Abstract

Las Terrenas, a town in the Samanà province of the Dominican Republic, has experienced phenomenal growth of its tourist industry. Electricity only arrived in Las Terrenas in the late 1990s, yet today, more than 70 hotels and other establishments offer thousands of rooms in tourist accommodations. In little more than two decades, the population of Las Terrenas has mushroomed from a few hundred to nearly 20,000. While the forces of commercial development integrate Las Terrenas into the global economy, its municipal infrastructure simply has not kept pace. The national government finances the construction of roads and other projects to promote the region’s tourism industry, but critical public health and environmental issues receive inadequate attention. This research highlights the challenges tourism and globalization present to the economic development of an impoverished community.
Introduction

Tourism is one of the leading sectors of economic development in the Caribbean. More dramatically, the Caribbean is also the world’s most tourism-dependent regional economy. The industry’s total economic impact in the region is indeed impressive. In 2011, tourism accounted for 13.9 percent of the region’s Gross Domestic Product (GDP), 12.1 percent of its employment, 11.8 percent of its investment, and 15.4 percent of its exports (World Travel & Tourism Council, 2012). Accordingly, tourism provides access to relatively scarce capital investment and foreign exchange, brings employment to a region of chronic unemployment and underemployment, and stimulates investments in other sectors of the region’s economies. For these and other reasons, it is widely considered a leading sector of economic growth and development in the Caribbean (Organization of American States, 2013; World Travel & Tourism Council, 2012; Zappino, 2005).

No Caribbean country is more committed to tourism as a key component of economic growth and development than the Dominican Republic. Attracting the greatest number of tourists in the Caribbean, it earned more than US$4.5 billion in 2012 (Banco Central, 2012) from approximately 4.6 million foreign visitors (Banco Central, 2012a). According to the World Economic Forum, tourism represented an estimated 14.7 percent of the country’s GDP in the same year, during which revenues from the tourism industry also significantly outpaced remittances and equaled nearly half of total export receipts (Central Intelligence Agency, 2013). Perhaps more importantly, tourism contributes significantly to the growth of the country’s GDP as part of the broader service sector; from 2001 to 2010, the service sector—led by telecommunications and tourism—accounted for 77 percent of GDP growth (González, 2012). Signaling the importance of tourism to the country’s economic future, President Danilo Medina’s current administration touted the tourism sector as “the driving force behind the country’s development,” ambitiously announcing a goal of attracting 10 million tourists by 2022 and promising further reforms to benefit the industry (Kaluche, 2013).

Despite its impressive economic contribution to the country, tourism’s impact on the resident communities and natural environments of the Dominican Republic and elsewhere in the Caribbean seems of secondary importance at best, and is often overlooked by public officials and private investors. The Dominican Republic’s incentive to maintain the growth and development of the tourist industry despite undesirable consequences at the local level exemplifies the difficulties relatively poor countries encounter in protecting their people’s welfare while trying to attract foreign capital—Foreign Direct Investment (FDI)—in order to reap its potential economic rewards. Law 158-01, in effect since 2001, encourages tourism by providing the industry with ten-year exemptions from all national and municipal taxes, taxes on income from tourism promotion and investment, as well as on taxes and other duties relating to trade, including the Tax on the Transfer of Industrialized Goods and Services (ITBIS), which is normally collected on equipment, materials, and furniture (Pellerano & Herrera, n.d.; The World Bank, 2006). Such benefits to the tourism sector of the economy likely contributed to its position as the largest recipient of FDI in the first decade of this century (United Nations Conference on Trade and Development, 2009a), but these benefits also restrict the very financial resources the Dominican Republic desperately needs in order to regulate the tourism industry.

The World Bank’s “Ease of Doing Business Index” ranks 185 countries in terms of how accommodating each country is to private business. Countries are ranked more highly (i.e. as having a more friendly investment climate) when they ignore regulations protecting the welfare of workers and the public. Ajay Chhibber, assistant secretary-general of the United Nations, commented on the efficacy of the Index in May 2013, saying: “Environmental regulation is not even explicitly mentioned in the Ease of Doing Business Index. This encourages the movement of polluting industries to the
developing world, where environmental regulations are much weaker, and even when those regulations are on the books, they’re not adequately enforced” (Chhibber, 2009). Unfortunately, the World Bank’s rankings influence regulatory policies and practices in poor countries vying for foreign investors. The expectations established by the World Bank’s ranking system, accompanied by trade liberalization, structural adjustment, and currency devaluation, contribute to Dominican workers in the tourism sector receiving the lowest minimum wage in the country, a wage that is not even enough to keep up with the cost of living (International Labor Organization, 2013). Moreover, lax enforcement of labor and environmental protections may endanger the community’s present and future quality of life. Despite the tourism industry’s track record of having thus far overlooked the needs and welfare of local communities, it is precisely a long term investment in the local communities’ public welfare and the protection of its natural resources on which a thriving and sustainable tourist industry depends.

Las Terrenas, a community of approximately 20,000 residents, located on the northeastern Atlantic coast of the Dominican Republic, is fertile ground for investigating the progress and potential of tourism as a force for economic development. In the 21st century, Las Terrenas has become a popular tourist destination for Dominicans and international travelers. The Dominican government itself is optimistic about and has been aggressively pursuing a future for Las Terrenas and neighboring coastal communities as a tourist mecca. Former president Leonel Fernandez branded the region as the “Monte Carlo of the Caribbean” (Las Terrenas Live, 2011). Accordingly, the Dominican Republic has committed substantial public investment in infrastructure to position the nation’s northern coastal communities to attract further private investment in tourism.

This paper is not a scientific study of tourism or economic development. Rather, it is intended to (a) provide an informed overview of one Caribbean community’s recent development as a tourism destination, (b) identify some of the shortcomings and challenges to tourism as a development model, and (c) underscore the importance of local community participation in the process of economic development and the protection of natural resources. To these ends, immediate observation of daily activities and interviews of local residents provide information that econometric measures do not generally capture. Indeed, sound economic development planning must include qualitative data from ethnographic, anthropological, and sociological sources. Unfortunately, models on which private commercial or business interests typically rely often overlook the specific exigencies and long-term needs of the local communities in which they invest. Even worse, market models and business projections related to investment in poor communities may actually be predicated upon low wages and lack of community and worker representation.

In the case of poor communities in general and the Caribbean as a region, ample post-colonial social theory and historiography demonstrate the inherent inequality of the commercial and cultural relations between agents and centers of economic wealth and the regions that these centers exploit. From Frantz Fanon and Immanuel Wallerstein to Edward Said and Mimi Sheller, critical social theorists and historians have recognized the deep interconnections that bind people, communities, and regions of asymmetrical power. Historically, economic development is a complex process resulting from the interaction of agencies of disparate power and influence including, but not limited to, financial and commercial interests and local communities. For example, contamination of the natural environment or degradation of public health, while perhaps directly resulting from the actions of local community residents, may also be indirectly conditioned by the level of wages and other factors attendant to direct foreign or domestic investment.

From colonial times to the present, as critical development theory has indicated, those with economic and political power have forged structures of investment and governance that favor them. Contemporary neoliberal economic theory, for example, discounts many social and environmental
consequences of economic development as “externalities,” phenomena considered to lie outside of market model parameters. Of course, this is reductionist methodology, assuming a priori that market growth necessarily leads to economic and social prosperity, (in other words, “development”). Accordingly, investors, corporations, business associations, and state agencies promoting the tourism industry tend to conflate private profitability with public welfare.

Measured by crude economic returns in the tourist industry sector, such a limited strategy may lead to significant local economic growth in the short run as investors take advantage of comparatively low cost factors. In addition, some enterprising local residents will likely prosper. Even a relative few with limited skills and little education may leverage short-term or long-term advantage successfully enough to improve the welfare of themselves and their families. However, without widespread and ongoing participation of local people in investment decisions, without balancing private reward with broader social benefits, and without the protection of local ecosystems, local communities will suffer immediate difficulties managing the negative social and environmental consequences of the tourism industry, as Las Terrenas has done in the first dozen years of this century. If these ills persist, long-term tourism investment will be seriously jeopardized. Sustainable development, both empirically and logically, is based on the recognition that investment in the welfare of the community and the preservation of its natural resources make sound economic policy and planning.

A Brief Note on Methodology

In July 2009, I conducted interviews with local inhabitants of Las Terrenas, gathering their views on the development of tourism in their community. I intended to investigate what life is actually like for permanent residents—those Dominicans who strive to make a living working in an industry that attracted approximately four million visitors to the Dominican Republic in 2008 and generated revenues of US$4.2 billion (Nuwire, 2009). In selecting interview subjects, I tried to obtain a cross-section of residents of Las Terrenas and identify people who had particular experiences related to issues facing the community or were in positions of responsibility for those issues. Since the economy of the community is largely dependent on tourism, no one escapes its presence, and virtually everyone has an opinion or a relevant experience to share. I interviewed professionals practicing in several fields: real estate, business, the media, law enforcement, medicine, education, and public service. Among those interviewed in these fields were the mayor, a hospital administrator, physicians, an attorney, owners and managers of real estate agencies, a restaurant manager in a tourist hotel, a cable television host, a teacher, and a community activist. I also interviewed other individuals working in various capacities in the tourist industry including a hotel chambermaid, a cashier, a construction worker, a security guard, a waitress, and a sex worker. I recorded in hand-written notes their experiences and views related to the tourist industry in Las Terrenas.

Of course the narrative of Las Terrenas rendered here represents only a slice of the community and its inhabitants in mid-summer, 2009. Moreover, these interviews are not presented as an anthropological, sociological, or other study in the field of social sciences. The interviews were done to gain some insight into the issues pertaining to the current state of the tourist industry from the perspective of the local residents who serve that industry in various capacities or those who have particular experiences relevant to such issues. The group of interviewees represents a broad variety of views, positions, and backgrounds. As stated earlier, Las Terrenas is only one community in a constellation of resort communities across the Dominican Republic and the greater Caribbean. Still, qualitative research in one community nevertheless contributes to the study of tourism’s role in sustainable economic development. Direct observations and interviews reveal the actual contours of
human experience in ways that quantitative analyses simply cannot. Importantly, while the commentary of Las Terrenas’ residents provided here is critical to comprehending the city’s economic development, a wealth of information gleaned from government documents, various available studies and scholarly reports, popular media coverage, real estate and industry publications, international foundations, institutions of research in natural and social sciences, and intergovernmental agencies complements the oral testimonies and personal observations presented here, in combination creating a detailed profile of Las Terrenas, reconstructing its recent history, and illuminating the community’s swift development as a tourist destination.

After the initial research for this paper was completed in 2009, subsequent research was done to provide a useful update of vital information whenever it was available. This updated information can be found in the many footnotes appearing in the essay as well as in the commentary within the narrative itself. Given the increase in the number of tourists visiting Las Terrenas annually since this research was conducted, the original research remains as relevant as ever, despite developments that have taken place since it was conducted such as the completion of infrastructural projects. Most of the essential issues identified and discussed in 2009 persist to the present day. Just as importantly, from a research perspective, no other study of Las Terrenas has been published. The relative geographic remoteness of Las Terrenas and the swift development of its thriving tourism industry have imparted the feel of a “gold rush” on its streets and to its commerce activity. The history of Las Terrenas’ economic development must rely, to one degree or another, on popular and commercial sources since virtually no history of Las Terrenas’ development as a community exists. In reconstructing the city’s recent economic history, prospectuses of the local tourism industry, real estate publications, and newspaper reports are as essential as documents provided by the Ministry of Tourism. Testimonies of long-time residents also add material for consideration in sketching the outline of a community whose past appears virtually unrecorded to this point.

Two Tableaux of “Paradise”

At first glance to tourists, Las Terrenas is a veritable tropical playground, with some of the most beautiful beaches one might encounter anywhere. Verdant mountains are the backdrop to miles and miles of sun-bleached sands fringed with graceful coconut palms. The city’s busy main thoroughfare runs to beaches and is dotted with seaside kiosks and bars as well as luxurious hotels with fine restaurants. A short walk to the commercial hub of the city offers upscale boutiques, fine art galleries, craft shops, cafes, French bakeries, supermarkets, night clubs, excellent restaurants specializing in seafood and Asian and European cuisines, and open-air markets, where artists sell their work and other vendors sell fresh produce and the day’s catch. Small boutique hotels with pools, exclusive beachfront resorts, sequestered mountain retreats, and inexpensive hostels can all be found in Las Terrenas and its immediate vicinity. On nearby beaches, hidden gems off the beaten path, serenity and easy luxury beckon. A half-hour away, in the village of El Limon, horses can be ridden up steep trails to a spectacular waterfall. SUVs, four-wheelers, and scooters may be rented. There are also ample taxis and ubiquitous locals on scooters who provide taxi service for the more adventuresome visitor.

Meanwhile, one need only turn to the local residents in their places of employment and in their neighborhoods to discover a far less glamorous side of life in Las Terrenas. A single mother living in the city and working at a boutique hotel captures and reflects the very nature of the condition of Las Terrenas, a tourist world both stunningly beautiful and deeply conflicted. Her name is Altagracia. When she first visited Las Terrenas a little more than a decade ago with her mother, it was still a
fishing village. The community has undergone extraordinary changes since then. Today, tourists, four-wheelers, scooters, motorcycles, and SUVs feverishly ply the streets, and the tranquil fishing village she recalls is now a raucous, fast-growing city of 20,000 people on the north coast of the Dominican Republic. Altagracia eventually returned to Las Terrenas to find work in its prospering tourist industry. In July 2009, she reported earning US$180 a month, working six days a week, serving light food and beverages at the hotel’s poolside bar. Occasional tips modestly augmented her salary, though the bar was barely more than a convenience for the few guests who swam in the pool or rose early enough to eat a continental breakfast (Altagracia, personal communication, July 13, 2009).

Altagracia’s home had no electricity. She said the city would extend service to her at a cost of 11,000 pesos (about US$300) to bring the line from the closest electrical pole. Food alone required US$250 per month; water delivery cost about $5 each month; transportation consumed US$20 or more. To manage, Altagracia cut her expenses drastically. She struggled just for bare necessities, living with her daughter in a one-room house made of wood walls and a corrugated metal roof, with a kitchen in one corner and a bed in another (Altagracia, personal communication, July 13, 2009).

One estimate of the average household income in the Dominican Republic in 2009 was US$8200 (Central Intelligence Agency, 2010). Of course, the majority of Dominicans make far less than the average income. Altagracia, employed in a low-skilled job in the tourist industry, would make a little over $2000 in 2009. Fortunatel, she owned her makeshift home. Her grandmother lived next door and helped her make ends meet. Together, they found a way to send Altagracia’s daughter to a Protestant evangelical school because they feared sending her to the public school in Las Terrenas. The tuition at the Christian school was almost $18 per month (Altagracia, personal communication, July 13, 2009). Altagracia, while still hopeful of a better life for her daughter, was sometimes discouraged. She feared the drugs and the sex trade in the streets of Las Terrenas, saying, “I am afraid to live here as my daughter grows up. People come here hoping to make some money and move on, but they get stuck” (Altagracia, personal communication, July 13, 2009). Once, she aspired to open a beauty salon in Las Terrenas. That dream evaporated. Now, as she observed the growth of tourism in the city, she was frustrated and angry that there were hardly any resources for education and culture or for developing a healthy environment for children.

**Investing in “Paradise”**

Propelled by investment in tourism and real estate, Las Terrenas has entered the global economy at breakneck speed. Rural, remote, and sparsely populated until well into the last quarter of the 20th century, it is today a teeming tourist destination just a two-hour drive on newly-constructed highways from the capital, Santo Domingo, and the nation’s largest airport. With its improved relative location, fine beach-front hotels and amenities, and exquisite beaches, it is quite seductive to imagine that tourism will generate enduring social and economic benefits for the region’s impoverished inhabitants in the coming years and that Las Terrenas may emerge as a vigorous engine of development in this part of the northern coast. This fantasy, however, ignores the current stark realities of the local inhabitants who maintain and run the luxurious tourist resorts.

The first hotel opened in Las Terrenas in the 1970s, and the village remained a very remote tourist retreat until a paved road from the Samaná Bay was constructed in 1989. Electricity did not arrive in town until the late 1990s. When the first European tourists arrived in the mid-1970s, the village itself is only a few decades old, apparently established in the 1940s when Dominican dictator Rafael Trujillo, in a campaign to reduce poverty in the nation’s capital, moved a few poor families to the area, instructing them to fish and farm for a living (Baker & Mingasson, 2008). When Las
Terrenas resident Federico Fatula arrived in 1989, he said, “There were [fewer] than 500 people in Las Terrenas” (personal communication, July 13, 2009). He had worked as a journalist for a major national newspaper and later entered government service in the Ministry of Tourism. In Las Terrenas, he established himself as a purveyor of “mostly perishable goods for the small hotels and businesses” (F. Fatula, personal communication, July 13, 2009). Federico likened tourist development to an explosion that was ignited when electricity was provided to Las Terrenas in the late 1990s.

The strength of Las Terrenas as a tourist destination was established within a decade of the first installation of electricity in the late 1990s. A study of the country’s tourism industry, published in May 2007, reported that three million tourists were arriving annually through the country’s six principal airports and that its hotel occupancy rate of 75% was “quite stunning for the hotel industry in general” and “higher than almost every other Caribbean nation” (Barrera, Gjurcilova, Rabinowitz, & Suemori, 2007, p. 18). The study also cited the propitious private investment climate established by law, government policy, and trade agreements with its Caribbean basin neighbors, the European Economic Community, and the United States, and the approval of CAFTA-DR in 2007 (Barrera et al.). Las Terrenas’ ten or more miles of spectacular cocoa-palm-fringed beaches, enticing tropical climate, and accommodating people, commodious hotels and plentiful restaurants, and rising reputation of its beaches remained reassuring to the entrepreneurial class even during the global financial crisis.8

By 2002, the population of Las Terrenas had swelled to 14,000 residents (Oficina nacional de estadistica, 2002). Jose Alexis Martinez, Las Terrenas’ mayor in 2009 estimated that the population was about 30,000 residents.9 He attributed the phenomenal population growth to tourism, beginning with the construction of a few hotels in the 1990s (J.A. Martinez, personal communication, July 21, 2009). By 2009, the number of hotels and other establishments offering rooms had swelled to nearly 70, with a few thousand rooms available to tourists.10 A half dozen such accommodations were at all-inclusive resorts (Samanà.net news, 2007). By that time, the city also offered scores of restaurants serving a variety of global cuisines. It is little wonder that in addition to developing a booming tourist industry, Las Terrenas also appealed to individuals wishing to permanently relocate to a Caribbean climate. According to local estimates in the summer of 2009, the number of foreign residents in Las Terrenas (mostly from Europe and Canada) ranged from 2500 to 5000. The lower estimate appears to be more accurate since, in 2013, based on the 2010 national census, the Dominican government reports 2,491 foreign-born residents living in Las Terrenas (Oficina nacional de estadistica, 2010). Reportedly, in addition to these residents, during the peak tourist seasons (in August and from December-April), another 5000 – 8000 tourists, mostly Europeans, besiege the city daily (DR Paradise, 2005).

Though Las Terrenas is a relatively new Caribbean resort destination, the national government was already positioning it in 2009 for further significant growth. “The time has come for Las Terrenas to radically change and become a model tourism resort,” tourism minister Francisco Javier Garcia told the public in October 2008. By 2008, the Dominican Republic had already facilitated increased tourist development along the northeast coast through road and airport construction. In 2006, El Catey International Airport, a forty-five minute drive from Las Terrenas, was opened, and, in 2009, a new toll highway from Santo Domingo was completed, cutting average travel time from the country’s busiest international airport to the resort areas from five or six hours to two.11

In addition to the physical construction projects meant to facilitate tourist development, by 2009, the Dominican Ministry of Tourism was also aggressively marketing its beaches and natural wonders to further draw tourism revenues. The country was spending significant sums of money on advertising, contracting tour operators, and opening new tourist offices abroad, including six in the
U.S. and three in Europe (Hotel Online, 2009). Early in 2009, the Ministry of Tourism announced that the Dominican Republic would be included in the preferred destinations list published by the international consortium Vertuoso, a network of more than 6000 elite travel advisors in 22 countries. Importantly, this plan resulted in the recommending of the Dominican Republic’s resort destinations to the many travelers from the U.S. and Canada seeking luxury vacation accommodations (Dominicana On Line, 2009, April 25).

Various infrastructure projects to support tourism were also undertaken in Las Terrenas itself. By September 2008, city officials of Las Terrenas reported that ten kilometers of sidewalk and street gutter improvements had been completed and that 25 additional kilometers were to be completed in the subsequent months (Las Terrenas Live, 2008). Also in 2008, Samanà and Las Terrenas had eight construction projects under way, with 828 rooms being built for a total cost of $204 million. Moreover, the sale of vacation homes, villas, apartments, and condominiums in the city was also booming, reaching $800 million in 2008, and the Ministry of Tourism reported that Samanà and Las Terrenas had received $129 million in vacation property investments in the same year (Medina, 2008). By 2009, the total public investment in these projects had reached $465 million (Dominican Today, 2009, May 11). A new water treatment plant was also completed and inaugurated in 2009. Its construction cost was more than six million U.S. dollars (H. Brousset, personal communication, July 16, 2009). Additionally, a hospital was opened, as were cafes, discoteques, and rental businesses for cars, four-wheelers, motorcycles, and water sports. A newly paved road to El Limon and its magnificent waterfall facilitated local tourist excursions. The airport at nearby El Portillo inaugurated an air terminal and a new control tower in 2009, positioning it to capture many of the 60,000 private air-travel tourists that visit the Caribbean each year (Las Terrenas Live, 2009, March 2). The construction of a new aqueduct was initiated at a cost of US$165 million to deliver water to Las Terrenas and its westernmost beach at El Coson (Las Terrenas Live, 2009, March 4). Improvements to the road from Sanchez and from the international airport at El Catey were completed in 2011.

Other current developments indicate that Las Terrenas will likely continue its upward commercial trajectory. In Samanà (a cruise ship port-of-call less than an hour from Las Terrenas), at least one of its port terminals is improving some of its facilities to accommodate more and larger cruise vessels. In addition, an agreement has recently been reached with the world’s second largest cruise ship company to visit the port in 2014. The president of the Samanà port Termasam expects an increase in tourist arrivals of fifty percent (Dominican Today, 2013) by 2014. A golf course and marina are also planned for Las Terrenas. In short, beyond the estimated half-billion dollars the Dominican national government has so far invested in infrastructure improvements and in advertising to promote tourism along the northeast coast and Samanà Peninsula, planned direct investments in Las Terrenas tourism economy alone appear poised to dwarf that figure in a few years.

Despite serious reservations concerning the impact of tourism on local communities and on the natural environment, tourism in the Dominican Republic has been a strong engine of economic growth, and efforts to invest in tourism appear to have paid off significantly. In 2009, for example, the Dominican Republic received far more tourists than any other Caribbean island. Two years earlier, in 2007, the country had received more than ten percent of Caribbean tourists and their spending. That year, according to tourism review.com, the Caribbean received 22.5 million tourists and $27 billion in tourism revenues (2008). Moreover, the Dominican Republic predicted that it would accommodate five million tourists in 2012, injecting $5 billion per year into the economy (Dominican Today, 2008, February 22). The government’s optimism was reinforced by the growth in foreign investment in tourism. Of the $12.1 billion foreign direct investment (FDI) received between 1993 and 2007, the sector accounting for the most such investment was tourism, at $2.7 billion, or 22.3 percent of all FDI
During that period. In 2008, the cost of hotel and resort construction alone was $12.4 billion, much of it being financed from outside the country, indicating that investment in the nation’s tourism industry was acquiring great momentum even at the onset of the global financial recession (Dominican Today, 2008, June 25).

While Caribbean tourism was expected to decline in 2009, according to the World Trade and Tourism Council (Charles), tourism in the Dominican Republic continued to grow. Government officials in the Dominican Republic and the international tourism business community remained confident and aggressive in their long-term forecasts. It is easy to understand their resolute attitude. Patricia Jakobs, a German ex-patriot for 16 years in Las Terrenas, has seen its meteoric rise as a tourist mecca. In July 2009, she was the receptionist and bookkeeper at the Casa Grande Hotel, one of a string of fashionable hotels that face the Atlantic Ocean on Playa Bonita, a crescent of powdery sands several kilometers in length. The beach and its immediate environs are an exquisitely beautiful and quiet refuge just a few kilometers from the center of Las Terrenas. In many travel guides, Playa Bonita is identified as one of the most beautiful beaches in the world. Patricia, filling in for the vacationing manager, took a break from her evening managerial responsibilities. Sitting in the dim light and hushed conversation of a palm-roofed restaurant open to the dark Atlantic, Jakobs reflected the determined confidence of the community’s professional and business class, saying: “Tourism in Las Terrenas is key to developing this part of the island. It brings employment and improves the lives of local Dominicans. It will continue to generate jobs and opportunity” (personal communication, July 21, 2009).

Corrupting “Paradise”

Despite the feverish pitch and pace of investment, both the tourism industry and the Dominican Republic government understand that globalization and neoliberal development models have considerable consequences. The serious shortcomings and obvious ills of Las Terrenas’ development may be ignored, but they will not be escaped. Vacationers may be entranced by its miles of graceful sands and its vibrant local color, but investors and the Ministry of Tourism cannot afford to be as distant as tourists with respect to the consequences that unchecked development may bring. Corporate and government decisions are based on cost-benefit analyses and, while nagging conditions may be ignored for a while or simply discounted as “externalities,” the costs of which must be borne by others, private executives and public officials must strive to be aware of problems that might affect their respective goals, even if such problems are initially or officially ignored or discounted. In the economic and political complexities of development, decisions to ignore or discount significant or critical social and environmental conditions and concerns on an ongoing basis suggest that the process of development itself is fundamentally compromised. When the stakes are high, as the private investors and public officials have fashioned them to be in Las Terrenas, the consequences of ongoing disregard for local social and environmental conditions are certain to be of equal magnitude. Indeed, in Las Terranas, one of the greatest challenges to development may be overcoming the corruption and disregard for local communities heretofore demonstrated by the government and Ministry of Tourism.

In July 2009, Las Terrenas pulsed with commercial activity. Steady vehicular and pedestrian traffic, while less than in the stronger months of the tourist season, drew attention to the city’s commerce and pleasures and away from the corrosive, less healthy aspects of the city’s economic growth, such as the unpaved roads with gaping potholes from which dust rose in clouds. However, a bit of a closer look easily revealed many deeply troubling signs of danger in the neighborhoods of Las Terrenas: the fetid river, the sickening stench of raw sewage, the seedy bars, the sex trade, the
neglected neighborhoods of low-wage service and construction workers, a surfeit of people searching, drinking, looking for work—all of these were as much a part of the tourist industry’s development in Las Terrenas as the exclusive hotels at the edge of the ocean.

The tourist industry is not solely responsible for the failings of the market to produce better social returns for local communities. Moreover, an argument can be made that investment in tourism may actually have the potential to lead to tangible social and physical improvements in a city and its surrounding regions, including the protection of its natural wonders. Ensuring these benefits seems, after all, to be in the best interest of the tourist industry. But when the private business sector neglects the well-being of the local community, government must enforce regulations to prevent or mitigate the deleterious consequences of disinterested and disengaged entrepreneurs and corporations. In short, it is government’s responsibility not only to encourage and facilitate beneficial economic development but also to safeguard the health, livelihood, and well-being of its citizens. Unfortunately, in Las Terrenas, government engagement with the tourism industry has principally involved the promotion of the interests of developers and corporations to the exclusion of any concern for the condition of its citizens.

Herve Brousset, manager of the Fort Knox currency exchange office in Las Terrenas’ small upscale shopping plaza, has more than once challenged the Dominican government on the enforcement of protections meant to safeguard both the employees of the tourist industry and the natural environment of the city itself. He was, in 2009, one of hundreds, perhaps more than a thousand, French ex-patriots residing at least part of the year in Las Terrenas. Along with Italians, Germans, Dutch, and other Europeans, French investors and entrepreneurs had been prominent in the commercial growth of Las Terrenas. Brousset, as a French businessperson in the city in the summer of 2009, was certainly not unusual, but, as a citizen, he was an outspoken advocate for environmental conservation, beach beautification, and transparency in government (H. Brousset, personal communication, July 16, 2009). On a local cable station on July 20, 2009 (Channel 10 at 9:00 p.m.), Brousset had denounced the national government, particularly the Ministry of Tourism, for failing to clean up the heavily polluted waters of Las Terrenas. Holding photographs of the modern water treatment plant officially dedicated in spring 2009 but, as of his television appearance, not yet functioning, Brousset railed at the “bureaucratic ineptitude” and “thorough corruption” of the Ministry of Tourism, from the provincial to the national level. More than six million dollars had been spent on the construction of the water treatment plant, according to Brousset, and yet the plant had not processed a single ounce of polluted water. 19 “Where has all the money gone?” he asked in an emphatic tone of condemnation. He exhorted his fellow citizens to call the provincial tourist minister and demand an answer to the question (H. Brousset, personal communication, July 20, 2009). 20

It was easy, in July 2009, to observe the contamination of Las Terrenas’ waters. “Take a walk down by the part of the city they call the “canyon,” where the butchers throw the entrails of animals down the banks into the river,” suggested German ex-patriot Patricia Jakobs (personal communication, July 21, 2009). The river running through the heart of the city was filled with garbage and refuse of all kinds. While enthusiastic about tourism, Jakobs was naturally disgusted by the polluted environment. She attributed much of the water’s bacterial contamination to the poor construction of the city’s sewage conduit system. She contended that the “sewage pipes were not properly installed by the construction company” (P. Jakobs, personal communication, July 21, 2009). Jakobs pointed to the feces-contaminated water that rose to the surface and formed puddles on the unpaved roads after each rainstorm. 21

At the edge of the Atlantic, the river’s murky waters fanned out into a small delta and lazily but steadily carried Las Terrenas’ chemical, biological, and physical effluence into the ocean. Upriver,
plastic bags, pieces of cloth, soggy decomposing cardboard, rusting cans, an assortment of other containers, and unidentifiable objects and materials clung to the roots along the fallen banks, sometimes breaking loose and joining the flotsam wending its way into the ocean. Rains washed into the river gully from the street and the shops and dwellings, further eroding the banks and adding to the contamination. Residents frequently complained about the environmental hazard this situation posed to Las Terrenas’ oceanfront waters and beaches, the very backbone of its tourist industry.  

Jose Bourget is an activist working to invigorate and coordinate the city’s public response to environmental and other civic concerns. On his blog, TerrAccion, he posted a letter dated February 9, 2009, addressed to Minister of Tourism Francisco Javier Garcia. In it, he requested a report of the disposition of public funds for the construction of the new water treatment system. Bourget asserted that “suspicions exist among some citizens that corruption or poor management” was involved in “the tens of millions of dollars” spent on the project. Moreover, he called for “a technical review of the entire system, because in recent rains, dirty water flowed from the manhole covers into the streets, and there is fear that the same will occur once the system is in service and that there could be tons of fecal matter running down our streets and ending up on the beaches” (Bourget, 2009).

When the issue of the dedicated but non-operational sewage treatment system was raised in an interview to Las Terrenas mayor Jose Alexis Martinez, he lamented the lack of assistance Las Terrenas received from the federal government. He said, “The city streets were dug up under the supervision of the Ministry of Tourism, but the city [was] left [to conduct] the repairs.” Mayor Alexis Martinez also pointed to the rapid economic expansion of Las Terrenas, characterizing it as “an explosion,” adding that “[t]he infrastructure is not developed adequately to accommodate the impact of the foreign investment.” Specifically pertaining to the sewage treatment plant, he said that he received assurances from the Ministry of Tourism earlier in the week that in the subsequent 20-24 months, the federal government would invest the necessary funds to make the water treatment plant operational (J. A. Martinez, personal communication, July 21, 2009).

Of course, the very health and welfare of Las Terrenas’ residents is threatened as contaminated water challenges the carrying capacity of the region’s natural environment. The actual and potential threats of such conditions to human health are both immediate and long-term. This point is strongly implied in the observations of Albany Medical College student Rachel Anderson in a 2007 article, “Taking a Medical History in Las Terrenas,” published in The Next Generation – An Introduction to Medicine. Anderson’s report was produced in collaboration with the editors of the New England Journal of Medicine. She reported: “Some of the neighborhoods we visited did not have running water or a clean water source nearby. The solution for many [to the lack of running water] is to bathe children, motorbikes, and butchered meat in the same available stream” (Anderson, 2007, p. 1). Dr. Miguel E. Polanco, a general practitioner at the Polanco Clinic and a past director of the city’s hospital, noted that gastrointestinal disorders due to contaminated water are one of the most common public health problems in Las Terrenas. He said the water was “so contaminated that it produces skin irritation and illnesses.” He asserted that the Instituto Nacional de Aguas Potables y Alcantarillados (INAPA)—National Institute of Potable Water and Sewage Systems, the government agency responsible for providing clean waters to the public claims that “water is potable but in many places it is not.” He further stated that water contamination, “often containing parasites,” is widespread throughout the country. Moreover, Dr. Polanco contended that the single most important step the national government could take to improve public health in Las Terrenas and elsewhere would be “to stop selling polluted water” to the many poor people who have no other access to water than what the government delivers to their neighborhoods and communities. “In Las Terrenas,” he flatly asserted,
“INAPA takes drinking water directly from the river” (M. E. Polanco, personal communication, July 22, 2009).25

Dr. Polanco retired after one year as the director of the municipal hospital, Hospital Municipal Pablo A. Paulino “Las Terrenas,” because of “polities,” as he described it (M. E. Polanco, personal communication, July 22, 2009). In his short tenure, he continued, he had ensured that the hospital was kept sanitary; the walls, windows, and floors were regularly scrubbed clean; and the instruments and equipment were sterilized. These were particularly important measures because, according Dr. Polanco, mycoses is prevalent due to the dusty air in Las Terrenas.26 Mycoses are fungal infections that can range from localized skin eruptions to systemic infections affecting internal organs. If medical instruments and equipment are not properly sterilized, mycoses can infect patients. Dr. Polanco said that the workers, nurses, physicians, and patients appreciated his campaign to disinfect the hospital. However, he battled with elected officials at all levels who interfered with the hospital’s management for the sake of their own personal and political agendas. Dr. Polanco resigned in protest (M. E. Polanco, personal communication, July 22, 2009).

Dr. Reinaldo Rodriquez Estevez, along with another physician, both trained in Cuba, opened a clinic near Dr. Polanco’s. Both physicians agreed that the health care system was poorly organized and desperately inadequate in Las Terrenas, in particular, and in the Dominican Republic in general. There is no radiological facility in Las Terrenas, they reported. “There is practically nothing,” said Dr. Rodriquez. He also echoed many of Dr. Polanco’s observations regarding the health status of the local population: he noted among community members respiratory problems due to the excessive dust, infections from water-borne bacteria, children frequently vomiting from water contaminated with human feces, alcoholism, and “all the diseases common to poor countries around the world.” Again, he cited the poor quality of the drinking and bathing water as the most prevalent health risk in Las Terrenas (R. E. Rodriquez, personal communication, July 22, 2009). Diabetes and heart disease also seem to occur at higher rates in Las Terrenas than might be expected. While in 2007 an estimated 5 percent of the global population had diabetes, for example, that same year, a survey of over 1000 individuals in Las Terrenas found that 10.6 percent had diabetes (Anderson). Moreover, the poor appear to be more at risk for cardiovascular conditions from dietary habits, as economic investment and global food marketing have stimulated high consumption of saturated fats, salt, and refined carbohydrates (World Health Organization, 2009).

Another critical public health concern is HIV/AIDS. By 2003, HIV/AIDS was the leading cause of death among females of reproductive age in the Dominican Republic (Human Rights Watch, 2004). As many as 58,000 children were either orphans or at risk of being orphaned due to the epidemic (The JSI, 2004). An estimated 1.7 percent of the nation’s population (88,000)—male and female—was afflicted with the HIV/AIDS virus in 2003 (CIA, 2006).27 Around the same time, in 2005, the Dominican Republic had one of the highest incidences of tuberculosis28 in the Western Hemisphere: 91 cases in 100,000 people (World Health Organization, 2007). At least two factors suggest the number infected with HIV/AIDS in Las Terrenas may be even higher than the reported national rate. First, a significant but indeterminable number of Haitians work in the construction, service industries, and sex trade in Las Terrenas. The estimated rate of HIV/AIDS infection among Haitians is 5-8 percent (dr1, 2012). Second, sex tourism in Las Terrenas is a flourishing commercial activity, according to a recent human rights report by the U.S. State Department (United States Department, 2012).29 Of course, sex workers are driven by the same social and economic needs and goals as other impoverished people with little opportunity. In the short-term, sex workers may be more concerned about providing for themselves and their children than about the serious health risks. In Las Terrenas, female sex workers ply the streets day and night. Lulisa, a single mother and a sex worker in
the city, was apparently afflicted by the sort of daily realities and distant possibility of escape from poverty that research into sex worker’s lives elsewhere in the Dominican Republic has shown. She worked in the sex trade because “there [was no other] employment, at least not one [from which she could] earn 3-4,000 pesos (US$180-$240) on a good night.” It had been five days, though, since she had made enough money to purchase adequate food for her two children. She seemed vaguely aware of sexually transmitted diseases, particularly HIV/AIDS. While Lulisa did not visit the “clinic” since “there [was] no money for that,” she used condoms as protection against viruses (Lulisa, personal communication, July 18, 2009). Like the women whose lives were examined in Denise Brennan’s classic study of Dominican sex workers (see footnote 30), Lulisa claimed she would quit the sex trade if she could find “other work or meet a [foreign] man who could help her support her children” (Lulisa, personal communication, July 18, 2009).

From chronic and acute skin, respiratory, and gastrointestinal diseases related to degraded water and atmosphere to questionable nutrition and sexually transmitted diseases, the local population of Las Terrenas suffers unquestionably. These are maladies that are seemingly connected, to one degree or another, to the development of tourism in Las Terrenas. First, the department of tourism digs up the streets to lay pipe for a new sewage sanitation system to improve life for the city’s residents. Then, in an ironic twist, this digging contributes to heavily particulate-laden air that leads to a variety of chronic illnesses, according to local physicians. Furthermore, ineffective oversight of the sewage infrastructure has led to the surfacing and flow of sewage in the streets from faulty sewage lines. Consequently, two decades into dramatic economic growth in Las Terrenas, undetermined numbers of the city’s residents, children, and adults, bathe in and drink water that is contaminated.

In 2013, neither residents of Las Terrenas nor tourists themselves can avoid the risks inherent to the medical and social illnesses that accompany profits and pleasures. Las Terrenas’ natural beauty, especially along the beaches and in its surrounding forests, stands in stark contrast to the social and environmental degradation of the city environs. It seems a paradox born of private property overriding public protection, of byzantine and corrupted management of extraordinary natural wealth, of short-term personal gain trumping long-term management of human and natural resources for the benefit of the local society and beyond. Despite the magnitude of the challenges facing the tourism industry’s various constituencies, in Las Terrenas, the sharpest critique and the greatest will to shoulder the burden of redressing the specific deficiencies and debilities of this model of economic development emerges on the most local level, where the consequences are directly and, at times, critically experienced.

**Poverty and Pleasure in “Paradise”**

Rarely does integration of poor communities and regions into the global economy distribute rewards equally and justly enough to generate sustainable development. From the great silver mine of Potosi, Bolivia to the coal fields of Appalachia, the Americas is littered with the detritus of globalization, with the hollowed remains of communities whose human and natural resources were virtually exhausted. Such places flash with economic vitality until the resources run out and, when capital moves elsewhere, poverty is left behind. While it is impossible to know if Las Terrenas is on a course similar to those of Potosi or Appalachia, the apparently unrestrained, seemingly unregulated growth of its tourist industry has generated a matrix of serious conditions, from compromised public health and social illnesses to environmental stress and degradation. Indeed, the industry has generated challenges sufficient to cast deep doubt onto the long-term viability of tourism as a development strategy for the Dominican Republic.
Nowhere is the burden of Las Terrenas’ misguided, misshapen development more tragically felt than among the city’s many poor residents. Their lives constitute the most striking empirical evidence against the transnational development model driven by tourism investment in Las Terrenas. Indeed, if a tourist ventures a short distance down any side street in this resort city, he or she encounters families living on an annual income of little more than the tourist family spends on a week’s vacation in the Caribbean. Approximately 40 percent of the city’s population was impoverished in 2009, according to its mayor (J. A. Martinez, personal communication, July 21, 2009) and a city hospital administrator, Jose Miguel Rubio (J. M. Rubio, personal communication, July 15, 2009). This locally acknowledged estimate does not seem far afield. The 2004 UN Statistics Division reported that approximately half of the country’s population (49.8 percent) lived in poverty (United Nations Statistics Division). Even worse, there was likely to be significant malnutrition among its poorest residents. In 2002, Las Terrenas had the highest level of chronic malnutrition (12.09%) in Samanà Province (Rogers, Macias, & Wilde, 2007).

Las Terrenas’ impoverished neighborhoods were, in July 2009, only the unfortunate tableau of a much deeper set of persistent inequities, principally including access to adequate health care and education. While the Dominican Republic has nominally free health care, the system is far from adequate. Patients are often asked to pay for medications and other expenses, making health care impossible for many. Moreover, acute shortages of essential equipment and supplies in Las Terrenas’ public hospital existed in 2009, including a paucity of hypodermic syringes. Beyond the difficulties related to the city’s ill-equipped, unsanitary public hospital of twenty beds, only 25 percent of the nation’s population is covered by public health insurance even though two-thirds of Dominicans are poor enough to qualify for public health care assistance, according to hospital administrator Jose Miguel Rubio (personal communication, July 15, 2009). The state of public education in Las Terrenas is similarly dismal. Half of the city’s population terminated schooling at the fourth grade, and one-third of the population is reportedly illiterate (Fundacion, 2012).

Perhaps the most neglected of the residents of Las Terrenas are the Haitians. Their presence in construction and a broad range of services from hotel dishwashers and waitresses to gardeners and sex workers contributes significantly to the character of the tourism industry in Las Terrenas. The products of Haitian artists and craftspeople are ubiquitous in the commercial center of Las Terrenas, available in the open-air stalls and expensive boutiques alike. Yet Haitians face resentment and discrimination (or worse) from their Dominican neighbors and co-workers. Jean and Pierre are Haitian brothers who were residing and working in Las Terrenas in the summer of 2009. Jean spoke Spanish and worked as the clerk of a small neighborhood store. Pierre, who is undocumented and spoke no Spanish, worked as a night watchman in a restaurant. They said that Haitians are paid less than Dominican workers and that they have virtually no protections from exploitation in the workplace. Both exercised care when they left their work or domiciles. “If the police see you talking to a Dominican woman, they fine you,” Jean asserted. Encounters between Haitians and Dominicans often erupt into violence, Jean said. He noted that he had been in “many fights” in Las Terrenas. He also claimed that he had been “physically assaulted by the police” a number of times for no discernible reason (Jean, personal communication, July 19, 2009). Jean and Pierre were particularly alert to danger whenever the news reported that a Haitian had committed a crime against a Dominican.

In his unpublished manuscript on contemporary Las Terrenas—its culture, economy, and society—local attorney and columnist Dr. Rafael Andujar suggests the number of Haitian workers in the local construction trade is at least 2000. While he reports that “more than 200 Haitians” are registered voters in the city, the vast majority of Haitians in Las Terrenas are apparently without legal documents, regularly working at lower wages than “some poor Dominicans from here” will accept.
Though Dr. Andujar does not directly address discrimination against Haitians in Las Terrenas, in his discourse, he indirectly offers several factors—beyond displacing local Dominican workers—that may account for local reaction to Haitians: they are French-speaking, and their services are particularly desirable to French hoteliers, whose luxury accommodations attract a large number of French tourists (though whether Dominicans resent the Haitians’ employability or their foreign-ness, Dr. Anjudar does not say); their remittances to families in Haiti deprive the local economy of a segment of the currency it generates; and many are involved in the tourism sex trade in Las Terrenas, an activity that represents job competition to Dominican sex workers and a social illness to other residents in the community (Andujar, 2009).

In addition to the racism and violence that often accompanies competition for low-wage jobs, the presence of the tourism industry seems to do little to reduce the great gulf of socioeconomic inequality that separates a wealthy minority of Dominicans from the poor majority. The richest 10 percent of Dominican society received 41.1 percent of the annual national income, while the poorest 10 percent shared 1.4 percent of it (Central Intelligence Agency, 2009). One of the manifestations of this socioeconomic gulf in Las Terrenas is reflected in the prices of real estate. In 2009, parcels of land were regularly sold in sizes and at prices that pushed virtually all the land in Las Terrenas beyond the reach of ordinary Dominicans. One real estate listing of properties offered a 10,000 square meter (approximately 300’ by 300’) plot of land in “center town” for $1,000,000 U.S. dollars and another 700,000 square meter land lot for $35,000,000 U.S. dollars (Dominican Republic Real Estate, 2009). Real estate booms such as the one in Las Terrenas can place extraordinary pressure on the poor. As tourism attracts domestic and foreign investors alike, the local real estate market is suddenly thrust into a global market, and local prices and rents surge upward. Purchasing the smallest plots of land or the most humble house or renting apartments and other limited habitations exceeds the income of the poor. An attorney in the Las Terrenas office of Guzman Ariza, a national law firm “servicing the business and personal needs of international corporations and individuals,” acknowledged that rising real estate prices present serious problems for many local residents. He added, “Foreigners [also] sometimes take advantage of local residents by raising rents and selling land traditionally used by [the] poorest residents” (R. B. Garcia, personal communication, July 16, 2009).

Despite the scope of their current suffering, the strongest impetus for change and the greatest potential for remediating the social and environmental ills of the tourism industry and forging a sustainable form of economic development reside with the citizens of Las Terrenas. Virtually every resident feels the ill effects of unregulated economic development. Certainly, everyone’s health and welfare is at stake, to one degree or another, as a result of the development of their city’s tourism industry. Various professionals in a variety of fields are educating, advocating, and organizing to improve environmental conditions and the public health and welfare of the community. Community religious institutions and secular organizations advance arguments and demonstrate for needed reforms. Even elements of municipal governance and private enterprise acknowledge the need for substantial collaboration between government and business to remediate the environmental, public health, and social ills related to tourism.

In the summer of 2009, the local media of Las Terrenas ran a number of articles and programs that highlighted environmental and social concerns. An article about firemen without a fire truck (in Infos Diario) (Johnson, R.), a column in el Callejon asking “Tourism Generates Development? For Whom?” (Bajacu), and a cable television interview with a local activist calling on fellow residents to force the government to make the new sewage treatment plant operational (Brousset on Channel 10) all constituted evidence of the growing critical discourse surrounding the development of tourism and reflected the growing momentum of citizens organizing to address the threats facing them. One of the
earliest and most significant signs of an awakened civic consciousness was the drafting of “The Declaration of Las Terrenas,” a collective commitment by individuals and civic organizations throughout the Samanà Province, drafted with support at various levels of government in the Dominican Republic and from European and North American individuals. The 2007 document, initiated and promoted by the Fundacion Mahatma Gandhi, a non-profit, nonsectarian agency working to improve the quality of life in Las Terrenas, declared that the signatory individuals and organizations would collaborate in sharing information, providing resources, and cooperating with all sectors of interests to “preserve and protect the natural environment” and create a “sustainable model” of tourism economy in Las Terrenas and throughout the Samanà Province (Bourget, 2007).

Local organizing in Las Terrenas in the summer of 2009 mobilized a peaceful march of approximately 200 people to demand that the municipal government attend to several critical civic needs and concerns. The five major demands, determined at a public meeting in July 2009, reflected an advanced level of critical analysis and civic activism, one that seeks to compel government to use its political and other public resources to protect and promote the interest and welfare of the people. The protesters’ demands reflect some of the essential principles that should guide planning for the economic development of poor communities. They called for improvements in sanitation and health services from sewage treatment to hospital care; an end to the privatization of the waterfront; the maintenance of public beaches; a substantial reduction in electric utility costs; improvements to municipal roads and the highway between Las Terrenas and Sanchez; and complete transparency in the municipal government and an end to its corruption. The march included “citizens and foreigners, businesspeople, salespeople, investors, tourist operatives, media people, workers from diverse trades, teachers, administrators and other professionals, as well as unionists and community leaders.” Just as significantly, “despite all the opposition coordinated by [the mayor of Las Terrenas], Jose Alexis Martinez,” the Governor of the Samana Province ensured the protesters’ safety by dispatching the provincial police commander to participate in the march (Bourget, 2009).

Conclusion

Las Terrenas’ tourism industry seems on a collision course with its own natural environment and city’s residents. Environmental and social ills have been a part of and have resulted from the city’s development. The river is contaminated with toxins and debris. The coral reefs are deteriorating (Roebling, 2009). Poverty seems endemic. Sex workers ply the streets day and night. Human trafficking for exploitative purposes, including forced labor, commercial sex, pornography, domestic servitude, and forced marriages thrives (Popline, 2005). The pursuit of profits, pleasure, and relaxation, far from generating a sustainable economy, seems to be consuming Las Terrenas’ natural beauty, degrading its air and water, and, likely, compromising the health and welfare of the thousands drawn to this seaside city by need for employment and hope for a better life.

This brief examination of Las Terrenas’ experience with tourism-led economic development brings into sharp relief several points. First, the private market development of Las Terrenas has contributed, directly and indirectly, to the deterioration of the natural environment of the region and the public health of its residents as well as to the persistence of poverty in the city. Considerable foreign investment has propelled such rapid population growth and concentration that the city’s infrastructure cannot keep pace. Second, all levels of government have facilitated rapid development in the tourism industry with virtually no regulation dedicated to the public interest. This has led to corruption along with public suspicion and distrust. Third, the majority of local residents, especially the poor, have been excluded from any significant decision-making role in the development of Las
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Terrenas. Thus, the interests of the vast majority of residents seem to have been largely sacrificed to the private gain of local and foreign investors.

The examination undertaken here suggests how tourism development might be conceived in a manner that addresses some of its deleterious impact and provides for a healthier and more sustainable environment and economy: All sectors of the community must play a significant role in policy decision-making. This includes civic organizations and individuals, private investors, and all levels of government. Various levels of government must facilitate and regulate economic investment and the impact of such investment on the natural environment and the health of the local community. This should be accomplished with oversight from bodies comprising the various interested parties, including community organizations, to ensure a high level of transparency in the governmental processes. The government, along with local community organizations should also seek advice and support from international agencies and institutions that offer research and professional and other resources to achieve sustainable development. With such assistance, the various interested parties of the tourism economy, especially the local community and those who have financially invested in its development, can establish and pursue long-term strategies to protect the natural resources and the welfare of the local community and broader public.

For over three decades, concerned civic leadership, scholars, institutions, and governments have emphasized the need for sustainable development rather than simple economic growth strategies. As early as 1987, sustainability and sustainable development were given definition and impetus by the Brundtland report. Its delineation of sustainable development should guide research and planning for tourism in the Dominican Republic and elsewhere:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: (a) the concept of “needs,” in particular, the essential needs of the world’s poor, to which overriding priority should be given; and (b) the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs. (World Commission, 1987, see Chapter 2)

In Las Terrenas, however, it seems that the misguided, short-sighted, and unsustainable way to economic development (through the unrestricted growth of its tourism industry without consideration for the protection of local communities or environments)—as was evident in 2009—continues at this time. This form of development mirrors the excesses and deleterious consequences of private economic advantage in the global marketplace, where capitalized foreign investors often exploit the dearth of labor protections and environmental regulations in developing countries. In turn, such asymmetrical power relationships between global centers of finance and technology on the one hand and relatively poor regions throughout the world on the other reflect the broader history of colonialism and imperialism.

Despite little apparent change in approach from the Dominican government in its pursuit of the development of the tourist industry, pressure from civic organizers and their supporters, as well as the growing awareness of more sustainable economic approaches, may give impetus to new possibilities. A recent inquiry into corruption and the indictment of the former Las Terrenas’ mayor on related charges may be a reflection of a slight but significant change in domestic oversight of the tourism industry, from the Ministry of Tourism down to the municipal level. Still, as Las Terrenas’ community activists and civic organizations pursue meaningful reform and transparency in governance, real estate speculators, developers, and government officials may well proceed as if unchecked investment and growth in the tourist industry benefits everyone. Ultimately, reform of
corrupted institutions and practices will necessitate rethinking conventional growth-led models and introducing more sustainable approaches to economic development.

This brief introduction to the problems inherent to tourism-led economic development in Las Terrenas is not a primer on how to resolve the issues attendant to tourism there or elsewhere. It merely identifies and describes some of the salient challenges to this economic strategy. Clearly, the conditions reported in this investigation should be addressed at greater depth. Additional empirical and scientific studies of Las Terrenas are certainly needed to identify in greater detail the shortcomings and achievements of its two decades of meteoric growth. Nevertheless, as this paper has amply shown, many problems threaten and impair the health of local residents of Las Terrenas and seriously impede their opportunities for better lives. Continuous political pressure on those in positions of public and private power is imperative. Scholarship is important, but lives are broken each day. Recognizing the urgency these matters hold for those who live and work in Las Terrenas, it should be obvious that scholars have a responsibility to listen to the local residents as part of any evaluation of tourism and its potential for sustained economic development.

1 In 2012, the Dominican Republic received 53 percent—US$3.5 billion—of the FDI in the Caribbean (Kaluche, 2013).
2 In 2011, the Dominican Republic was ranked 113 (The World Bank, 2006).
3 In addition to the CAFTA-DR trade agreement with the U.S. in 2004, the Dominican Republic passed new laws liberalizing the telecommunications industry in 1998 and enacted an updated foreign investment law in 1995 and entered the CARICOM Free Trade Agreement with Caribbean nations in 1998 and the EU Free Trade Agreement in 2004 (United Nations Conference on Trade and Development, 2009b).
4 See Fanon (1963); Wallerstein (1976), especially pp. 229-233; Said (1994), especially chapter 1; and Sheller (2003).
5 While the authors do not generally agree that tourism can be a leading sector in economic development of most poorer countries, the International Monetary Fund (IMF) (Working Paper WP/09/176, Tourism Specialization and Economic Development: Evidence from the UNESCO World Heritage List) provides insight to the economistic thinking that economic growth is positive without consideration of the environmental and social costs (Arezki, Cherif, & Piotrowski, 2009). A 2012 IMF working paper (WP/12/235) also applies economic metrics without reference to environmental and social costs to investigate the role of tourism in economic development (Thacker, Acevedo, & Perrelli, 2012).
6 Respondents in interviews were identified by their first names only when they wished not to have their full names in print. However, most respondents cited in this paper allowed their first and last names to be used.
7 The IX Censo Nacional de Poblacion y Vivienda 2010 reported a resident population in Las Terrenas of 18,829 (Oficina nacional de estadistica).
8 In 2010, Luxury Living International Magazine ranked Coson beach in Las Terrenas as one of the top ten beaches on which to live in the Caribbean and Latin America (Luxury Living).
9 The city mayor’s estimate of Las Terrenas’ population conforms with the general figure widely circulated in the popular and commercial media and among town residents. Why these reports differ so dramatically from the 18,829 population figure reported in the 2010 census is difficult to ascertain. Perhaps under-reporting due to immigration status and other factors may account for part of the difference; on the other hand, it may be that local public officials and commercial interests perceive political and investment advantages from inflating the population estimate.
10 In 2008, Las Terrenas had 46 hotels with 2,986 hotel rooms (Oficina nacional de estadistica, 2010). As of June 24, 2013, no more recent totals of hotels and rooms were available from the government of the Dominican Republic.
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11 By 2011, the Atlantic Boulevard (Bulevar Turistico del Atlantico) east-west highway project would also link up with the Santo Domingo-Samanà north-south highway to provide even quicker access to the northeast coast from more cities. Completed in 2011, it connected Las Terrenas with El Catey International Airport and reduced land travel time from Santo Domingo to less than two hours (Villa Sofia, n.d.). This new route around the Samanà peninsula is 123 kilometers long and cost a reported $151,000,000, borrowed from several multilateral finance institutions (Las Terrenas Live, 2011).

12 In 2012, the Samanà peninsula is expected to benefit from significant investments in the hotel industry and in new marina construction in Samanà city. In the first quarter of 2012, the peninsula’s El Catey International Airport accommodated a 22 percent increase in arrivals and passengers, the fastest growth in air traffic of the country’s eight international airports (Dominican Republic Ministry of Tourism, 2012).

13 Columbusgroupinternational.com reported in 2009 that the construction of a standard hotel room in the Dominican Republic cost an estimated $275,000, including golf, attractive landscaping, restaurants, shops, etc. (Columbus Group). Using that figure as a guide, the hotel stock alone in Las Terrenas, as of 2009, was worth in excess of $500 million.

14 El Portillo already received 40,000 tourists via domestic flights from Santo Domingo and Punta Cana each year (DR1 Travel News, 2009).

15 The Las Terrenas aqueduct opened in the summer of 2011 (Dominican Today, 2011).

16 The new highway was completed in 2011. See footnote 6.

17 In 2012, the Dominican Republic received 4.6 million tourists and tourist revenues of $4.5 million (See pages 1 and 2 of this text). In the first quarter of 2013, Tourism Minister Francisco Javier Garcia reported that the number of tourist arrivals in the country was down 1.10 percent, attributing the decline to heavy snows in the U.S. and the European economic crisis (Dominican Republic Live, 2013).

18 Though the tourist industry in the Dominican Republic grew less rapidly during 2009, the country received approximately 13,000 more tourists than in 2008 (Banco Central, 2012b).

19 Apparently, the sewage treatment plant was finally inaugurated early in 2011, but, in 2012, the Mahatma Gandhi Foundation in Las Terrenas stated on its Web site that “problems with waste management, water supply and pollution” continued to endanger the future of the community (Fundacion Mahatma Gandhi, paragraph 4). According to a Las Terrenas resident and activist, as of June 2013, “The sewage treatment plant is in limbo; the total network of pipes is faulty, and leaks and sewage comes to the surface at various places” (J. Bourget, personal communication, June 26, 2013).

20 Corruption appears to be rife in Las Terrenas. The Government Accounting Agency of the Dominican Republic issued a 96-page audit of the city’s 2010 budget alleging multiple irregularities in its management, including absence of consistent bookkeeping practices and failing to comply with legal procedures, according to newspaper reporter Jesus Iturralde (2013). Community and environmental activist Jose Bourget, concerned about what he describes as regular violations of Dominican environmental laws by the Minister of Tourism of the Dominican Republic, asserts in his blog Sondeos del Alma on June 2012 that Las Terrenas “has lost its autonomy and sovereignty in the years since Mr. Jose Alexis Martinez has been mayor” (J. Bourget, June 20, 2012). In May 2013, El Dia newspaper reported that the Las Terrenas mayor may be prosecuted at the federal level for administrative corruption (El Dia, 2013).

21 See footnotes 19 and 22.

22 Bourget reported in June 2013 that “[t]he River Las Terrenas is deeply contaminated,” though the extent to which it is contaminated is not known. He added that the pollution starts at the city dump and continues through the urban neighborhood “where,” according to Bourget, “people use the river as a toilet.” The river’s toxic load is carried into the ocean at the river’s mouth. Bourget concluded, “I don’t think anyone wants to measure the levels of e-coli and other contaminants; it would be scandalous and an economic tragedy” (J. Bourget, personal communication, June 26, 2013). The river is likely causing damage to the marine ecosystem. Anthropogenic causes of coral reef degradation are well
documented in the Dominican Republic. The shallow coral reefs of the north coast, including those off Las Terrenas, “show 80% coral mortality and 92% cover by algae,” according to a scientific report on the status of coral reefs worldwide in 2000. Among the many direct and indirect causes are “turf algae, detritus, and garbage” (Wilkinson, 2000, p. 266).

23 See footnotes 19 and 20.

24 See footnotes 14 and 15.

25 In July 2011, Dominican President inaugurated a new aqueduct for the some 48,000 residents of Samanà province, including Las Terrenas (El Nuevo Diario). However, Jose Bourget reported as early as June 2012 that due to the water pressure and shoddy installation, the pipes had burst in many places in Las Terrenas and waters washed down the streets into the Las Terrenas River (Bourget). As of June 2013, burst pipes continue to present significant public health, environmental, and infrastructural issues (J. Bourget, personal communication, June 26, 2013). Very likely, then, the danger to public health of excessive dust from the roads also remains acute.

26 While the government had promised to pave all the roads in Las Terrenas, this had not been accomplished as of June 2013. Bourget reports that about a quarter of the city’s roads are paved. The new coastal Atlantic Boulevard is paved, but most of the interior city roads require repairs. Bourget explains, “Because of the problems with the sewage lines, all roads in town have big potholes, sunken areas, and many, many extremely dangerous spots” (J. Bourget, personal communication, June 26, 2013). Very likely, then, the danger to public health of excessive dust from the roads also remains acute.

27 Based on this national rate, by 2009, one would have expected to find about 300 cases of HIV/AIDS in Las Terrenas. It is important to note, however, that UNAIDS in 2012 reported that between 2001 and 2011, the incidence of HIV infections fell 73 percent in the Dominican Republic (UNAIDS).

28 Tuberculosis is one of the opportunistic diseases associated with HIV/AIDS.


30 Denise Brennan, in What’s Love Got To Do With It? explains that Dominican women in the sex trade in the island’s tourist town of Sosua perceived sex work in various ways; some saw it as a “survival strategy,” while others saw it as an “advancement strategy,” an opportunity to meet a foreigner who might represent a way out of poverty (Brennan, 2004, p. 23). While Brennan’s ethnographic treatment stresses the agency of the sex worker, i.e. suggesting “a nuanced understanding of women’s room for maneuvering within the sex trade,” she acknowledges that most of the female sex workers in Sosua failed to struggle out of poverty (Brennan, 2004, pp. 23-25).

31 In 2011, 40.4 percent of the total population or 9,378,818 people in the Dominican Republic lived in poverty (The World Bank). In 2009, 47 percent of rural Dominicans lived in poverty (The World Bank, 2009, as cited in Trading Economics, 2013).

32 More recent data indicates that 40 percent of the population had health coverage in mid-2009, up from 27 percent in 2007 (Rathe, M., 2010). The latter figure is the one on which hospital administrator Rubio likely based his estimate of those with health insurance.

33 Ernesto Sagas in Race and Politics in the Dominican Republic discusses the ideology of “antihaitianismo,” a pervasive prejudice against Haitians and dark-skinned Afro-Dominicans. See also 2012 Human Rights Report: Dominican Republic (United States Department of State).

34 In 2007, the Dominican Republic community of Miches embarked on a collaborative sustainable tourism project with Center for Environment, Economy, and Society at Columbia University. Local leaders have emphasized the need to develop a sustainable vision that allows the community to gain the benefits that tourism can bring to its people without sacrificing the environment or their welfare. The director of the Center conveyed to The New York Times in 2009 why the people of Miches want to participate in the development of sustainable tourism, not the kind of development that typically
occurs in Las Terrenas, Punta Cana and elsewhere on the island: “They said, ‘Look, we are poor, we don’t have much, but we have Miches. [Even with] with all this development going on in the Dominican Republic, if you come back in ten years [without sustainable development], we will still be poor, [and] Miches will not be ours’” (Dean, 2009, pp. D1 & D4).

The Dominican Republic is endowed with great natural wealth on which to build sustainable approaches to economic development. It has the greatest biodiversity in the Caribbean; 12 percent of the country is preserved in 7 nature reserves and 14 national parks including the karst formation of Los Haitises National Park, with its caves and subterranean rivers covering 1600 square kilometers; it has the highest water falls in the region and an impressive mountainous landscape; it has the most indigenous cave art in the Caribbean (Lieb, M. & Michelitsch, V., 2013); and the Atlantic waters of the northern coast and the Samanà Bay are major spawning grounds for hump-back whales.
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