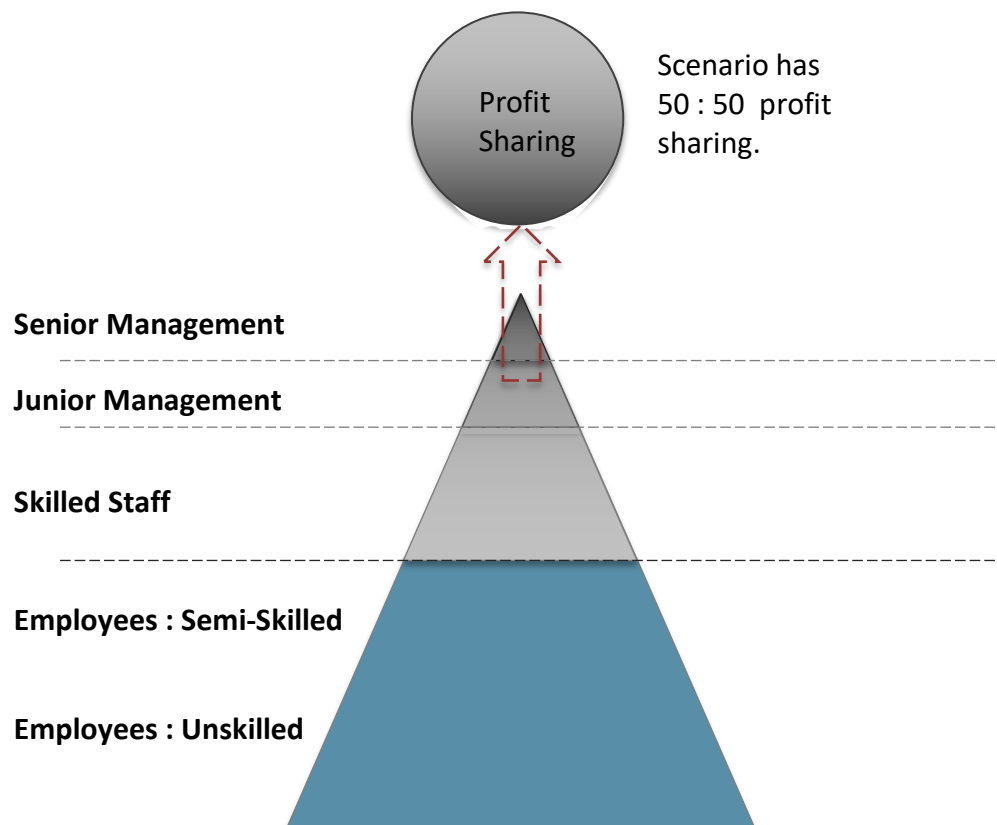


Fig 6.11 Scenario 3: Local Ownership - Profit Sharing.

It is significant that in determining the profit of business in this scenario that :

- The efforts of senior management are factored off.
- As no growth is assumed, no consideration of informal economy is included.

Parameter Designation	Parameter Value
Baseline Employment Attribute	1.000
Employment Attribute (EA)	1.000
Cycle Income Attribute (CIA)	54.0%
Cycle Up-skilled Income Attribute (CUSIS)	54.0%

Table 6.5 Scenario 3 - Progressive Pro-Poor Evaluative Parameters .

Clearly, the amount of profit per employee and the profit split will determine the amount that is distributed to Ni-Vanuatu, but on the assumptions that are given in this scenario, that 54% increase in income is distributed to Ni-Vanuatu year on year, and does not have to be built up through human capability cycles.

6.13 Expatriate Business Community: Ni-Vanuatu as Business Owners / Senior Managers.

Ultimately, for tourism to move forward, Ni-Vanuatu will need to gradually gravitate into senior management roles, not for any collective income reasons, but so that a uniquely Vanuatu brand is stamped on the industry. Obviously, senior managers will need to have the training and experience required for those positions. Until university degrees are established, and Ni-Vanuatu gain international work exposure, the likelihood of obtaining senior manager positions in larger businesses appear to be some distance away.

Interestingly, expatriate business owner's opinions are divergent, but most raise concerns over the "cultural distance" between Vanuatu society and the more western outlook required to run businesses. Verbatim transcript quotations have been incorporated so as to capture the breadth of views. It points to the necessity to carry out research regarding possible pathways for Ni-Vanuatu, and expatriate peoples living in Vanuatu so that a national strategy can be developed.

(a) Expatriate Business Owner: John .

John is a major business owner that supplies the tourism and hospitality industry, and is active on the Vanuatu Chamber of Commerce and Industry (VCCI) :

Interviewer: In your business, there are layers, levels within the business in terms of responsibility. Do you think that the upper layers, that they could conceivably, at some stage, go out do their own business?

John: Yes. look absolutely they could. I think the challenge for them is the risk, as it would be in New Zealand and Australia. I don't see the structure of business and employment as being a lot different. I think a lot of people, they don't want to take the responsibility, the stress, or the responsibility of their own business, and particularly if you are a single employee in a business. The money you are making there (as an employee) and the comfort and certainty of that, versus the uncertainty of business where you are probably earning less money. You will definitely earn less money, to begin with, and will you, in the long-term earn more money. So I don't think that's really any different to Australia or New Zealand. What I do think is different is the amount of the population that actually wants to work full-time versus short short-term, because I think it still comes back to the subsistence. You only work to get what you need. The seasonal work works great, they go away earn money,

come back and build a house or shelter or something, get a vehicle, pay for school fees for the year. They've got everything. Once they've paid for everything, they won't go back and work really hard to collect money that they don't need. There is just that whole thing whereas, the staff we have got, probably do save, do want to own property, and they are thinking a bit more like a westerner would.

Interviewer: So it's more in terms of say "where do I want to be in five years?" that that concept doesn't stay with them, and the ability to say that I want the ability to guarantee to put my children through school for the next five years, I want to own a house, I want to own a car, and how they go about, if you don't think that it all comes into their way of thinking?

John: With our staff yes. I think it does. They are thinking about larger commitments, but it's a different generation.

Interviewer: Do you think that it is education?

John: Yes. I think it is a part of their DNA personality, that is a part of it. What I'm saying is that in Australia or New Zealand you would get maybe 80% of the population that are like that, and 20% that really don't care, don't worry about it, whereas I think in Vanuatu you get 80 to 90% of the population that don't want to think tomorrow until it gets here. There is a much smaller group in the population. And it's that part of the group for Vanuatu, there is plenty of jobs for these people, it's just whether they want to work. There are challenges to find someone competent to do the work, that's the real challenge.

(b) **Expatriate Business Owner : Leon .**

Leon is an expatriate business owner who has lived in Vanuatu just short of two decades and has been involved in various hospitality and tourism businesses including a number of restaurants for many years. All of Leon's staff are Ni- Vanuatu, and Leon is active in Technical and Vocational Education and Training (TVET). Within his business, Leon includes, local joint venture partnerships, along with ensuring that critical Ni-Vanuatu staff are shareholders in his business. In regard to joint venture models :

Leon: I was one of the ones that first introduced joint venture partnerships with landowners in order to take away the angst and fight.

.....

Then you find you are working in harmony with people that are getting the benefit out of it as opposed to feeling as though they're being oppressed, which is exactly what they were trying to get away from with independence. If you can restore people's pride, and if you can restore people's belief in themselves, and teach them. The process isn't about me teaching this guy, it's

about me teaching this guy who teaches his kids, and they go on to teach their kids and it becomes a legacy of where you started 17 to 18 years ago. It's created a huge change in the staff here that I've got.

In respect to Staff owning shareholding, and the ability of Ni-Vanuatu junior management to step into full ownership and senior management :

Interviewer: Do you see do you see them (staff) having the ability to own their own business at all?

Leon: yes No look my key staff are all shareholders in my business, so in essence, it has been beautiful to watch and being an employee to being an employer.

Interviewer : But you haven't actually told me whether or not the people coming in at middle management whether they would have the ability to go on and be you for example? To have their own business.

Leon: Yes, my top staff could if they got finance. I would think they would need another couple years under them, another three years.

Interviewer: How many years now have they been with you to get to where they are now?

Leon: Five years, one is 16 years he's good he can do anything he wants to. He doesn't want to go without me and that's fine. That's the other thing, these girls if they want to start anything they would ask me to help them.

Interviewer: You're never far away then?

Leon: Yes. They do little things, you know sometimes we miss things and that's why you have a team. So yes they could go out and do quite well on their own. The thing is, they're gonna do better as part of the team here. But their kids, that's where the benefit is. Their kids will go off and do things, it's the next generation that is going to benefit. Mum and dad will help them, and hopefully, they will come to me and say can you help my daughter who wants to go and do this.

(c) **Expatriate Business Owner: Edward.**

Edward's thoughts on Ni-Vanuatu as senior managers:

Interviewer: Do you see a day when you won't need to employ expats in those senior positions?

Edward: No because there is always up-skilling. Vanuatu is such a new country. We don't look at it in terms of skin colour or anything like that. It's based on experience. So what you find as even in the Sofitel in Fiji, it's 11 years old, no longer, 17 years old. So at Sofitel, you will find that at the moment the general manager at the moment is Swiss, you'll find the head of finances is a Fijian

Indian, the head of HR is a Kiwi. They just get the best possible people, with experience for the role, for the size of the property, and you struggle to find local people just because it's new to them. The same is here in Vanuatu.

.....

(d) **Expatriate Business Owner: Aaron.**

Aaron is the owner of a business, that is located just out of Port Vila and has strong affiliations to a major village.

Interviewer: And so do you have a supervisor?

Aaron: I've got a manager down there as well yes.

Interviewer: And he is European, or?

Aaron: Yes, an expat, yes.

Interviewer: And would you say that you would envisage a day, where that could be fulfilled by a Ni-Van?

Aaron: I doubt it. To be honest, I doubt it. They could do it. Most my guys are good. Most of them. It's the day they decide not to be good, That's what happens here. They can be perfect at what they do, for day after day after day, and then one day they just don't turn up. It's just, a lack of it's just not that important to them. By their lives, there is all this, you know. We sit here and panic about the future, you know in six months time. They don't care about any of that stuff. They don't think like that. It's just a day to day thing. Most of my staff, if you told them tomorrow that they are going to lose their jobs, "Oh well, never mind". If if you told someone in our community, it would be the end of the world, "I'm gonna lose my house, loose my car, I'm gonna lose everything". They don't have those worries.

6.14 Discussion of Human Capability Strategies.

Human capability strategies form an important part of this study:

(a) **Discussion of Question 5.**

Tourism is the dominant revenue earning economic activity in the surrounding environs of Port Vila, and for the whole of Efate for that matter. In Shefa Province, tourism accounts for over 88% of economic contribution, while agriculture provides less than 8%, and both fisheries and forestry less than 2% each (Vanuatu DOT 2011).

Evaluating an accurate number of people employed within tourism has not been carried out, and by its own admission, the Vanuatu Strategic Tourism Plan 2014-2018 (Vanuatu Govt., 2013) provides only generalisations in regard to a Human Resources Development Plan. Employment figures have been deduced from Vanuatu National

Statistics Office Figures (VNSO, 2011a, 2011b), and these have been compared to those prepared by Trip Consultants (TRIP Consultants, 2008), and were found to be consistent. For the 2017 year, a mean figure of 5,813 people was determined to be working within tourism/hospitality, with an upper bound of 7,072, and a lower bound of 4,070. Taking into consideration only Ni-Vanuatu working within the formal economy, this constitutes around 33% of the total workforce employed within tourism.

When compared to pro-rata World Travel and Tourism Council Figures (World Travel & Tourism Council, 2015, 2017) of 10,200, which are assumed to relate to expected employment levels based on economic activity, it is clear that tourism employment is under-resourced in Vanuatu.

(b) **Discussion of Question 6.**

Within Port Vila, businesses that are either directly or indirectly associated with tourism or hospitality are prominent but not dominant as would be expected. A part of this can be explained by the presence of public servants associated with Port Vila being the Capital, and also from the fact that Port Vila is the main port for the country. Despite this, it is clear that much of the movement and activity of people within Port Vila itself has nothing to do with tourism. This may have more to do with the size and portion of the activity that is attributed to the informal economy. In fact, countrywide, only 30% of Ni-Vanuatu are engaged within the formal economy, while the remaining 70% are active in the informal economy.

However, unemployment rates highlight a disturbing trend, which if not addressed will result in social issues in future. Unemployment is relatively low from the age of 35 years onwards, with overall rates varying between 3-8 %, but for younger age groups extremely high unemployment is prevalent. Unemployment rates for 15-19 year olds are around 35% decreasing to 20% for 20-24 year olds. The fact that these groups generally follow on from secondary school age indicates that for whatever reason, they are leaving school but do not have the skills attractive to employers, are not able to gain TVET training, or they are not motivated to be economically active.

(c) **Discussion regarding “Poverty lines” in Port Vila.**

There has been little in the way of addressing relativity in the incomes used in this study. Specifically, Table 6.3 used to formulate the income ratios in assumption 8 (appendix B). It is relevant to note that the income taken for unskilled staff, lies on the poverty borderline.

In Port Vila, the “Basic Needs Poverty Line” (BNPL) has been ascertained at VUV 2,866 per person per week, and is made up of VUV 1,538 food poverty line (FPL), and VUV 1,328 on non food items such as shelter, transport, and health care (VNSO, 2012). Scaling BNPL figures to a monthly value VUV 12,400 / month ($2,866 \times 52/12$), it can be ascertained that one person working as an unskilled worker is marginally able to provide for themselves and their partner (VUV 30,600 / month earned compared to VUV 24,800 / month). At this income, a married couple is unable to adequately provide for any children unless the partner also works in some manner. In short, the income of an unskilled worker is insufficient to stop a family from falling below the poverty line.

(d) **Discussion of Question 8.**

From the tourism industries perspective, having someone leave and replacing them with another with equivalent abilities just maintains the status quo. If there is no overall industry growth, and then the process represents a static worker force that simply circulates around different firms in the same position (refer to Appendix B)

However, the process may be Pro-Poor if either :

- The employee moves to a job in another industry, thereby freeing up a vacant spot within the industry.
- The employee moves to a higher position in another tourism business.

(e) **Discussion of Question 9.**

Scenario 2 covers the case of a practical Human Capability Strategy to lift the employment of unskilled and semi-skilled Ni-Vanuatu in a Pro-Poor fashion. (refer to Appendix B)

This scenario caters for 20% of existing staff being up-skilled through TVET training over a three-year cycle (Human Capacity Cycle), and subsequently being offered higher positions at the end of each cycle. At this level of growth the Ni-Vanuatu employment is doubled over the Industry Growth Cycle (IGC) of twelve years, and by up-skilling staff through the four human capacity cycles, the collective incomes of Ni-Vanuatu staff are increased to over 27% to baseline figures.

If the growth in employment from scenario 2 is calculated to reflect an annual growth rate, an employment growth of 6.0% per annum is obtained. However, this falls short of the WTTC projected staff level requirement that ranges from 7.07 % to 13.15%, with 9.19 % being the mean for the 2017-2027 period.

(f) **Discussion of Question 10.**

Scenario 3 considers the situation where the organisation is partly owned by local Ni-Vanuatu (refer Appendix B). In some situations where an overseas entity wishes to develop a business in a specific location, difficulties in respect to leasing appropriate land, and employing staff can occur. Agreements between outsiders and local communities can allow cultural, social and economic issues to be approached with empathy. Desirable land can be obtained for the business, in exchange for a share of local ownership or at least a profit-sharing arrangement. Similarly, communities can enter into understandings whereby Ni-Vanuatu associated with the kastom land are employed within the business.

(g) **Discussion of Question 7.**

There is presently a disconnection between the demand and supply of adequately trained and experienced staff in the tourism/hospitality industry. There also has been a lack of “will” to tackle the issue, and a substantial number of businesses are consequently relying on self-training procedures. However, such actions will only provide staff at the very low hierarchical levels and are at best a stop-gap measures that result in fragmentation across the industry. A national “human capability strategy” appears to be urgently required.

Human capability strategies are possible and can be empathetic to Pro-Poor philosophies, while also strongly benefiting business owners. A cursory proposal uses a progressive approach where its objectives are achieved over a set time period of time. The approach is termed “Progressive Pro-Poor Tourism” in this study and a detailed description, glossary of definitions, scenario outlines and evaluations, along with a discussion on the assumptions used in the analysis are included in Appendix B. While it is believed that the human capability strategy has merit, it is not the particular objective of this research to prove an exact strategy, merely to show that one is conceivable and practical.

7.0 Tourism – Hospitality: Human Capability Building.

By its inquiry around questions concerning Landed Tourism, chapter 6.0 establishes that the creation of a human capability strategy will provide the basis of mechanisms to support the transition of Ni-Vanuatu into the formal economy and to enable them to move up the organisational structure of the tourism industry. In doing so, both the numbers of Ni-Vanuatu in employment, along with their average earnings will over a period of 10-12 years increase collectively. This then is the most comprehensive basis for Pro-Poor activity and provides for the greatest potential for all Ni-Vanuatu, while ensuring that the human resource needs of the industry are catered for.

However, the continuing progressive focus of the research raises questions (propositions) concerning the ability of Vanuatu's education and TVET systems to cater for the demand :

Question 11 – Has the education and TVET in Vanuatu been adequate to meet Tourism / Hospitality needs to date?

Question 12 – Is the national educational and TVET organisation resourced sufficiently, and is it capable of providing qualified staff at all hierarchical levels sufficient to provide for the projected growth of the Tourism / Hospitality industry?

7.1 Present State of Education Provided to Ni-Vanuatu.

The snapshot of the human development of Ni-Vanuatu people is outlined in section 1.7 and it follows the continuing work carried out regarding comparative development of global communities by the UNDP (United Nations Development Programme, 2017b). An expanded HDR star chart is constructed (Fig 1.6) and shows that Vanuatu has attained a commendable literacy rate for a developing nation. However, delving into the state of education further shows that significant inadequacies exist, especially in light of the nations various strategic action plans. Comprehensive monitoring of education levels is carried out by UNESCO in its "Global Education Reports" (GEM Report, 2017), and a detailed account of education in Vanuatu is included within Appendix A.1, with troubling points being :

- No data is available on the number of children meeting minimum primary school proficiency standards.
- The gross enrolment rate for secondary school was only 55%, although children completing primary school usually carried on some way through Junior Secondary School (years 7-10).
- Very few students at all carried on into Senior Secondary School (years 11-13).

Given the pathways set down out by the Vanuatu Qualifications Authority (VQA), the foundation education of Ni-Vanuatu is not sufficient to allow them to progress with any confidence into TVET and other forms of training.

7.2 The Consequence of Non-Participation of Students at Senior Secondary School.

While the amount of people active within the formal economy is remarkably small, what is more, concerning is the situation of young adults. Fig 7.3 showcases the plight of Ni-Vanuatu aged between 15-30 years, who appear disconnected from the formal economy, and one suspects merely fringe on any activity in the informal economy, only participating when absolutely necessary. Unemployment rates of 35% for younger urban youth can only lead to disconnection from modern, and perhaps also traditional societies, leading to the potential of significant social problems in the future.

Clearly, the correlation between this unemployment statistic and the lack of student participation at senior secondary school is no coincidence. There is a need to incentivise students to continue on with their education, which will at the same time provide a pool of Ni-Vanuatu suitable to transition into TVET training.

7.3 The Ability of Ni-Vanuatu to Obtain or to Self-Teach Education and Tourism Training.

The following Ni-Vanuatu narratives highlight the intrinsic desire, determination, and successes, despite limited opportunities and the need to self teach. Other narratives outline stories concerning Ni-Vanuatu being able to obtain formal education and training. Detailed “verbatim quotations” are included within Appendix B, and are illustrative of the potential, capability, and desire of Ni-Vanuatu to succeed within Tourism / Hospitality. Equipped with the right education and training they can create a unique Vanuatu-Centric Tourism Industry.

(a) Rejel from Malekula Island.

Rejel a young Ni-Vanuatu woman perhaps in her early twenties was born in Malekula, but as a child, stayed with an Auntie in Santo to obtain an education. After working in hospitality in Santo, she moved to Port Vila where she furthered her experience firstly, within a resort and secondly, a large hotel. Applying for APTC, she was supported by her then employer and now works in a skilled role in a smaller hotel. Rejel remembers her first encounter working in hospitality, thinking “wow I love it”.

(b) **Atoni from Tanna Island.**

Atoni at the time of the study was attending APTC, and his pathway has been as the result of his mother's stoic perseverance to ensure that he received an education, his own ambition to do something for his family and Vanuatu, and a certain amount of luck. Vanuatu society is heavily patriarchal, and for Atoni's widowed mother, life as a subsistence farmer was particularly hard. Despite this, he was able to save enough money to send Atoni to school on Santo island until year 12, but no further. Working locally back on Tanna, Atoni applied and obtained an APTC scholarship and hopes to progress his career in the years ahead.

(c) **Katura from Ambae Island.**

Katura's parents originate from Ambae Island but moved to Port Vila soon after leaving school, and her parents were able to provide their children with some secondary school education, but no career training. Initially employed in housekeeping by the Grand Hotel, Katura self-taught the Hotels procedure's by taking notes in an exercise book, and was soon elevated to the hotel's reception. When daytime staff were less than helpful in sharing knowledge, Katura transferred to nightshift and through her diligence was elevated to a supervisor role. Subsequently, she shifted to a more rural location on Efate with her husband, where she manages a number of properties. Katura would dearly like to start up her own Tour Operation company.

(d) **Tomas from Ambrym Island.**

Tomas was born on Ambrym, and attended a Catholic mission primary school, and then on to French school. Tomas was involved in organising a number of cultural shows on Ambrym but subsequently moved to Port Vila to find work driving taxi's, learning English from driving tourists around. From his savings, Tomas was able to open a specialist handicraft shop dealing in carvings from North Ambrym, which he has run for the last seven years. Tomas is extremely knowledgeable about the culture and customs from his island and can inform customers of the symbolism and history behind each carved piece in his store.

7.4 The Education and TVET Scorecard of the Vanuatu Strategic Tourism Action Plan 2014 -2018.

The Vanuatu Strategic Tourism Action Plan 2014-2018 (Vanuatu Govt., 2013) has the mantra or motto of "Doing the Basics Better", and yet not one of the five key priorities

identified in the executive summary talks of resources being devoted to education and vocational training. Priority 4 does refer to the development of a tourism accreditation committee, as being a start, along with the introduction of enforceable minimum standards in adventure tourism. Prescribed actions regarding human resource development are specifically outlined in Table 3.1.6 of the Action Plan, along with a definition of KPI's :

- Item 6.1 Develop a Tourism Human Resources Implementation Plan.
- Item 6.2 Separate the Hospitality, Tourism, and Leisure Training Centre (HTLTC) from the Vanuatu Institute of Technology (VIT).
- Item 6.3 Implement the Ambassadors Pilot Programme.
- Item 6.4 Mentoring existing and new tourism clients who undertake National, provincial and community based training, education & awareness programs.

To date a Tourism Human Resources Implementation Plan does not appear to be readily available, the HTLTC appears to remain within VIT (VIT, n.d.), the Ambassadors Pilot Programme which was sponsored by New Zealand Aid went to Tonga instead (Cullwick J., 2015) and rebranded a bus and taxi training program with the same name, and it is unclear what the nature and execution of any mentoring program has been. Further, actions of the Vanuatu Qualifications Authority in de-registering of all accredited training organisations in 2014 is discussed later in this section.

7.5 Education and Training of Ni-Vanuatu staff within the Accommodation, and Food & Beverage Sectors.

Other than the unskilled employment category, all employment categories demand fairly specific standards of education and training. Generalised educational and training prerequisites for eligibility within each category are outlined below :

Senior Managers	-	Minimum tertiary diploma or degree along with a substantive number of years experience in a management role (exact requirements depends on property size).
Junior Managers	-	Minimum tertiary diploma, with some years practical hospitality or tourism experience.

Skilled Staff	-	Requirement for a combination of Tertiary diploma or certificate, with relevant experience. Actual relevant mix dependent on technical position.
Semi-Skilled Staff	-	Ideally possess a tertiary certificate, with substantive work experience in a lesser role under a relevant supervisor or manager.
Unskilled Staff	-	Good communication skills, work Ethic, and a general understanding of how a tourism/hospitality business operates. Should have finished primary, and least some secondary

(a) **Technical and Vocational Education & Training (TVET).**

Technical and Vocational Education and Training (TVET) is defined by UNESCO as “the acquisition of knowledge and skills for the world of work.”

Tourism and Hospitality is the major employer in Vanuatu, and most training in these industries is carried out within the TVET education sector. TVET education and training has been integrated within Vanuatu’s Education system, and clear and definable pathways are denoted within the Qualifications Framework (VQA, 2016) administered by the Vanuatu Qualifications Authority (VQA), shown in Fig 7.1.

It is noted that the Vanuatu TVET framework is similar to and is perhaps modelled on the Australian TVET framework (AQF, n.d.). The Vanuatu Qualifications Authority states that both certificate I and certificate II courses are aimed at an entry level for those with some, or no experience within, or have developed skills required to work within the industry. The main provider of these courses is the Vanuatu Institute of Technology (VIT) and greater detail is provided within Appendix A.2.

The following courses have been accredited by the VQA (except APTC to AQA standards) :

Tourism (to VQA standards)			
Designation	Level	Course Title	Provider
HTTG10115	Certificate I	Tourism (Tour Guiding)	VQA
HTAS10115	Certificate I	Tourism (Accommodation Services)	VIT
HTCS10317	Certificate I	Tourism (Customer Service)	VIT
HTTO20517	Certificate II	Tourism (Tour Operations)	VIT
HTCS20417	Certificate II	Tourism (Customer Service)	VIT
Food and Beverage (to VQA standards)			
Designation	Level	Course Title	Provider
HTFB10316	Certificate I	Hospitality (Food and Beverage)	St Michel
HTCC10917	Certificate I	Hospitality (Catering and Cooking)	VIT
HTAS20717	Certificate II	Hospitality (Accommodation services)	VIT
HTFP20817	Certificate II	Hospitality (Food Preparation	VIT
APTC Courses (to AQA standards) – 1st Semester 2018			
Designation	Level	Course Title	Provider
SIT30816	Certificate III	Commercial Cookery	APTC
SIT30616	Certificate III	Hospitality (Food and Beverage)	APTC
SIT30116	Certificate III	Tourism	APTC

Table 7.1 - Extent of Education and Training for Tourism and Hospitality (VQA, 2016)

The Australia-Pacific Technical College (APTC) delivers fee costing courses that are provided and sponsored through AustAid. There does not appear to be any pathway or integration of APTC course within the VQA framework, but it is assumed that the Australian qualifications would be accepted into the framework at certificate level III. The APTC qualifications are aligned with the TAFE Queensland Framework.

There are no Certificate IV or Diploma courses being offered within Tourism or Hospitality in Vanuatu. These higher levels provide students with specialised knowledge and skills for skilled/professional work and /or further learning.

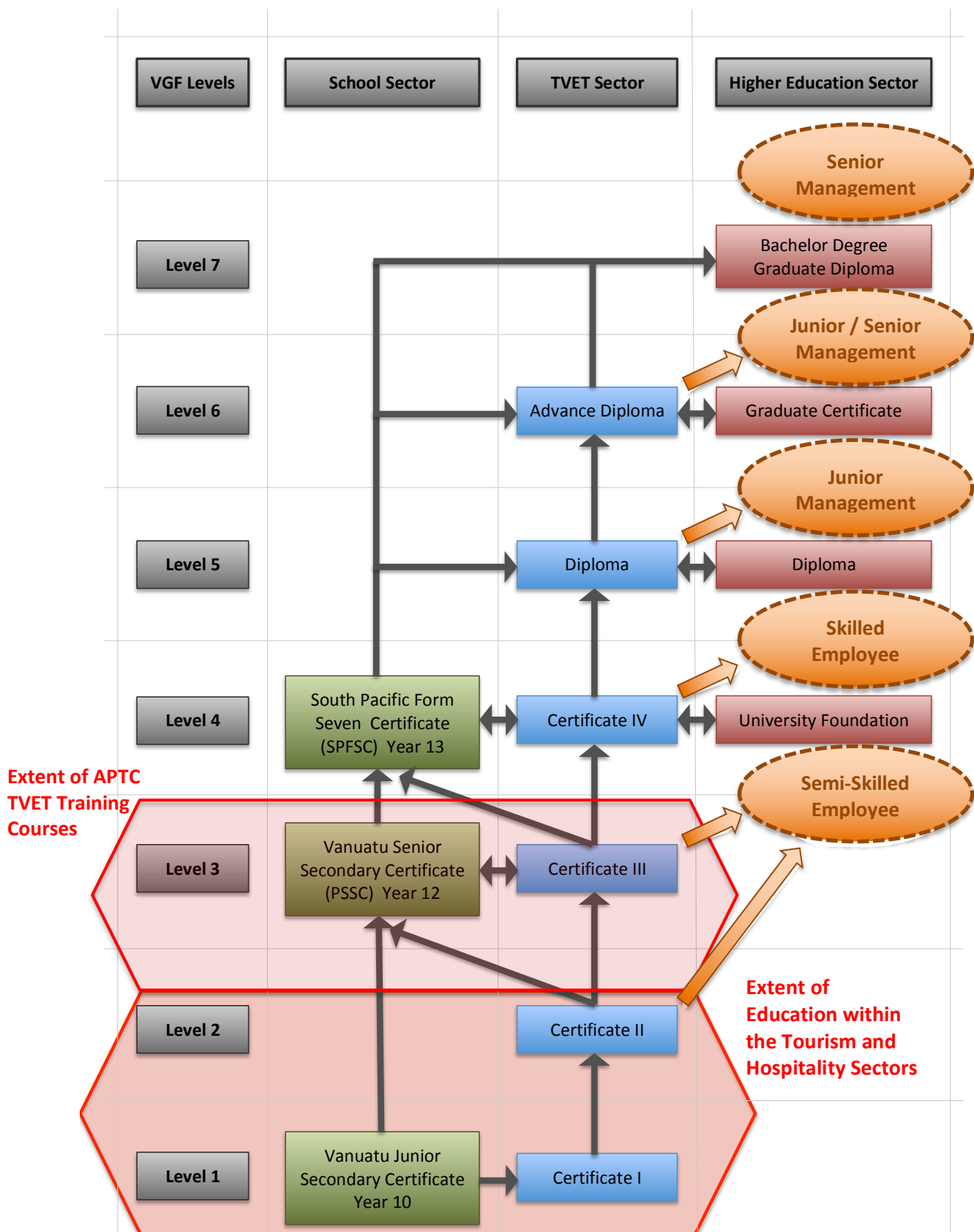


Fig 7.1 - Vanuatu Education and Training for Tourism and Hospitality Based on VQA (VQA, 2016)

(b) **Tertiary Diploma Level Qualifications.**

Three new Diploma level qualifications have recently been announced after a tendering process by the Ministry of Education and is being carried out through the University of New Caledonia, in conjunction with Toulouse Jean-Jaurès University, and Taylors University from Malaysia (Ligo, 2018). Little or no information is available through the University itself nor how they fit in with VQA, however, it is understood that :

- The course is for bilingual students, to attract both French and English speaking students.
- Designed primarily for Students graduating from Secondary school.
- The course caters for 45 students and involves three years of full-time study.

It is of note that the course is “particularly important for students who are poised to take high-level management roles for international chains.” (Ligo, 2018).

(c) **Costs of Education and TVET Training.**

The costs of obtaining adequate training and qualifications are a major stumbling block for young Ni-Vanuatu, and difficulties revolve around their inability to raise sufficient funds to undertake the studies. Illustrative examples of course fees are included below and are detailed more fully in Appendix A.

TVET Courses	Course Fees
Chamber of Commerce (VCCI)	
• Entry Level Business Courses	VUV 65,000
• Level III Certificate Courses	VUV 158,000
Australia-Pacific Technical College	
• Level III Certificate Courses	VUV 120,000

Table 7.2 - Typical TVET Training Fee Costs (Appendix A)

However, a lack of comprehension regarding obligations and responsibilities in respect to sponsored training by Ni-Vanuatu adds significantly to the problem. Mostly, advancement through TVET training programmes is the result of sponsorship by current employers, or alternatively by obtaining a scholarship. The

expectation of employers is that staff will continue in their employ, becoming more valuable to the business while also progressing in their own careers.

7.6 Perspectives of Expatriate Owners and Senior Managers.

The views and perspectives of expatriate Owners and Senior Managers provide both discerning and disconcerting commentary on the state of TVET training in Vanuatu. The participants were found to be generally empathetic and caring towards their staff, and in the main wished to contribute to the advancement of employees and Ni-Vanuatu society.

(a) Personal Expatriate Narratives : Richard.

Richard is the manager of one of the larger transport business operating in Port Vila:

Richard: There is an in-house training that we offer.

Interviewer: Okay. But when they come to you and you employ those people they may effectively be unskilled

Richard: Yes, correct.

Interviewer: Level of education?

Richard: I don't know, I mean it's fairly basic. They haven't done Secondary some of them have, some of them haven't, some of them have done University as well. But they have completed their courses.

Interviewer : Okay, so in effect, that's not a selection criterion for you.

Richard: Well it's very hard to find someone to work in this industry. So we just have to make sure that they can understand English or French; that they can speak clearly, and deal with people; that they can do some maths, do some reasoning, and then from there we actually build everything.

Secondly, in respect of general education :

Interviewer: In terms of numeracy that Ni-Vanuatu have, do you feel that is adequate?

Richard: No. Its not

Interviewer: So basically you have to go through an in-house process to get them up to up to speed?

Richard : To make sure that they are up to speed.

Interviewer: I suppose that begs another question. That things to do with money is a new concept certainly to the lower echelon levels of Ni-Vanuatu society. Should that be more of an emphasis within schools?

Richard: Definitely. It must be.

Interviewer: Do you feel that is adequate at the moment?

Richard: I feel there are weaknesses. Just capturing money and being able to handle money that's been received, that's been refunded, and how to capture it. It is a concern.

In regard to obtaining TVET trained staff :

Interviewer: Moving forward, what things would be ideal to put in place, for say the lower social strata of Ni-Van society to be able to be employed say within hospitality, tourism, transportation, that type of thing?

Richard: An acceptable level of academic training. Education is important, languages are important, maybe have a more specific school to form them in that industry, knowing what the industry will require.

Interviewer: I believe that the APTC do a course, and that doesn't cover that? Do you know what they cover?

Richard: No. I don't know what that covers, but I haven't had anybody coming from that school even though I've requested a lot at times to get people to come here.

(b) **Personal Expatriate Narrative: Wendy.**

Wendy is the owner of a successful tour operation, located outside of Port Vila.

Interviewer: Speaking about the girl in the office then, so she is going to university. In terms of literacy and numeracy?

Wendy: She is probably level one, year two university, fluent French and English. She's probably the top of the thing, then we go down to, I have a woman who has worked for me for thirty years, she couldn't read or write until recently. We have taught her to read and write. Tour guides are all about personality, education it doesn't really matter. It does limit them if they can't read or write, then it does limit what they can do in the office or the kitchen.

Interviewer: They will need to have a good level of English?

Wendy: Yes

.....

Interviewer: The training of the staff how to go about it, since you're doing(things) local do they have training or do they have education in any way?

Wendy: All our staff are trained on site. So I think only one of them came with any training in tourism. We do all the training ourselves, most of them have never had a job before and most are young mothers.

.....

Wendy : We have a training session every month, so it is ongoing, and we will also bring in specialist trainers if think we need it. We're about to get somebody to come in and do food handling skills for the ladies that work in the café. We are also about to get someone to do certified first aid training. But all the others we do on-site staff. When we get a new member of staff, they will come in and do some training, we have girls that will do the training and then pretty well from day one they will start with tourists as trainees and so once they can be involved a tour they start getting paid basically at half wages. Once they are deemed, and everybody's different, once they have been able to take to take on a tour themselves, they go onto full wages.

Interviewer: Since we are on the training thing, in terms of the food training, does that come through someone like APTC.

Wendy: Way too expensive.

Interviewer: Really, because so I had thought that APTC was funded through AustAid?

Wendy: I looked at putting one of my top guys through.

Interviewer: So they have to be sponsored through?

Wendy: Yes, it was like \$500.00 and none of it was after hours, so you lose them as an employee. Some of my guys I wouldn't mind putting through, like my head guy, I've done some training off-site with him.

(c) **Personal Expatriate Narrative : John.**

John is a major business owner that supplies the tourism and hospitality industry:

Interviewer: And their education level generally?

John: The staff that we employ generally have secondary school education at a minimum.

Interviewer: Finished secondary school? And that is how you have prioritised it?

John: We need a person of high calibre here. So you know, we don't really have too many except in the warehouse that is unskilled work, the rest is skilled work. But even with that (warehouse) work, we need a level of competence that is the equivalent of 15 -16 yr old education in Australia or New Zealand, so we have to have to have that level.

Interviewer: And socialisation, say, for example, drivers. They have got to have certain skills when they're actually delivering stuff?

John: Yes, there is an attitude and aptitude that we expect. We pay well above the normal wage because we expect a higher standard. We won't employ someone who will work for less because we will be disappointed with what

they can do. So our biggest, biggest challenge is finding someone who wants to work.

(d) **Personal Expatriate Narrative : Matthew.**

Matthew is the owner of a number of residential properties that provide holiday accommodation to tourists.

Interviewer: Do you employ trained staff?

Matthew: With the holiday homes, three of them have been trained, two of them came from white sands golf course 15 years ago. They started as domestic house girls, and have come through. They have trained the others, developing their house skills. They are a lot more senior and look after the properties.

Interviewer: So their training has been on site?

Matthew: All of them went through secondary school as far as I'm aware, but none of them went to university and they're all married with children, except for one. They are over 20 some of them are late 30's.

(e) **Personal Expatriate Narrative : Aaron.**

Multiple Business owner Aaron's experience with education and training:

Interviewer: You mentioned that you do "in-house" hospitality course. Why do you do that?

Aaron: Because when we needed new people, they were just completely clueless. You walk into a bar, they couldn't tell you what a red wine was, or what a white wine was..... nothing, not the vaguest idea of how of how it all would work, and so so it's very hard to employ someone like that.

Interviewer: And so, just delving into that further, is their general level of education satisfactory, in terms of language and numeracy when they get here.

Aaron: Yes, most of the ones we get here, they can speak fairly good English, they can communicate fairly well, and they can have no problem with adding up. I've got a few that can't read, and we realized in the kitchen that some of our orders were getting messed up because the staff couldn't read. People would come and put a docket down, and if you didn't say what it was they wouldn't know. They couldn't read it.

Interviewer: How do you handle that situation, do you put that staff elsewhere, somewhere in a different duty.

Aaron: But we had a hierarchy, like levels of staff, and on our rosters, we made sure that we had senior staff on with junior staff, didn't have all junior

staff together, and what would make you a senior staff would be possessing better ability.

Interviewer: That leads onto this hierarchical system, but will get onto that a bit later. In terms of the staff, the training from the level of education, and that seems to be somewhat spotty, and you slot them where they are required. Do you actually have any staff from the APTC course?

Aaron: No, we actually haven't. Over the years we have tried a couple of times. They are not easy to get. Most of the people I find at the course have actually been sponsored through there by somebody, which we have offered to some of our staff as well. But the idea is that, you put them through the course, they come back and work for you, so we don't find that there is a lot of available staff come out of there.

.....

Aaron: Like I say, every time I have been up there and say I'm looking for a chef, or looking for that. They say that they have all these guys that have jobs that they are going back to.

Interviewer: So basically that the training course needs to be expanded?

Aaron: Possibly Yes. I mean it's not cheap, it's not cheap for these guys. It's hard for them to find the money to do the course, so they generally need someone to pay for that course which is generally someone like myself who will pay for it. But I'm paying for it because they are my staff and I want them to improve, and I want them back again. For a young kid to find the money to put himself through with no employment at the other end of it, it's a big ask. I'm not sure if they have got the money for one: to do it, and two: and what if there was no job at the end of it. There is not always jobs.

Interviewer: And also from your point of view the risk? What would the risk be that they would do the course and then come back to you?

Aaron: Or not come back to you. Well as I said of all the ones that we have offered, none have taken us up on it. They figure that they have a job, so they figure that they don't need to that now.

Interviewer: So that's a lack of vision or a lack of education that people have installed into them.

Aaron: Not sure or maybe its all part of that Ni-Vanuatu thing about don't think too much about tomorrow, I have had to jump for today, what do I need to worry about that for?

In regard to the future:

Interviewer: What would you like to see from the training and education point of view that would help you moving forward?

Aaron: Good question. What would we like to see? I think we do pretty good ourselves. We self train our staff, and our staff are good. We get a lot of compliments on how well our staff do.

(f) **Personal Expatriate Narrative : Henry.**

The general manager of a medium-sized boutique resort:

Interviewer: ... What training do they go through?

Henry: On the training side of things we get a lot of our staff through, we put them through APTC, or they come from VIT.

Interviewer: That's the Institute?

Henry: That's the Institute here. But there are staff members here, there are some unqualified or haven't been to school. We put them into a mentoring program with our senior Ni-Vanuatu staff members who have come from literally ironing sheets to now able to run the resort. We categorise where their strengths are, with their weaknesses, where they want improvement, and make sure that they can improve.

Interviewer: So you actually have a staff review process where you would have maybe a pathway that you would like to see individual staff go down over time?

Henry: Yes. We call it progression, so where they've come from, one a gardener wanted to become a chef but has never done the qualifications. He transitioned from the gardens into the kitchen

..... (interview interruption)

We had a gardener who had very minimum schooling, wasn't formally trained at school, amazing gardener wanted to become a chef. He is now progressing, has gone from the garden to kitchen-hand, and from kitchen-hand now into start learning to become a chef. So we give everybody opportunities to where they wish to go because we know it's a starting point. This is what tourism/hospitality is. You may start in one, but you may wish to finish in another area, and so we give all the staff here opportunities to learn as much as you can, go to APTC, further themselves. But it's up to the individual, it's not up to us to push.

Staff remuneration in relation to qualifications:

Interviewer: For people employed directly from APTC, or the Institute, because of their qualifications, are they employed at a premium over, and at a greater rate than is normal?

Henry: Yes. So, anyone that comes from APTC, we evaluate what their skill level is, we see if the basics are met, and then evaluate pay brackets to that extent.

7.7 Identified Weaknesses of TVET Training and Trainers, Tourism Strategic Plans in Respect to TVET improvements.

While the TVET for Tourism sector strengthening program has been specifically designed for Provincial areas of Vanuatu, much of its content is also relevant to Efate Island. Raising standards to international tourism and hospitality services was hampered by the standards of the trainers themselves, and all training providers were deregistered by the Vanuatu Qualifications Authority in 2014 (Australian Aid & Vanuatu Department of Tourism, 2016) which severely limited the number of training workshops that could be undertaken. Since this time a number have been accredited in 2015. Separately, only three of the VIT certificate courses received their accreditation (VQA, n.d) and the VQA website references one accredited trainer on Efate Island.

The scale of the problem is stated with clarity in the Vanuatu Strategic Tourism Action Plan 2014-2018 which concedes that the main tourism training suppliers are limited to APTC and VIT, with the latter being the major supplier of level I and II Certificates, and is “under constraints with their capacity to deliver courses” (Vanuatu Govt., 2013). The action plan notes that within the private sector “there is a real focus on in-house training at all levels”, and acknowledging the significant gap the goal set down in clause 3.1.6 of Human Resources Development states:

“To increase vocational training opportunities to improve access to quality education and training opportunities with a pathway to high-level qualifications.”

The Shefa Province Tourism Plan (Vanuatu DOT 2011) has seven key objectives included within a ten-year cycle commencing from 2012. Objective 3 within the plan attempts to strengthen tourism services and products through the provision of training because :

“Skill levels are very basic and often do not meet tourists expectation”

The lack of success of previous tourism strategic plans was cited as being due to a lack of:

- A formalised implementation process.
- The whole of Government support.
- Capacity with the Government to mobilise the plan’s initiatives.

7.8 TVET Training - Personal Expatriate Narrative: Leon.

Business owner Leon has a major involvement within the Vanuatu TVET training system and contributes as a moderator for the Vanuatu Qualifications Authority, as does one of his staff.

Leon: we have to evaluate the units so that these units are level Level I or Level II. etc. They had a Building Unit Level I and then sent them off to build houses in Torba (province). Level I is learning what the difference between a plumb-bob is, or a hammer, a saw or a square is. It (building houses) is not something that they would not do at Level I. We've got 10 levels, so those on levels 8, 9, and 10, would start building things. Level I is just an introduction and these are some of the things that we look at. We had situations where rural training centres were saying that they wanted to make it easier because they are in the bush. I for one told them to piss off. You can't, I said why? You're undermining people's abilities, you can put four more years onto the course, but you can't make it easier. If you don't have a standard what's the point of having a qualification process. We need certificates and certifications in this modern day. They (people) can get a job because it's a reasonably accepted standard rather than being just a standard for someone to pass so we can all feel good about ourselves and is useless. That's the important thing, that's step one in identifying how we fix some things.

7.9 Capacity of TVET to Meet Future Industry Requirements.

Section 7.3 (e) provides a range of best estimate growth requirements of trained staff for the tourism and hospitality industry. The mean growth projection of 9.19 % year on year for the next ten years has been taken, recognising that this range will actually somewhere between 7.07% - 13.15%.

Fig 7.2 shows graphically the demand and supply for both junior management, and skilled staff based on previously defined best industry requirements:

- Figures regarding junior management supply figures are based on reported figures of an assumed annual intake of 45 enrolled positions, that covers three differing Diploma Level qualifications, commencing 2018 with the first intake graduating three years later. As with the attainment of academic qualifications, there will be an attrition rate and curves for both 100% and 67% graduation are included. Based on these figures, the University of New Caledonia should be able to provide sufficient graduates to fulfil the demand over the next ten years for junior managers.
- A review of Queensland's TAFE qualification frame indicates that skilled staff actually require Level IV certificate qualifications. These are simply not available, and it is

assumed that the APTC Level III qualifications, along with associated experience provide adequate training for this level of ability and responsibility. Despite this, even at 100% graduation, the supply of new staff is insufficient. At 67% graduation, the increased supply only meets about one half of the demand.

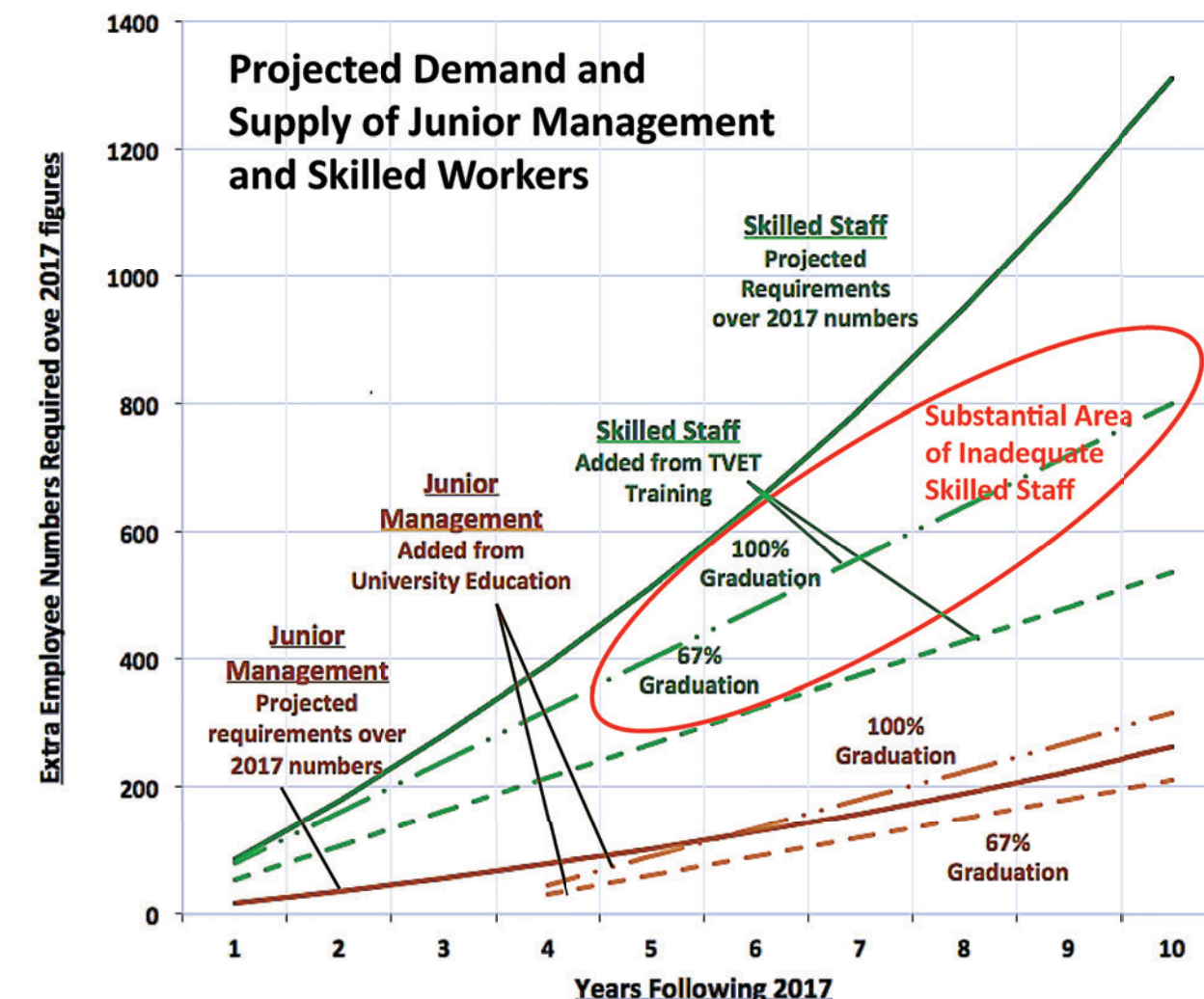


Fig 7.2 - Calculated Shortfall for Period 2017-2027 Between Demand and Supply of Junior Management and Skilled Staff.

The problem for governance is that unless strategies are proactive, then by the time rectifying action is mobilised, time lapse makes the required scale of action so much greater.

The position regarding semi-skilled employment is considerably worse. In accordance with the hierarchical staffing grades used in this research, there are no suitable qualified semi-skilled workers (given that APTC graduates have been assumed to fill the role of skilled staff). The voice of Leon is discerning in noting that qualification frameworks are a progression, and foundation courses do not create semi-skilled employees.

Two hypothetical situations are assumed in Fig 7.3; firstly, that both Level I and II certificated graduates are adequate to fulfil the role of the semi-skilled workforce; and secondly, that only Level II certificated graduates are able to extend themselves into this role. At 100% graduation, the first scenario is barely sufficient, but this is highly unlikely and impractical, while at 67% graduation a substantial shortfall occurs.

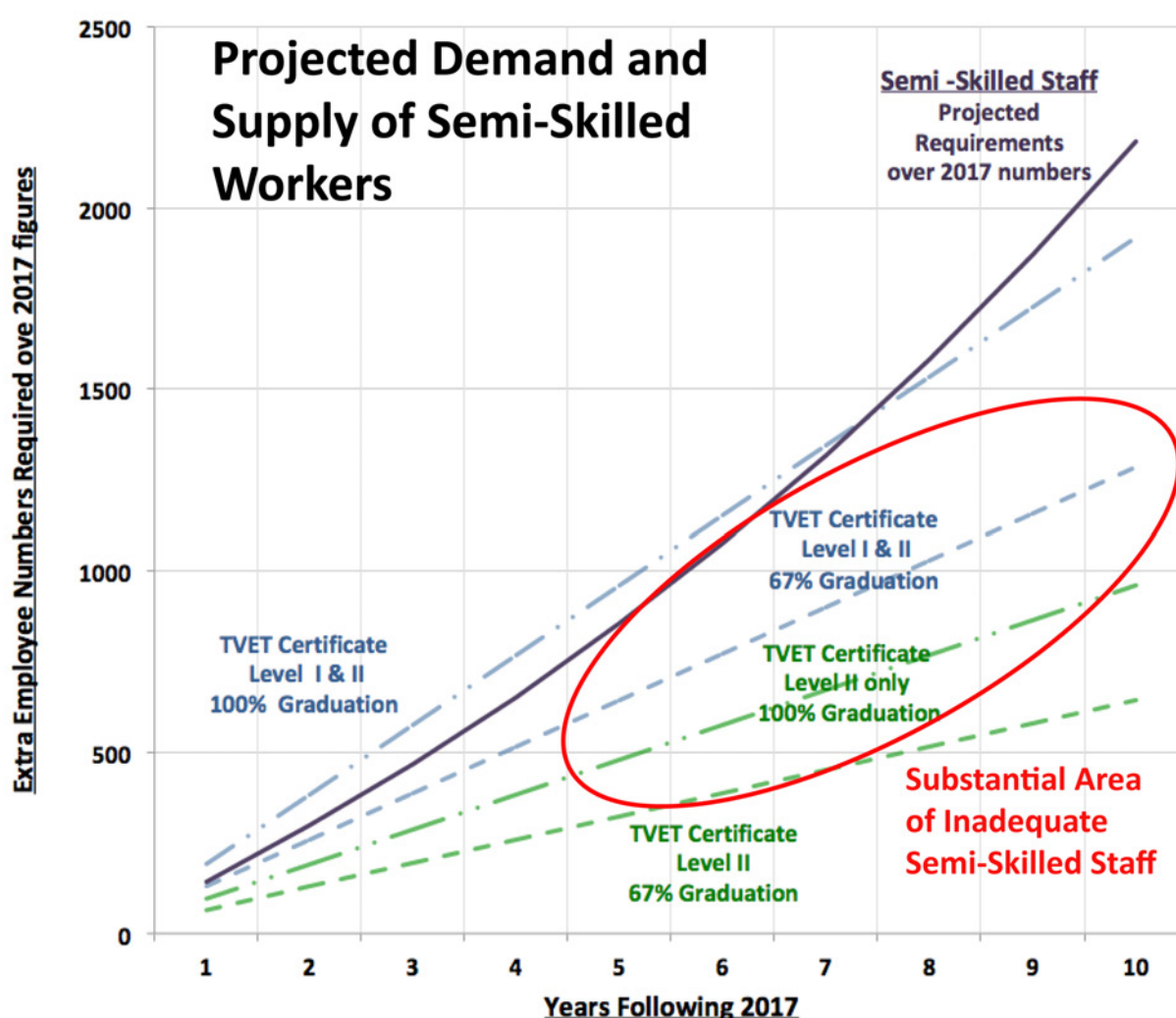


Fig 7.3 - Calculated Shortfall for Period 2017-2027 Between Demand and Supply of Semi-Skilled Staff.

7.10 Discussion of Human Capacity Building.

The success or otherwise of any industry is dependent on the education, skill and experience of the people working within that industry. Where industry has a high degree of face-to-face interaction with customers, or the public, staff require socialisation skills, affability, and be empathetic to the cultural affinities of the people they are dealing with. Appearing to be friendly, relaxed, and assured, much of their persona is derived from

their knowledge, training, and rapport towards travellers. Mostly, these are not natural abilities but developed through education and training.

Education and training, if nothing else, provide a uniform set of standards and the expectation that these standards must be met and maintained. The further up the organisational structure a staff position is, the greater the education and training are required, along with experience. The later is important, and fleshes out the former “sine qua non” but does not replace them.

In a more general sense, if the national strategy is to move its population from a traditional subsistence base to that of a modern society with a population fully participating in a formal economy, then the element of change permeates everything and everybody. In regard to change, the eminent American historian and liberal intellectual Henry Steel Commager noted :

“Change does not necessarily assure progress, but progress implacably requires change. Education is essential to change, for education creates both new wants and the ability to satisfy them.”

The willingness to engage in globalisation accelerates that change creates new “wants”, but does nothing to satisfy them. For poor Ni-Vanuatu, their ability to adapt to change, to participate with the resulting society depends on providing them with the knowledge about the processes involved with change, what the various futures would look like, and providing them with the opportunity to have a say in those processes.

(g) **Discussion of Question 11.**

Taking the question further, it cannot be said with any degree of certainty that there is a commitment on the part of the government, development institutions, or businesses to provide adequacy of education or training.

The inadequacies are illustrated by a review of the specific actions laid down in the Strategic Action Plan 2014-2018 (Vanuatu Govt., 2013) :

- A Human Resources Implementation Plan does not appear to have been published or circulated.
- HTLTC, the main training facility has not been separated from VIT.
- The Ambassadors Pilot Program, a NZAid initiative was lost to another Pacific nation.
- While it is understood that some mentoring of businesses has occurred, its extent is unclear.

It is essential that a robust quality assurance system is implemented, and significant strides have been made by the Vanuatu Qualifications Authority (VQA), who has not only established a qualifications framework. However, the following inadequacies are highlighted :

- The deregistration reveals a lack of governmental commitment to resource and develop qualified “trainers” and educators. Virtually no information is available on accredited trainers.
- While the National training facility at VIT may have seven certificate courses, only three of these are accredited on the VQA website. Further, of all the courses offered are only Level I and Level II foundation standards.
- The APTC Level III does not feature in the VQA framework. More importantly, there are no Level IV certificates, and it is unclear what the actual situation is with the upcoming Diploma’s being offered by the University of New Caledonia. This means that a large discontinuity occurs within the VQA framework, and no practical pathway presently exists for students to progress through the framework into higher education.
- Even before engaging in TVET training, there is a substantial educational deficiency. Very few students actually progress past year 10 at secondary school.

Crucially, within the industry itself, the consequence is that employees with foundation qualification certificates are being asked to carry out semi-skilled and skilled work duties, something that their training does not prepare them for adequately. Staff subsequently face unrealistic expectations from employers.

(h) **Discussion of Question 12.**

There is a projected insufficiency of supply compared to the employment levels projected by the World Travel and Tourism Council.

It is entirely appropriate to develop employment models and evaluate scenario’s from these models to forecast future employment needs. The scenario’s incorporated in this research paint such a wide divergence between demand and supply, that an explicit under-supply of staff is undeniable. The forecasts indicate :

- That provision for junior management staff should come on stream from 2021 and provide sufficient numbers over the next ten years to meet demand. The difficulty is that little is known about the University of New Caledonia’s course, it is untested in practice, and will not actually produce graduates for a number of years.

- That there is no provision of skilled staff to the grades envisaged by the TAFE qualification or by implication, the VQA framework in Vanuatu. However, even if graduates from APTC are assumed to fulfil that role, major shortages will present themselves in the upcoming years.
- Similarly, semi-skilled roles will need to be filled from Level I and II certificated graduates. Despite this, the best possible outcome requires a graduation rate of 100%, while the worst outcome has only 50% available. Worse, the actual number magnitude is substantial

Further, this disparity may be nothing compared to the poaching of trained staff by cruise tourism. While it can be argued that working for cruise tourism still remains within the realms of tourism, earnings created on the cruise ship are directed elsewhere. The comments of Henry point to a sobering incidence, whereby eleven out of fifteen staff members that his business sponsored through APTC certificate courses, left to join the cruise boats. Further research is required, training facilities should be expanded, and policies enacted whereby cruise tourism contributes to training.

(i) **In-House Mitigating Actions of Businesses.**

Of the owners and senior managers interviewed, only one provided a comprehensive human capability framework for their staff. Henry's business employ's or puts staff through the APTC and VIT courses, and surrounds each employee with a human capability mentor. This allows staff with no training to progress into areas they wish to work within, and unskilled staff to progress into semi-skilled and skilled positions. However, this appeared to be the exception rather than the rule.

Mostly, the relative inability to be able to get formally trained staff was often cited by owners and senior managers. Both Aaron and Richard noted that when their separate businesses sought trained staff they found that there was simply no availability. Aaron and Wendy also cited the high cost of the APTC course as a limiting factor.

To compensate, some businesses stated that they carried out their own in-house training processes, which they found generally successful. Other businesses had the luxury of staff that had stayed with their business over many years. Matthew employed two staff that had been in the businesses employ for thirteen or so years, Leon cited that staff had been with him right from the start, as had others. Staff had

grown into their position as the business expanded, and their knowledge gained through work experience.

If the supply of trained staff remains at inadequate levels, private industry will simply seek to import their requirements. From a Pro-poor perspective, such action is notably negative :

- Pro-Poor tourism, based on employment expansion, requires a progression of people through the lower into the higher paying organisational levels. Bringing outsiders in circumvents this progression process.
- An outsider is employed rather than a Ni-Vanuatu.
- The education and training of poor Ni-Vanuatu is a foundation stone of Pro-Poor initiatives. Employing staff from outside disincentives the education and training of Ni-Vanuatu.
- The establishment of a robust and sustainable education and TVET organisation, with its own staff advancement, internal education and training are threatened.

Perhaps the greatest concern is the general level of education of Ni-Vanuatu. In particular, numeracy, literacy, and ability to deal with money were consistent threads of narratives. This echoes the concerns of actual literacy levels at the completion of primary school, and subsequent drop-out rates at senior secondary school. It is difficult to see how students without a solid foundation can progress further.

8.0 Social and Cultural Dynamics within Vanuatu Tourism Businesses.

In tandem with chapter 7.0, some detail is required regarding human resource utilization within tourism businesses. In particular, current education and skill level of employees, along with gender dynamics, inter-island cultural influences, and the cultural distance between expatriate owner/managers and Ni-Vanuatu staff. The following questions are relevant to the inquiry :

- Question 13 – Are there differences in regard to Gender employment within the tourism industry, and if so is it Pro-Poor?
- Question 14 – Is there a bias to employ Efate born, or people from other Vanuatu islands?
- Question 15 – Is there a cultural distance between Expatriate owner/managers and Ni-Vanuatu staff?

8.1 Accommodation.

A total of seven managers from accommodation properties provided empirical data regarding the operation of their business. Three properties conform to a resort concept, one a hybrid operation, while two possess hotel styled configurations, and the final property a large quality holiday home. Two of the resorts have between forty to sixty units, with the remaining four properties having less than half that number of units. The holiday home, while substantial, was smaller and had staffing levels substantially less than the others. While the sample should not be considered to be representative of their niche, there are not many properties in each niche, and consequently, it is plausible to make some inferences regarding their attributes.

It was felt that a focus on the properties of a size and scale would provide better insights than those with only a couple of employees since they possess a greater range of employment types. Further, it is likely that most projected future accommodation properties will fall within these size ranges.

However, it is pertinent to compare the scale of properties in Vanuatu, to that of the much larger tourism destination of Fiji. Vanuatu represents a small section of the tourism market in the Pacific, and even the largest properties in Port Vila, the Holiday Inn Resort with 148 rooms, and Iririki Island Resort with 136 rooms (Our Pacific, n.d.-b) are considerably smaller than the larger Fijian properties. The five star Sofitel Fiji Resort and Spa boasts 296 rooms and suites, the Hilton Fiji Beach Resort and Spa has 273 studios, suites, and villas, while the Radisson Blu Resort Fiji Denarau Island possesses 270 units

(Our Pacific, n.d.-a). If the strategy is to grow the tourism industry, then future properties must aspire to become larger.

(a) **Overview of Property Owners Knowledge of Staff.**

It is a critical part of any hospitality business for managers to know the makeup, training, capability and suitability of their staff.

The manager of the property with the largest number of staff had detailed knowledge of his organisation's staff, its gender breakdown, education levels, training levels, and numbers within each job descriptions breakdown. Surprisingly, two properties employing only slightly fewer numbers of staff provided responses which indicated that they had very little knowledge about their staff, or were reluctant to say.

Of the remaining properties, two were of approximately equal size and possessed about half the staff numbers of the larger properties. The manager of the larger of the two had limited knowledge of gender and job function breakdown, but little else. The manager of the other possessed a comprehensive knowledge.

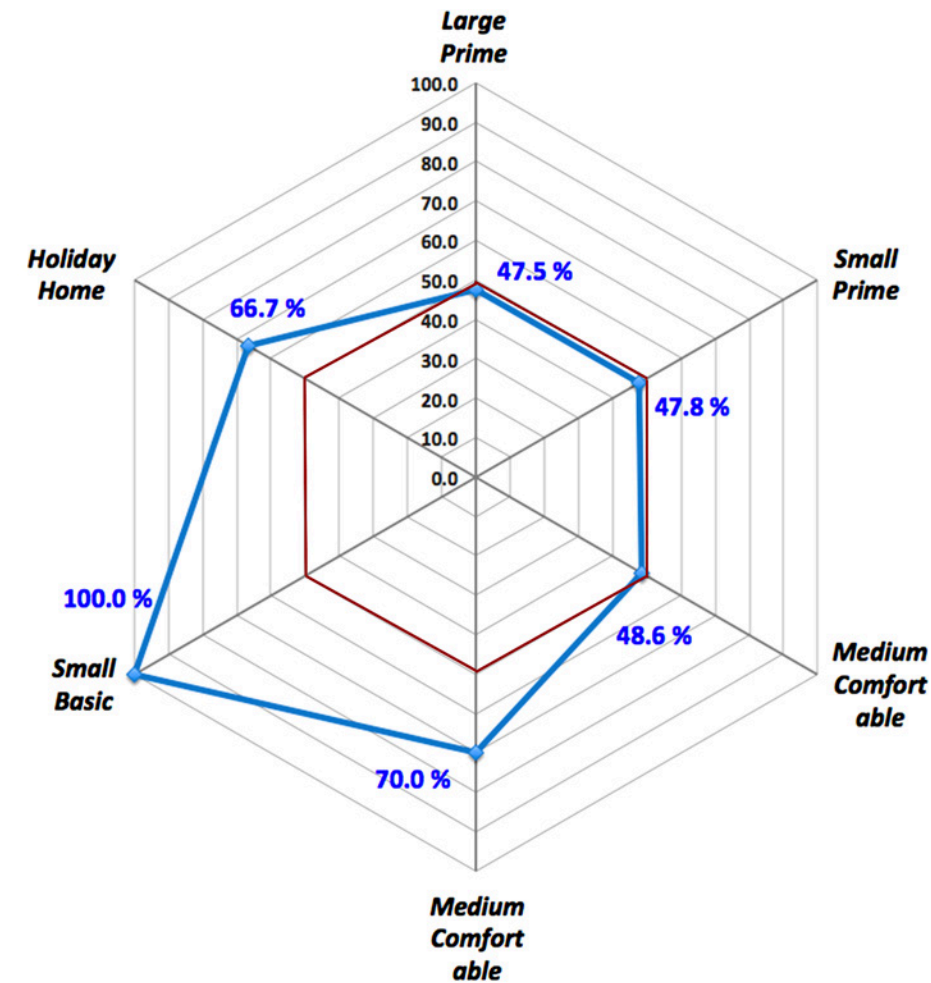
Despite quite low staff numbers, the manager of the smallest hotel showed that they had no real knowledge about their staff. Conversely, the owner of the holiday home possessed a great awareness surrounding his staff.

The fact that some managers had so little human resources knowledge is certainly a striking observation. While a very restricted sample base, this characteristic appeared not to be dependent on an organisation's size, or the rating/class of their establishment.

(b) **Gender Employment Within Accommodation.**

There is an overriding impression that a significant number of employees that interact with guests and customers are female. Of course, this does not necessarily convey a correct picture of overall gender employment, merely those in regard to those within face-to-face of job role typologies.

Of the seven properties that contributed, all but one provided the overall gender breakdown of their Ni-Vanuatu staff, and this is shown in Fig 8.1 below. The star chart disseminates the proportion of female staff at each, along with the relative grade and size of each accommodation. The gender 50% neutral designation is also shown in red and helps highlight the differences between the properties.



**Fig 8.1 - Percentage of Employment of Female Ni-Vanuatu
within a Selection of Accommodation Properties.**

The two prime accommodation facilities retained near equal numbers of male and female staff, and their difference in staff numbers would suggest that the size of their organisation had little influence, but the staff parity may instead have more to do with their grading. A disparity manifested itself amongst the medium sized comfortable facilities, with one having similar ratios to the prime facilities, while a heavy bias towards female staffing occurred within the other. This characteristic continued more dramatically with both small properties, with the small hotel being completely staffed by females. The holiday home provided some male staffing, although this is due to the fact that holiday homes require gardeners, while hotels may not.

(c) **Gender Dissemination of Employment.**

Three properties provided excellent information regarding their staff, including the largest employer of staff, and two medium-sized employers. To gauge the

breakdown of employment roles, star charts were plotted for both male and female employees. The holiday home, and smaller accommodations were not considered due to the limited number of roles within their organisations. Roles were broken down into categories as follows :

Senior Managers	-	Generally responsible for the overall running of the organisation, and the person completing the questionnaire.
Junior Managers	-	Junior and sectional managers
Skilled Staff	-	Chefs, formal clerical staff, and other technical staff.
Semi-Skilled Staff	-	Supervisors, and front of house drivers, and boat helmsmen
Unskilled Staff	-	Gardeners and cleaning staff.

Figs 8.2 and 8.3 represent the percentages of the total male/female staff numbers are employed in each of the five job categories.

Almost all senior managers were expatriates, with significant hospitality experience overseas, employed on fixed contract. It is however very noticeable that across the three properties two females filled senior management roles, while males filled none. Similarly, females filled six junior management roles, while males filled four, despite the total numbers of female staff being only 70% of their male colleagues. However, It should be noted that what some managers referred to as senior managers in the questionnaire, are likely to be junior managers in this research.

Within the limited sample, there appears to be a distinct skew in the types of employment carried out by each gender. Males were distributed throughout skilled, semi-skilled and unskilled job roles. By comparison, females appeared to fill semi-skilled and unskilled positions. A significant feature is the fact that despite having limited opportunities, females are more successful at moving into higher management positions than males.

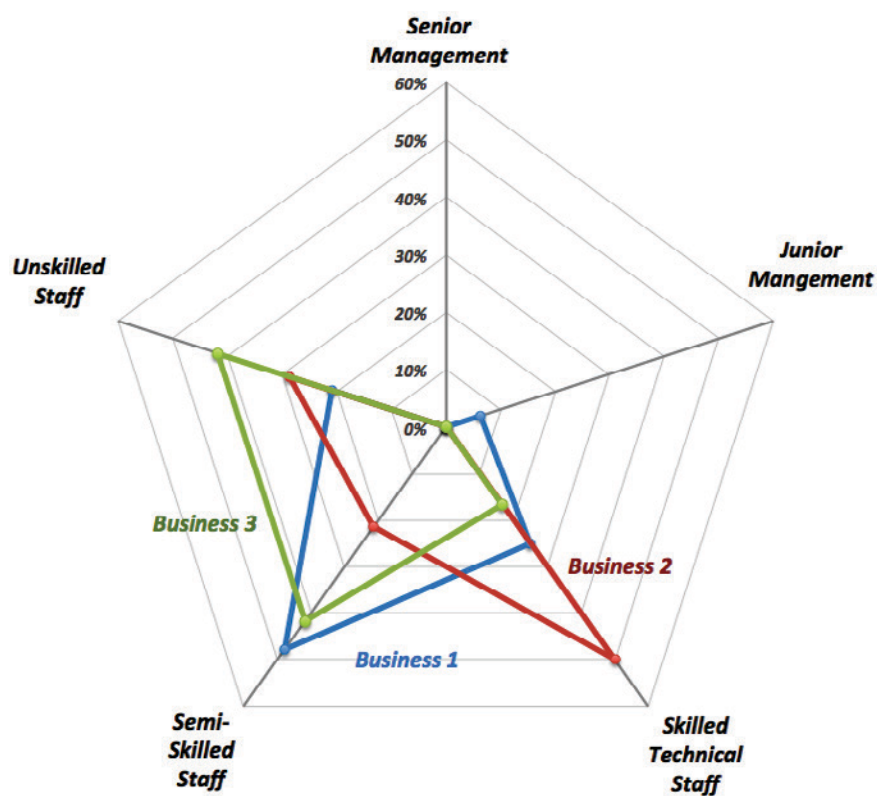


Fig 8.2 - Percentage of Job roles for Male Ni-Vanuatu in Accommodation Properties.

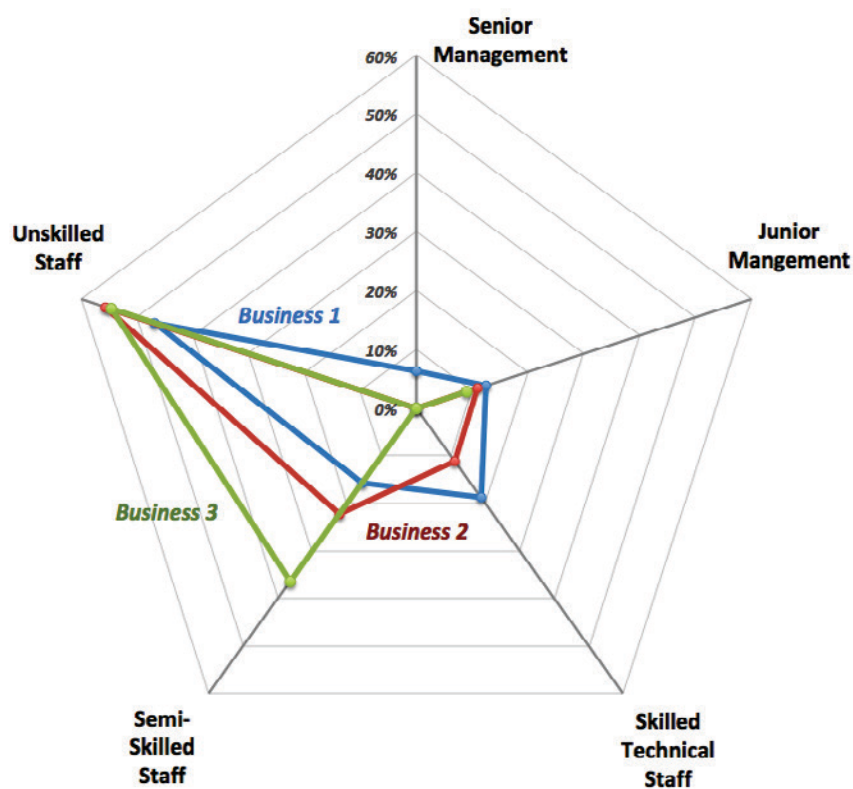


Fig 8.3 - Percentage of Job Roles for Female Ni-Vanuatu in Accommodation Properties.

(d) **Perspectives of Expatriate Accommodation Owners and Senior Managers on Gender Employment.**

It is noteworthy that for Edward, the owner of the small boutique resort, that gender didn't come into any consideration. Other views include:

(i) **Personal Expatriate Narrative: Matthew.**

For Matthew, owner of a holiday home:

Interviewer: And their gender ?

Participant: I've got four house girls and two male gardeners.

(ii) **Personal Expatriate Narrative: Henry.**

Henry appears well informed regarding the staff at his resort:

Interviewer: Would you employ more females or more males?

Henry: We look at female employment because we know that they are hard workers especially in this culture. They need all the opportunity, as they have been held back in so many years.

A lot more females than males because of their characteristics to able to adapt, and learn faster.

(e) **Island of Origin of Ni-Vanuatu Employees.**

Four properties indicated that they did not know what the breakdown the island of origin was for their employees. Interestingly, all the Ni-Vanuatu employees of the largest property were borne on Efate Island, which appears to be quite unusual. In this circumstance, the property itself may have an arrangement with the kastom owners and therefore the business model may be set up to enhance the well being of peoples in its surrounding area. For the other two properties, one employed roughly equal numbers of Efate born, and non-Efate born staff, while the other employed twice as many non-Efate born staff.

Because of the distribution spread, there is little that can be surmised.

(f) **Perspectives of Expatriate Accommodation Owners and Senior Managers on Island of Origin of Staff.**

No particular aspects regarding the island of origin presented themselves

(iii) **Personal Expatriate Narrative: Matthew.**

For Matthew, owner of a holiday home:

Interviewer: Do they all come from the same island?

Matthew: No. They are from all over. I don't know exactly what their islands are, but they're all from different islands.

Interviewer: And is that done on purpose?

Matthew: No It's not done on purpose. The island thing never comes into it for me.

(iv) **Personal Expatriate Narrative: Henry.**

Henry's facility lies outside of central Port Vila.

Interviewer: Would most be Man-Efate or would they come from other islands as well?

Henry: Other Islands, Malekula, some of the Banks regions, Ambae. There is a mixture of all the outer islands. Some come with formal qualifications, some don't.

(g) **Knowledge of Education and Training.**

Of the seven properties, all stated that they were aware that tourism education and training occurred in Vanuatu. All seven properties indicated that they were generally aware of APTC, but only two indicated that they were aware of VIT, the countries national training institution.

All the larger concerns indicated that they had employed certificate qualified staff, while the two smaller concerns indicated that they were not of sufficient size, and did not require the specific skill set that is associated with certificate qualified staff.

The research further asked the properties what levels of staffing had they employed staff at, and all indicated that they had employed personnel at certificate level. Again the largest property provided the most detailed answer, indicating that 90% of their qualified Ni-Vanuatu staff possessed certificate level qualifications, while 10% were diploma qualified in business management.

However, a disparity occurs in the answers provided by the properties in regard to tertiary-educated staff, when these answers were compared to similar questions on general education levels of staff. Managers were less able to provide the proportions of staff that had primary, secondary, or tertiary education. Again the largest property, along with the smallest, provided detailed information, while four indicated that they did not know, and one omitted to answer. For the properties that provided detailed answers, a significant number of their employees had completed primary or secondary education often with additional training. Interestingly, there were a notable number of employees that had only attended primary school but had

subsequently attended training centres for further education. These are likely to be the Rural Training Centres that are spread throughout Vanuatu and who generally offered foundation courses.

All but one manager agreed that there should be basic education courses regarding money, personal finance, and personal financial planning.

(h) **Contributing and Adding Value to the Poorer Segments of Ni-Vanuatu Society.**

In regard to whether or not each property felt that they could contribute to the poorer segments of Ni-Vanuatu society if this could be facilitated for them, the following responses were received :

Yes	- 1 property
Don't Know	- 3 properties
No	- 1 property
No Response	- 2 properties

The one property that felt that it could contribute felt that “hands-on tourism training” and a “mentoring programme” could be introduced.

8.2 Overview of Other Dominant Tourism / Hospitality Industries.

While the accommodation sector forms the largest and most dominant area of activity within tourism/hospitality in Vanuatu, “Food and Beverage”, along with “Tourism Operators” are important secondary sectors. When referred to collectively, they are called “others” in this study :

(a) **Food and Beverage.**

Two food and beverage operations and one importer filled provided empirical data. One operation is a notable casual restaurant, while the other operation is a combined bar restaurant business. Both have been in operation for many years, and are popular in their respective hospitality niche. Both employed in excess of twenty staff, with the latter employing substantially more, providing an excellent snapshot of food and beverage operations that have layered hierarchal structures. In both operations, the ratio of Ni-Vanuatu to expatriates working in the business was close to ten to one, with the later filling owner/senior management roles. The importer provides quality goods and supplies a significant number of resorts, hotels and restaurants, as well as to the public. Total staff numbers for the importer was less than the two F& B operations, with the staff ratio being six to one. All the managers

appeared to have a fairly robust overall knowledge of their staff although only one extended this through to the education and training of their staff.

(b) **Tour Operators.**

Two tour operators, with activity in divergent areas of tour operation, provided empirical information regarding their operation.

The first is an established eco-tourism operator whose operation is related very much to the land and highlights the natural attributes of the landscape adjacent to a significant river. It provides a variety of guided activities to suit all tourist typologies, and part of their focus is a combination of eco-consciousness combined with soft adventure located in an exquisite setting. The nature of its business requires staff to be conversant with differing types of tourists, local flora and fauna, and active safety considerations.

The second tour operator works exclusively off a unique sailing craft, modelled off traditional Pacific boats that would have travelled between the various island groups in earlier times. The small skilled group of staff have specialised training in all aspects of seamanship as the craft undertakes trips throughout the Vanuatu islands as well as day excursions out of Port Vila Harbour.

(c) **Gender Employment Characteristics**

All respondents provided an overall gender breakdown for their Ni-Vanuatu staff. For all but one organisation, employment of females far exceeded the employment of males, with most having at least 70% female staff. For the organisation that had a greater number of male staff, this could be attributed to two overriding factors; firstly, it involved traditionally male-dominated roles; and secondly, aspects of its activities necessitated strength and therefore females would be at a distinct disadvantage.

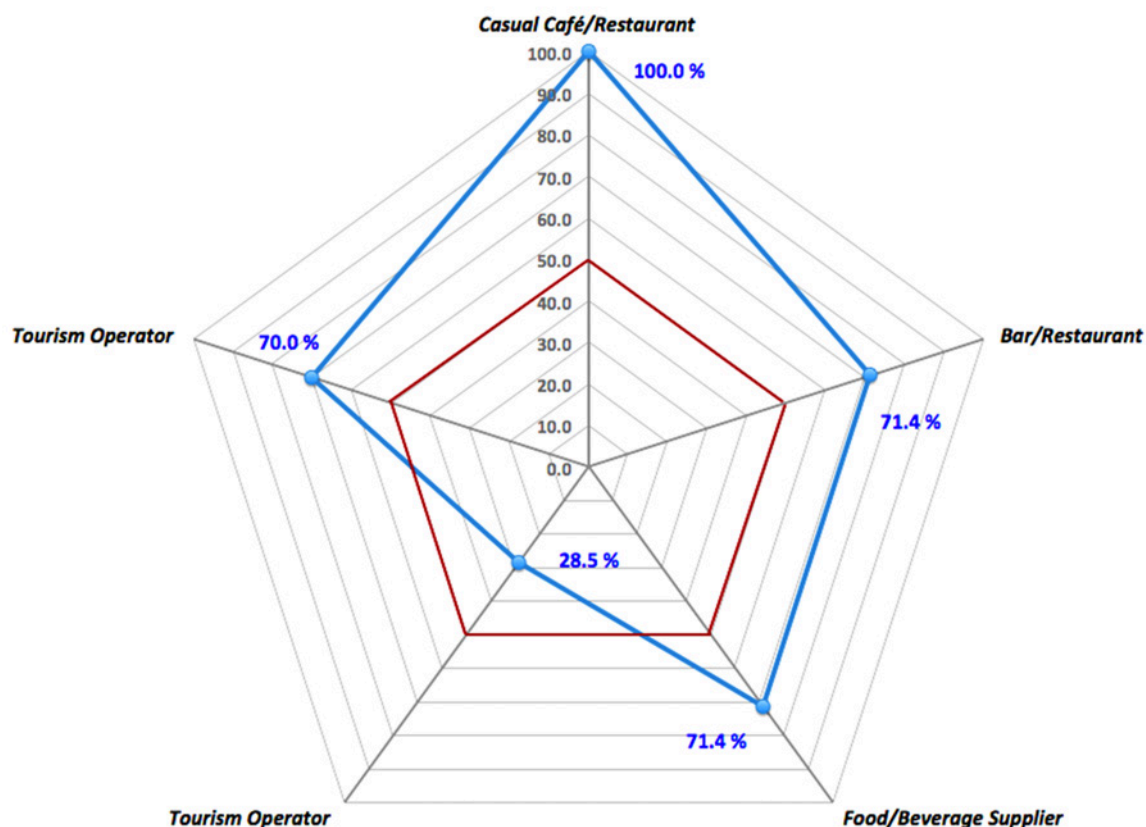


Fig 8.4 - Percentage of Employment of Female Ni-Vanuatu within a Selection of “Others”.

(d) **Gender Dissemination of Employment Positions held by Ni-Vanuatu within the Others Sector.**

Compared to accommodation, the size and scale of organisations in the others sector are smaller, with a greater number of casual compared to permanent staff. As a consequence, the demarcation of senior and junior management was more blurred, although the skilled, semi-skilled, and unskilled categories would be similar.

In evaluating job roles, female staff are predominantly employed in semi-skilled roles, with lesser numbers of management. It is noted that one industry had a high proportion within management, and this is likely to be commiserate with its high logistics and stock planning activities. The portion of females employed in unskilled work appeared to be quite small.

While males employed in one business displayed a similar array of employment roles as the females, for the other two businesses, males were exclusively employed in unskilled positions.

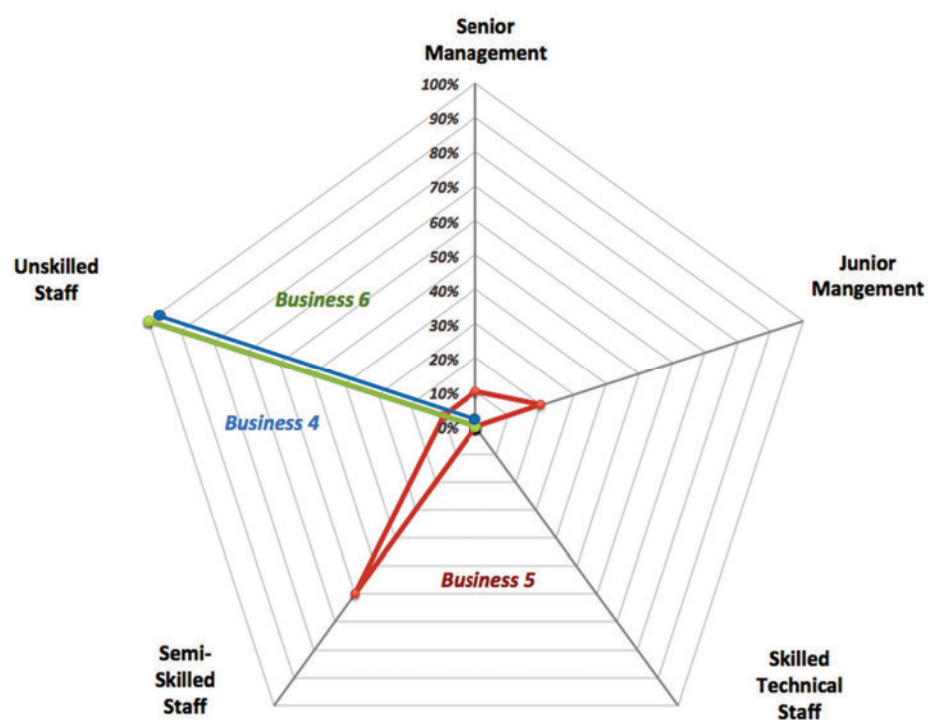


Fig - 8.5 Percentage of Job roles for Male Ni-Vanuatu in Food & Beverage and Tour Operators.

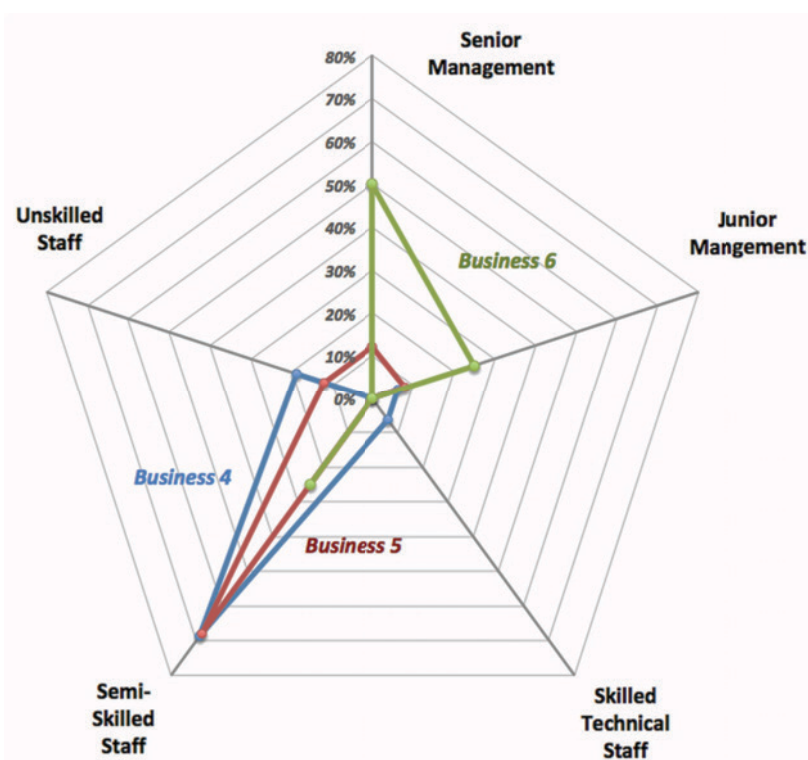


Fig - 8.6 Percentage of Job roles for Female Ni-Vanuatu in Food & Beverage and Tour Operators.

(e) **Perspectives of Expatriates within Other Sectors: Owners and Senior Managers on Gender Employment.**

Amongst the “other sectors”, a strong gender bias comes through the interviews, with an overwhelming preference to employ female staff, over males. In many cases, women greatly outnumbered men, with some businesses refusing to employ men. Depending on the nature of work involved, other businesses would limit the employment of men to those roles which entailed physical work. While a few owner / senior managers were circumspect in their views, others were quite vocal; men were essentially seen as unreliable and lazy and were not viewed as adding value to the business. Also, there was a view that men had little concern whether they worked or not, and regardless of their own actions men expected food to be still placed on the table at home (by females).

(i) **Personal Expatriate Narrative: Aaron.**

Aaron, an owner of multiple businesses just outside of Port Vila :

Interviewer: And say, a gender thing as well? does that?

Aaron: Yes and no. We have pretty well much gravitated to having women in all the major roles. All the big roles in this company are held by women now, and it works better. We find the men get very lazy when they get to a high position. And even though you have tried to teach them, they just look busy. You try to give them management skills, but they just look busy. You can't sleep on the couch all day and expect people to respect them. You don't have to be busy, but just pretend to be busy. They just want to lay on the couch and look busy, whereas the women don't do that.

.....

Interviewer: In a perfect world, would you only have female staff?

Aaron: No, No. I think you need both. In certain roles you need blokes to do. There are heavy lifting roles that you need to have some young fellas there. You need a mixture. In interacting with the customers, you need a bit of mixture of both. I wouldn't have all females, but certainly, at the end of the day, it works better with females in the senior roles.

(ii) **Personal Expatriate Narrative: Leon.**

Leon is an owner of multiple businesses operating in Port Vila. Within the interview, Leon interacts with another senior staff member (female Ni-Vanuatu)

Interviewer: what is your male-female mix

Participant: S.....(other participant)! Do we have three girls to every boy or four girls to every boy? We have a few chefs mainly all girls. Boys are lazy bastards. They are shocking. Am I not right?

Other Participant: They get easily tired not like the girls.

Participant: Thank you. You're more polite than me.

(iii) **Personal Expatriate Narrative: John.**

John is a major business owner:

Interviewer: Your staffing is generally made up of what?

John: Mostly women.

.....

John: We tend to find the guys are unreliable and don't apply themselves. They guys we have are actually very good. So they are the exception, they are not lazy and they are reliable and they are smart, and they do respect women. They are the exception The girls seem to, I think socially they are brought up with more responsibility, making sure that there is food on the table for their children, so they are more motivated to think about the consequences of not having a job, whereas a guy doesn't. He doesn't care, its the women that provide the food, so they (the guys) still expect that there is this to be food regardless.

(iv) **Personal Expatriate Narrative: Wendy.**

Wendy is a business owner that is located some way out from Port Vila.

Interviewer: Would most of your staff be female?

Wendy: Out of probably 20 five of them are male, the rest are female.

Interviewer: Is that on purpose?

Wendy: We found, not that we disallow men as tour guides, we have just found the girls are better, more reliable. We currently have one male on our tourism side.

Interviewer: But would the males be ... are they (employed) more in terms of the physical side, for example on the farm.

Wendy: Our maintenance are mostly all men, and our farm staff are all men.

Interviewer: Reliability between the gender?

Wendy: Females hands down.

(v) **Personal Expatriate Narrative: Susan.**

Susan is a manager of a food and beverage business operating within Port Vila :

Interviewer: Approximately how many staff would be employed?

Susan: We have 19 females, we don't employ males, and we have two female managers.

Interviewer: Okay, so the obvious question is, why only females?

Susan: In the past, a few things have happened with the males, and the owner decided that no males anymore. So the kitchen is run by females, and the front of house is run by females.

(f) **Island of Origin of Ni-Vanuatu Employees.**

Island of origin for other sectors show striking local characteristics, and Fig 8.6 shows the number of employees that were born on Efate Island, compared to those born on other Vanuatu Islands and a 50% marker is highlighted on the figure. It is immediately apparent that the majority of employees come from other islands and that at best around half will be locally born.

A significant reason for this may lie with the personal situation of the employees themselves. Peoples from Efate, will most likely live on their kastom land and as a consequence not have land rent obligations, and less pressure to find paying work. Conversely, peoples from other islands will have leased where they live and will be obligated to make periodic rent payments to kastom owners.

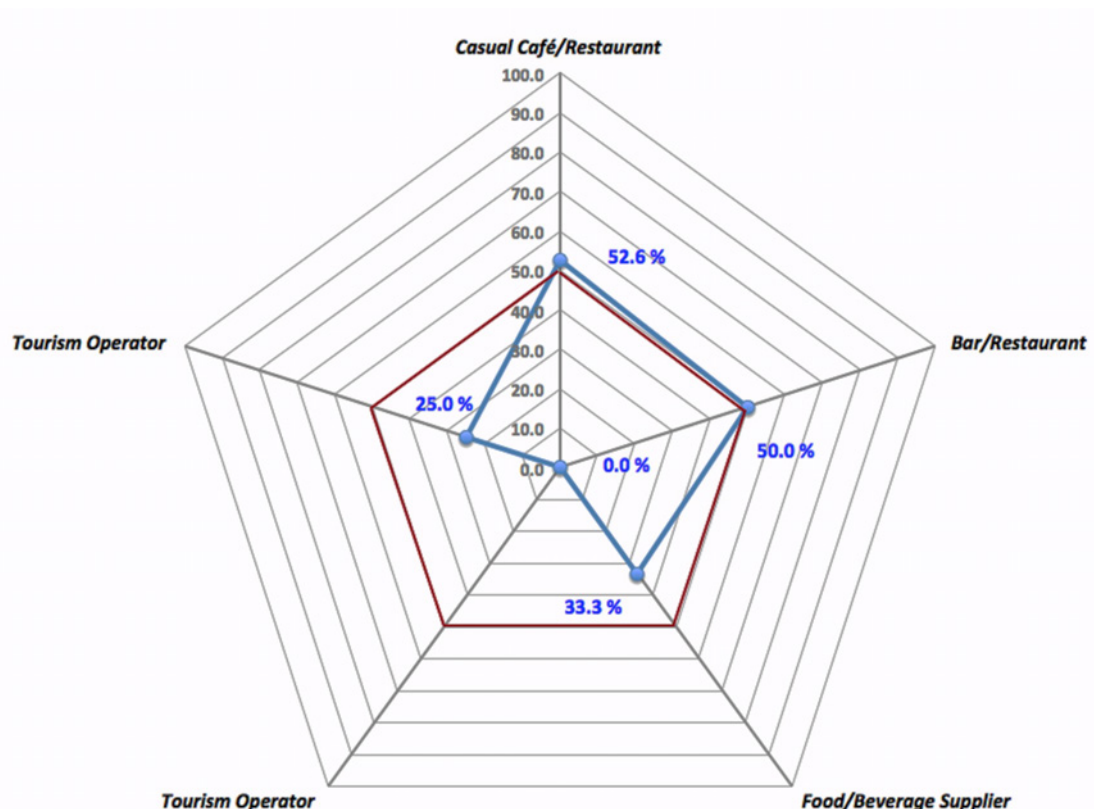


Fig - 8.7 Island of Origin of Ni-Vanuatu Staff in “Other” sectors.

(g) **Perspectives of Expatriate within Others Sectors Owners and Senior Managers on Island of Origin.**

Where a business is located determines to a large extent where the pool of potential employees come from. One business noted that their staff mainly came from the local area, mainly due to difficulties with transport, they also had a couple from out of the area. However, a couple of owners noted that one of the disadvantages of having staff from within a narrow band was that if a social or cultural event occurred, almost all staff would not turn up to work.

While most owners indicated that it was not an intentional bias, the number of staff from the outer islands always appeared to make a substantial makeup of workers.

(i) **Personal Expatriate Narrative: Aaron.**

Aaron, an owner of multiple businesses :

Interviewer: Do you employ mainly an Efate born staff, or are they from the outer islands.

Aaron: They all live here. But a lot of my staff are originally from other islands, but many years here living on Efate. I have very few staff that have recently moved to Efate,

Interviewer: Would you say that some of the staff, that have even been born here associate with the islands of their forefathers, more so than the Efate.

Aaron: Absolutely. They are some that have been here thirty or forty years and they are still "Man-Malekula" or whatever. Absolutely.

(ii) **Personal Expatriate Narrative: Susan.**

Susan is a manager of a food and beverage business operating within Port Vila :

Interviewer: are they generally all from one island, or are they varied?

Susan: Of course they all live on Efate at the moment, but originated from different islands. But thinking maybe 40% from Efate and the rest from the others.

(iii) **Personal Expatriate Narrative: Wendy.**

Wendy is a business owner that is located some way out from Port Vila.

Interviewer: I'm assuming that the staff would be Ni-Van?

Wendy: 100%

Interviewer: Are they from the local area?

Wendy: Where possible, because when you live in rural areas, there is always issues with transport, especially on and public holidays, and Sundays are a huge issue.

.....

So where possible we try and employ local, and also we are very family orientated so we employ families.

Interviewer: Basically from the same village or different villages.

Wendy: We do try and spread it around a little bit, because if you have a tragedy in the village, then you can suddenly lose all your staff

(iv) **Personal Expatriate Narrative: Leon.**

Leon is an owner of multiple businesses operating in Port Vila.

Interviewer: What about Man-Efate?

Leon: Man-Efate is not wanting to work. They are a bit sloth-like. It's probably a bit harsh, but I think they like sitting on their arse, the subsistence life is just so easy, more than other areas. Schools are scattered

all around the island, they don't have to do anything really, a bit of market gardening, and the women do that

(v) **Personal Expatriate Narrative: John.**

John is a major business owner:

Interviewer: And all from our different islands ?

John: Yes, pretty much.

Interviewer: Is that a direct policy?

John: No.

Interviewer: It's just whom you've interviewed at the time who was the most suitable?

John: It's just about getting the best person for the job at the time.

Interviewer: If you have all your employees from one island would that be a worry?

John : Yes. Only because of if something happens, or there is an island day or some dies where they are probably all related, they all won't turn up, so it's a business risk by just how they are socially organised.

(h) **Training of Ni-Vanuatu staff within Other Sectors.**

Formal food and beverage facilities require their businesses to operate to international levels of quality and service. Conversely, informal facilities are more casual, and what appears lacking in strict hospitality standards is often made up for in their character and all-round ambience. Both food and beverage operations were aware that training courses were provided by APTC, but neither mentioned VIT in their responses. One entity indicated that they employed certificate qualified staff, while the other indicated that they hadn't, citing the fact that there was no necessity for that level of staff, and that there was "no-one available when they were required". In regard to the supplier, hospitality trained staff were said to be not relevant to the business.

The tour operators had more comprehensive knowledge of courses relevant to their sector. The operator involved in the Maritime sector indicated that all of their staff had undergone training through the Santo Maritime College. The other operator cited both APTC and VIT but also detailed VCCI as providing relevant courses. Interestingly the same operator indicated that they did not employ anyone with qualifications from these institutions because the courses were "too expensive and many graduates lack experience".

(i) **Education of Ni-Vanuatu staff within Other Sectors.**

Given the “spotty” nature of training within the other sectors, it is of interest to review the general level of education of Ni-Vanuatu staff within these operations. Two managers didn’t know, and the remainder indicated that their staff had a mix of some primary, some completed primary, and some secondary, along with some having completed secondary education.

(j) **Contributing and adding value to the poorer segments of Ni-Vanuatu Society.**

Responses were mixed. Businesses stated that they were not able to help, one didn’t know, while the other two felt that they could help with training and providing mentoring experience. Interestingly, this is despite having largely untrained staff themselves.

8.3 Discussion.

Three distinct threads present themselves, the role of gender, island of origin, and the cultural distance between expatriates and Ni-Vanuatu. There is insufficient data here regarding island of origin (Question 14), and further research is required concerning this. Conversely, even with the limited data collected, there is a strong gender bias. Finally, the use of verbatim quotations place a spotlight on the difference in worldviews between expatriates and Ni-Vanuatu, and this cultural distance is worthy of discussion.

(a) **Discussion of Question 13: Gender Bias.**

Households often require both parents to derive work for pay, to be able to keep ahead of their household expenditure. The HIES Report found that in urban areas 42% of households had one person working while 33% had two people in employment so that 75% of households had one or more people working for pay (VNSO, 2012). Where only one person was in the formal economy, the other was most likely active in the informal economy, and anecdotally this was most likely to be the female. As it was also a traditional requirement that females provide meals for the household, often they were trapped into a marginal life in their market gardens or other marginal work. As a consequence, nationally almost 50% of all males aged 30-39 were employed as paid workers, while in direct contrast, the female age group never exceeded 30% in paid employment (VNSO, 2011a). Within male-female poverty comparisons, there is a need to improve the lives of females within Vanuatu, and implementations that increase the welfare and wellbeing of females have strong positive Pro-Poor characteristics.

(b) **Discussion of Question 15: Cultural Distance between Expatriates and Ni-Vanuatu.**

Expatriates carry out an unusual role in filling employment positions for which there is an inherent lack of technical skill or managerial experience. Normally, they are contract positions lasting between two to three years, although some stay on and take up permanent opportunities, or if permitted start their own businesses. A few go on to make the islands their home and become citizens of the particular country they are working in.

Vanuatu is a nation, where a diverse range of expatriates stay on and become permanent residents, and interaction between long-standing expatriates and Ni-Vanuatu is significant. A number of critical attributes surround expatriates; firstly, they are generally few in number compared to overall community numbers; secondly, they generally always fill high-level employment positions; and finally, they generally have little direct say in the social, economic and political affairs of the country.

Having being exposed to a variety of cultures most expatriates have an outlook that recognises that reality is relativistic and constructed locally within the environment in which they live. Strongly framed by their own upbringing and life experiences, they exhibit a diverse range of attitudes towards Ni-Vanuatu culture, traditions and customs. Therefore, their perception lies on the objectivist-subjectivist continuum but will be widely spread, and subject to change due to the dynamic nature of their interaction with Ni-Vanuatu. Their axiological attitude or sense of what is valuable” is particularly interesting as it is dichotomous in nature, separating “self” from the “others”. While they are primarily concerned with the value of things surrounding themselves, they also have a strong sense of what they believe “should be valuable” in Ni-Vanuatu society. Their view of the later is mostly genuine, impartial and heartfelt.

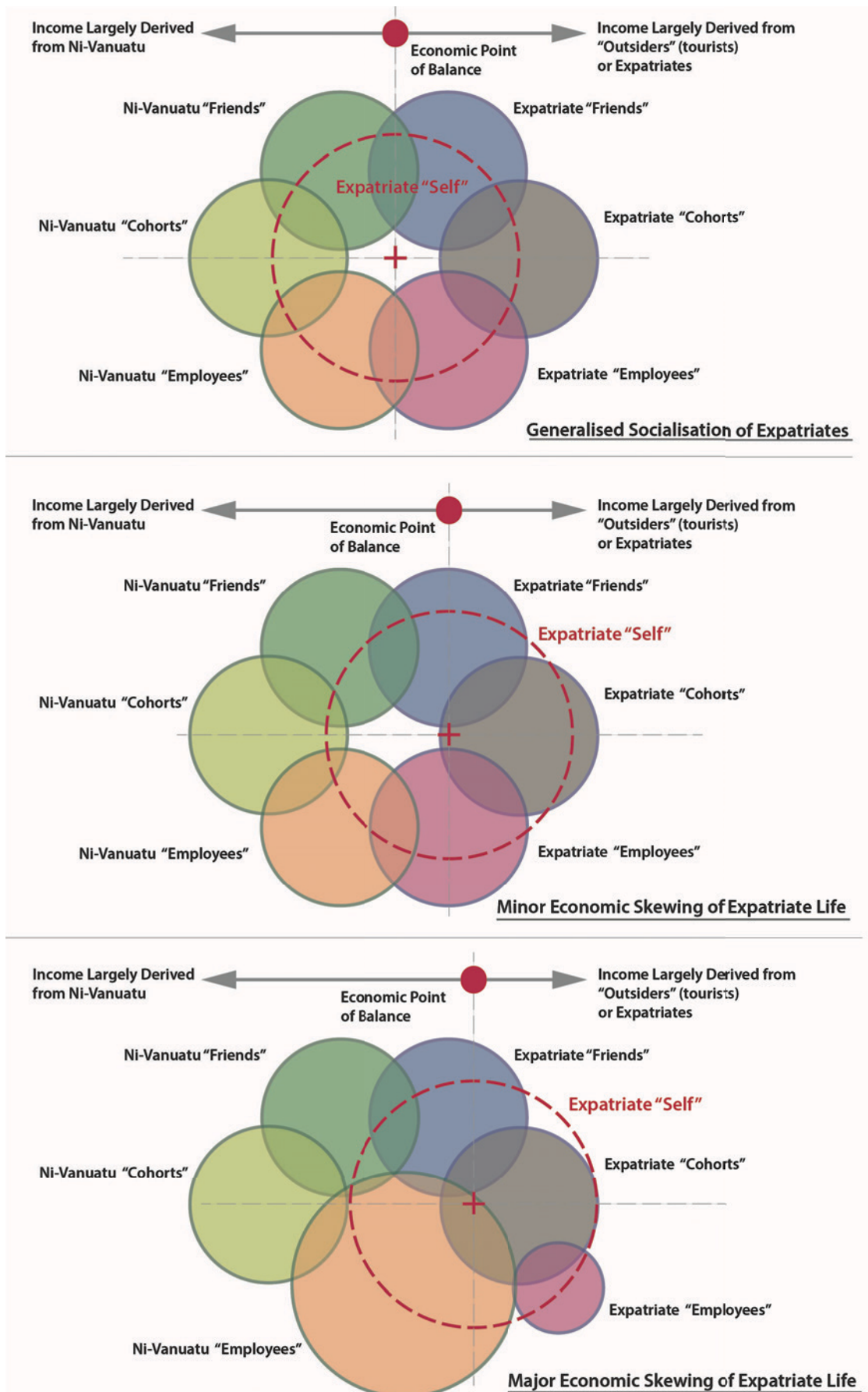


Fig 8.8: Economic and Social Relationships of Expatriates.

Expatriates manifest their identities through economic and social interactions within the generally separated expatriate and Ni-Vanuatu communities, as illustrated diagrammatically in Fig 8.8. The source of business revenue, along with the degree to which Ni-Vanuatu are involved in their business determines the touch points between them. Greater dependency on outside revenue in such industries such as hospitality and tourism skews interactions and helps drive interactions of expatriates into “outsider silo’s”, with the only relationship with Ni-Vanuatu being worker-boss situations.

Therefore in many ways views on “value” and human flourishing is largely informed by the degree of economic skewing that occurs. An expatriate that has a significant number of Ni-Vanuatu business “cohorts”, is involved closely with Ni-Vanuatu staff, and has many Ni-Vanuatu clients will have greater understanding and empathy. This, in turn, will determine the cultural distance that occurs between individual expatriates and Ni-Vanuatu.

PART D – Final Discussions, Recommendations and Conclusions.

9.0 Concluding Discussion.

It is more suitable to include specific discussion of each of the individual threads of the research within their own section. The concluding discussion here is not intended to replicate these discussions, but instead to galvanise and reinforce the ideas promoted within each, into a common advancement of the aspects raised into a holistic overall approach towards the promotion of Pro-Poor Tourism. While discussion takes place in section 9.0, recommendations regarding possible follow on research is included within section 10.0.

9.1 Research Objective (OBJ-4): White-Mans Progress, White-Mans Rules.

Here lies the conundrum. So much of what has happened throughout recent Melanesian times has been orchestrated by outside western powers. The advancement of Vanuatu to become a modern nation modelled on a parallel historical pathway taken by developed nations is a thoroughly first world construct. Within this context, it is acknowledged that this study has also been prepared through a first world construct insomuch that it has been carried out by non-poor researchers, who live in a developed country, under the auspices of a western education institution.

It is extraordinarily difficult to include the “voice” of poor Ni-Vanuatu because of the difficulties associated with widely differing worldviews. These include even basic ideas of what constitutes poverty, because most Ni-Vanuatu would not consider themselves to exist in poverty, despite 70% of people surviving on subsistence farming. Of course, getting Ni-Vanuatu poor to give succinct accounts about what type of society they wish to progress towards, how they wish to live within a hybrid mix of “formal” and “informal” economies, and how they would like to be involved, in or contribute to tourism development is a moot point. Donald Rumsfeld’s axiom about what people know about the world has never been more applicable.

In short, in Melanesia it is not a case of leaving a life in poverty and moving towards having a comfortable livelihood with all the basic necessities ; instead it is the choice between living a “traditional” or “modern” way of life, of existing within the “informal” or the “formal” economy. Until those discussions take place, the societal differences, cultural distance, and lack of incentive to work within, and to “white-man’s” rules will persist.

9.2 “Glocalisation” has not and Will Not Work Without Proactive Governance.

Trau(2012) contends that it is imperative for grass-roots perspectives to be supported for “glocalised” Pro-Poor Tourism to succeed. Critically:

- Hybridised models struggle as they are unable to satisfy either “individualistic capitalist indicators of economic development”, nor “community indicators of a more traditional communalistic economy”.
- Necessary technical, financial and regulatory scaffolding for glocalised business models must be engineered if the benefits of tourism are to be realised by rural Ni-Vanuatu communities.
- Grassroots perspectives and efforts also depend on the glocalisation of national economies themselves, including more comprehensive investment laws, and effective monitoring and enforcement of existing economic policy and regulation.

Trau states :

“Without the necessary reconfiguration of a more glocalised policy and regulatory environment instituted and enforced by the Vanuatu government, the benefits of an approach to PPT which emphasises grassroots perspectives will simply fail to eventuate for ni-Vanuatu.”

(Trau,2012 p 161)

Stated more simply Trau (155)quotes a local landowner who states “Foreigners have good schooling and have money” (translated). The present situation is unlikely to change however, as economists would argue that foreign investment brings other benefits, that government policy is largely dominated by the major institutionalised development agencies, that projects would simply not proceed without financial and industry expertise of outsiders. perhaps more importantly, the “scaffolding” and “governance” required to stimulate success of hybridised Pro-Poor businesses would simply be too great to be sustainable.

Therefore, if glocalisation cannot be attained by the use of hybridised businesses, then a more attainable solution is “glocalisation from within”. By establishing a clear infiltration of existing tourism businesses over time based on the education, training and ability of local Ni-Vanuatu to excel within Vanuatu tourism ventures a gradual takeover of the tourism industry will occur. A slow revolution perhaps, but one which will ultimately develop the formal economy, lift the livelihoods of Ni-Vanuatu, and include an increasing Ni-Vanuatu perspective in the industry.

9.3 Research Paradigm, Methodology and Methods.

An exceedingly diverse array of empirical data presents itself, that is neither consistent nor complete. For this reason, a case study framework has been used to place the various eclectic pieces into a chaotic jigsaw puzzle. It was felt that a Pragmatist paradigm was appropriate, be it with elements of “bricolage” or “elective affinity” included. Because this contravenes strict paradigmatic and methodological sensibilities, far more philosophical substantiation has been included. In particular, pragmatic axiological mechanisms have proven invaluable in decision making within the study.

Much has been made of the need to consider Pro-Poor implementations in a progressive manner, but these come from the perspective of the research framework itself. A fundamental doctrine is embodied within the “Pragmatic Axiology” which informs how data is to be evaluated, and clause 2.8 becomes an important litmus test in situations where there is duality. Outcomes must conform with :

- Bertrand Russell’s decision stipulation (Hart, 1971) that positive outcomes are those that are compossible with as many others that are credible, while negative outcomes are those that can only be satisfied by “thwarting” other desires.
- Heron & Reasons caveat (1997) in regards to human flourishing whereby those active in tourism balance “deciding for others, with others, and for oneself”.

9.4 Pro-Poor Underpinnings.

Pro-Poor tourism has been used as a catch phrase in justifying many tourism projects, but since its instigation, it has stalled as an effective strategy. While the reasons are varied, much can be blamed on whether or not the guiding philosophy is based on raising the livelihood of the poor in absolute or relative terms. Critical academic comment surrounds whether non-poor benefit more than the poor, and this appears to polarise positions. In some ways, the degree to which non-poor also benefit from Pro-Poor initiatives has consumed so much of the discourse, that the simple concept of providing the poor with a positive pathway ahead has been sidelined. Taken to extremes, the idea that both poor and non-poor could benefit has become mutually exclusive.

The gaze of this research is to concentrate on poor Ni-Vanuatu, and for that matter, on all working Ni-Vanuatu. In many ways helping the poor to step out of their position, also helps to create a middle class, a notable attribute of developed nations. The converse is also true, where a middle class is created and is able to enter into the formal economy, further opportunities are also created for the poor.

A number of approaches can be taken to develop Pro-Poor initiatives, and it is common to investigate niches that have not been filled within the Value Chain Structure, or perhaps more correctly, to investigate how such niches can be evolved in a way that allows greater participation of the poor. However, little consideration is given to evaluating present business models to investigate how their future needs could be met by providing poor Ni-Vanuatu with the tools and resources to satisfy those needs.

The idea that an unskilled worker could eventually attain a position within junior management, appears alien to many. The truth, however, is that the poor are rarely given, nor can afford the ability to upskill themselves regardless of their capability. However, the aggregative effect of the poor being able to move up through the organisation structure of businesses lifts the average income and livelihood of the poor as a grouping. With consistent effect, over time the poorer classes shrink and the middle-class swells.

9.5 Research Objective (OBJ-2): Dual Tourism Forms and the Value Chain Structure.

Vanuatu possesses input from dual visitor types (UNWTO, 2010), “Excursionists” (Cruise Tourism), and “Tourists” (Landed Tourism). While there are overlaps, these appear to be more by assertion than obtained from empirical data or analytical reasoning. Cruise Tourism and Landed tourism have distinctly different characteristics within the Tourism Value Chain for Port Vila /Efate Island, and therefore provide a differing potential for the development of Pro-Poor Tourism. Landed Tourism has the greatest potential as, not only does its total “value” significantly outweigh Cruise Tourism, it also fills across most areas of the Value Chain structure.

Within the Value Chain Structure, mass tourism, in general, possesses the greatest leakage to the Vanuatu economy. The business model surrounding both Cruise and Landed Tourism is based on the economic premise to capture the greatest percentage of tourists spending within their own tourism structure. Facilities catering for mass tourism endeavour to capture tourist spending pre-arrival, ensuring that a high percentage of accommodation, along with food and beverage, and to a lesser extent transport, tours and entertainment. Cruise tourism along with larger accommodation facilities will already have captured a significant portion of the tourist spend pre-arrival for most tourists.

Alternatively, alternative tourism and community-based tourism will maximise the capture of revenue within the Vanuatu economy.

9.6 Research Objective (OBJ-2): Cruise Tourism.

Overall, to the casual observer in Port Vila, and to anyone viewing visitor arrivals, cruise tourism may appear to be the pre-eminent tourism configuration in Vanuatu. The lack of comparative statistics may imbue it with the importance that it may or may not warrant. Cruise Tourism is extremely disruptive on the flow of Ni-Vanuatu life within central Port Vila, and its value is shown to not be as beneficial economically as it portrays itself to be.

Little consideration is being given to cruise over-tourism, in a situation where cruise passengers are locally termed “boat people” in a derogatory manner. In discussions surrounding the ability to cater for two cruise ships on any day, little thought has been given to the actual carrying capacity, the social effects on local residents, and any subsequent increase in resident resentment.

However, it has two characteristics that make it important:

- (a) It has a high season when Landed Tourism is tapering off into the Cyclone season.
- (b) It has a focus on the aspects that Landed Tourism is weaker in, that of Tours, Culture, Souvenirs and Handicraft.

The second item centres around and draws on a strong local cultural factor, and national identity.

9.7 Research Objective (OBJ-2): Landed Tourism.

The areas, which present the greatest tourism activity within landed Tourism, and which has the greatest potential for poor Ni-Vanuatu to participate within, include:

- Accommodation.
- Food and Beverage.
- Transport.

The difficulty with concentrating efforts on these core activities is that they provide little or no differentiation from any of the other South Pacific destinations. For Tourism to develop, there needs to be a point of difference with other destinations, and therefore the Value Chain should be sympathetic to a considered marketing plan that highlights “Destination Vanuatu”, and in this case, the Landed Tourism Characteristics do not enhance Ni-Vanuatu identity.

The weakest areas of Landed Tourism appear to be:

- Cultural Leisure and Tour Activities.
- Local Shopping, Souvenirs, Craft, and Handicraft.

9.8 Establishment of Ni-Vanuatu Art and Handicrafts.

Special mention needs to be directed towards Vanuatu's handicraft industry, which is rudimentary at best. There is a substantial amount of Ni-Vanuatu art, but little in the way of tangible Ni-Vanuatu artefacts. Ni-Vanuatu kastom often revolves around the intangible, and communities themselves need to determine how such cultural symbols can be transferred into tangible objects, and whether that is desirable. In the case of the handicraft industry, the promotion of Ni-Vanuatu souvenirs without having a nationwide discussion of what represents Ni-Vanuatu culture will simply end up with generic Pacifica artefacts.

9.9 Research Objective (OBJ-3): Optimisation of Landed Tourism Potential.

The Simple Tourism Value Chain evaluation indicates that accommodation, along with food and beverage, have the maximum potential within Landed Tourism to impact poor peoples lives in a positive manner. These activities have fairly standardised organisational structures that can be evaluated in regard to their Pro-Poor potential in situations where growth is static, positive or broadened.

Two important effects determine the direction of this research. Firstly, in accordance with WTTC figures when compared to best guess employment statistics, there is a considerable under-investment within human capability resources present within the tourism industry; and secondly, international visitor arrivals are forecast to increase over the next decade. There is the opportunity to be pro-active in developing a workforce that is commiserates with WTTC figures, that is adequately skilled and sufficient to cater for the challenges ahead

There are compelling arguments to concentrate efforts within the industry on promoting and meeting the needs of an expanding tourism industry. Concentrating on increasing tourism numbers travelling to Vanuatu would result in an increase in tourism businesses, and as a consequence also increase the numbers of poor-unskilled Ni-Vanuatu who would gain employment. Further, the increased activity would also create opportunities for poor Ni-Vanuatu in other ancillary parts of the tourism structure, such as crafting souvenirs, tour guides, and progression through employment ranks of hospitality concerns.

A progressively Pro-Poor strategy is incorporated within this study that shows, that if education and TVET training is made a priority, both in its quality and numbers graduating, that the future needs of the industry could be met. A direct effect of such policies is; firstly, that substantial numbers of people can be transitioned from the informal economy

into the formal economy; secondly, that the collective earnings of Ni-Vanuatu is increased; thirdly, that the collective knowledge and education of Ni-Vanuatu is increased; fourthly, that young Ni-Vanuatu, between the ages of 15 to 30, will be given pathways into a productive life, and the high unemployment rate for this group reduced; fifthly, that females who are presently marginalised in their current employment, are able to participate strongly within the industry; and finally, that the qualifications organisation for the country will be enhanced. However, perhaps the greatest benefit is that over time Ni-Vanuatu will gain the ambition and confidence to own and develop their own businesses and develop a uniquely Vanuatu brand.

There is also a note of warning. On calculated figures, annual growth in human capacity between 7.0% and 13.0% (lower and upper bound figures) with a mean of 9.2 % is required year on year, for the next ten years to cater for the figures contained within the WTTC report. If the practical recommendations enclosed within this study were incorporated overnight, the supplied human capacity rate would equate to 6% annually and there would likely be a shortfall in people with the attitude and aptitude to fill the positions.

9.10 Research Objective (OBJ-3): Education and TVET.

It is easy to make broad brush comparisons regarding education, and perhaps that is the fallacy of the Human Development Indices, which show Vanuatu making significant strides in comparison to its Melanesian neighbours. Generalised data lacks a robust monitoring and review process, and the actual literacy of children after completion of primary school is not known. While some complete the early years of secondary school, very few continue further.

Tourism and Hospitality are industries that require a particular mix of education and vocational skill sets. To date instilling much of this into the industry has been left either to individual Ni-Vanuatu, or private business managers out of necessity. Very few Ni-Vanuatu, let alone poor Ni-Vanuatu have the personal resources to pay for formal vocational training themselves, and consequently self teach, while businesses tend to carry out in-house training to suit their own particular needs. What results is a wide cross-section of individual ability, and an extremely fragmented standard of service experienced by customers.

11.0 Concluding Actions, and Recommendations.

This study does not purport to provide definitive answers, complete plans of action, or detailed strategies and plans of actions. The limited nature of the empirical data collected, along with the wide-ranging scope of the research objectives, require further research to enable comprehensive substantiation to be undertaken. It is first and foremost exploratory research, and therefore its main purpose is to add to the discussion surrounding Pro-Poor Tourism in Vanuatu and to act as both a catalyst and a starting point for investigation. However, there is sufficient data to provide an affirmation to the research question, which is restated here:

“Are there opportunities to grow the lives of Ni-Vanuatu through tourism? “

The answer is that tourism has the potential to have a positive influence on the lives of many Ni-Vanuatu, including the poor, while at the same time providing crucial economic benefits at a national level. The formulation of a “Human Capability Strategy” in regard to tourism and its implementation is seen as being crucial moving forward. There are, however, many factors that will determine outcomes, and delays will mean that a much greater effort and larger resources will be required further down the track to create the same potential benefits. With this in mind, the following and recommendations have been aligned with the research objectives :

10.1 Objective (OBJ-1): Actions and Recommendations.

(OBJ-1) “Cruise Tourism” and “Landed Tourism”; which is the most beneficial, manifests itself in a more Pro-Poor manner, and what holistic strategies would be Pro-Poor positive?

- (a) A comprehensive study is urgently needed to investigate the contribution and interaction between Cruise and Landed Tourism. While there have been some studies carried out surrounding each individually, they treat each as individual and independent, and not interwoven and impacting. Such research should be holistic in its perspective, and provide a plan of action that will optimize earnings to the Vanuatu economy by placing restrictions on the operation of Cruise Tourism where it negatively impinges on landed Tourism. Such research needs to be funded independently from the Cruise Industry.
- (b) Research should be undertaken to assess the destination capacity of Port Vila, and in particular what actions should be proposed to curb and mitigate Cruise Over-tourism on Port Vila.

- (c) Cruise Tourism creates substantial leakage from the economy. It is recommended policies be introduced that increase the actions that Cruise Tourism could do to better contribute. Obvious actions include contributing practically to TVET education in Vanuatu, being a greater a greater amount of fresh produce locally.

10.2 Objective (OBJ-2): Actions and Recommendations.

(OBJ-2) Using Macroscale modelling of the current “Landed Tourism” industry is there a strategy that that would be Pro-Poor positive, that is also tourism industry positive?

- (a) Presently, there are no reliable figures for the number of Ni-Vanuatu working within the tourism and hospitality industries, nor any breakdown into management, skilled and semi-skilled positions. Research is urgently required to establish present employment numbers and whether or not they are sufficient for the volume and quality of tourism service in Vanuatu. Importantly, there is a need to forecast what employment numbers, and skill abilities will be required in the future, certainly over the next decade.
- (b) It is recommended that more detailed macroscale modelling of tourism/hospitality industry be carried out so that projections of employment requirements within the industry can be monitored (perhaps on a three-yearly basis) and TVET training modified to cater to the dynamic and changing needs of the industry. The carrying out of such monitoring will also provide a timescale check on the Pro-Poor nature of the development of tourism in Vanuatu.
- (c) It is recommended that greater liaison occurs between education providers and businesses so that pathways for graduates can be optimised through the industry.
- (d) Port Vila consists of a melting pot of communities from both Efate and Vanuatu’s outer islands. It is recommended that the identity and richness of each cultural group be highlighted in a positive manner within the industry to provide benefits to both communities and visitor experience alike.

10.3 Objective (OBJ-3) : Actions and Recommendations.

(OBJ-3) How is current “Human Capacity Building” meeting the needs of “Landed Tourism”, and is it sufficiently Pro-Poor positive?

- (a) Currently, there appears to be a direct correlation between the youth leaving the education system and not proceeding on with Secondary School education, and unemployment statistics between the ages of 15 through to 30. A study is recommended to be undertaken that establishes the reasons for this and to propose pathways for youth to continue through TVET training into the tourism and hospitality.
- (b) If there is genuine regard concerning the need for a properly trained workforce within the tourism/hospitality industry, a study is required that investigates the TVET process in Vanuatu. In particular, the study should cover mechanisms to “train the trainers”, to provide a wider range of education including Certificate I through to Certificate IV and Diploma levels. There should be a comprehensive program that integrates training into the industry itself with “placement” being a part of any training mechanism.
- (c) It is recommended that far greater liaison with businesses occurs and that tourism businesses be brought into the training process as much as possible.
- (d) A study is recommended to establish the movement of trained Ni-Vanuatu between Cruise and Landed Tourism. Further, it is recommended that if substantial leaching of people is occurring from Landed to Cruise tourism, that a mechanism is put in place whereby the later contributes to the training process, and that the output of graduates is increased accordingly.
- (e) Currently, some students are sponsored through TVET training, but graduates leave the employment of their sponsors soon afterwards. So that businesses see value in putting their staff through training, it is recommended that mechanisms be put in place that reduces poaching and perhaps ties employees to their employment for a period of time after graduating.

10.4 Objective (OBJ-4): Actions and Recommendations.

(OBJ-4) Through a cursory microscale evaluation of “Landed Tourism”, what current operational, social, and cultural effects are impacting Pro-Poor Tourism?

Much of the social and cultural manifestations within the industry go to the heart of Ni-Vanuatu kastom and way of life and is beyond the scope of this report. However, the following recommendations are made ;

- (a) That female be further encouraged into the industry as a means to address the overall gender employment imbalance (recognising that this creates an imbalance within the industry).
- (b) That the industry investigates areas of the industry that are attractive for males to become involved within.
- (c) That cultural differences between Vanuatu island groups are highlighted and promoted in a holistic manner that increases the richness within the industry.

11.0 Final Conclusions.

This research seeks to establish direction for the tourism industry in Vanuatu that will enable it to become a vehicle for Pro-Poor development. The setting for this study is Efate Island, the principal centre of the countries formal economy and the central hub of its tourism industry.

While there is a significant body of work surrounding Pro-Poor schemes and individual case studies, these are typically contained within discrete project silo's which may have community application but are rarely relevant to national frames of reference. This study seeks to provide foundational tourism policies and strategies that will stimulate island-wide industry development benefiting poor Ni-Vanuatu proportionally more than elites, non-poor and expatriates. By its nature, this research rejects the premise that Pro-Poor should be limited to small alternative based schemes or large projects aimed at mass-tourists but instead should encompass a wide range of enterprises that interweave sympathetically with each other. To date, individual attempts of "glocalised" tour operation have proven extremely difficult to develop successfully, while localised tourism accommodation is all but absent (on Efate) due to a hospitality industry largely overseas owned and managed. A diverse range of characteristics contribute and maintain the status quo; local entrepreneurs lacking adequate (or any) financial capital; insufficient education, industry knowledge and TVET training of local people; and government policies and strategies that do not incentivise local participation at more significant levels within the industry.

This research steps back and assesses the layers or "onion skins" existing in the tourism industry on Efate Island and successively investigates each for their contribution to Pro-Poor development. Firstly, the dichotomous makeup of "cruise" and "landed" industries with tourism is examined; secondly, how organisational structures of "landed" tourism incentivise "glocalisation"; thirdly, whether educational and TVET facilities provide "human capacity building" of Ni-Vanuatu sufficiently to service the demands of the industry; and fourthly,

whether there are social or cultural factors within communities that should be reconciled and addressed.

From a Pro-Poor perspective, the largest and most significant onion skin is the contributions that “cruise” and “landed” tourism make respectively. This research shows that policies should be placed at a legislative level to encourage the latter and require the former to contribute in a more equitable manner to the Industry. This should be supported by developing strategies that encourage landed tourism, particularly through Ni-Vanuatu who are actively working in the industry. The AUD 120/visitor obtained through cruise tourism within the Vanuatu economy is substantially less than the corresponding AUD 709/visitor obtained through landed tourism. Critically, earnings gained through “cruise” lie within a narrow band limited primarily to “tours and entertainment” along with some input to “duty-free” and “souvenirs”. Contribution to the first appears to be dictatorial both in regard to tour content and pricing, while the latter two are not particularly Pro-Poor. Duty-free businesses are largely expatriate owned, and goods on offer are imported. Souvenir stalls do involve local ownership, but most souvenirs are generic products obtained through overseas owned wholesalers and leakage is substantial. Perhaps a more concerning characteristic of cruise tourism is its predatory outlook to trained staff within landed tourism instead of contributing to a greater country-wide TVET training effort. In contrast, landed tourism provides a far greater contribution per visitor and spending occurs in a fashion that is likely to benefit the average Ni-Vanuatu. Inputs into “food & beverage” and “retail” sectors involve the employment of significant numbers of Ni-Vanuatu, each having potential pathways into managerial positions. In the case of food and beverage, there is the potential to develop linkages with the agricultural and fishery sectors.

The second onion skin concerns landed tourism, itself dominated by overseas ownership and neo-liberal perspectives. Efforts at discrete glocalised ownership have struggled, and therefore policies and strategies are needed to “glocalise from within” existing hospitality businesses promoting “progressive Pro-Poor tourism” (PPPT). Presently, many tourism businesses train staff in-house because formally trained staff are hard to find, the process fraught with difficulties, or attrition occurs through the predatory actions of other businesses. Governmental policies are required to incentivise the employment of Ni-Vanuatu that are educated and trained to a higher standard than the ad-hoc training provided by businesses. Further, strategies that provide pathways which competent progression of Ni-Vanuatu employees into junior and senior management should be instigated, and balanced against the need to employ more experienced expatriates. Figures from the World Travel and Tourism Council show that there is a significant need for adequately trained staff in future years. This

research shows that through the consideration of the “hypothetical tourism organisational pyramid”, this need can potentially lead to a greater percentage of Ni-Vanuatu being engaged within the formal economy and that average earnings climb over time. More importantly, with a greater presence of Ni-Vanuatu within management, glocalisation “from within” is achieved and Vanuatu tourism becomes a “Vanuatu brand” rather than a generic “international brand”.

The third onion skin concerns inadequacies within education and TVET training for tourism and hospitality. This research shows that over the next ten years there will be a substantial deficiency of adequately educated and TVET trained staff within the industry. Presently, the Vanuatu Government places resources and funding towards level I and II certificate training while APTC provides level III certificate training. All levels of training (including certificate level IV, diploma, and degree) will be woefully inadequate to meet demand, and as a consequence staff from overseas (likely other Pacific Islands) will be brought in to satisfy these needs. From a Pro-Poor perspective, this further marginalises the local population and scuttles opportunities for their advancement. Therefore, there needs to be a substantial investment by the Vanuatu Government, alongside input from development institutions and international aid programmes into providing sufficient TVET “trainers” and adequate facilities to train more students to a higher level.

The final onion skin references factors within Ni-Vanuatu society itself that pose difficulties in developing Pro-Poor Tourism, and a complex array of characteristics present themselves, including male and female participation within the industry, issues of “island of origin”, the integration of “kastom” principles into business perspectives, along with Ni-Vanuatu relationships with expatriates. While this research is able to identify some important factors, no definitive conclusions have been presented.

In summary, this study takes a holistic approach to the application of Pro-Poor tourism and contends that for it to be successful, strong and coordinated action is required through all the onion layers constituting the tourism industry on Efate Island. The lead must be provided by the Government to introduce a framework that nurtures local participation, and which is adequately resourced and funded. Policies and strategies that promote “top-down” and “bottom-up” development will ultimately result in progressive glocalisation and greater local participation in the industry.

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Appendix A

EDUCATIONAL ATTAINMENT, AVAILABILITY, AND TVET INSTITUTIONS, IN VANUATU.

A.1 United Nations Educational, Scientific and Cultural Organization (UNESCO).

The United Nations Educational, Scientific and Cultural Organization (UNESCO) plays a large part in promoting global education. Its stated educational objectives (UNESCO, 2011) are :

- Supporting the achievement of “Education for All”.
- Providing global and regional leadership in education.
- Building effective education systems worldwide from early childhood to the adult years.
- Responding to contemporary global challenges through education.

As a part of its monitoring programme UNESCO, publishes a Global Education Monitoring Report (GEM Report) annually, compiled by a group of independent researchers, which takes a snapshot of the state of member states educational progress, as well as drawing attention to specific thematic issues. While the report is comprehensive and detailed in many areas, there is little or no mention of SIDS Pacific Nations within it, and information must be gleaned from the Annex- Statistical Tables section (GEM Report, 2017).

(a) Guarantee of Compulsory & Free Education.

Of all Pacific nations, only the Melanesian countries of Vanuatu, Papua New Guinea, and the Solomon Islands did NOT provide a legal guarantee of compulsory and free education. Most Pacific nations incorporated a minimum of six(6) years free years of primary education, with Micronesian countries generally providing a minimum of two(2) years, and Polynesian countries generally providing six(6) years, of free secondary education.

Note: Table 1 – Background demographic statistics, legal guarantee of compulsory and free education, and structure of the national education system.

(b) Participation and Completion of Education.

Tables 2 and 3 of the GEM Report ((GEM Report, 2017) provides a snapshot of where children lie in regard to United Nations SDG4 and UNESCO target 4.1, and again only limited data was available. However, statistics show:

- That one-half of both primary and secondary pupils were over age for their grade. To be counted, pupils have to be at least two(2) years older than the age spread for each educational grade, and therefore the likelihood is that a much higher percentage would be counted for those at least one(1) year older than the age spread for their grade.

- Within the primary age group (years 1-6) around 11% did not attend school at all.
- While national representative learning assessment standards are in existence, Vanuatu has no data whatsoever regarding the percentage of children in primary education achieving at least minimum proficiency.
- For secondary education, the gross enrolment rate GER (including within age and out of age pupils) lay at 55% inclusive of both junior (years 7-10) and senior secondary school (years 11-13).
- The enrolment rate for lower secondary school took in almost all primary school graduates. This indicates that most children that finish primary school, carry on significantly through junior secondary school. Of those out of school adolescents at this lower level, 62% were male and 38 % were female.
- Very few children continued on into senior secondary school (years 11-13). This means that out of the school sector students are restricted to TVET certificate I, courses or ancillary courses held at Rural Training Centres (RTC).

Note: Table 2 & 3 – SDG4 – Universal access, participation, completion, learning primary and secondary education.

(c) **Access to Technical, Vocational and Tertiary education (TVET).**

In 2015, there are strong characteristics regarding students that completed at least some secondary education :

- The percentage of all youth aged between 15 through to 24 enrolled at secondary level technical and vocation education was less than 1%.
- The number of students that completed secondary education and went on to participate in technical and vocational education programmes was less than 2%.

Note: Table 5 – SDG4 – Universal access to technical, vocational and tertiary education.

(d) **Corroboration of Education Failure, & Student Attrition.**

Kiwanis International has been involved in helping schools cope with unique projects that are designed to provide pupils with textbooks, general learning, and reading materials, thereby giving them the best chance to pass gated examinations. These gate examinations take place at years 6, 10, 12, and 13, with year 6 exams being set and marked in the country, while the others by the South Pacific Board of Education Assessment (Rees & Singh, 1998). In regard to assessment Kiwanis note (Macfarlane, 2015) :

“In the Year 2000, it is chilling to compare the cohort of 6,600 that entered Grade 1 in the year 2000 with the total of 49 who finished Year 14. In other words, only 2% of the age cohort complete the entire primary and secondary cycle. Only 0.59% can expect to survive this savage attrition rate, receive a scholarship and go on to undergraduate education where there is a further 21% failure to complete rate at undergraduate level.”

A.2 Vanuatu Institute of Technology (VIT).

VIT is part of the Vanuatu education system, and its “Hospitality, Tourism and Leisure Centre” offers four certificate courses (VIT, n.d.) :

- Certificate in Restaurant and Bar Operations.
- Certificate in Culinary Arts.
- Certificate Housekeeping Operations.
- Certificate in Tourism Studies (inbound-outbound)

(a) Student Eligibility to Attend Courses at VIT.

Each certificate course offered by VIT accommodates 24 students whose selection is based on a rigorous evaluation process :

“Entry into this course is competitive and is made through interviews carried out by industry specialists. Students should be preferably bilingual with good marks in English, French and Mathematics with an average of 50% or above in all the subjects. Applicants with previous experience in Hospitality and Tourism will be highly regarded.”

(b) Career Prospects Linked to VIT Certificate I & II Courses.

VIT states that graduates from their certificate course would be able to apply for employment as Waiter, Bar Waiter, Room Attendant, Kitchen Assistant, Tour Guide and Receptionist. All of these positions fall within the semi-skilled category defined above.

(c) Other information Concerning VIT.

While VIT does offer some Diploma courses, these are not within the Hospitality and Tourism Field, but may which have some relevance in accountancy and management.

It is notable that the Institute’s own website is littered with unfinished information with “lorem ipsum” filler text filling critical areas of information, and site links and anchors simply not working.

A.3 Vanuatu Chamber of Commerce and Industry (VCCI).

The Chamber of Commerce is heavily involved within businesses in Port Vila, and provides the following courses :

- Certificate of Business Management.
- Certificate of Business Finance.

(a) **Student Eligibility and Cost of Courses at VCCI.**

These are foundation courses of limited duration and require either a minimum of Year 10 formal education or be in existing relevant employment. Entrants are subject to selection and as at 2015 Course fees of around VUV 60,000 were required for entry, with incidental charges of approximately VUV 5,000 also relevant.

(b) **New Certificate III Courses for 2018.**

Two new courses were offered in 2018:

- Certificate level 3 - Micro Business Operations.
- Certificate level 3 - Finance Accounting.

For entry into these level 3 courses, applicants are required to have either; completed year 13 formal education, along with a “good command of language, literacy and numeracy”; completed a level 2 certificate in business; or alternatively have had a minimum of three years employment within a recognised industry, that participates in a related business area. Completion of the courses provides participants with nationally recognised certificate qualifications issued by the Vanuatu Qualifications Authority (VQA). Courses fees are approximately VUV 150,000 for the basic course with incidental charges amounting to over VUV 8,000 are also applicable.

A.4 Australia-Pacific Technical College (APTC).

The Australia-Pacific Technical College (APTC) is a centre of training excellence, helping Pacific students to gain Australian standard skills and qualifications for a wide range of vocational careers throughout the Pacific (APTC, 2017a). In Vanuatu, APTC offers level 3 certificate courses (APTC, 2017b) :

- Certificate in Commercial Cookery.
- Certificate in Hospitality – Food & Beverage.
- Certificate in Tourism.

(a) **Student Eligibility to Attend Courses at APTC.**

Eligibility to APTC certificate courses is open to students who :

“We only offer places to students who:

- Have prior related industry experience, and/or
- Have a related qualification and/or prior relevant training in that field.

Language, Literacy and Numeracy (LLN) and Skills/Knowledge Assessments will also be conducted to determine your eligibility. Both are designed to ensure you have the necessary skills and knowledge to undertake the course of study successfully.”

(b) Student Costs of APTC Courses.

While APTC is heavily subsidised by Australian Aid, certificate courses are provided on a fee-paying basis or by obtaining a scholarship. As at the beginning of 2018, course fees amount to VUV 120,000 or approximately NZD1,700. A limited number of Scholarships are available that are assigned on an equity basis that seeks to address disadvantages in regard to gender, regional and remote areas, and fee paying ability.

(c) Career Prospects Linked to APTC Certificate III Courses.

The APTC Certificate III courses allow graduates to work in a limited capacity within the industry.

- The commercial cookery course centres around students learning a wide range of cookery skills, and should be able to work as a commercial cook in restaurants, hotels, and cafes with some independence (APTC, 2017e).
- It is envisaged that the certificate III in Food and Beverage will enable students to be employed as espresso coffee machine operators, food and beverage attendants, front desk receptionist, housekeeper, senior bar attendant, or waiter (APTC, 2017d).
- Employment pathways arising out of the Certificate III in Tourism include adventure tourism guides, booking agents, customer service agent, inbound tour co-ordinator, marine tourism operator, dive tour operator (without diving qualifications) and visitor information officer (APTC, 2017c)

A.5 TAFE Queensland Framework (in Australia) – Associated with APTC.

Certificate IV and Diploma courses available to Australians, in Queensland through TAFE :

(a) Diploma of Hospitality Management / Diploma of Business.

(TAFE Queensland, 2018b)

“This course will give you the specialised skills and knowledge to lead and manage people, undertake rostering, budgeting and marketing, and operate a bar. You will also become competent in financial management, legal compliance and occupational health and safety risk management.”

(b) SIT60316: Advanced Diploma of Hospitality Management.

(TAFE Queensland, 2018c)

“This course covers high-level management skills including budgeting, finance, operational plans, and staff performance. You will also learn how to develop business plans, customer services practices, and marketing strategies.

Successful completion of this course will qualify you to work in the role of a manager within accommodation, food and beverage, hotels, clubs and restaurants.”

(c) **SIT50116 | 092399K: Diploma of Travel and Tourism Management.**

(TAFE Queensland, 2018a)

“This course will give you the skills you need to manage budgets, lead and manage people, plan marketing strategies, and sell tourism products and services. Our teachers are industry experienced to train you in leadership, communication, finance and technology.

Successful completion of this course will qualify you to work as a tour operations or travel agency manager. It will also give you the foundation skills necessary to undertake further study in the field.”

Appendix B

Evaluation Procedure for Human Capacity Strategy.

B.1 Definitions.

Human Capacity Growth (HCG).

The human capacity growth is the percentage of existing employees within a business (industry) that are up-skilled through TVET training, and subsequent to that training are re-employed at a higher hierarchical level within the business (industry) organisational structure.

If there is any attrition of employees it is assumed staff positioned are filled by equivalent qualified employees. In this manner, the staff position remains in place.

The human capacity growth ignores the fact that as a part of the TVET training, existing employees will not be working at the business, but instead will be involved in full-time study. It is assumed that temporary staff are available to fill the positions of those who are away on study leave. In this way, continuity of employment positions is maintained.

Human Capacity Cycle (HCC).

The “Human Capacity Cycle” is the period of time over which each output of the human capacity growth occurs, and has been taken as three years in this research. The three-yearly cycles has been taken as this is the length of the longest length of a TVET course, with all others being either semester or year-long courses and multiple sets of these can be included. Within one cycle one output of university graduates, three outputs of year-long certificate course graduates, and six outputs of semester-long certificate course graduates could be included.

Industry Growth Cycle (IGC).

This is intended to coincide as near as practical to the time period usually incorporated within projections and strategic plans. The strategy is considered to occur over an Industry Growth Cycle of twelve years, being four consecutive sets of the Human Capability Cycle. In this case, twelve years fits fairly close to the employment project period of the WTTC of 10 years.

Business Organisational Structure & Hierarchical Levels.

The business organisational structure is the defined levels of employment and management that occurs within a business and is configured as a pyramid. In this analysis, there are four distinct hierarchical levels, employees, skill staff, junior managers, and senior managers. For any level, the proportional sum of all the levels above it will be 20% of its proportion. This is based on the “Pareto Principle”.

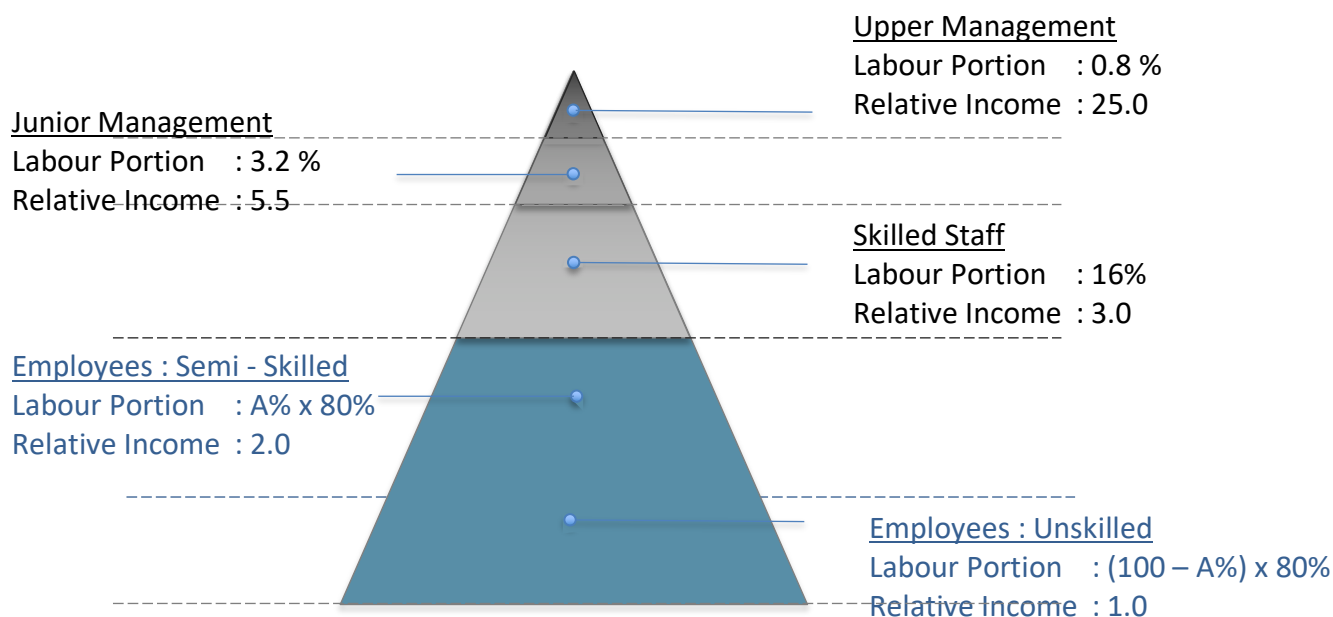


Fig B.1 - Hypothetical Organisational Pyramid for Tourism / Hospitality Businesses.

The employment level, which constitutes 80% of the total organisational pyramid, is further made up from unskilled (Portion $(1.00 - A)$) and semi-skilled (Portion A) workers. This will vary from business to business but for the purpose of this research semi-skilled workers, i.e. those with more than foundational certificates, have been taken as representing 33% of the employment level.

Participating Ni-Vanuatu (PN-V).

“Participating Ni-Vanuatu” are those Ni-Vanuatu workers who are working for the business (industry) within the organisational pyramid. The hierarchical levels within the pyramid include un-skilled, semi-skilled, skilled, junior management, senior management. For this study, Ni-Vanuatu are not assumed to fill the senior management level.

Outsider Ni-Vanuatu (ON-V).

For the purposes of this study, an external portion of unskilled Ni-Vanuatu workers taken from the informal economy is included and termed “Outsider Ni-Vanuatu” in the sum of the employment attribute EA at the commencement of each HCC. At the end of each cycle, the outsiders will have been assimilated into the organisational pyramid, which has been expanded (or grown) as a consequence.

Pyramid Portions (Thérien)

Each hierarchical level of the business (industry) organisational structure will constitute a portion of that organisational pyramid, expressed as a decimal. At the time of the baseline snapshot, the sum of all the portions within the pyramid will be equal to 1.00, if

no external portions are included. If a portion of outsiders are brought into the pyramid within a cycle, then the collective sum of all the portions will increase by that same amount.

- The “Beginning Cumulative Portion” (BCP) is the sum of all the Ni-Vanuatu filled portions, within the organisation pyramid at the beginning of the HCC.
- The “Ending Cumulative Portion (ECP) is the corresponding sum at the end of the HCC.

Employment Attribute (EA).

The “Employment Attribute” is the aggregate sum of all the portions of the Ni-Vanuatu people including outsiders within an HCC, relative to the baseline figure.

The employment attribute will be the same at the beginning and end of each human capability cycle, with the outsiders being absorbed into the workforce during the cycle. Therefore, the Employment Attribute EA is the same as the Ending Cumulative Portion ECP. Therefore :

$$EA = ECP$$

Income Attribute (IA).

As a measure, the “income attribute” is a relativity measure, at any snapshot in time, of the aggregate earnings of Ni-Vanuatu within a cycle, which includes those within a business (industry), along with a group of outsiders who come into the business during a cycle. For comparative purposes, IA is measured relative to the baseline figure.

2.0 An IA taken at the beginning of a HCC is termed the “Beginning Income Attribute” (Bianchi R.), while that taken at the end is the “End Income Attribute” (EIA).

2.0 The “Untrained Income Attribute” (UTIA) takes the same collective group of people within the snapshot, with no training or up-skilling having been implemented.

Cycle Income Attribute (CIA)

The “Cycle Income Attribute” is a measure of the increase in the aggregate earnings of all the Ni-Vanuatu considered within each human capability cycle, including outsiders. The CIA is expressed as a percentage of the ratio of the IA at the beginning of the HCC divided by the IA at the end. Therefore :

$$CIA = (EIA / BIA) \times 100$$

At the end of each cycle employees who have undergone up-skilling will have stepped into higher paying positions. Relatively, the total collective sums of all Ni-Vanuatu employee earnings at the end of each cycle are compared to what they were at the commencement of the cycle.

Cycle Up-Skilled Income Attribute (CUSIA)

The “Cycle Up-Skilled Income Attribute” is a comparative measure of the increase of aggregate earnings of all the Ni-Vanuatu considered within a HCC, including outsiders, to the IA if no up-skilling whatsoever had taken place within that same collective group (UTIA). Therefore :

$$USIA = (EIA/ UTIA) \times 100$$

Baseline Attributes.

The baseline attributes are the employment EA and income attribute IA that exist at the commencement of the very first human capability cycle HCC.

Cycle Participation Factor (CPF).

The “Cycle Participation Factor” is a measure of the increase of participation of Ni-Vanuatu within the workforce. This is due to outsiders being brought into the organisation pyramid. Therefore :

$$CPF = \frac{BCP}{EA}$$

Definition of Progressive Pro-Poor Tourism (PPPT).

A definition of “Progressive Pro-Poor Tourism” (PPPT) is used in this research. For PPPT to occur, the “employment attribute” (EA) for each human capability cycle (HCC) must increase, and the “up-skilled income attribute” (USIA) must be greater than its predecessor in the previous HCC cycle

B.2 Assumptions Used Within Human Capacity Strategy.

A number of assumptions are made (refer section B.7 for discussion):

Assumption 1: Based on the 2017 WTTC Report, that there is a requirement to cater for 14,000 people employed in direct tourism contribution to adequately service the industry at that time.

Assumption 2: The quality of life for a person within the informal economy is equal to that of an unskilled worker in the formal economy.

Assumption 3: That the size of most relevant businesses requires four hierarchical tiers of organisation, namely; employees, skilled-staff, junior management, and senior management.

Assumption 4: The lowest hierarchical tier is made up from a combination of unskilled, and semi-skilled employees. Education and vocational training ensure that quality of service is improved by procuring increased numbers of semi-skilled (A%) relative to unskilled (100-A%) employees.

Assumption 5: That the proportion of Semi-Skilled people in the Employee tier is one-third of the total, as a consequence unskilled workers make up two-thirds of this tier. That is $A = 0.3333$

Assumption 6: That at present within Vanuatu, Ni-Vanuatu are able to obtain the education and experience to fulfil junior management positions, but not senior management positions.

Assumption 7: That the hierarchical divisions are governed by the “Pareto Principle” used both in economic and social descriptions, which in simple terms holds that 80% of the effects come from 20% of the causes. In this organisational model, a hierarchical tier is assumed to contain 80% of all the staff in the tiers above, and including itself.

• Portion employees		= 80.0%
• Portion skilled & management staff		= 20.0%

• Portion skilled staff	= 80% x 20%	= 16.0%
• Portion management	= 20% x 20%	= 4.0%

• Portion junior management	= 80% x 4%	= 3.2%
• Portion senior management	= 20% x 4%	= 0.8%

Assumption 8: Income for each hierarchical tier inferred from Fig 2-3 of “Vanuatu – household Income and Expenditure Survey: 2010” (VNSO, 2012). Each tier’s income is :

- Taken as the average between each percentile grouping, except for unskilled income.
- Vanuatu has a minimum hourly rate of VUV 150/hr which equates to VUV 26,000/month
(150 x 40 x 52 / 12), assuming a 40 hour week. This roughly equates to the second percentile and corresponds to income normally attributed to gardeners and cleaners.
- Taking an average between alternate percentiles recognises that each tier will have a range of incomes, rather than standard wages.

Income percentile	Average monthly h'hold income		
	Rural	Urban	Vanuatu
1	12,700	10,300	12,100
2 Unskilled	27,100	30,600	27,600
3	36,100	42,200	37,300
4	47,400	45,500	47,100
5 Semi-Skilled	56,500	63,000	57,900
6	63,400	76,400	66,800
7 Skilled	77,800	87,700	80,300
8 Junior	95,700	106,300	99,000
9 Management	117,200	133,800	121,900
10	295,100	229,900	271,800
Average	79,500	97,500	83,800

Table A.1 From Fig 2-3 Income percentile, the location of the household and average monthly income, 2010 HIES. (VNSO, 2012)

<u>Organisation Tier</u>	<u>Average Tier Income</u>	<u>Income Ratio</u>
Employee: Unskilled	30,600	1.0
Employee: Semi-Skilled	60,950	2.0
Skilled Staff	91,350	3.0
Junior Management	168,100	5.5

Assumption 9: That within the industry, a cycle occurs where there is an increase in “human capacity”, through education, TVET, or internal training. As a consequence new waves of employees and staff with appropriate skills become available at each organisation tier. For the purpose of this study, the “Human Capacity Cycle” is considered to be three years (3) and is the standard time to obtain a Bachelors degree, considered here as the minimum educational level to reach the junior management.

Assumption 10: In planning futures, an industry strategy cycle forms an intrinsic part of governance planning and infrastructure development. This “Industry Growth Cycle” is considered herein to be twelve years (consistent with four iterations of the Human Capacity Cycle).

Assumption 11: In accordance with the “Pareto Principle”, it is assumed that 20% of existing staff/employees within the industry become active in up-skilling themselves (regardless whether sponsored by organisation or self-motivated). This is defined here as “Human Capacity Growth”. For the situational evaluation, this equates to 19.2% assigned to Ni-Vanuatu, as the other 0.80% refers to outsiders.

Assumption 12: That it is relevant to consider the profit that an organisation makes, and where that profit ultimately resides. This is not included in the evaluation as an argument against foreign investment and ownership, but a realistic business attribute to understand whether increased local ownership of formalised businesses provides Pro-Poor growth. For the purposes of this study, it is assumed that the business makes a profit related to the number of employees it possesses and that the profit is 1.25 x each employee.

Assumption 13: It is assumed that in a joint partnership, a 50 : 50 profit sharing arrangement occurs between the business and the local community where the business is located.

B.3 Baseline Tourism / Hospitality Organisational Characteristics.

Ownership structure	: Status Quo
Industry Growth	: n/a
Human Capacity Growth	: n/a
Human Capability Cycle	: n/a
Industry Growth Cycle	: n/a
Portion "A" of Semi-Skilled	: 33.33%

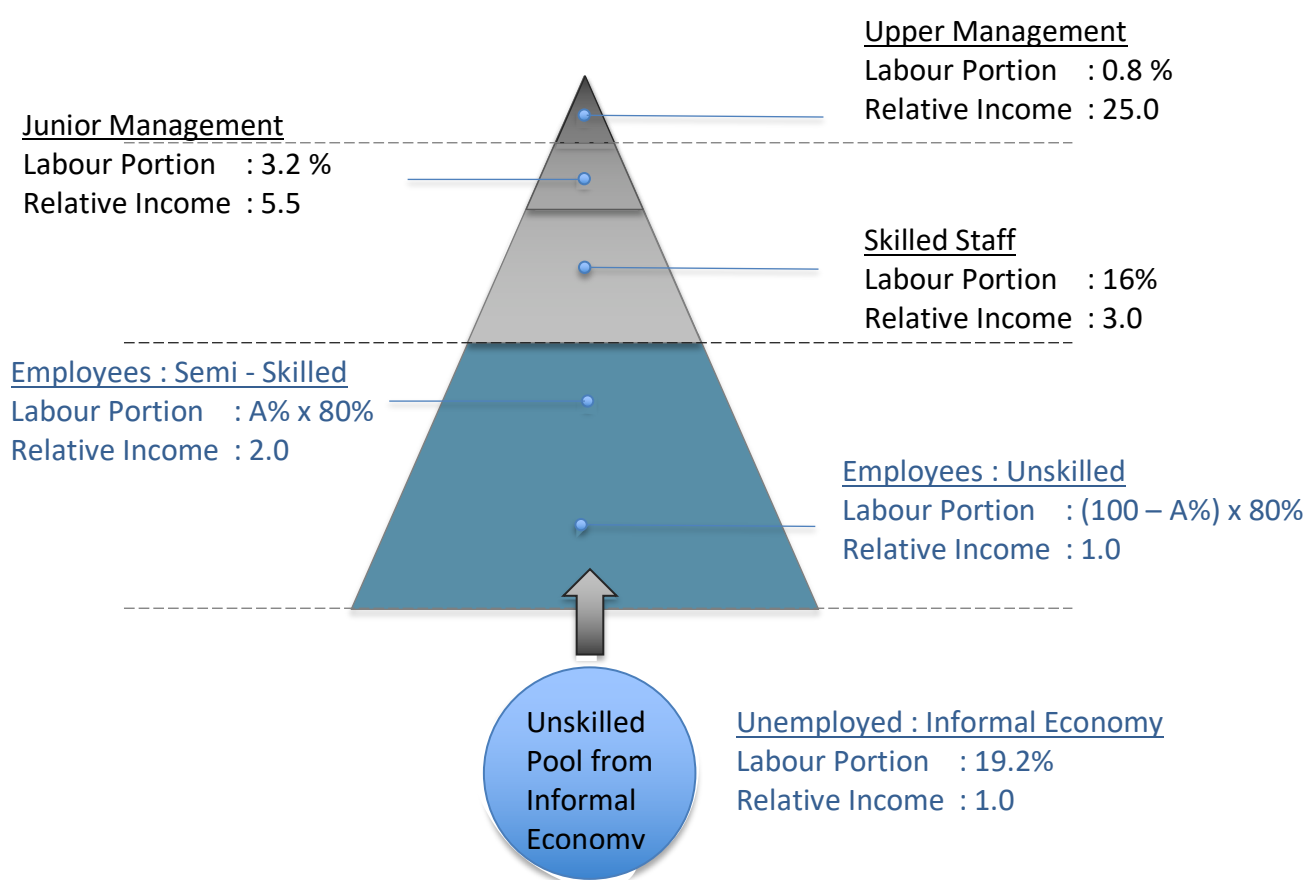


Fig A.2 - Baseline Organisation.

- Employment Attribute = $0.032 + 0.160 + 0.800 + 0.192$
(Baseline EA) = **1.184**
- Income Attribute = $(0.032 \times 5.5) + (0.16 \times 3.0) +$
(Baseline IA) $(0.333 \times 0.80 \times 2.0) + (0.192 \times 1.0)$
 $+ (0.667 \times 0.80 \times 1.0)$
= **1.9144**

B.4 Scenario 1 : Static Organisational Growth.

Ownership structure	: Status Quo
Industry Growth	: No
Human Capacity Growth	: No
Human Capability Cycle	: n/a
Industry Growth Cycle	: n/a

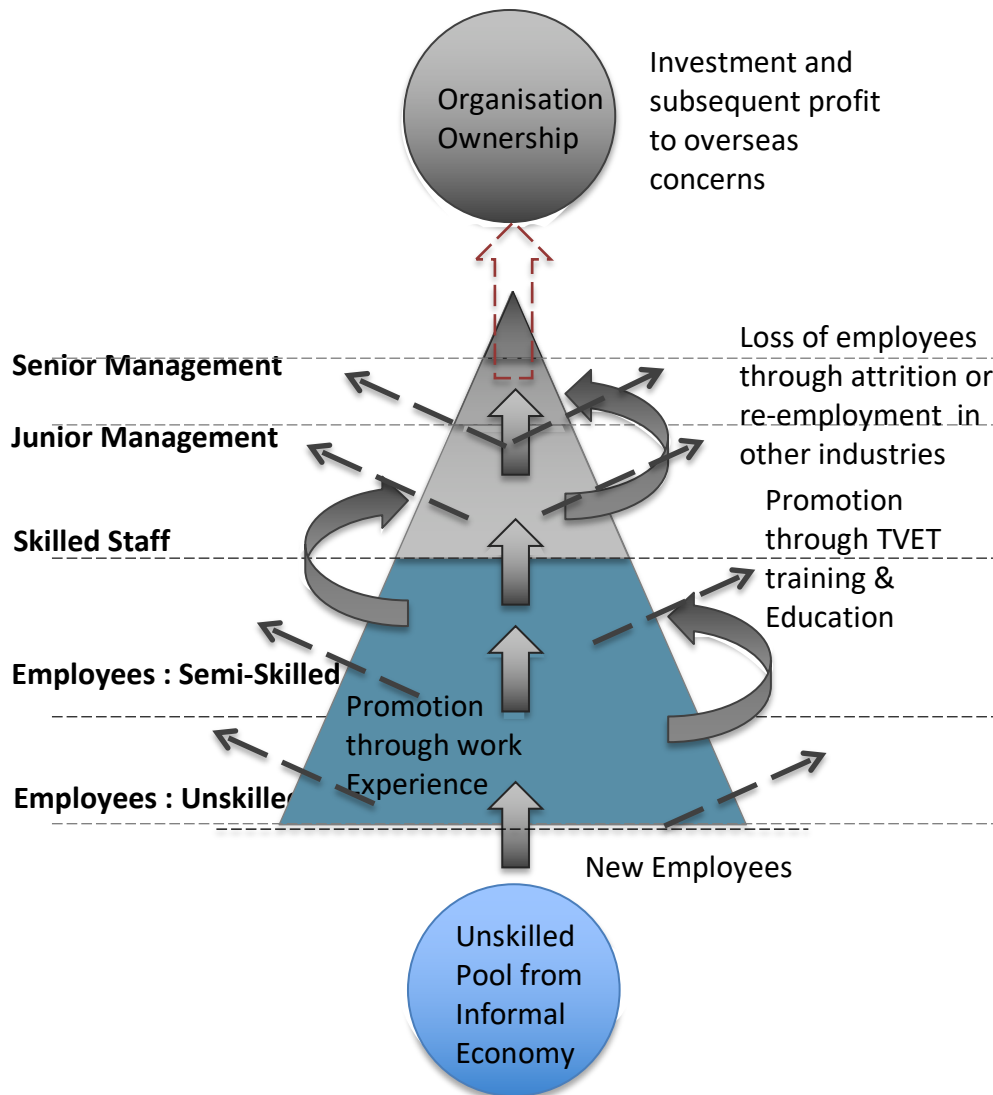


Fig B.3 - Static Organisational Growth.

- Employment Attribute EA = 1.184
= **1.184**
- End Income Attribute
EIA (remains static) = $(0.032 \times 5.5) + (0.16 \times 3.0) + (0.667 \times 0.80 \times 1.0) + (0.333 \times 0.80 \times 2.0) + (0.192 \times 1.0)$
= **1.914**

B.5 Scenario 2: Growth of Existing Organisations.

Ownership structure	: Status Quo
Industry Growth	: yes
Human Capacity Growth	: 20% (19.2% Effective Ni-Vanuatu)
Human Capability Cycle	: 3 years.
Industry Growth Cycle	: 12 years
Portion "A" of Semi-Skilled	: 33.33%

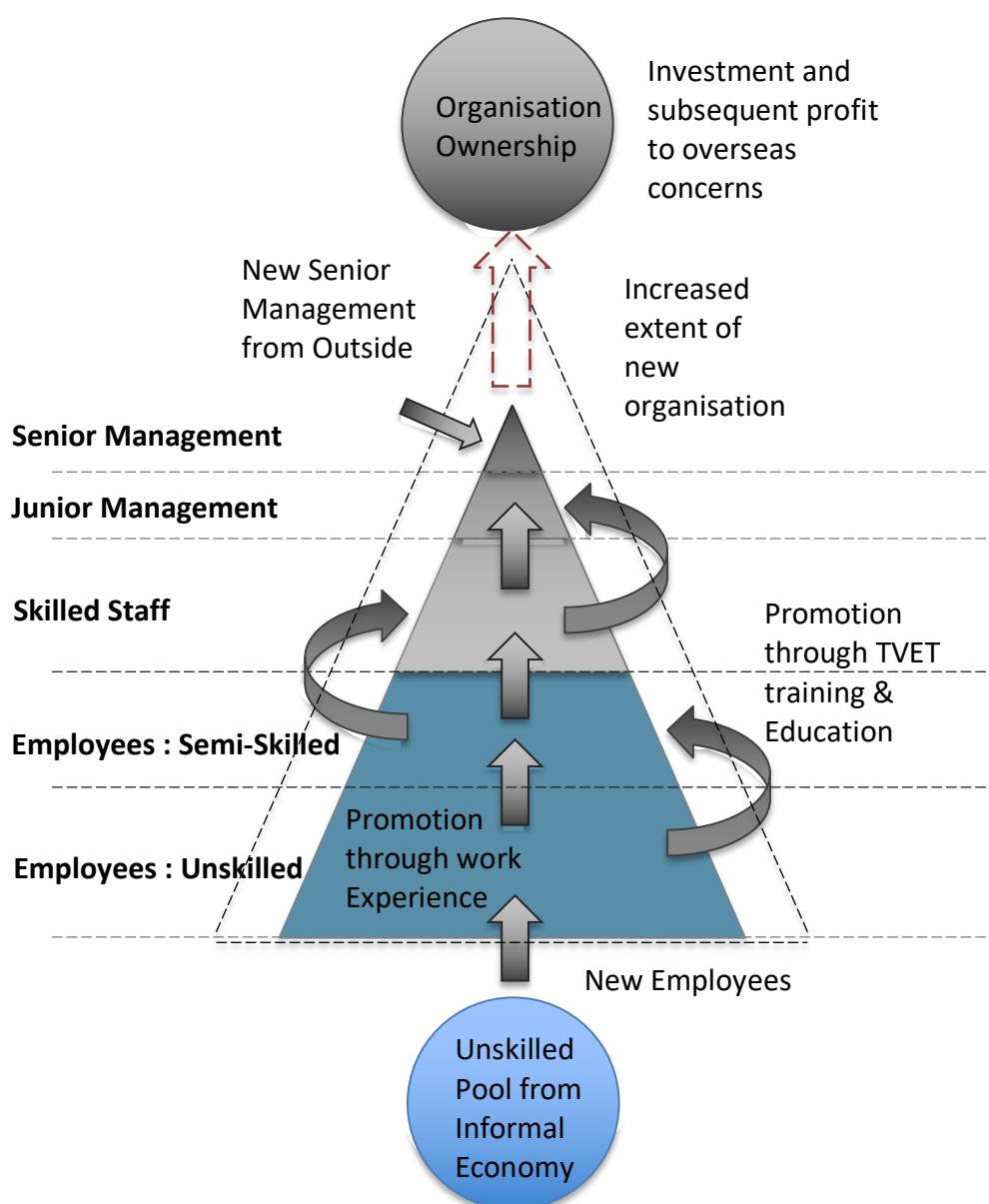


Fig B.4 - Scenario 2 : Growth of Existing Organisations.

First Human Capability Cycle.

$$\text{Employment \% : unskilled} = 0.80 \times 0.6667 = 0.5334$$

$$\text{Employment \% : semi-skilled} = 0.80 \times 0.3333 = 0.2666$$

Employment Considerations

$$\text{Beginning employment attribute} = 0.992 + 0.192 = 1.184$$

$$\text{End employment attribute (EA)} = \underline{1.184} \text{ (unchanged)}$$

$$\text{Pyramid size increase each cycle} = (1.184 / 0.992) = \underline{1.19355}$$

Unskilled “outsiders” from informal economy taken into Pyramid.

$$\begin{aligned} \text{Beginning cumulative portion (BCP)} &= 0.032 + 0.160 + 0.800 \\ &= 0.992 \end{aligned}$$

$$\text{End cumulative portion (ECP)} = 0.992 + 0.192 = 1.184$$

$$\text{Cycle Participation factor (PCF)} = 1.184 / 0.992 = \underline{1.19355}$$

Increased employment portions :

$$\text{Junior managers} = 0.0320 \times 1.1935 = 0.0382$$

$$\text{Skilled staff} = 0.1600 \times 1.1935 = 0.1910$$

$$\text{Semi-skilled staff} = 0.2666 \times 1.1935 = 0.3182$$

$$\begin{aligned} \text{Unskilled staff} &= \underline{0.5334} \times 1.1935 = \underline{0.6366} \\ &\quad 0.9920 \quad \quad 1.1840 \end{aligned}$$

Income Considerations (Income Attribute)

$$\begin{aligned} \text{Untrained IA (UTIA)} &= (0.0320 \times 5.5) + (0.1600 \times 3.0) + \\ \text{(Also BIA)} &\quad (0.2666 \times 2.0) + ((0.5334 + 0.192) \times 1.0) \\ &= 0.1760 + 0.4800 + 0.5332 + 0.7254 \\ &= 1.9146 \end{aligned}$$

$$\begin{aligned} \text{End IA (EIA)} &= (0.0382 \times 5.5) + (0.1910 \times 3.0) + \\ &\quad (0.3182 \times 2.0) + (0.6366 \times 1.0) \\ &= 0.2101 + 0.5730 + 0.6364 + 0.6366 \\ &= 2.0561 \end{aligned}$$

$$\begin{aligned} \text{Cycle Income Attribute (CIA)} &= \frac{(2.0561 - 1.9146)}{1.9146} \times 100 = \underline{7.4 \%} \end{aligned}$$

$$\begin{aligned} \text{Cycle Up-skilled Income Attribute} &= \underline{7.4 \%} \\ \text{(CUSIA)} & \end{aligned}$$

Employment Up-Skilling Check (First HCC)

Check by adding outsiders to unskilled, and progressively shunting upwards the difference between the amount actually added to that group, and the USF factored amount. All the added amount is eventually absorbed within the pyramid.

1st Tier Iteration – Add informal economy people to unskilled.

$$\begin{aligned} &= 0.5334 + 0.1920 &= 0.7254 \\ \text{New unskilled \%} &= 1.19355 \times 0.5334 &= \mathbf{0.6366} \\ &\text{Difference} &= 0.0888 \end{aligned}$$

2nd Iteration – Add extra unskilled people to semi-skilled.

$$\begin{aligned} &= 0.2666 + 0.0888 &= 0.3554 \\ \text{New semi-skilled \%} &= 1.19355 \times 0.2666 &= \mathbf{0.3182} \\ &\text{Difference} &= 0.0372 \end{aligned}$$

3rd Iteration – Add extra semi-skilled people to skilled.

$$\begin{aligned} &= 0.1600 + 0.0372 &= 0.1972 \\ \text{New skilled \%} &= 1.19355 \times 0.1600 &= \mathbf{0.1910} \\ &\text{Difference} &= 0.0062 \end{aligned}$$

3rd Iteration – Add extra skilled people to junior management.

$$\begin{aligned} &= 0.0320 + 0.0062 &= 0.0382 \\ \text{New junior} &= 1.19355 \times 0.0320 &= \mathbf{0.0382} \\ \text{management \%} &\text{Difference} &= 0.0000 \end{aligned}$$

$$\text{Check : Sum} = 0.6366 + 0.3182 + 0.1910 + 0.0382 = 1.184 \text{ ok}$$

Compounding Effect Over 12 Year Industry Growth Cycle

Compounding effect occurs over four cycles of human capability.

$$\text{Compounding formula } P' = P \times (1 + r / n)^{nt}$$

$$\text{Compounding Employment} = (1 + 0.19355)^4 = \mathbf{2.029}$$

By increasing the existing organisation by 20% overall each three years, over the twelve-year industry cycle, the number of people employed is doubled (taken from the informal economy),

Second Human Capability Cycle.

Employment Considerations.

$$\begin{aligned}\text{Beginning employment attribute} &= 1.184 + 0.192 \times 1.19355 \\ &= 1.184 + 0.2292 = 1.4132\end{aligned}$$

$$\text{End employment attribute (EA)} = \underline{1.4132} \text{ (unchanged)}$$

Employment Portion Assignment.

$$\text{Beginning cumulative} = 0.0382 + 0.1910 + 0.3182 + 0.6366$$

$$\text{portion (BCP)} = 1.184$$

$$\text{End cumulative portion} = 0.992 + 0.2292$$

$$\text{(ECP)} = 1.4132$$

$$\text{Cycle participation factor} = 1.4132 / 1.184$$

$$\text{(CPF)} = \underline{1.19358}$$

Increased employment portions :

$$\text{Junior managers} = 0.0382 \times 1.19358 = 0.0456$$

$$\text{Skilled staff} = 0.1910 \times 1.19358 = 0.2280$$

$$\text{Semi-skilled staff} = 0.3182 \times 1.19358 = 0.3798$$

$$\text{Unskilled staff} = \underline{0.6366} \times 1.19358 = \underline{0.7600}$$

$$\begin{array}{cc} 1.1840 & 1.4134 \end{array}$$

Income Considerations (Income Attribute)

$$\text{Untrained IA (UTIA)} = 1.9146 + (1.0 \times 0.2292) = 2.1438$$

$$\begin{aligned}\text{Beginning IA (Bianchi R.)} &= 2.0561 + (1.0 \times 0.2292) \\ &= \underline{2.2853}\end{aligned}$$

$$\begin{aligned}\text{End IA (EIA)} &= (0.0456 \times 5.5) + (0.2280 \times 3.0) + \\ &\quad (0.3798 \times 2.0) + (0.7600 \times 1.0) \\ &= 0.2508 + 0.6840 + 0.7596 + 0.7600 \\ &= \underline{2.4544}\end{aligned}$$

$$\begin{aligned}\text{Cycle Income Attribute (CIA)} &= \frac{(2.4544 - 2.2853)}{2.2853} \times 100 &= \underline{7.4 \%}\end{aligned}$$

$$\begin{aligned}\text{Cycle Up-skilled Income Attribute} &= \frac{(2.4544 - 2.1428)}{2.1428} \times 100 &= \underline{14.5 \%} \\ \text{(CUSIA)} &&\end{aligned}$$

Third Human Capability Cycle.

Employment Considerations

$$\begin{aligned}\text{Beginning employment attribute} &= 1.4132 + 0.2292 \times 1.19355 \\ &= 1.4132 + 0.2736 = 1.6868\end{aligned}$$

$$\text{End employment attribute (EA)} = \underline{1.6868} \text{ (unchanged)}$$

Employment Portion Assignment.

$$\text{Beginning cumulative} = 0.0456 + 0.2280 + 0.3798 + 0.7600$$

$$\text{Portion (BCP)} = 1.4132$$

$$\text{End cumulative portion} = 1.4132 + 0.2736$$

$$\text{(ECP)} = 1.6868$$

$$\text{Cycle participation factor} = 1.6868 / 1.4132$$

$$\text{(CPF)} = \underline{1.19360}$$

Increased employment portions :

$$\text{Junior managers} = 0.0456 \times 1.1936 = 0.0544$$

$$\text{Skilled staff} = 0.2280 \times 1.1936 = 0.2721$$

$$\text{Semi-Skilled Staff} = 0.3798 \times 1.1936 = 0.4533$$

$$\text{Unskilled Staff} = \underline{0.7600} \times 1.1936 = \underline{0.9071}$$

$$\begin{array}{cc} 1.4134 & 1.6869 \end{array}$$

Income Considerations (Income Attribute)

$$\text{Untrained IA (UTIA)} = 2.1438 + (1.0 \times 0.2736) = 2.4174$$

$$\begin{aligned}\text{Beginning IA (Bianchi R.)} &= 2.4544 + (1.0 \times 0.2736) \\ &= \underline{2.728}\end{aligned}$$

$$\begin{aligned}\text{End IA (EIA)} &= (0.0544 \times 5.5) + (0.2721 \times 3.0) + \\ &\quad (0.4533 \times 2.0) + (0.9071 \times 1.0) \\ &= 0.2992 + 0.8163 + 0.9066 + 0.9071 \\ &= \underline{2.9292}\end{aligned}$$

$$\begin{aligned}\text{Cycle Income Attribute (CIA)} &= \frac{(2.9292 - 2.728)}{2.728} \times 100 &= \underline{7.4 \%}\end{aligned}$$

$$\begin{aligned}\text{Cycle U-skilled Income Attribute} &= \frac{(2.9292 - 2.4174)}{2.4174} \times 100 &= \underline{21.2 \%} \\ \text{(CUSIA)} &&\end{aligned}$$

Fourth Human Capability Cycle.

Employment Considerations.

$$\begin{aligned}\text{Beginning employment attribute} &= 1.6868 + 0.2736 \times 1.19355 \\ &= 1.6868 + 0.3266 = 2.0134\end{aligned}$$

$$\text{End employment attribute (EA)} = \underline{2.0134} \text{ (unchanged)}$$

Employment Portion Assignment.

$$\begin{aligned}\text{Beginning cumulative} &= 0.0544 + 0.2721 + 0.4533 + 0.9071 \\ \text{portion (BCP)} &= 1.6868 \\ \text{End cumulative portion} &= 1.6868 + 0.3266 \\ \text{(ECP)} &= 2.0134 \\ \text{Cycle participation factor} &= 2.0134 / 1.6868 \\ \text{(CPF)} &= \underline{1.19362}\end{aligned}$$

Increased employment portions :

$$\begin{aligned}\text{Junior managers} &= 0.0544 \times 1.19362 = 0.0649 \\ \text{Skilled staff} &= 0.2721 \times 1.19362 = 0.3248 \\ \text{Semi-Skilled Staff} &= 0.4533 \times 1.19362 = 0.5411 \\ \text{Unskilled Staff} &= \underline{0.9071} \times 1.19362 = \underline{1.0827} \\ &\quad 1.6868 \qquad 2.0135\end{aligned}$$

Income Considerations (Income Attribute)

$$\text{Untrained IA (UTIA)} = 2.4174 + (1.0 \times 0.3266) = 2.744$$

$$\begin{aligned}\text{Beginning IA (Bianchi R.)} &= 2.9292 + (1.0 \times 0.3266) \\ &= \underline{3.2558}\end{aligned}$$

$$\begin{aligned}\text{End IA} &= (0.0649 \times 5.5) + (0.3248 \times 3.0) + \\ &\quad (0.5411 \times 2.0) + (1.0827 \times 1.0) \\ &= 0.3570 + 0.9744 + 1.0822 + 1.0827 \\ &= \underline{3.4963}\end{aligned}$$

$$\begin{aligned}\text{Cycle Income Attribute (CIA)} &= \frac{(3.4963 - 3.2558)}{3.2558} \times 100 = \underline{7.4 \%}\end{aligned}$$

$$\begin{aligned}\text{Cycle Up-skilled Income Attribute} &= \frac{(3.4963 - 2.744)}{2.744} \times 100 = \underline{27.4 \%} \\ \text{(CUSIA)} &\end{aligned}$$

B.6 Scenario 3: Part Local Ownership – No Growth.

Ownership structure	: 50% profit share
Industry Growth	: no
Human Capacity Growth	: N/A
Human Capability Cycle	: N/A
Industry Growth Cycle	: N/A
Portion “A” of Semi-Skilled	: 33.33%

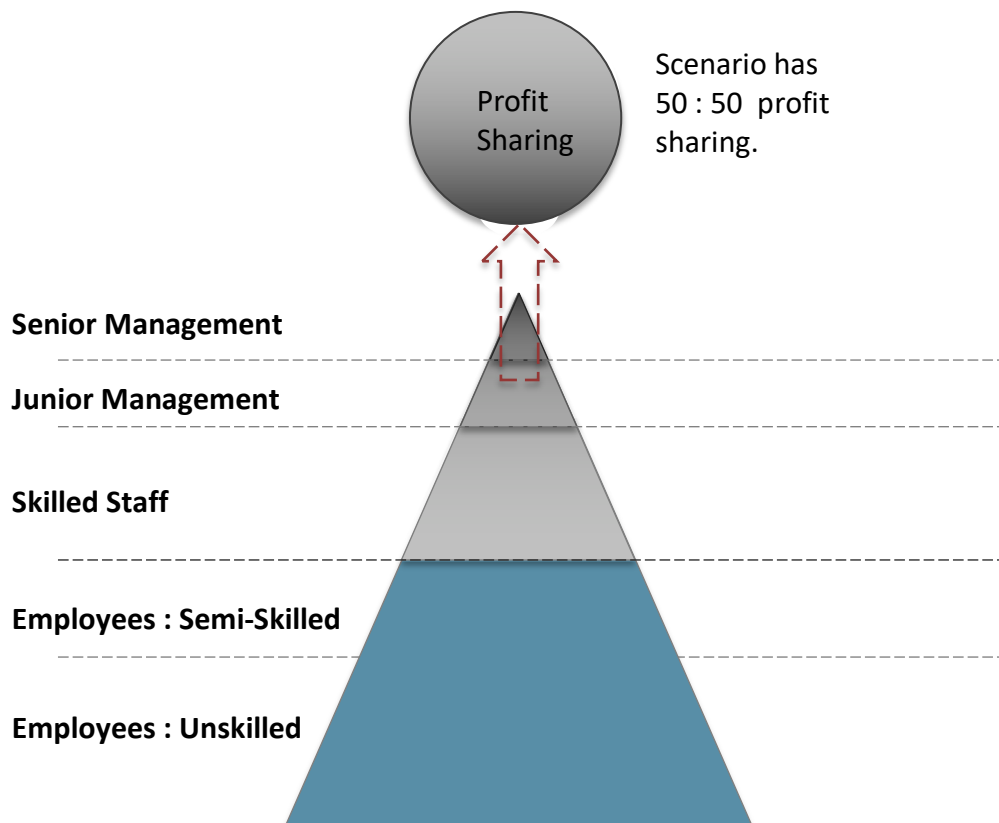


Fig B.5 - Scenario 2: Local Ownership –Profit Sharing.

$$\begin{aligned} \bullet \text{ Employment Attribute} &= 0.08 + 0.032 + 0.160 + 0.800 \\ \text{(no informal economy)} &= \underline{\underline{1.000}} \end{aligned}$$

Effective Income Attribute.

$$\begin{aligned} \text{Full Income Attribute} &= (0.08 \times 25) + (0.032 \times 5.5) + \\ &\quad (0.16 \times 3.0) + (0.333 \times 0.80 \times 2.0) \\ &\quad + (0.667 \times 0.80 \times 1.0) \\ &= 3.7224 \end{aligned}$$

Profit Income Attribute	= $0.25 \times 3.7224 = 0.9306$
Ni-Vanuatu Income Attribute	= $(0.032 \times 5.5) + (0.667 \times 0.80 \times 1.0) + (0.16 \times 3.0) + (0.333 \times 0.80 \times 2.0)$ = 1.7224
Total Ni-Vanuatu Income Attribute	= $1.7224 + 0.9306 = \mathbf{2.653}$
Increase in income attribute	= $((2.653 - 1.7224) / 1.7224) \times 100$ = 54.00 %

B.7 Discussion Regarding Embedded Assumptions. (Assumptions 1-13)

To carry out any type of growth analysis, assumptions need to be made about future characteristics, parameters, and patterns. Having a detailed history of all of these things reduces the possibility of wayward predictions, and the more information, the greater the confidence that can be attached to the predicted outcomes. However, in this case, the objective is not to produce absolutely accurate and precise outcomes, but instead, to obtain the validity of the concept. Having differing parameters will change magnitudes of growth but not whether or not the process is Pro-Poor Positive. The caveats are that parameters should be realistic, able to occur if a “strategy” to do so is followed, and intrinsic pathways are resourced sufficiently to enable adequate TVET training to occur.

The growth analysis has thirteen imbedded assumptions with most being interrelated, particularly Assumptions 3 through to 11, which outline the business organisational structure considered in the evaluation. These are strongly modelled on the Pareto Principle as a model and are considered to be fairly appropriate to the situation. It is acknowledged that it would be fairly easy for academics to critique these assumptions, and use different parameters to muddy the waters if that was their agenda. However, the concept’s validity is likely to remain. Obvious areas for further research is to obtain more detailed data, and either evolve these ideas or develop others that are more appropriate.

Perhaps the most significant assumption used is the projected employment figures that will be necessary within the tourism/hospitality industry by 2027. These numbers are based on WTTC projected figures, and it is taken that its figures are based on modelling between revenue and employment that the WTTC has developed globally. Assumption 1 merely accepts the WTTC figure as being appropriate and requisite.

Assumption 2 is the most nebulous of all the assumptions and is a simple but inept attempt to balance social and cultural characteristics, inherent in the Ni-Vanuatu informal economy, with economic characteristics within the formal economy. This is an arbitrary assumption that attempts to put some neutrality between workers in the formal and informal economies. From an economic outlook, it would appear fairly easy to assume that workers in the informal economy earn less, but does not take into account other benefits, and therefore is likely to be conservative.

Assumption 8 surrounds the average income associated with the hierarchical level within the organisational structure. It has been put together from data from VNSO, and again are the best estimate of relevant figures due to the fact that no actual surveys are available. Again, this would be an appropriate area for extended research to be carried out. In regard to Assumption 8, there is a need to put the income levels of unskilled workers into perspective by comparing them to the countries poverty lines and clearly ascertain that unskilled workers fall within the “poor” section of Ni-Vanuatu society.

Lastly, assumptions 12 and 13 deal with Ni-Vanuatu being involved in business ownership, and are more vague assumptions. In regard to the return that a business owner can obtain from the services of employees, mark-ups vary greatly depending on the technical difficulty of the position, but a gross mark-up of 2.0 is not uncommon, making the net mark-up of 1.25 used in assumption 12 not unreasonable. Assumption 13 is more arbitrary, and in the case considered will depend on the desirability and value of the land that local Ni-Vanuatu landowners bring to the business.

Appendix C

INFORMATION SHEET AND CONSENT FORM

Participant Information Sheet

AUT

TE WĀNANGA ARONUI
O TĀMAKI MAKĀU RAU

Date Information Sheet Produced: 28th July 2017

Project Title

Pro-Poor Tourism Case Study: Initial Mapping of Tourism Value Chains on Efate Island, Vanuatu

An Invitation

My name is Greg Watt. I am currently undertaking tourism research at Auckland University of Technology (AUT), New Zealand to attain a Masters degree in International Tourism Management. My supervisor is Dr. Hamish Bremner of AUT. I take this opportunity to invite you to participate in my research and feel that your contribution would be invaluable.

What is the purpose of this research?

The developmental challenges faced by Pacific nations are overlooked by the image of sun and sand, portrayed through touristic promotions. The existence of multi-dimensional poverty sitting alongside extensive tourism growth is both a critical issue, but also a pathway for sustainable development. In short, tourism can be a major contributor to the alleviation of poverty in Vanuatu.

The purpose of this research is to identify the tourism “value chain”, or in better words “how the various groups involved in the tourism industry interact and carry out business together”. By establishing the linkages and leakages, this research hopes to provide basic evaluations where businesses could holistically be more effective together, while at the same time identify where the poor could be given greater opportunities within the “value chain”.

How was I identified and why am I being invited to participate in this research?

You have experience in the tourism industry within Vanuatu, and your contribution would be invaluable. Your details have been obtained by myself, either through the Port Vila Chamber of Commerce, the Vanuatu Tourism Office, the Department of Tourism, or the Shefa Provincial Tourism Association. Alternatively, you are active within or have knowledge about the Tourism Industry.

How do I agree to participate in this research?

Your participation in this study is entirely voluntary, and if you do agree, I will provide you with a consent form where you will be able to formally consent to be a part. Your participation in this research is voluntary and whether or not you choose to participate will neither advantage nor disadvantage you. You are able to withdraw from the study at any time. If you choose to withdraw from the study, then you will be offered the choice between having any data that is identifiable as belonging to you removed or allowing it to continue to be used. However, once the findings have been produced, removal of your data may not be possible.

What will happen in this research?

Your participation will consist of an interview with myself, where you will be asked questions pertaining to the tourism industry, about your professional involvement, and the sphere of operation of the business you are associated with. In particular, you will be asked about other types of other businesses that operate within the industry, and the degree to which you associate and interact with them. Without discussing specific monetary values, your opinion of the percentage of services and supply that transacts between you and others would also be involved.

What are the benefits?

Across the full industry, this will provide the research with a service chain structure which will allow an evaluation of where there may be opportunities to enhance the tourism product for everybody while identifying touch points where the poor can make a contribution. Copies of the research will be made available, should you wish, which may enable you and your business to obtain a clearer picture of the overall tourism product in Vanuatu.

There is also a benefit to myself, whereby this research will be instrumental in myself obtaining a Masters Degree. In the long term, this will facilitate my ability to add value to the tourism industry.

How will my privacy be protected?

The information that you provide will be treated in a confidential manner. Your specific identity will not be included in any data that you provide. If companies are identified, they will be within generalized industry chain categories, which will not divulge any individual economic information attributed to that company. To achieve its purpose, the research will need to show generalized interactions between the categories in the service chain, and these will be detailed in terms of category percentages.

It should be noted, however, that because of the limited size of the Industry, others within the industry may be able to discern both individuals and companies referenced. The interview will be taped for later transcription. If it is planned to use any direct quotes made during the interview (referred to anonymously), these will be sent to you, to check for correctness and accuracy.

What are the costs of participating in this research?

Participating in the research will take approximately 1 hour of your time, for the interview.

What opportunity do I have to consider this invitation?

It would be great if you could get back to me in a few days, otherwise, I will contact you in two days.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr Hamish Bremner, hamish.bremner@aut.ac.nz, +64 9 921 9999 extension 5898

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTECH, Kate O'Connor, ethics@aut.ac.nz, +61 921 9999 ext 6038.

Whom do I contact for further information about this research?

Please keep this Information Sheet and a copy of the Consent Form for your future reference. You are also able to contact the research team as follows: Greg Watt, nyw2433@aut.ac.nz, +64 21 246 9293

Researcher Contact Details:

Primary Researcher, Greg Watt, nyw2433@aut.ac.nz, +64 21 246 9293

Project Supervisor Contact Details:

Project Supervisor, Dr Hamish Bremner, hamish.bremner@aut.ac.nz, +64 9 921 9999 extension 5898

Disclosure of Researchers Financial interest in Vanuatu's Tourism Industry :

The primary researcher knows of no conflicts of Interest occurring as a result of carrying out this research. However, the primary researcher has interests within the tourism industry, as follows:

- (a) A financial interest in a family owned property (approx. 11 years) located in Pangona Estate, on Efate, that is rented out as a short-term holiday rental when not being used by the family.
- (b) An association with a tourism business located on Tanna Island (as distinct to Efate Island), "Tanna-Adventures", which is 100 % locally owned. The primary researcher provides support, helps with product development, marketing and bookings, but has no involvement with any tourism association, or the Vanuatu Tourism Office, which is carried out by the community themselves.

Consent Form

AUT

TE WĀNANGA ARONUI
O TĀMAKI MAKĀU RAU

Project title: Pro-Poor Tourism Case Study : Initial Mapping of Tourism Value Chains
on Efate Island, Vanuatu

Project Supervisor: Dr Hamish Bremner

Project Researcher : Greg Watt

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 28th July 2017
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that notes will be taken during the interviews and that they will also be audio-taped and may be transcribed.
- ☐ I understand that taking part in this study is voluntary (my choice) and that I may withdraw from the study at any time without being disadvantaged in any way.
- ☐ I understand that if I withdraw from the study then I will be offered the choice between having any data that is identifiable as belonging to me removed or allowing it to continue to be used. However, once the findings have been produced, removal of my data may not be possible.
- ☐ I agree to take part in this research.
- ☐ I wish to receive a summary of the research findings (please tick one): Yes ☐ No ☐

Participant's signature:

Participant's name:

Participant's Contact Details (if appropriate):

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Date:

Approved by the Auckland University of Technology Ethics Committee on 12th October 2017 AUTEK Reference number 17/163