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**OWNERSHIP AND EMPLOYMENT IN THE TOURIST
INDUSTRY IN RAROTONGA**

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requirements for the degree
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ABSTRACT

The small island states of the Pacific are faced with enormous development problems. Their small size, lack of resources and isolation give them few options to provide the high standard of living that their citizens increasingly demand. Many small island states have embraced tourism as a potential panacea for the development impasse. It appears to offer an ideal way for a country with few resources to generate jobs and foreign exchange. Yet the optimistic expectations are rarely realized. Developing nations have found the benefits of their tourist industries accruing largely to metropolitan countries. The very nature of the global tourist industry seems to require foreign ownership and management of the industry, resulting in repatriation of profits and leakages of foreign exchange. There are ways that a developing country can avoid this fate. The key is good management and planning, and to be prepared to eschew mass tourism in favour of an industry built around smaller, locally owned facilities. A small scale industry reduces the need for foreign investment, and foreign employment. While in absolute terms it may not generate as many tourist dollars as mass tourism, it allows the industry to be more integrated into the local economy and society. Increased linkages with the rest of the economy reduce the need for imports and reduce leakages of foreign exchange.

The Rarotongan tourist industry is substantially owned and run by foreigners. Good management and planning by the Cook Islands Government can rectify this situation. Increased local management requires better education and training for local people. It requires that Government and tourism operations improve the image of the industry as an employer. Greater attention must be given to the collection of labour market data, to enforcing policies on localization and to

encouraging Cook Islanders to return to their country. To increase Cook Islands' ownership of the industry government must make finance, advice, and well constructed and publicised incentives available to local entrepreneurs.

Development strategies should encourage provision of a range of tourist facilities, including opportunities for development of budget accommodation, so that local entrepreneurs can invest in the industry.

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GLOSSARY

<i>Ariki</i>	a holder of a chiefly title
<i>Papa'a</i>	Cook Islands term for a foreigner