

Tourism Development in Niue and the Impact of New Zealand's Aid

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Abstract

Being among the smallest self-governing states in the world, Niue – the ‘Rock of Polynesia’ – experiences development challenges because of its small size, isolation, remoteness and fragile natural environment. Development strategies have ranged from growing various crops for export to small-scale manufacturing but developing the tourism industry has been the only option that has experienced significant growth and gained consistent support from the Niue government and from New Zealand’s aid since the 1970s, with a renewed effort since 2009. Research by the UN and academics alike show the positive role tourism can have in small island developing states (SIDS). Current research suggests that where other industries fall behind due to the unique disadvantages of SIDS, tourism shows potential to create employment, diversify the economy and generate foreign exchange. However, to be successful, to mitigate associated risks and retain these benefits in the destinations there must be local control, and prioritisation of the environment and local needs.

This research overviews the nature of Niue’s tourism industry in 2018, explores the barriers and opportunities that exist and the needs for further tourism development. Gaining an understanding and analysing the relationship between New Zealand’s aid and Niue’s tourism industry is a key objective of the research. The implications of this relationship may alter the model of Niue’s political economy which is currently defined by the MIRAB (migration, remittances, aid and bureaucracy) model. The small population and lack of resources in Niue are significant barriers to success in gaining significant tourism numbers, which is why a high-end market has been targeted, although it needs to be determined if the corresponding requirements of a high-end demand can be met. This research was informed by interviews with key informants from the tourism industry, the Government of Niue, New Zealand High Commission and local leaders. Local and tourist perspectives were gathered through questionnaire-surveys and a literature and documentary analysis were also drawn on. The findings provide a detailed insight into the nature and current situation of Niue’s tourism industry. Based on the findings and consideration of the literature this thesis concludes by giving recommendations for the Government of Niue, the tourism industry and the New Zealand Ministry of Foreign Affairs and Trade to consider. The study helps address a potential gap in recent literature regarding Niue and considers an alternate model to describe the country’s political economy.

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Currency

All currency is in New Zealand Dollars unless otherwise specified.

List of Abbreviations

AOSIS	Alliance of Small Island States
CSR	Corporate Social Responsibility
EEZ	Exclusive Economic Zone
GoN	Government of Niue
HFR	Hosting Friends and Relatives
IMF	International Monetary Fund
MDGs	Millennium Development Goals
MFAT	New Zealand Ministry of Foreign Affairs and Trade
MIRAB	Migration, Remittances, Aid and Bureaucracy
MNC	Multinational Corporation
MoU	Memorandum of Understanding
NGO	Non-governmental Organisation
NNSP	Niue National Strategic Plan
NOW	Niue Ocean Wide
NTO	Niue Tourism Office
NZAP	New Zealand Aid Programme
QSR	Questionnaire-survey Respondent
SAPs	Structural Adjustment Programmes
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
SITE	Small Island Tourism Economy
SME	Small and Medium Sized Enterprise
SWAPs	Sector Wide Approaches
TNC	Transnational Corporation
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
VFR	Visiting Friends and Relatives

1. Introduction

1.1 Setting the scene

For most small island developing states (SIDS) across the globe, the pursuit of development has presented them with a myriad of unique challenges which have impacted on their capacity to improve conditions of their citizens (Nurse, 2016; UN-OHRLLS, 2011). In most cases, the traditional development schemes used throughout the Global South in the early 20th century could not be pursued because of their isolation, remoteness, small population and fragile environment (Nurse, 2016). Although Niue tried to come up with productive ventures for attracting export income, nothing has proved fruitful to date except the modest tourism industry (Connell, 2007). Niue, as a result, has been heavily reliant on foreign aid, most of which comes from New Zealand. Since 2009, Niue identified tourism as the only viable option for significant economic development, and from this time there has been sizeable investment from New Zealand and a strong commitment from the Government of Niue (GoN, 2016; MFAT, 2015).

Tourism is one of the largest industries in the world, with over one billion international tourists travelling annually and one in ten jobs globally being in the tourism industry (WTTC, 2017; UNWTO, 2016). Making up 10% of the global GDP, the industry has the ability to contribute to economic development and poverty alleviation in both developing and developed countries (Goeldner and Ritchie, 2012). Given its ubiquitous nature, the United Nations (UN) has identified tourism as playing a significant role in the future of sustainable development, as shown by the central role of tourism in three of the seventeen sustainable development goals (UN, 2015). Development is a multidimensional process which leads to ‘good change’ in social, cultural, environmental and economic areas (Scheyvens, 2002). Bottom-up development approaches are the most appropriate for developing strategies which best fit the wants and needs of local communities (Sharpley, 2009). These approaches are generally more sustainable given the drive from communities who are dependent on continual access to resources and seek to develop their own economies for future generations (Sharpley, 2009).

SIDS have common social and economic characteristics and concerns, many of which form significant barriers to development, as is the case in Niue (Nurse, 2016; UN-OHRLLS, 2011). These include; small size (Niue Island is only 259km²), remoteness (two regular flights a week

from Auckland, New Zealand), high outward migration (90% of Niueans live outside of Niue), isolation (leading to high cost of infrastructure and services), fragility of environment (poor-quality soil leaves few options for large-scale agriculture), and a high cost of adapting to climate change and recovery from disasters (Briguglio, 1995; Connell, 2007; Nurse, 2016; Wong, 2010). Current research suggests that where other industries fall behind due to the unique disadvantages SIDS face, the natural beauty and climate of these islands often means they can be popular tourist destinations, and tourism offers a chance to create employment, diversify the economy and generate foreign exchange (Nurse, 2016; Wong, 2010).

The MIRAB model (Migration, Remittances, Aid and Bureaucracy) was created to conceptualise the economies of small Pacific Islands including Niue that rely on international support in the form of remittances from overseas relatives, and international aid from developed countries (Bertram, 2006; Bertram, and Watters, 1985). MIRAB islands can be locked into this economic model because of their isolation, size and lack of resources, along with their unique relationship with former colonial countries which provide aid and allow easier migration (Bertram and Watters, 1985; Marsters, Lewis and Friesen, 2006). The growth and dominance of tourism in some SIDS has led to a deviation away from the MIRAB model and instead they may be better described by the Small Island Tourism Economy (SITE) model (McElroy and Parry, 2012).

Regional aid delivery approaches have changed over time along with changes in broader development approaches. The current aid regime in the Pacific region has been influenced by the Millennium Development Goals (MDGs) and more recently by the Sustainable Development Goals (SDGs), the Paris Declaration on Aid Effectiveness and the Pacific Aid Effectiveness Principles of 2007. In parallel there has been a move to a state-centred approach for aid delivery with a larger focus on sector-wide support with the aim of ensuring greater ownership over aid delivery (Murray and Overton, 2011). However, there is a growing body of literature that critiques this new system because of the greater demands this approach places on the smallest recipient countries (Murray and Overton, 2011; Talagi, 2017). Although there has been a move away from neoliberal structures within aid delivery, there are still neoliberal practices which are encouraged, such as a larger role for private ownership and competition.

The New Zealand Aid Programme (NZAP) oversees the delivery of New Zealand's aid and development to the Pacific Region and beyond, the purpose of which is to 'develop shared prosperity and stability in our region and beyond' (MFAT, 2015: 5). New Zealand's aid became an important element of its relationship with its Pacific neighbours since the 1960s, and just as development approaches have shifted over time, the delivery of aid has also changed (Overton, 2009). The regional aid regime for the South Pacific has followed a neo-structural approach in the 21st century, which mixes market-led growth with building state capacity and addressing issues of participation and poverty alleviation (Murray and Overton, 2011). Since late 2008 New Zealand's aid priorities have broadly aligned with other foreign policy and commercial interests, furthering New Zealand's reach in the region (Spratt and Wood, 2018). As outlined by the MDGs, SDGs and the Paris Declaration of Aid Effectiveness, poverty alleviation should be a central facet of aid. While this does drive the New Zealand Aid Programme (NZAP) in some ways, there is concern that the aid regime does not take into account the diversity in size and capacity of aid recipient countries, meaning that the increasing demands that accompany aid (in terms of consultation, accountability and engagement and other obligations) cannot be met to the same extent by all recipient countries (Murray and Overton, 2011). This is of particular concern to island microstates like Niue.

The current direction of Niue's economic development provides many questions surrounding tourism, development, SIDS, MIRAB and aid dependence. After almost a decade of increased investment and high prioritisation of tourism it is important to determine how this has affected Niue's economy and society. Niue itself is a unique case given the unusually small resident population, providing more extreme challenges compared with other SIDS. Despite this, the country has embraced tourism as a tool for development over the past nine years, and while it is still a small industry when looking at sheer numbers, the proportion of tourists to locals is significantly higher than in New Zealand or any other developed country. Tourism in Niue has been an area that has evolved to overcome many of the difficulties that are experienced by SIDS by maintaining a close link with New Zealand and sustaining a tourism industry which is heavily dependent on New Zealanders. There is almost a symbiotic relationship that exists between the two countries, and the move towards a *partnership* rather than a donor-recipient relationship may reflect a more appropriate status given the special relationship between the two nations with Niue being part of the Realm of New Zealand and therefore not fully independent.

Although tourism development is a solid investment for Niue, it is still important to highlight the disadvantages such development may face. Poor infrastructure is a cause of frustration for tourists and locals alike. There are power outages, the roads are in a state of disrepair, and boil-water notices are often in place for drinking-water. These all affect local businesses, accommodation, tourist experiences and health and safety. With a resident population of under 2,000, the financial capacity for maintaining and developing this infrastructure is low, especially considering this must also cater for approximately 9,000 visitors each year. Furthermore, the fragile environment is at risk of degradation with increased use. The small population provides challenges in terms of the scope for capacity-building and a small available labour market. This small size is also an aspect of living in Niue that many locals value, and they may end up resentful of having to compete with hordes of tourists to enjoy their home.

The tourism industry in Niue is comparatively small in relation to other parts of the Pacific, but a lot of investment is going into attracting more tourists - specifically high-end tourists. There is a lot of planning behind the scenes in the Niue Tourism Office (NTO) and in consultation with New Zealand Ministry of Foreign Affairs and Trade (MFAT). This planning ensures that there are goals that can be measured and actions which can be undertaken within an appropriate framework. These are done within the Niue National Strategic Plan (NNSP). The planning that goes on should help to grow the tourism industry in a sustainable way that suits the wants and needs of the Niuean people, and assists in the national goal of achieving a prosperous Niue. People see the negative effects that huge tourism growth has in other places like Fiji and the Cook Islands and this is taken as a warning as to what problems or disadvantages could arise with a lack of planning and control. Other than lessening economic dependence and growing the private sector, it was not entirely clear what Niue wants to get out of tourism development from the outset of this research. There is a gap in communication between the tourism office and the community, whereby many local people have argued that the community have been left behind in terms of the purpose of why tourism is developing to such an extent and in a certain direction in the first place. A greater cohesion between these interests should be addressed.

In the past, the growth and development of various industries have had the intention of reducing dependence on foreign aid. But will Niue ever have the capacity or the desire to become

financially independent of foreign aid? It must be remembered that there is a constitutional agreement which requires New Zealand to take some responsibility for certain aspects of the prosperity of Niue. All Niueans have New Zealand citizenship, and with such a large majority of Niueans living in New Zealand, the thought arises – what are the benefits for Niue becoming financially independent? Niue was allocated the fifth highest amount of aid of the twelve countries in the NZAP bilateral programme 2015/16 - 2017/18, despite being the smallest country of the twelve aid recipient countries and having very low levels of poverty and very high employment (Connell, 2008; MFAT, 2015; Statistics Niue, 2012a). If New Zealand can generate tangible benefits from the investment of a relatively small percentage of its aid budget in Niue, a country which has relatively good indicators, in many senses this would be a win-win for both countries. Furthermore, although the tourism industry is growing and there are still many opportunities for people to get involved in tourism, key informants suggest that the number of tourists will likely plateau between 10,000 and 20,000 because of the limited infrastructure and small resident population (KI001, KI015, KI016).

As shown above, there is a definite dependence on aid for the functioning of Niue as a country. What about migration and remittances? For the first time since 1966 there has been a positive growth in population - albeit very small growth (KI020). Furthermore, Niue is unique among MIRAB economies in that remittances do not play a significant role in the economy, and in some instances there are reverse remittances with family in Niue sending money to family overseas (Connell, 2008). Given this reduced dependence on remittances and the growing tourism industry, the MIRAB model may prove less applicable to Niue now as it has in the past. As the tourism industry develops in Niue there is scope to consider applying an alternate economic model to describe Niue's political economy.

1.2 Aim and objectives

Based on the preceding argument, the aim of this research is to understand the extent to which tourism development has contributed to sustainable economic development in Niue, and to examine the function of New Zealand's aid in tourism development. From this, three key objectives evolved:

1. What is the nature of Niue's tourism industry?
2. What are the barriers, opportunities and needs of the tourism industry?

3. What is the relationship between Niue's tourism industry and New Zealand's aid?

To address each of these objectives further research questions were established. To determine the nature of Niue's tourism industry, it was asked what do the policies look like that support tourism? What are the local perceptions of tourism? And who visits Niue and what are their perceptions of tourism in Niue? These questions consider a variety of perspectives to provide a holistic understanding of the current tourism industry. Within the second objective this research sought to answer the following questions: How have Niue's barriers led to a dependence on tourism? What opportunities exist to improve tourism and development in Niue? What needs to change for the tourism industry to thrive? Can comparisons be made with other SIDS considering social, cultural, environmental and economic factors? The final objective is supported with the research questions: what is the role of tourism in Niue (specifically the economic and social implications of tourism)? Is the current tourism strategy sustainable? What is the role of New Zealand's aid in tourism and how dependent is Niue on tourism-specific aid? What are the considerations for a new political-economic model for Niue given the growth of tourism? Together these research questions address the overall aim in determining how tourism has contributed sustainable economic development and what role New Zealand's aid has in this development.

1.3 Fieldwork and research

Fieldwork in Niue took place between 2 February and 16 March 2018, with interviews also taking place in Auckland on 19 January and 2 February 2018. There were four main components of the fieldwork. Firstly, interviews with key informants from the government, private sector, non-governmental organisations and representatives from MFAT and academics were undertaken. Secondly, questionnaire-surveys were developed and distributed amongst local residents and tourists. While a literature review was conducted prior to fieldwork, documentary analysis was better informed with grey literature which was made available to the researcher throughout the fieldwork period. Finally, observation was utilised as a research technique throughout the fieldwork period.

A purposive sampling technique was used to determine the initial key informants. People involved in the tourism industry and the New Zealand High Commission were initially sought

out. From this point a snowball sampling technique was used. This proved to be a very useful technique, particularly given the small population on the island. Informants were easily able to identify several people who are or who had been involved in the tourism industry, and people often had multiple positions - past or present - that gave them a deep insight into how tourism has evolved in Niue. Semi-structured interviews were used, covering a broad set of topics which aligned with the research questions. This was adapted for each interviewee given their area of knowledge or experience. Grey literature for the documentary analysis was primarily received from key informants during interviews.

The questionnaire-surveys were primarily completed at two locations, the Alofi Makete (central market) and Hanan International Airport. These locations were used for tourist and local residents. For the purpose of this thesis, the tourists surveyed were purely those travelling by plane, though it should be noted that there are occasional cruise ship day tourists and yacht tourists (although the yachting season had not started during the fieldwork). Therefore, surveying in the departure lounge at the airport facilitated a complete representation of the tourist market in that time period. Local residents are also frequent travellers thus many local surveys were completed at the airport. The remaining surveys were completed in the Alofi commercial centre.

The fieldwork was six weeks in duration, and during this time there were opportunities to explore the tourist attractions, visit the cafes and restaurants, experience what some of the tourism operators had to offer, observe the aid projects around the island, and talk to many locals, expatriates and tourists. Observation was used as a method to draw on a more in-depth and personal experience. Photographs were also used as a tool for looking with intention.

1.4 The Niuean context

Having a basic understanding of the geography, history, culture and economy of Niue is important to situate this research. Niue is located in the South Pacific Ocean, at 2,400km North-East of New Zealand. Niue is a Pacific Island state in free association with New Zealand, and this special partnership is officially established under the 1974 Niue Constitution. Niueans are New Zealand citizens, and as a result there has been a significant outward migration of Niueans to New Zealand since the 1970s. This has resulted in over 90% of Niueans living overseas,

with only 1,460 residents living in the 14 villages at the time of the 2011 census (Statistics Niue, 2012a). Furthermore, New Zealand is responsible for the defence of Niue and budgetary support (MFAT, 2017a). The Joint Commitment of Niue and New Zealand outlines a strong partnership where New Zealand shares the vision of *Niue ke Monuina - A Prosperous Niue* (MFAT, 2017b).

Niue's unique environment sets it apart from other Pacific Islands. The land area is 259 km², comprising of one single island. The exclusive economic zone (EEZ) covers an area of 450,000 km². The whole island is a raised coral atoll meaning the ground is porous and there are no running waterways but underground fresh-water aquifers. The coastline is made up of sharp rock cliffs, and although the island is covered in vegetation, the soil is sparse and is not suitable for extensive agriculture. Niue has a year-round tropical climate, with the warmer cyclone season occurring December to March. Cyclones are a significant threat to livelihoods in Niue, with the last major storm event - Cyclone Heta in 2004 - destroying a large part of the west coast (Barker, 2000; Connell, 2008).

Self-government status was gained in 1974, and since then there have been many demographic and economic changes. There were a number of damaging cyclones from 1955 to 1960 and many people left at this time, while the construction of the airport in 1971 saw large numbers moving to New Zealand and was the start of a continual depopulation over the proceeding 40 years as there were more opportunities for education and employment in New Zealand (Barker, 2000). In Niue there were many schemes which sought to grow the economy. Agriculture and manufacturing industries grew but were never globally competitive given Niue's remoteness and isolation. Tourism drew in hundreds of people each year, but it was a relatively unheard-of destination throughout the globe. It was not until 2009 that tourism was selected as the only viable national development option, and significant funding and a lot of effort and investment has been put into this industry ever since.

1.5 Thesis structure

Niue has provided an interesting setting to explore how tourism has evolved and contributed to development of an aid-dependent small island developing state. The research is presented over the following seven chapters. Chapter Two will explore the literature surrounding the key

topics of this thesis, broadly surrounding six key areas. The first theme explores tourism, how it has developed as an industry and what its significance is in the twenty-first century. The second theme explores development theories and their evolution over the past century. The third theme explores how tourism and development have coincided. The fourth theme discusses SIDS in some detail, detailing the barriers to development. The fifth theme will explore foreign aid with a focus on the New Zealand's aid. The sixth and final theme contextualises the preceding themes in the small island state of Niue, showcasing the existing literature on Niue and highlighting the gaps which this research aims to fill. Chapter Three will detail the methodology which guides the research. This will include detailing the research design, methods used and data collection process, the ethical considerations will also be explored, and the author's positionality will be established. Chapter Four will provide an overview of the political, economic, social and cultural situation in Niue before moving into the results and discussion chapters.

Chapters Five, Six and Seven form the results and discussion section of the thesis, with each chapter answering one of the research objectives. Chapter Five determines the nature of Niue's tourism industry in 2018 by drawing on the quantitative and qualitative data provided in the questionnaire-surveys and from grey literature gathered during the fieldwork. The objective of Chapter Six is to determine the barriers, opportunities and needs of the tourism industry in Niue. The interviews informed this chapter, although the other research methods all informed the chapter to a lesser extent. Chapter Seven provides a critical discussion of how tourism has the potential to impact on sustainable economic development and looks at the relationship between Niue's tourism industry and New Zealand's aid. Chapter Eight is the concluding chapter which summarises the findings and outlines recommendations for the New Zealand Ministry of Foreign Affairs and Trade, the Government of Niue and the tourism industry more broadly. Future research recommendations are made.

This chapter has outlined how the research has come about, what the literature has shown, the methodology that has been used and the aims and objectives that are being addressed. Niue's tourism industry has received a lot of input, thought and investment from individuals, communities and governments, and this research will improve the knowledge and understanding of tourism development and its contribution to sustainable economic development in Niue.

2. Literature Review

2.1 Introduction

Tourism has been one of the fastest growing industries in the world over the past century, it is pervasive, it influences all areas of the globe and in many cases provides real benefits for those countries, cities and regions that pursue tourism, but it is not without its challenges. As the literature reveals, there are ways in which tourism (as with any industry) can benefit local communities, but the more recent models for development - and indeed for tourism development - are to prioritise local needs and sustainability. Key issues emerging in the literature surrounding small island developing states (SIDS) are the many challenges that inhibit these insular states from pursuing development along traditional development lines, and tourism has emerged as a key industry for many SIDS in this context and a catalyst for economic and social development. Niue is a SIDS and is heavily dependent on New Zealand's aid. There have been countless schemes to boost economic development in Niue, but the country's remoteness, isolation and fragile natural environment have left few options. The aim of this chapter is to show how tourism is the most appropriate tool for development in Niue if implemented in a sustainable way, given the unique barriers that Niue faces as a SIDS. Niue's economy has been described by the MIRAB model and is heavily reliant on New Zealand's aid, however the growth of tourism may reduce this economic dependence and alter Niue's political economy.

This literature review explores and analyses the current discourse surrounding tourism, development, sustainability, small island developing states (SIDS) and development aid. Gaining a broad understanding of the theoretical underpinnings of tourism's role in the developmental process in SIDS is invaluable for conducting a research investigation in the Niuean context. The review begins with an overview of tourism, particularly its role in modern society, its connection to development and the different ways of understanding tourism. Secondly, the development theories from the 1950s until the 2010s will be discussed to frame the debate around how broad social and economic change comes about in the developing world. Tourism as a development strategy will then be explored, leading into a discussion on how principles of sustainability have become synonymous with development. An analysis on the unique experience of SIDS such as Niue, is then explored, focusing on MIRAB (migration,

remittance, aid and bureaucracy) states (to which Niue belongs), along with an examination of the role in which sustainable tourism plays in the development of SIDS. Following this the subject of development aid is studied, particularly focusing on New Zealand's aid and its role in Niue. Finally, a review of tourism development in Niue is provided to connect all the above topics with the research area, showing how the various strategies and challenges may manifest themselves within the unique environment of Niue.

2.2 Tourism

Tourism is a diverse field with a multitude of factors and processes which influence the way it is produced and consumed. Tourism can be defined as:

“processes, activities, and outcomes arising from the relationships and the interactions among tourists, tourism suppliers, host governments, host communities, and surrounding environments that are involved in the attracting and housing of visitors” (Goeldner and Ritchie, 2012: 4).

The World Tourism Organization's (UNWTO) definition of tourism outlines the limitations around what can be considered tourism – specifically that it involves ‘not more than one consecutive year’, outside of the person's ‘usual environment’ and is undertaken ‘for leisure, business and other purposes’ (Goeldner and Ritchie, 2012: 5). In addition, the UNWTO definition goes further to focus on the interaction between host, tourist, tour provider and local government - which helps to delineate how a tourist (and therefore the tourist market) can be quantified and understood.

In 2015, over one billion tourists travelled internationally (UNWTO, 2016). International tourism is the third largest export earner globally - behind fuels and chemicals - with a total revenue generation of US\$1,522 billion in 2014 (UNWTO, 2016). The tourism industry accounts for one in ten jobs worldwide and has proven to be a resilient industry (WTTC, 2017). Tourism makes up almost 10% of the world's GDP, and is thus a key tool for job creation, inequality reduction and development (UNWTO, 2016). The consistent growth in tourism over the past few decades has brought it to the forefront of international discussions with regards to the industry's impact on climate change, poverty alleviation, the global economy, and politics (UNWTO, 2016). The far-reaching nature of tourism means that it has the possibility of aiding

development and growth in all parts of the globe, and this is what makes it such an important area to explore for the purposes of this research (Goeldner and Ritchie, 2012).

With the growth of the tourism industry comes many opportunities and even a responsibility for the industry to promote development in host communities and to encourage peace-building between people of all cultures (UNWTO, 2016). This idea is particularly relevant in the present era with the drive to ensure that sustainable principles become central in the production and consumption of tourism, as exhibited by the designation of 2017 as the ‘International Year of Sustainable Tourism for Development’ (UN, 2016). Tourism is no longer viable as a simple profit-making industry, it needs to be making a positive and sustainable change for the people and environment in host communities (Goeldner and Ritchie, 2012; Telfer and Sharpley, 2016).

International organisations such as the United Nations (UN) recognise the vital role tourism plays in making a better world. The G20 tourism ministers have committed to focusing on the promotion of jobs in the tourism sector, particularly for women and youth (UNWTO, 2016). As small and medium sized enterprises (SMEs) are acknowledged as key components of tourism, the UNWTO also seeks to promote the role of SMEs in the global economy (UNWTO, 2016). UNWTO provides a foundation for the sustainable and ethical development of tourism throughout the globe, as seen in the Global Code of Ethics for Tourism (see Table 2.1). The code outlines 10 core principles which aim to maximise tourism benefits and minimise any negative impacts. Although this is not binding it does offer aspirational goals (UNWTO, 2017a). Social, cultural, economic and environmental elements of the tourism industry are included in the Code.

Table 2.1: Global Code of Ethics for Tourism

The Code's 10 principles amply cover the economic, social, cultural and environmental components of travel and tourism:

Article 1: Tourism's contribution to mutual understanding and respect between peoples and societies

Article 2: Tourism as a vehicle for individual and collective fulfilment

Article 3: Tourism, a factor of sustainable development

Article 4: Tourism, a user of the cultural heritage of mankind and contributor to its enhancement

Article 5: Tourism, a beneficial activity for host countries and communities

Article 6: Obligations of stakeholders in tourism development

Article 7: Right to tourism

Article 8: Liberty of tourist movements

Article 9: Rights of the workers and entrepreneurs in the tourism industry

Article 10: Implementation of the principles of the Global Code of Ethics for Tourism

(Source: UNWTO, 2017a).

Alongside the growth of tourism comes the need for partnerships with other areas (Goeldner and Ritchie, 2012; UNWTO, 2016). In 2015, the first world conference jointly held by UNWTO and UNESCO took place, looking at the partnership between culture and tourism, particularly the way in which cultural tourism can become more sustainable and work to promote and protect cultures and heritage areas, plus promote new forms of cultural heritage (UNWTO, 2016).

This section continues to explore the tourism industry by describing the processes involved in tourism with reference to the Tourism System Model. The impacts of tourism will then be explored to show which areas need to be improved and how tourism could work to promote development. Next, the production and consumption of tourism will be touched on to show how there has been an imbalance of focus in the past. Following this is an overview of the visiting friends and relatives (VFR) tourism market, which is spurred on by migration. This leads on to the final section, which provides an overview of the relationship between migration and tourism. Both VFR tourism and migration are two important areas for Niue's tourism industry.

2.2.1 Tourism processes

Tourism can be seen as either a set of processes or as part of a system with different components. Leiper (1979) explored the five elements that constitute the tourism system, portrayed in Figure 2.1. This model synthesises the key elements of the tourism system so

people can understand what tourism is, who tourists are, what tourism is influenced by and where it is happening. Tourists make up the human element, there are three geographical elements; tourist generating region, transit regions and the tourist destination regions (also known as the host locality), and the industrial element is comprised of a spectrum of resources which affect the way tourists travel, what they do when they travel and the overall travel experience (Goeldner and Ritchie, 2012; Leiper, 1979). The ‘degree of industrialisation’ refers to how much the tourist relies on the tourism industry (Leiper, 1979). The elements specified above work within the broader physical, cultural, social, economic, political and technological environments which complicates how these processes play out on the ground (Leiper, 1979).

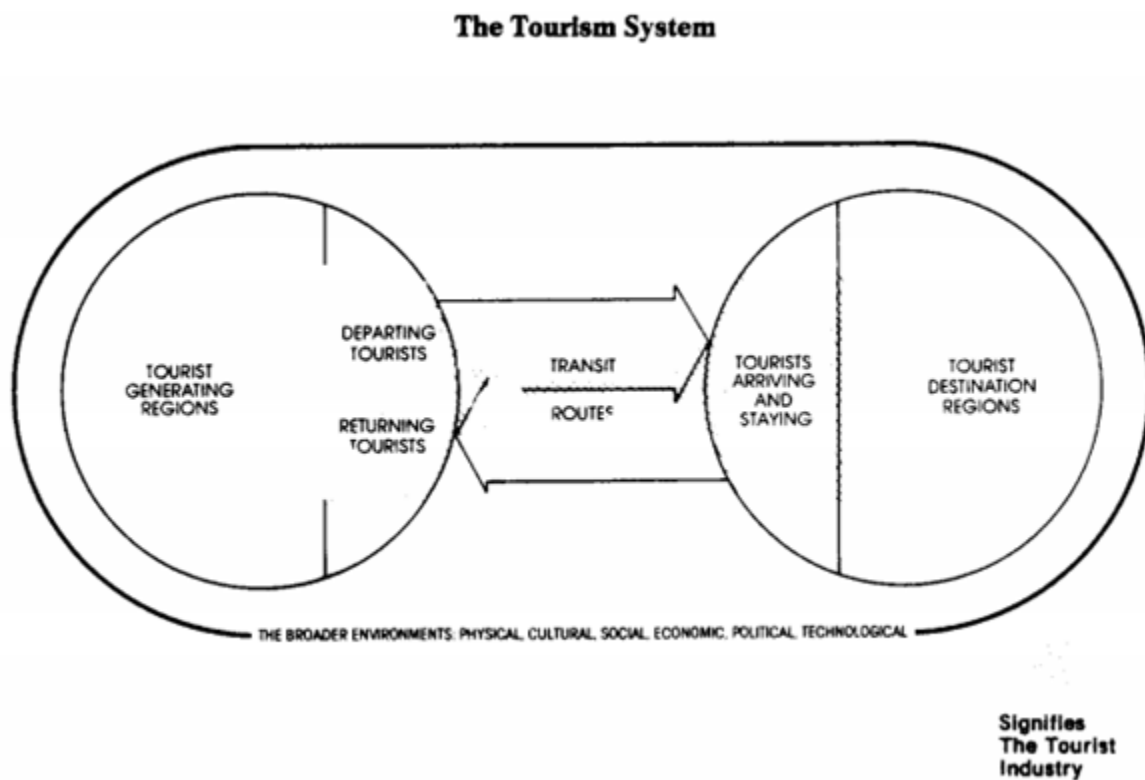


Figure 2.1: The Tourism System (Source: Leiper, 1979).

Everything that makes up the travel experience is part of what constitutes tourism. This involves an array of services, attractions and activities starting at the tourist generating zone, through the transit zone and into the host locality (Goeldner and Ritchie, 2012; Leiper, 1979). The economic component is a significant part of how people typically understand tourism. However, direct tourism expenditure is only part of the benefit created through tourism (Goeldner and Ritchie, 2012). In the following paragraphs the five elements of the tourism

system will be explored, starting with the tourist, working through the geographical regions and ending with a brief overview of the industrial element.

The tourism system is built around the tourist. Globalisation and improved transport technology have meant it is faster and easier to travel all over the world (Telfer and Sharpley, 2016). New avenues of communication have changed various elements such as marketing and electronic booking, rendering some services obsolete while generating whole new services (Telfer and Sharpley, 2016). Understanding the motivations and desires of the tourist is essential in providing the correct services, facilities and activities in the right destinations (Goeldner and Ritchie, 2012). Tourists have varying social, cultural and physical needs depending on where they come from and what they value at different stages in their life which affect their motivation to travel (Goeldner and Ritchie, 2012).

The tourist generating region is the permanent residence of tourists and the source of demand (Leiper, 1979; Sharpley, 2009). The tourism producing businesses which exist in this region perform most of the marketing functions involved in the tourism system, these include airlines, transnational hotel chain headquarters, tour wholesalers and advertising agencies to promote these businesses (Leiper, 1979; Sharpley, 2009). Push and pull factors within the generating region affect whether a tourist will travel and where they may go (Dann, 1977).

The transit region is where the tourist travels between their home destination and the destination region (Sharpley, 2009). The characteristics of the transit region affect tourist flows. Tourists may choose to visit attractions in the transit region and it is an important part of the overall experience for the tourist (Leiper, 1979). Most of the transportation component occurs in the transit region, and transport hubs have evolved to become major transit regions for broad geopolitical regions (Leiper, 1995).

The tourist destination region is where tourists are attracted to temporarily and the place where most tourism production occurs (Leiper, 1979; Sharpley, 2009). The destination region is the focus of most tourism studies as it comprises the most salient aspects of tourism (Leiper, 1979). There are various aspects of a destination which make it more or less attractive to a tourist, and this depends on their wants and needs (Dann, 1977). Destinations tend to market themselves

based on their unique mix of key factors to attract certain types of tourist (Dann, 1977; Goeldner and Ritchie, 2012).

Geographical regions are heavily interrelated; each area relies on the others for a functioning tourism system. The generating region shapes the desires of the tourist, and these motivations affect the decision of which destination the tourist will choose (Dann, 1977; Sharpley, 2009). The motivations and desires of the tourist are actively influenced by the tourist industry, which makes up the industrial element of the tourism system (Leiper, 1979). Leiper (1979) identifies six key elements of the tourist industry; tourism marketing, carriers, accommodation, attractions, miscellaneous tourist services and tourism regulation. The tourism industry is based around performing a service for the tourist, and it spans the different geographical regions (Dann, 1977; Leiper, 1979). The tourism system identifies many elements that affect tourism, however there is often a lack of focus on the host community, which is a key point of contention with respect to what tourism is, who benefits from it and what costs it imposes (Telfer and Sharpley, 2016).

2.2.2 Impacts of tourism

It is important to outline exactly what the costs and benefits of tourism can be and how widespread they are. Tourism is pervasive, it is not limited to economic impacts, but has social, political, environmental and cultural effects (McElroy and Parry, 2010; Telfer and Sharpley, 2016). The impacts of tourism vary across regions, with small insular states particularly vulnerable to the costs of tourism (see section 2.5). Tourism development relies on the consumption of resources and if not managed appropriately these can be degraded to a point where they no longer become attractive thus losing appeal to tourists (which emphasises the importance of sustainable approaches as discussed in section 2.4) (Telfer and Sharpley, 2016; UN-OHRLLS, 2011). The natural environment can be altered to support tourists, with resorts altering coastlines and foot-traffic degrading ecosystems (Telfer and Sharpley, 2016). While there are always some economic gains to be had, many of the profits are diverted away from local communities in developing countries, and the integration within the global economy makes these places prone to global economic shocks (see section 2.3 and 2.4) (Haynes, 2008; Sharpley, 2003). Excessive tourism growth can also drive up prices for land and expenses, thus pushing out poorer locals who can no longer afford to live in tourist centres (McElroy and Parry, 2010). An increase in crime rates is often seen in tourism centres and illicit businesses

can become an issue (McElroy and Parry, 2010; Scheyvens, 2002). Tourists and locals also have different perceptions and values of tourist 'attractions', whether these are cultural or physical, and these are at risk of commodification at the expense of local values (Telfer and Sharpley, 2016).

Tourism has been used as a development strategy for many reasons, and there are undoubtedly many benefits that come from tourism growth in host communities. Tourism employs one in ten people globally, and this number rises in tourist hotspots such as SIDS (Apostolopoulos and Gayle, 2002). It produces new livelihood options and generates foreign revenue (Goeldner and Ritchie, 2012). With the growth of sustainable tourism practices comes increasing awareness of environmental problems and ways to mitigate such problems (Goeldner and Ritchie, 2012). Cultural tourism has been used as a way to promote and protect cultural heritage and to share the ways of one group with that of another, fostering cross-cultural contact and understanding (Telfer and Sharpley, 2016; UNWTO, 2016). As the above has shown, the impacts of tourism are complex and with each benefit, there may be a converse cost. These are important to understand so that tourism can be developed in a positive and appropriate way guided by an approach that supports local communities. This is particularly important to recognise when tourism is used as a development strategy, especially given that tourism studies have often focused much more on the consumptive side of tourism.

2.2.3 Production and consumption of tourism

Tourism is both consumed and produced, however most tourism studies are predicated on the notion of tourism as consumption (Judd, 2006). The tourism product (commonly thought of as the tourism experience) is consumed at the destination, and the demand for tourist experiences has both positive and negative consequences for the host community and the future development of tourism itself (Telfer and Sharpley, 2016). Mass international tourism emerged in the 1960s, and at the time it was considered a development strategy for host communities through economic growth (Sharpley, 2009; Telfer and Sharpley, 2016). However, mass tourism can be detrimental to the host community, problems include a withdrawal of locals from the tourist hubs, cultural commodification and environmental degradation (Goeldner and Ritchie, 2012; Telfer and Sharpley, 2016). Alternative forms of tourism have become increasingly popular since the 1980s with a more conscious effort from tourists and the tourism industry to be more socially and environmentally responsible, looking for ways to increase and spread the

benefits in local communities and minimise the costs as much as possible (Scheyvens, 2002). Reflecting on the core argument, tourism is an appropriate tool for making good change, but exactly how does this fit into development and how has tourism been integrated within development approaches? Section 2.3 will explore these questions in more detail.

2.2.4 VFR tourism

Visiting friends and relatives (VFR) is a form of tourism whereby the motivation for travel is to visit friends and relatives. VFR tourism has long been overlooked as a significant market segment and valuable study area compared with holiday and business tourist markets (Jackson, 1990; O’Leary and Morrison, 1995). VFR tourism is closely related to patterns of migration, whereby areas with high immigration – a characteristic of most SIDS and especially Niue – have large VFR markets, thus necessitating attention to this market (Boyne, Carswell and Hall, 2002; Laskai, 2013). O’Leary and Morrison (1995) summarise multiple articles on VFR tourism which take different approaches to establish that although VFR is not always recognised as a distinct tourist category for national tourism organisations, between 30% and 50% of tourists fall under this category. Furthermore, VFR tourism is complicated as a study area because it can be considered both an activity and a tourist segment (i.e. purpose of travel), and people may still categorise themselves as being a ‘holiday’ tourist rather than a ‘VFR’ tourist even though they may be spending most of their time visiting friends and relatives (Goeldner and Ritchie, 2012; O’Leary and Morrison, 1995). Boyne, Carswell and Hall (2002) identify five scenarios for VFR trip generation, these are shown in Table 2.2 below. Sources 1-3 are the most common type of reason for VFR tourism, showing that there is a strong link between migration and tourism (Boyne, Carswell and Hall, 2002).

Table 2.2: Typology of VFR trip generation.

Sources

-
1. Friends or relatives move
 2. You move
 3. Relatives whose antecedents have migrated
 4. Friendships made at a distance or away from home (possibly through work or through holiday trips)
 5. Long-lost relatives (separated at birth, adopted children etc.)
-

Source: Boyne, Carswell and Hall, 2002: 243.

Although VFR has not been a focus for tourism marketing organisations in the past, the VFR market does contribute to the tourism industry, providing more long-term foreign capital given higher instances of repeat visits compared to ‘business’ and ‘holiday’ tourists (Jackson, 1990; O’Leary and Morrison, 1995). VFR tourists are motivated by social, cultural and family reasons so are less prone to seasonal effects and disasters compared to ‘holiday’ tourists and may compensate for reductions in other types of tourists during times of crisis in the destination region (Laskai, 2013; O’Leary and Morrison, 1995; Shani and Uriely, 2011). Furthermore, VFR tourists are dispersed more evenly temporally and spatially, rather than congregating in tourist hubs at peak season (Boyne, Carswell and Hall, 2002; Shani and Uriely, 2011).

As VFR tourists typically make longer visits, overall they make a larger contribution to the local economy and seek out local goods given their more direct connection to the destination (Laskai, 2013; Shani and Uriely, 2011). Tourism businesses and organisations tend to assume that VFR tourists are different to pure holidaymakers because they stay with friends and relatives and are occupied by social engagements, when in reality VFR tourists are a diverse market made up of many segments, and contribute to many of the same tourist products as other tourists, even comprising a high number of commercial accommodation nights (O’Leary and Morrison, 1995). Those VFR tourists who do stay with friends and relatives contribute more directly to the local economy, as they require less capital expenditure by the destination on formal accommodation, which are often foreign-owned hotel chains which repatriate the profits (Jackson, 1990; Laskai, 2013).

There are costs and benefits for hosting friends and relatives (HFR), although significantly less research concerns this group (Shani and Uriely, 2011). Shani and Uriely (2011) identified several negative effects on host wellbeing, these include: loss of privacy, increased expenditure, and the mental stress of balancing other obligations with hosting. However, there are also a myriad of benefits for the host and the host community such as: “joy” of being with close significant others, a sense of pride either regarding their altruistic personality or their place of living, a justification to “go out” and “have fun” with their guests and the moral privilege of “claiming reciprocity when they will visit their guests in return” (Shani and Uriely, 2011: 435). Laskai (2013) also found that VFR tourists in Niue revitalised the cultural and social ties between community groups and led to more local traditions taking place while people were visiting.

Another aspect of VFR tourism that is often overlooked by tourism businesses is the invisible ‘multiplier effect’, which describes the economic contribution of the host in both the tourist and non-tourist economy during periods of HFR (O’Leary and Morrison, 1995). O’Leary and Morrison (1995) and Shani and Uriely (2011) emphasise the importance of local residents for tourist businesses and organisations. Word-of-mouth recommendations from locals are influential in the tourist activities that VFR and other tourists choose to partake in, thus providing a significant form of communication for tourism destinations (O’Leary and Morrison, 1995). Therefore, destination marketing organisations would greatly benefit from communicating with local residents to encourage the use of and recommendation of local tourist products (Shani and Uriely, 2011).

2.2.5 Migration and tourism

For countries with high outward or inward migration, the VFR segment can be especially significant for their tourism economy (Boyne, Carswell and Hall, 2002). Globalisation has meant that the global market is more flexible, and people are more mobile than they have ever been before resulting in a larger geographic distribution of friends and relatives around the globe (Boyne, Carswell and Hall, 2002). VFR may also provide the bulk of the tourist market for rural and remote areas (Boyne, Carswell and Hall, 2002). VFR is tied to permanent international migration, though it is more common for VFR tourists to visit geographically closer countries (Jackson, 1990). Transnationalism refers to the link between diaspora communities and with the place of origin, and VFR helps to maintain these networks across borders (Hall and Williams, 2002; Vertovec, 1999). Tourism is therefore a key component of the immigrant experience, and in some cases, VFR is part of the return migration process (Hall and Williams, 2002).

Boyne, Carswell and Hall (2002) explore the sustainable elements of VFR. It tends to be small scale tourism, which is less affected by seasonality, has less infrastructure demands and relies on local participation. Therefore, there is a strong justification for VFR tourism to be considered part of community-based tourism, although it has been neglected by discourse in this area. Because there is a social and cultural link between VFR tourists and their hosts, holistically the benefits are greater than what is shown by the economic indicators provided by tourism authorities (Shani and Uriely, 2011). In Niue, the non-measurable benefits include

“skill transfers, family help, koha (gifts) and other intangible contributions”, which can bring long-term economic, social and cultural benefits to local communities (Laskai, 2013: 86). In these ways VFR tourism stemming from migration is better suited to supporting economic, social and cultural development.

2.3 Development

Development can be described as “a multidimensional process leading to what can be described succinctly as ‘good change’” (Scheyvens, 2002: 3). Social, cultural, environmental and economic development all need to be considered when evaluating the success of development projects (Scheyvens, 2002). Having already explored the tourism literature, this section will refer to tourism through a development lens to identify how these two areas have interacted over the years. When a tourism development strategy is planned or executed inappropriately this can have disastrous consequences for the host community (Moyle, Croy and Weiler, 2010). Many early approaches to development made the mistake of assuming development is simply economic growth, neglecting the social, cultural and environmental factors that play a vital role in sustainable development (Fayos-Sola, Alvarez and Cooper, 2014; Potter, Binns, Elliott and Smith, 2008). This section will focus on the different development approaches adopted since the 1950s, in addition to providing a foundation for understanding how tourism supports development.

2.3.1 Modernisation

Centuries of history show that the hegemonic power of the time has forced certain beliefs and knowledge upon others, especially onto less developed or overpowered groups. Approaches to development are no different. During the 1950s and 1960s Western powers tried to implement the same stages of development in the Global South (the so-called ‘backwards economies’) as the West had gone through to fast-track development - this was known as the modernisation theory (Gwynne, 2009; Scheyvens, 2002). As different societies strove to move through the stages of development outlined by the modernisation theory, ‘development’ was measured by scores of economic growth (Sharpley, 2003).

The Rostow Model of economic development was a central concept epitomising the modernisation theory. Rostow suggested there are five stages of economic growth which every

country must go through in order to reach the level of development experienced by the Global North (Rostow, 1960). There were other modernisation theorists who also influenced development policy throughout the Global South (developing countries). Hirschmann focused on the central-peripheral distinction of development, where uneven development of certain industries was expected in poorer countries, but the trickle-down effect from core areas to peripheries would lead to overall economic growth for the entire country or region (Gwynne, 2009; Scheyvens, 2002). The Global North was highlighted as an important part of development for the Global South, as they were needed to provide capital, knowledge and technology to boost economic growth for poorer countries (Gwynne, 2009; Sharpley, 2003).

Modernisation theory also highlighted a period of industrialisation as the main means of catalysing economic growth, although over time tourism was also identified as an industry which could promote economic growth (Scheyvens, 2002; Sharpley, 2003). Tourism came to be an alternative source of employment and income for agriculturally reliant economies, especially as agriculture was no longer viewed as a viable, dominant industry for a growing economy (Scheyvens, 2002). The reality of tourism development during the modernisation era in the Global South saw capital funnelled into multinational corporations and foreign investors, some profit going towards local elites, and infrastructure development redirected from basic local needs toward tourist needs (Scheyvens, 2002). Meanwhile, cultural and societal issues grew with new illegal markets emerging (such as prostitution and drugs), and cultural norms and sites commodified for the sake of tourism (Scheyvens, 2002; Telfer and Sharpley, 2016).

Tourism has provided a diversified economy in some cases, though in others tourism became the dominant industry and diverted attention from other industries (Scheyvens, 2002). Modernisation theory was criticised for its Eurocentric approach to development and its focus on economic growth, undermining other forms of development and leading to the exclusion of local input (Sharpley, 2003). The fragility of many countries which became reliant on tourism meant that any sort of crisis affecting the global economic system or the security of the destination or could send the whole economy into decline (Scheyvens, 2002). While modernisation theory stipulated that development occurs through internal factors, the dependency theory suggests that it is the relationship with external agencies (mostly from the Global North) which determines and affects development (Haynes, 2008).

2.3.2 Dependency theory

Dependency theory emerged as a critique to the modernisation theory in the 1960s, stipulating that Western countries were developed at the expense of ‘underdeveloped’ countries; “economic development and underdevelopment are the opposite faces of the same coin” (Frank, 1967: 9; Sharpley, 2003). Dependency theorists suggest that development does not occur in a uniform manner. The theory argued that the development of Western countries was a direct result of the capitalist system which worked by exploiting less developed countries, which in turn prevented their development (Fayos-Sola, Alvarez and Cooper, 2014; Haynes, 2008). The spread of capitalist structures resulted in underdeveloped countries becoming dependent on more developed countries if they were to remain in the (capitalist) world system (Haynes, 2008; Sharpley, 2003). According to dependency theory, while the core-periphery/metropolis-satellite dynamic was intact the peripheral countries would not develop (Haynes, 2008).

Dependency theory provides a platform to consider the negative consequences of tourism development, particularly the relationship between the destination and the associated ownership and control of tourism products (Sharpley, 2009). The international tourism industry is still dominated by the Global North; thus it is still considered as a manifestation of the dependency paradigm (Telfer and Sharpley, 2016). The mass tourism product framework is provided by Western organisations, for Western tourists following Western ideals, meaning there is an uneven balance of power in Global South destinations (Scheyvens, 2002; Sharpley, 2009).

Dependency theorists contend that for a country to experience true development they must disengage from the capitalist system, an exact contradiction to the preceding modernisation theory and the neoliberal development approach which dominated popular thought from the late 1970s (Haynes, 2008). Dependency theory did not last long in its original form given the development of some Global South countries within the capitalist world system (particularly the newly industrialised countries of Southeast Asia and Middle Eastern oil producing countries), and because of the ubiquitous growth of globalisation which increased, not reduced, integration between countries (Haynes, 2008). However, one more critique of the modernisation and dependency theories came about before globalised neoliberal reform changed development thinking; the basic needs approach.

2.3.3 Basic needs

Approaches prior to the 1970s had been implemented in a ‘top-down’ paradigm, where the trickle-down effects were assumed to foster growth for the poorer members of society (Potter, *et al.* 2008). A growing group of theorists were criticizing these approaches to development while promoting the role of local, rural-based strategies, which formed the beginnings of bottom-up development (Haynes, 2008; Potter, *et al.* 2008). The associated basic needs approach gained recognition in the 1970s, emphasising the importance of achieving a certain level of development for everyone at the local level, meaning they had adequate shelter, fresh water and food, basic education and sanitation (Haynes, 2008; Potter, *et al.* 2008). This approach was also vital for creating the ‘poverty line’ - the minimum income needed in a society to meet basic needs (Haynes, 2008).

National leaders were not necessarily in favour of the basic needs approach, with the ruling class instead preferring to use government expenditure in places that would advance political and economic agendas (Haynes, 2008). The basic needs approach centred on the redistribution of wealth and employment for everyone using local natural and human resources to become self-sustainable (Potter, *et al.* 2008). However, developing countries were often reliant on international financial aid, thus the basic needs approach was soon overshadowed by processes of globalisation which encouraged all nations to enter global economic flows by adopting Western neoliberal ideologies with targeted interventions in places with the highest economic potential in global terms (Haynes, 2008). This was especially the case for tourism, as developing countries rely on international tourists to bring in foreign exchange, and because the West dominates the tourism industry - from transportation to accommodation - and little profit reaches local communities in the destination (Scheyvens, 2002; Sharpley, 2009). The basic needs approach in tourism is best represented by sustainable tourism development approaches such as community-based tourism and ecotourism (discussed in more detail in section 2.4) which focus on gaining economic and employment benefits for local communities (Sharpley, 2009). However, under the basic needs approach tourism is seen primarily as an economic activity and is not necessarily conducive to development (Sharpley, 2009).

2.3.4 Neoliberalism and globalisation

During the early 1980s international indebtedness reached a peak, and the only way to get out of these problems for many developing countries was to take conditional loans from

international economic institutions, such as the World Bank and International Monetary Fund (IMF) (Haynes, 2008; Sharpley, 2009). However, these loans came with compulsory structural changes, known as structural adjustment programmes (SAPs) (Haynes, 2008). SAPs reflected the dominant neoliberal economic theory and perpetuated this throughout the developing world (Haynes, 2008; Potter, *et al.* 2008). There were three main goals of the SAPs: “(1) strengthen the international monetary system, (2) advance the process of economic globalization and (3) increasingly integrate reformed economies into the global economy” (Haynes, 2008: 31). SAPs did little for the poor, and poverty levels grew in many parts of the developing world after implementation (Haynes, 2008; Sharpley, 2009). The development strategy expressed through the SAPs became known as the Washington Consensus, as the decisions were primarily made in USA by their government, the World Bank and the IMF that perpetuated the whole turn in ideology and development approaches throughout the globe (Fayos-Sola, Alvarez and Cooper, 2014; Haynes, 2008).

The underlying assumption of the neoliberal system was that the market could fix everything if left to its own devices (Fayos-Sola, Alvarez and Cooper, 2014). The ‘trickle-down effect’ was expected to bring economic prosperity for everyone (Scheyvens, 2002; Murray, 2009). However, growth and development are not the same thing, high growth is often experienced at a time of increasing inequalities (Potter, *et al.* 2008; UNDP, 2003). Neoliberalism is aligned with capitalist thinking, government is seen as a barrier to growth and healthy competition, so having an unrestrained and unregulated free market is encouraged and embraced as part of the new liberal system and the growing connection between markets through globalisation (Murray, 2009; Potter, *et al.* 2008).

Numerous critiques of the Washington Consensus exist, many stating that markets have no interest in changing the socio-economic reality of the poor within each country, and that is the role of a more interventionist government (Haynes, 2008). The Washington Consensus is also seen as a contradiction to achieving development and economic growth because Western countries achieved most of their growth and development in a time of high state control and minimal trade liberalisation (Haynes, 2008; UNDP, 2003). Imposing neoliberal reforms on developing countries was detrimental to the progress of development and reinforced the Western dominance on development approaches (Haynes, 2008).

The swift dissemination of neoliberalism was possible because of globalisation. Globalisation can be described as “a set of interrelated processes, leading to increased integration of economic, cultural, political, and social systems across state boundaries” (Haynes, 2008: 55). Technological advances in transport and communication in the 1970s and 1980s led to a compression of space by time, essentially making the world seem smaller (Harvey, 1989; Haynes, 2008; Potter, *et al.* 2008). Growing networks brought some places closer together, but they also left those on the margins disadvantaged (Potter, *et al.* 2008). A digital divide meant those without access to communication and information technology could not take advantage of the opportunities which these networks could provide (Potter, *et al.* 2008). The poorest people in developing countries are not able to utilise the opportunities that a connected world provides, whereas the growth and reach of transnational and multinational corporations (TNCs and MNCs) can exploit the opportunities provided in the developing world by gaining easier access to resources and developing their own industries through exploiting cheap labour within countries of the Global South (Haynes, 2008; Potter, *et al.* 2008).

Haynes (2008) postulated that globalisation in its many forms could be thought of as the spread of Westernisation. Countries become interdependent in a neoliberal system, which ‘anti-globalists’ understand as a way for the West to maintain its power and wealth, again at the expense of the Global South (Haynes, 2008). ‘Globalists’ on the other hand, believe that processes of globalisation improve the standards of living for everyone, facilitating the social, cultural, economic and political growth of people around the world (Haynes, 2008). Cooperation is easier when everyone is on the same side, and having an interdependent globe means development can be supported by everyone. At the turn of the century the Millennium Development Goals (MDGs) were chosen as the next step in achieving development for the developing world, illustrating one such example of the potential benefits of globalisation (Fayos-Sola, Alvarez and Cooper, 2014; Haynes, 2008).

Tourism is a global phenomenon, with no other industry so far-reaching and benefitting so much from our increasingly interconnected world (Scheyvens, 2002; Telfer and Sharpley, 2016). The pervasiveness of the SAPs and neoliberal ideologies within developing countries further entrenched the idea that tourism could only be used for economic growth and not development (Sharpley, 2009). Globalisation, however, does not necessarily force communities to submit to a neoliberal approach and mass tourism, there is an interaction

between global processes and how this is negotiated by local communities in destination regions (Scheyvens, 2002). Tourism does encourage wealth redistribution from the Global North to the Global South, and alternative tourism strategies can lead to development opportunities (Telfer and Sharpley, 2016).

2.3.5 Alternative Development

With the exception of the basic needs approach, development theories have focused on top-down, centralised and Western-centric approaches. The alternative development paradigm recognises that development should be guided by the needs of society, and thus cannot be dictated by external societies and agencies (Telfer and Sharpley, 2016). Human and environmental factors are the primary concern rather than economic growth (Telfer and Sharpley, 2016). This approach emphasises the localisation of decision making, empowerment of local communities, growth of small and medium sized enterprises (SMEs) and involvement of local NGOs (Telfer and Sharpley, 2016).

Alternative tourism development focuses on community participation in the tourism product, as opposed to mass tourism which seldom brings benefits to local communities (Scheyvens, 2002). Alternative tourism development prioritises local cultural, social and environmental values, seeking to minimise costs to the host community while retaining the benefits to develop the host community (Telfer and Sharpley, 2016). Many types of tourism fall under the ‘alternative tourism’ label, although there has been scepticism over the misuse of the phrase due to the reality that some ‘new tourism’ products are just as damaging to local livelihoods and environments as mass tourism (Scheyvens, 2002). Overall, alternative tourism encompasses a grassroots form of tourism, and this is marketed towards ‘responsible tourists’ who seek out experiences not found in typical mass tourism products and destinations (Telfer and Sharpley, 2016). Despite the dichotomy of ‘good’ alternative tourism and ‘bad’ mass tourism, since the 1980s sustainable tourism development practice has sought to incorporate and to promote all forms of tourism as sustainable under the right conditions (Telfer and Sharpley, 2016).

2.4 Tourism and development

Tourism has been used as a tool for economic growth under many of the early development approaches, celebrated for its ability to create new opportunities, increase employment and generate foreign revenue (Fayos-Sola, Alvarez and Cooper, 2014). However, economic growth from tourism is not necessarily synonymous with development. The expansion of tourism in underdeveloped countries is prone to the imbalances of the global economy, with MNCs developing tourism products in the Global South, but diverting profits away from the destination (Lea, 1988; Sharpley, 2003). For example, a hypothetical international hotel chain operating in a Pacific Island only employs local people for basic cleaning and maintenance work while importing customer services representatives and managers and it repatriates profits, thus resulting in limited social and economic development in the local communities.

When there is a market-driven process for tourism development, the development players concentrate on the mechanisms by which they can make the biggest profit margin (Judd, 2006; Telfer and Sharpley, 2016). Corporate Social Responsibility (CSR) is one way in which market players may aim to redirect some benefits to local communities, often to gain favour and credibility amongst ethically focused consumers (Horner and Swarbrooke, 2004). However, the unique case of small island nations may require a more collaborative approach to tourism development other than single cases of CSR. Isolation and low inputs of capital, skilled workers and knowledge can be a barrier to development (Fayos-Sola, Alvarez and Cooper, 2014). The government may be better suited to playing a mediatory role between tourism operators and local communities in which everyone finds a mutually beneficial solution (Commonwealth Secretariat, 2008).

Underlying the current understanding of effective development is the idea that there needs to be a focus on sustainability and local control (Berno, 2003). Tourism approaches that adhere to these principles are increasingly used as official development strategies in many countries, particularly in SIDS (Apostolopoulos and Gayle, 2002; Berno, 2003). Decades of MNCs dominating the mass tourism market in developing countries are no longer acceptable methods of economic growth, and instead sustainable tourism, responsible tourism, community-based tourism and other related forms of tourism are challenging the notion of tourism-based economic growth and supporting the idea of tourism-based development. With growing local

control of tourism, development is happening in a way that is sustainable and for the benefit of local people.

2.4.1 Sustainable development and tourism

In the past decade sustainability has become the key principle driving development. Development strategies must recognise the long-term impacts and generate positive outcomes for those it is targeted towards today without jeopardizing the needs of future generations or the environment (Goeldner and Ritchie, 2012). The idea of sustainability first entered the development discourse in 1987 with the published report *Our Common Future* (commonly known as the Brundtland Report), which defined sustainability as;

“development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987: 43).

There are three pillars of sustainable development; economic sustainability, social sustainability and environmental sustainability (Goeldner and Ritchie, 2012). This approach takes a long-term, grassroots approach to development which adheres to local needs rather than being a prescriptive top-down approach like those that dominated throughout the 20th century and often had very poor outcomes (Sharpley, 2003; Telfer and Sharpley, 2016). Grassroots or bottom-up tourism can most clearly be seen in community-based tourism, where the community drives tourism development to address the needs of local communities and with local control – thus the community can retain the benefits and reduce the costs (Berno, 2003; Telfer and Sharpley, 2016). Basic needs must be addressed before other areas of development can occur, though economic growth is regarded as part of the equation for alleviating poverty (Sharpley, 2003).

Sustainability has become a major focus of the global development discourse over the last few decades. This trend started with the Brundtland Report, continued with Agenda 21 and the MDGs, and was re-emphasised with the 2030 Agenda for Sustainable Development, which marked out 17 SDGs which seek to alleviate poverty, reduce inequalities and tackle climate change (Telfer and Sharpley, 2016; UN, 2015; UNWTO, 2016). Tourism is specifically factored into three of the SDGs (Goal 8: Decent work and economic growth. Goal 12: Responsible consumption and production. Goal 13: Life below water) and it is recognised for its important role in the global economy, so much so that 2017 was chosen to mark the international year of sustainable tourism for development (UN, 2016).

Sustainable tourism supports development through reducing environmental, socio-cultural and economic costs and increasing economic and social benefits for the host community (Fayos-Sola, Alvarez and Cooper, 2014; Lansing and De Vries, 2007). Traditional approaches to tourism development have focused on economic growth, whereas emerging models of 'new tourism' focus on a balance between economic driven tourist activity and the development goals of the host communities (Telfer and Sharpley, 2016; WTTC, 2003). There have been debates over the viability of sustainability and tourism working in unison to provide cohesive results, but the direction global society is moving (characterised by an increasing concern over poverty, environmental issues and climate change) suggests that sustainability is now vital to the production of any industry (Fayos-Sola, Alvarez and Cooper, 2014; UN, 2015). The pervasive growth of tourism provides a unique example of an industry which could promote positive change throughout the globe.

While sustainable tourism has become increasingly popular over the last decade, doubts surrounding the legitimacy of sustainable development in the tourism industry are abundant in academic discourse (Baldacchino, 2006; Lansing and De Vries, 2007; Sharpley, 2003). For example, Baldacchino (2006) argues that for SIDS, the idea of sustainability is an oxymoron given the need to draw most resources from external sources, particularly when demand increases with tourism development. Telfer and Sharpley (2016) suggest that while new tourism focuses on addressing the needs of the destination community, they still use a top-down approach, ignoring the role that locals themselves could play in tourism and development. This can be seen in growing sectors such as pro-poor tourism and ecotourism - both popularly considered as synonymous with sustainable tourism - which can use unsustainable practices (Goeldner and Ritchie, 2012; Sharpley, 2009; Telfer and Sharpley, 2016). Lansing and De Vries (2007) suggest some tourism businesses use these terms as a marketing strategy, rather than following the guiding principles that they promote. Ecotourism is based on the consumptive side of tourism, and definitions range from the tourist doing 'no harm' to the destination (Goeldner and Ritchie, 2012), to the affluent tourists who seek out the untouched destination (Scheyvens, 2002). This differs from sustainable tourism which takes a holistic, societal approach to protecting the physical and social environment of the destination for both the short-term and long-term (Goeldner and Ritchie, 2012; WCED, 1987).

2.4.2 Community-based tourism

Community-based tourism is closely linked with sustainable development and builds from the alternative development framework. It involves a high level of local involvement in the production of the tourism experience (Telfer and Sharpley, 2016). Community-based tourism can in some ways be considered the antithesis of mass tourism, it seeks to keep the benefits of tourism within the community that is providing the experience and dealing with the disadvantages of tourism, rather than funnelling the benefits away through the activities of international hotel chains and tour operators (Lea, 1988; Telfer and Sharpley, 2016). Nurturing an appreciation and respect for local heritage and culture is another goal of community-based tourism (Telfer and Sharpley, 2016). Involving local and indigenous knowledge is thought to contribute to sustainable resource use in destination development (Sharpley, 2009).

Whilst much of the existing literature has focused on the failures of tourism for development, Scheyvens (2002) suggests that finding positive and successful examples of tourism aiding development is paramount to improve and expand our understanding of the tourism industry. The ubiquitous nature of tourism and the significant role it plays in modern society suggests the industry is not going to stop growing (WTTC, 2017; UNWTO, 2016). Exploring the ways tourism can work for development is the most important question we can ask to attain a truly sustainable and mutually beneficial global tourism industry.

Exploring the traditional development approaches earlier in Section 2.3 illustrated that using top-down approaches was unsuccessful in implementing real development at the local level, particularly for poor people in developing countries (Haynes, 2008). Bottom-up development models are becoming increasingly popular throughout the development discourse, and they are being incorporated in some forms of alternative tourism. Sustainable tourism development requires local consultation and participation to gain a proper understanding of the existing and future needs of the host community (Sharpley, 2009; Telfer and Sharpley, 2016). The research has shown that sustainable tourism approaches can be an effective tool for development, and this is especially true for insular regions. SIDS are scattered throughout the Pacific, Caribbean and Mediterranean and have become some of the world's most popular and important tourist destinations and those most reliant countries on tourism (Apostolopoulos and Gayle, 2002). The following section will explore SIDS in detail.

2.5 SIDS

Small island developing states (SIDS) have common social, economic and environmental characteristics and concerns; they are more vulnerable to natural and climatic threats and have higher costs for the provision of infrastructure and service development (Nurse, 2016; UN-OHRLLS, 2011). Small size, remoteness, high outward migration (especially of higher qualified individuals causing a ‘brain drain’), fragility of the environment and the cost of adapting to climate change and recovering from disasters results in lower productivity, increased costs and vulnerability for these countries (Briguglio, 1995; Nurse, 2016; Wong, 2010). The island development dilemma can come from aspirations which “renders self-sufficiency unacceptable, while attempts to gain or maximise wealth through economic specialisation tend to render society and economy unstable” (Apostolopoulos and Gayle, 2002: 7). Many SIDS have become dependent on tourism as penetration into new markets tends to be difficult, leading to an undiversified economy with low growth and high debt (Nurse, 2016; Wong, 2010). However, the role that tourism plays for these less-diversified economies can be critical for local livelihoods and the national economy (Moyle, Croy and Weiler, 2010; Scheyvens, 2002). Nurse (2016) suggests that for SIDS to become globally competitive and productive, governance policies need to change to encourage innovation and collaboration between government, industry, diaspora populations and development and aid agencies.

Small Caribbean and Pacific Island states share many similarities, and a review of SIDS in both regions makes it easier to understand the difficulties that SIDS face (Nurse, 2016). Their GDP composition shows services as the biggest earner for both regions at over 50% of aggregated GDP, as shown in Figure 2.2. Within the service sector, most trade comes from travel and tourism (Nurse, 2016). SIDS also tend to have highly specialised trade commodities or raw materials which have low, unstable prices in the global market enforcing a dependence on tourism (Bertram, 1986; Nurse, 2016). Travel and tourism products and services are often dominated by MNCs which redirect most of their profits away from the destination to headquarters in the Global North (Nurse, 2016; Scheyvens, 2002). Mineral based exports are the dominant tradeable commodity for some Pacific Island SIDS, but these are low on the value chain and only receive a small percentage of the overall value-added product (Nurse, 2016). This value is further reduced by the low level of local-ownership and the use of overseas skilled workers (Nurse, 2016). Because Pacific countries have a low diversification of exported goods, they are particularly susceptible to changes in demand (Nurse, 2016).

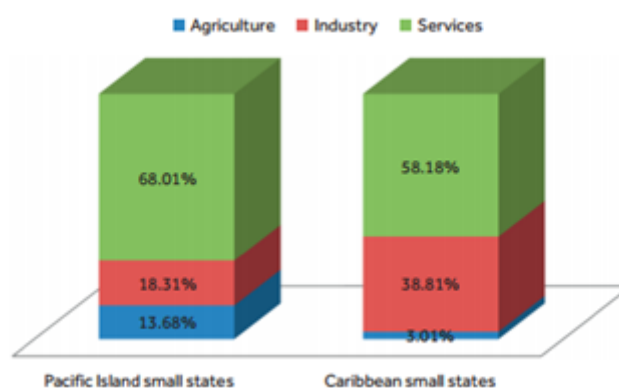


Figure 2.2: GDP composition by sector for Pacific Island and Caribbean small states in 2011 (Source: World Bank, 2011, cited in Nurse, 2016).

Trade agreements with Pacific nations are starting to open up the market for the Pacific, but Nurse (2016) suggests that policy should focus on upgrading technology and industry to ensure emerging and strategic niche markets can grow. The value of innovation in SIDS industries is important so that their industries can move up the global value chain (Nurse, 2016; Scheyvens and Momsen, 2008). The size of their economies means that a large proportion of their economies are comprised of service and intellectual property sectors which are increasingly valued in the expanding service economy (Nurse, 2016).

Development assistance for SIDS is in the hundreds of millions of dollars (US\$208 million in 2013) and continues to grow, and this assistance is not only from countries or organisations but also from private sector (Nurse, 2016). SIDS can become reliant on donors in the private sector where they do not have their own national providers (Niles, 2013). For example, energy donors are often required for the energy needs of SIDS, and these donor entities strategically choose the places for aid or investment (Niles, 2013). If the investment promotes ulterior agendas incompatible with the goal of the recipient country then this can be detrimental to the development and integrity of the country (Niles, 2013). Niles (2013) also found that energy donors had an insufficient focus on behavioural adaptation, public education, and skill and capacity building, instead pushing their political agendas or a specific technology. Dependency therefore has its downsides and can be more easily manipulated into supporting a political agenda. It is important to recognise that private investors in all industries have motivations that will not necessarily correspond to the wants and needs of the recipient state.

High outward migration (particularly of skilled individuals) is a significant issue for SIDS, but it also creates connections with new places throughout the globe where immigrants settle (Briguglio, 1995; Bertram, 2006; Nurse, 2016). The diasporic economy of SIDS makes up a larger proportion of the GDP than in most other countries (developed or developing) throughout the globe, with the key growth areas being in remittances, tourism and trade (Nurse, 2016). Scheyvens (2002) emphasised the value of positive examples of tourism for development, and having a large diaspora is one such example. Engaging with the diasporic community opens new opportunities and networks, thus facilitating new economic flows which can encourage return migration of the diaspora (Nurse, 2016).

2.5.1 MIRAB

The MIRAB model (Migration, Remittances, Aid and Bureaucracy) was created to conceptualise the economies of SIDS in the Pacific that are reliant on international support (Bertram, 2006; Bertram, and Watters, 1985). Overseas immigrants preserve ties with local family groups and this ensures a flow of remittances to these countries, while overseas aid supports the public sector, thus creating local employment in the public sector (Bertram, 2006). Subsistence production is also important for local food supplies (Marsters, Lewis and Friesen, 2006). MIRAB islands can be locked into this economic model because of their isolation, small size and lack of resources, along with their unique relationship with former colonial countries which provide aid and allow easier migration (Bertram and Watters, 1985; Marsters, Lewis and Friesen, 2006). Countries reliant on MIRAB do not experience much economic growth, although they typically have lower poverty rates, and a standard of living and human development indicators that are well above that of other developing countries (Overton, 2009). Niue was amongst the original small island countries which the MIRAB model described (Bertram and Watters, 1985).

Development projects in agriculture and manufacturing were trialled in MIRAB countries to diversify local economies and encourage self-sustainability, but more often than not these failed due to their unsuitable environment and remoteness (Bertram, 2006). Bertram (1996) suggested that while official discussion on small island development supported the move to self-reliant sustainable development and a move away from dependent development, for the smallest island economies this was very difficult to achieve, and development had to be

dependent on foreign aid and support. Infrastructure development funded by foreign aid (mostly through former colonial links) supports education, health, transport, communication and administration which improves the quality of life and human capital of MIRAB states (Bertram, 2006). Therefore, these ties through aid, migration and remittances result in a higher standard of living, healthier people, higher literacy rates and increased longevity compared with small island sovereign states or other less developed countries that do not have the same transnational or international connections and support (Briguglio, 1995; McElroy and Parry, 2012).

Another reason for the high dependence on MIRAB for many SIDS is the lack of a hinterland (Baldacchino, 2006). The area of many SIDS meant that when small island states were colonised there was nowhere for locals to retreat, they instead quickly became Westernised, embracing many of the 'benefits' colonisation provided (Baldacchino, 2006). The islands adopted a metropolitan connection through their colonial links which gave them access to the rest of the globe in a way that larger developing countries did not have immediate access to (Baldacchino, 2006; Bertram, 2006). Development theories discussed earlier were often unviable for SIDS because of their remoteness and isolation, thus removing them from many agricultural and manufacturing development schemes that ended up failing the poor throughout the developing world (Baldacchino, 2006; Potter, *et al.* 2008). Baldacchino (2006) attests to the significance of a hinterland for any community in the modern world, and where a community lacks a hinterland, they must construct one. The development of MIRAB countries has been achieved by embracing globalisation (even before the rest of the world had) to extend their hinterland internationally, and creating an open and integrated economy (Baldacchino, 2006; Bertram, 2006).

The sustainability of MIRAB economies is brought into question by several commentators, with Poirine (1998) summarising the key arguments. One example puts into question the effect of remittances and aid on the motivation of local communities to come up with new solutions and industries that could increase their independence and decrease reliance on external forms of income (Bertram, 1996; Poirine, 1998). Poirine (1998) explains that families make the conscious effort to invest in the education of younger family members rather than invest in the private sector because the return on investment for human capital is far greater than other industries. Other scholars suggest that because remittances are not used for productive uses,

but instead on personal consumption, if anything were to affect the flow of remittances there would be no other productive industry to fall back on (Bertram, 1986; Poirine, 1998). However, families and communities make the conscious decision to invest long-term in the education and livelihoods of the younger generation, who in turn will have more opportunities in their home country and abroad. The alternatives are often doomed to fail, investment in commodities ends up in short-term product cycles which often run into crisis and are discontinued (Bertram and Watters, 1984). In cases like these, remittances can be considered the most reliable form of income for communities in MIRAB countries. Where aid plays a bigger role than remittances (such as in Niue), when the aid levels fall there is an outflow of migrants to countries such as New Zealand or Australia, thus the costs of education, health and social welfare would still fall on the donor countries regardless (Connell, 2008; Overton, 2009).

Unimpeded migration is a central facet of MIRAB islands. People from Niue, Tokelau and the Cook Islands (all included in the original group of MIRAB countries), are all in the Realm of New Zealand and all have automatic dual citizenship (Baldacchino, 2006; Bertram and Watters, 1985; MFATa, 2017). This allows for easy migration into New Zealand and a link into a much larger labour market than exists on the islands (Baldacchino, 2006). Because new development projects often fail, there is low growth in domestic employment opportunities resulting in higher outward migration, leading to a negative feedback loop which keeps this process running (Bertram, 2006). Local overpopulation and unemployment have easy fixes (with automatic citizenship in the patron-state), and high levels of migration often results in growing remittances (Baldacchino, 2006; MFATb, 2017). Migration and remittances can often exceed 30% of the national income of many MIRAB economies (Overton, 2009).

The MIRAB model has encountered criticism over the perceived longevity of remittance behaviour (i.e. how long remittances will be sent for) which would impact the sustainability of a MIRAB economy (Bertram, 2006). MIRAB quite accurately described the reality for many small-island economies, but the original model missed some key reasons for why this type of economy exists (Marsters, Lewis and Friesen, 2006). Migration and remittances are a way to expand transnational networks from insular states to the wider global market where immigrants end up (Marsters, Lewis and Friesen, 2006; Nurse, 2016). Marsters, Lewis and Friesen (2006) have explored the sociocultural motivations of migration and remittance behaviour, establishing that remittance behaviour is contextual and enhances interconnectedness of family

groups through the redistribution of money, aroha (love) and values (Marsters, Lewis and Friesen, 2006). Marsters, Lewis and Friesen (2006) contend that remittance behaviour needs to be reassessed with more emphasis on these factors and less emphasis on economic reasoning to fully understand how it works within the MIRAB model.

Conversely, some commentators suggest that island communities are getting ‘money for nothing’ (Poirine, 1998). If the motivation of remittance behaviour is considered wholly altruistic, it is unlikely to be sustained to the same degree as the number of years a person is overseas accumulates (Poirine, 1998). Brown (1998) discusses the ‘remittance-decay hypothesis’, suggesting that the amount of remittances decline over time as expatriates become more integrated into their new communities and ties with family back home diminish. However, evidence from Pacific Island MIRAB economies suggests that the ‘remittance decay’ hypothesis is false (Brown, 1998). Poirine (1998) came up with the Three Wave Theory of Remittances which suggests that remittances are:

“Repayments of a loan made earlier to the remitter by relatives to help finance human capital investment; money lent to young children or other relatives to help them finance their education; and money sent to prepare for future retirement in the home country” (Poirine, 1998: 74).

Remittances are the visible part in the informal family transaction system, but it is by no means the only part of the system (Poirine, 1998). The migration-remittance process can therefore be considered an efficient and logical system because it enhances human capital by utilising the resources outside of their home island, giving immigrants more opportunities and a higher level of skills and education than is provided domestically (Baldacchino, 2006; Poirine, 1998).

After World War II there was a period of decolonisation throughout the globe, however, many small islands remain dependent territories (McElroy and Parry, 2012). The political affiliation with larger developed countries for small island territories gives them a hinterland from which they can draw resources to survive in the modern world (Baldacchino, 2006; McElroy and Parry, 2012). Despite various associated costs and issues of political concern, keeping the colonial ties alive gives the island states benefits such as:

“free trade with, and export preference from, the parent country; social welfare assistance; ready access to external capital through special tax concessions; availability of external labour markets through migration; aid-financed infrastructure and

communications; higher quality health and educational systems; natural disaster relief; and provision of costly external defence” (Baldacchino, 2006: 49).

While not wholly autonomous, these small islands achieve a reasonably high level of self-governance because of their isolation (Baldacchino, 2006; Poirine, 1998). However, the role of aid has been criticised for slowing down private sector development in MIRAB countries, as public sector workers can make twice as much than an equivalent job in the private sector (Overton, 2009; Poirine, 1998). This has caused a disincentive for people to start their own businesses, as locals will not be willing to work for lower wages even though this can increase the long-term sustainability for locals if there was a decline in aid (Poirine, 1998).

While the MIRAB model accurately described the economic reality for many small island states, the significance of remittances compared to aid is different between countries. Connell (2008) highlights that remittances were never as significant in Niue as they were elsewhere in the Pacific. The high levels of migration coupled with the high levels of aid and employment in bureaucracy meant there was a high standard of living, and Niue had “a more affluent population (and probably a more equitable distribution of incomes) than anywhere else in the Pacific region.” (Connell, 2008: 1030). Niueans tend to be just as well off overseas as they are in Niue, meaning remittances are uncommon or in the form of gifts when visiting, so Connell (2008) suggested an amendment from the MIRAB model to a MIAB (migration, aid and bureaucracy) model for Niue.

2.5.2 Sustainable development and SITE

UN-OHRLLS (2011) looks at the different areas in which SIDS are especially challenged and how these can be targeted to support sustainable development. To adhere to sustainable principles, a base of natural, human, and human-built capital must be sustained over time for future generations to use (Commonwealth Secretariat, 2008). A major challenge for SIDS is limited land area, hence the expansion of human-made attractions, buildings and infrastructure quickly encroaches on the natural environment (Commonwealth Secretariat, 2008). The proximity of different stakeholders to one another in SIDS means it is important for different industries, communities and government to work together to maintain sustainable and mutually-beneficial development (Commonwealth Secretariat, 2008).

Tourism was identified as a potential catalyst for development in SIDS if planned and managed appropriately, while also recognising and reducing the damage that tourism can have on host communities and the environment (UN-OHRLLS, 2011). A critique of the MIRAB model has come about in the last decade with the emergence of the SITE (small island tourism economy) model, which acknowledges the growth of tourism as a major part of the economy for otherwise MIRAB states (McElroy and Parry, 2012). SITEs tended to be more affluent than MIRAB states (McElroy and Parry, 2012). Politically affiliated MIRAB states can utilise their connection to the overseas market to grow their tourism industry (Baldacchino, 2006; McElroy and Parry, 2012).

Understanding the cultural and environmental constraints of the destination is particularly important for planning sustainable tourism, and these constraints need to be understood by those in the host community and tourists entering the destination region (Telfer and Sharpley, 2016; UN-OHRLLS, 2011). Tourism increases the demand of local resources, for example an increase in temporary and permanent residents can result in an inflation of local property and housing prices, meaning the local population can no longer afford property (Baldacchino, 2006). Government involvement may remedy issues like these by working with communities and industry to develop regulations over the human-made capital growth involved in tourism and integrating local communities in the decision-making process (Commonwealth Secretariat, 2008).

2.5.3 Climate change and SIDS

Climate change is a major concern for SIDS, with islands being amongst the most vulnerable places to the effects of global warming, while contributing the least to greenhouse gas emissions (Wong, 2010). The UN adopted Agenda 21 in 1992, an action plan that highlighted impending problems of climate change, and SIDS were thereafter seen as a uniquely disadvantaged group (UN, 1992). The Barbados Programme of Action and subsequent review - the Mauritius Strategy Implementation - brought sustainability and climate change issues of SIDS to international attention, it identified priorities and fostered cooperation with the global community through the UN (UN-OHRLLS, 2011; Wong 2011). The awareness of the situation of SIDS has been further advanced by the Alliance of Small Island States (AOSIS) - a coalition that voices the shared concerns of countries over climate change issues within the UN (AOSIS, 2017). Having the support of the global community is essential for SIDS, although adopting

strategies to respond to the effects of rising sea-levels is necessary in low-lying and small island states is equally important (Wong, 2010).

Climate change awareness is increasing, especially with its effects becoming more apparent. Although the risk of disasters is often higher in SIDS, the framework of disaster risk reduction now includes the private sector as part of the risk reduction management (Mahon, Becken and Rennie, 2013). This is particularly important when thinking about the development of tourism products in SIDS, because they are so heavily reliant on development near the coast which can be more hazardous than in other areas (Mahon, Becken and Rennie, 2013).

2.6 Aid

After looking at the MIRAB model the focus must shift to a vital component of Niue's economy: aid. The international aid regime has changed over time, with the shift in focus typically aligning with the shift in the dominant development theory. Aid was closely aligned with processes of decolonisation in the 1950s, but today the focus has shifted to poverty alleviation and the sustainable development of developing countries (Bertram and Watters, 1984; Murray and Overton, 2011). The MDGs signified a shift from the overt neoliberal policies associated with the Washington Consensus and the SAPs. The importance of the state was recognised once more, and neo-structural theory was embraced (Murray and Overton, 2011). In accordance with the MDGs, the Paris Declaration of 2005, the Accra Agreement of 2008 and the signing of the Busan Partnership for Effective Development Co-operation in 2011, the drive to alleviate poverty globally has been pursued more than ever before. There has been a higher volume of aid directed away from specific civil society groups and toward governments to implement sector-wide approaches (SWAs) and provide budgetary support (Murray and Overton, 2011). Central government has a bigger role to play again, despite the decentralisation efforts that had been imposed by previous development agendas (Murray and Overton, 2011). The neo-structural approach calls for less focus on the free market, suggesting that a democratic participatory society is necessary for development, with economic development requiring an interaction between state, society and the market with cohesive goals rather than competition (Murray and Overton, 2011).

2.6.1 New Zealand's aid

New Zealand's relationship with other Pacific Islands has been long and complex. Periods of colonisation meant that New Zealand has had responsibilities to ensure the wellbeing and development of many island neighbours, but it was not until the 1960s that aid became a significant part of these relationships (Milne, 1992; Overton, 2009). The driving principles and modalities regarding aid are outlined in Table 2.3 and indicate the changing nature of New Zealand's aid. There was a general increase in aid over time, although there were periods of decline during the oil crisis in the 1970s and in the late 1990s. Aid was often viewed as a way to solidify New Zealand's relationship with its Pacific neighbours and is in recognition of historical ties and prolonged responsibilities (Overton, 2009). The high levels of budget support (particularly for countries that had a previous colonial relationship with New Zealand) have led to a situation in which their economies could be described by the MIRAB model, which in itself could be considered a development strategy (Bertram and Watters, 1985; Overton, 2009). As New Zealand went through major neoliberal reform in the 1980s the aid regime was also altered. Structural adjustment was enforced just as it was throughout the rest of the developing world (Overton, 2009). Budget support was cut and many Pacific Island governments had to downsize dramatically leading to an increase in unemployment and subsequent migration (Overton, 2009). The justification for aid was focused on how aid to the Pacific countries would boost New Zealand's economy and what private sector opportunities could come out of these relationships (Overton, 2009). However, with the turn of the millennium came several changes in New Zealand's aid once again.

Table 2.3: Summary of New Zealand's aid to the Pacific region

Table 1: Summary of New Zealand aid to the Pacific region

	Aid principles	Aid modality
pre-1960	colonial relationships	costs of administration
1960s	decolonisation	budget support
1970s	welfare, infrastructure and rural development	budget support and projects
1980s		more project aid
1990s	structural adjustment	project aid
2000s	poverty alleviation	move to SWAps
2010–	sustainable economic growth	??

Source: Overton, 2009: 3.

There was a noticeable lack of mention of poverty alleviation in the neoliberal New Zealand aid programme during the 1990s, whereas this was becoming central for other international aid agencies. In 2001, NZAID (the New Zealand Agency for International Development) was established as a semi-autonomous aid agency. NZAID was seen “as a way of clearly separating the diplomatic and trade goals of the Ministry of Foreign Affairs and Trade from the poverty alleviation goals of NZAID” and marked a move from aid as a tool to enforce economic reform toward addressing “issues of poverty through the notion of “partnerships” in aid” (Overton, 2009: 6). The establishment of NZAID along with the MDGs and the Paris and Accra Agreements all emphasised poverty alleviation as priorities, particularly for aid justification. New Zealand reviewed its major aid recipients and found that Polynesian islands were typically receiving the most but also had the best development indicators, whereas there were high levels of poverty and security concerns in Papua New Guinea, Vanuatu, Solomon Islands and Indonesia.

Promoting recipient ‘ownership’ over development was central in the changing type of aid, meaning recipient governments had a central role to play once again, although there was tighter financial management to ensure funds were used correctly (Overton, 2009). Aligning with the principles of the Paris Declaration, there was a stronger emphasis on long-term commitments and large-scale development projects which aligned with the MDGs. During the 2000s, SWAs were implemented, with the goal for recipient governments being to devise a strategy for a particular development area or goal that is agreed upon and financed by New Zealand’s aid (Murray and Overton, 2011; Overton, 2009). SWAs were also seen as a way to improve the donor-recipient relationship, and with long-term transparency this approach would lead into general budget support (Overton, 2009). While some of these principles have remained, the change in government in New Zealand in late 2008 resulted in another change in direction. NZAID was reintegrated with MFAT as aid work was to be consistent with external relations and broader foreign policy (Spratt and Wood, 2018). In the past decade economic development has been the core focus of aid, with an increased focus in the Pacific region (MFAT, 2015; Spratt and Wood, 2018).

The purpose of New Zealand’s aid has increasingly been viewed as a means of gaining commercial and geostrategic advantages for New Zealand, rather than reducing poverty in recipient countries (Wood and Burkot, 2016). Not only was this seen in the broad areas that

New Zealand's aid was directed, but also in the type of spending in basic areas. For example, spending on education was centred upon New Zealand's non-development foreign policy such as tertiary scholarships which tends to benefit the wealthier families in recipient countries who then form connections with New Zealand individuals and businesses (Spratt and Wood, 2018). This comes at the cost of development-oriented spending which focuses on primary and secondary education for all children in recipient countries (Spratt and Wood, 2018). This change in priority falls within the neoliberal agenda that drives many governmental decisions in New Zealand and throughout the globe (Peet, 2012). As Overton (2009) noted, although economic growth and poverty alleviation are linked, it does not mean that countries can rely on economic growth for poverty alleviation.

The current goal of the New Zealand Aid Programme as outlined in the NZAP strategic plan 2015-2019 is to develop shared prosperity and stability in the Pacific region and beyond, with a focus on sustainable economic development with neighbouring countries (MFAT, 2015). There is a strong focus on country partnerships delivered through bilateral programmes. Aid is aligned with 12 priority areas as outlined by MFAT and this prioritises private-sector-led growth for sustainable development (MFAT, 2015). Over the three-year period (2015 to 2018) outlined in the NZAP strategic plan, there would be \$1 billion allocated to the Pacific region which makes up 60% of total aid (MFAT, 2015). Emphasis was put on sustainable economic development, with 45% of investment in this area. Other funding types include partnerships with New Zealand organisations, humanitarian support for emergencies throughout the world and scholarships.

2.6.2 Aid in Niue

Changes in aid practice and theory have impacted Niue as much if not more than any other Pacific nation. The MIRAB model was developed to describe a subset of nations including Niue, and Niue continues to have one of the highest levels of per capita aid in the world (Adam Smith International, 2015). The public sector is completely dependent on foreign aid and its dominance also diminishes the need for the private sector to grow (Connell, 2008). The reliance on external support for the public sector has meant that 'by any standards Niue has an exceptionally weak economic base for development and is one of the most aid-dependent countries in the world' (Connell, 2008: 1031). It is contested whether a MIRAB economy can be sustainable, but Milne (1992) suggests that it can be, given the 'ethical duty' that former

colonials have to the island. Furthermore, the more recent change from a donor-recipient relationship to a ‘partnership’ between Niue and New Zealand should continue to strengthen the links between the two countries (Talagi, 2017).

The public sector continues to be the largest employer in Niue, and the current thinking on aid effectiveness outlined by the Paris and Accra Agreements have reinforced the important role of central government. Meanwhile tourism has been identified as the key to economic development goals and is thus a central area of aid and investment (GoN, 2016). While the past decade has seen a growth in the private sector (mostly due to tourism growth), the tourism industry is still underpinned by the public sector and heavily reliant on international aid (Connell, 2008). This indicates that although there may be a growth in the private sector, this will not diminish the centrality of the bureaucracy.

2.7 Tourism development in Niue

As with many small island states, Niue experiences unique challenges which affect potential development strategies. Niue’s small size, isolation and fragile natural environment has resulted in difficulties engaging in more traditional development strategies such as growing an export market or engaging in commercial agriculture (Connell, 2007). In the past there has been a lack of productive employment in the private sector and the majority of Niueans work in the public sector or migrate overseas to find work (Connell, 2007). Tourism has been identified and developed as a key development approach for Niue since the 1980s, although there have been numerous complications preventing the industry from growing in a significant manner (Connell, 2007). This section gives an overview of how tourism and development have evolved in Niue, but it must be noted that there has been a limited academic focus on the role of sustainable tourism approaches that exist on small or microstates such as Niue (Reiser and Pforr, 2015).

2.7.1 Niue tourism through the ages

During the 1970s and 1980s there was a concern over the social impacts that tourism would bring, so ceilings on tourist numbers were set in national development strategic plans (Connell, 2007). However, occupancy rates did not reach the modest targets set and subsequent national plans increased target numbers for 2000, 2010 and 2015 which aimed for 10,000, 28,000 and

50,000 visitors respectively (Connell, 2007). These numbers have never been reached, with tourist arrivals for 2010 standing at 6,214, a figure which was double that of four years previously (Statistics Niue, 2017). The small tourist numbers are due to a mixture of limited accommodation facilities, “isolation (and therefore high costs of access), inconsistent availability of air transport ... high costs, lack of knowledge of the existence of the island and perceptions of limited tourist facilities and activities” (Connell, 2007: 6). Despite modest tourist numbers, government plans continue to identify tourism as the key to growing the private sector, becoming less reliant on aid and to experience economic development (GoN, 2016; Talagi, 2017).

Tourism development has been identified as a way to produce sustainable economic development in Niue, but it will not be able to solve all the development problems that the country faces (Scheyvens, 2002). Current theories surrounding tourism development encourage greater collaboration with locals to develop the tourism product (King, McVey and Simmons, 2000). For small insular states it is especially important to include community consultation, given the high degree of contact between hosts and tourists. To create positive social and economic development from tourism development, local aspirations will need to be identified and compatible tourism development schemes created (King, McVey and Simmons, 2000). Up-market tourists have been the desired target market for Niue since the 1970s, seeking to attract tourists with disposable income to spend in Niue as opposed to backpackers who tended to spend little (Connell, 2007). VFR tourism is also an important market for Niue given the high proportion of Niueans living in New Zealand and elsewhere (Connell, 2007; Laskai, 2013).

2.7.2 Niue island

Niue is known as the ‘Rock of Polynesia’, creating a unique image of the Pacific Island that lacks the classic sandy beaches so well established in the public imaginary (Connell, 2007; King, McVey and Simmons, 2000). Steep cliffs and the clear water of the narrow reef rings the island, interrupted by rock pools, chasms, and caves. Promoting tourism in Niue emphasises the unspoilt and distinctive beauty of the island which cannot be found anywhere else (Connell, 2007). Connell (2007) found that ecotourism and small-scale tourism in villages have been identified as options for development, but these have not yet taken off. The official tourism website identifies many different attractions and activities including biking, diving, fishing,

whale-watching, exploring rainforest tracks, chasms and caves, and the annual village festivals (see Figure 2.3). Although Niue has a lot to offer, there are several challenges which impede tourism development relating to isolation and high costs. Limited knowledge about the tourist activities and facilities available on the island and lack of knowledge about the existence of Niue itself pose major disadvantages (Connell, 2007).



Figure 2.3: Caves, whales and chasms in Niue (Source: Niue Island, 2017).

New Zealand's aid for Niue has been vital for the prosperity of the small island, and essential for the upkeep of the government and development of other industries (Overton, 2009). Tourism has been identified as the best opportunity to attain sustainable economic development by the Joint Commitment of Niue and New Zealand 2011-2014, and in the Niue National Strategic Plan, 2016-2026. The Joint Commitment 2011-2014 identified a full tourism package as the next goal for economic development (MFAT, 2017b). The NNSP 2016-2026 has a strong focus on sustainability, determining that tourism is one of the key industries which can develop sustainably, utilising and protecting the pristine environment and aligning with social and cultural values.

Since 2009 there has been a concerted effort by Niue and the NZAP to support tourism development. For the 2015/16 period the total aid for Niue from New Zealand was \$22.5 million, with \$1 million going towards tourist destination marketing, and further aid contributing to the expansion of the Matavai Resort (the only resort in Niue) (MFAT, 2017c). An evaluation of the Niue programme found that New Zealand's support led to a significant increase in tourism numbers from 2010-2014, along with a '240% increase in tourism's contribution to GDP over that time' (Adam Smith International, 2015: 63). Although the

tourism industry has yet to reach desired numbers, it continues to be recognised as the best opportunity to achieve sustainable economic development.

2.8 Conclusion

Current theories of effective development support locally-controlled and sustainable approaches that are guided by local needs and consider the human and environmental impacts of development projects. For many SIDS it has been difficult to find a way to attain sustainable economic development by using the more traditional development techniques, but tourism has been one key area that has thrived for many of these countries. Niue's economy has fallen under the MIRAB model, being particularly reliant on New Zealand's aid and being hindered by the small population after years of outward migration. The aim of this chapter was to lay a basis to later determine whether tourism was the most appropriate tool for development in Niue if implemented sustainably. The literature shows that tourism can be an appropriate alternative and complimentary tool for sustainable economic development in Niue, although this must be considered within the local goals and resource capacity which exists within Niue and being cognizant of the costs involved. Currently there is a very small amount of literature on microstates such as Niue and their pursuit of sustainable tourism development (Reiser and Pforr, 2015). This research aims to fill this gap by providing an in-depth analysis of how Niue's tourism industry promotes sustainable economic development, and how it compares with other SIDS. The MIRAB model has been used to describe Niue's political economy for decades, but the growth of tourism may have changed this. Finally, tourism has been in the background of Niue's development for decades, but since 2009 there has been a concerted effort from Niue's government and the NZAP to grow the tourism industry to support sustainable economic development. This research will provide an update on how this has played out for the government, tourism operators, locals and tourists. The current relationship between New Zealand's aid and tourism development will also be analysed.

3. Methodology

3.1 Introduction

The broad aim of this research is to understand the role tourism plays in the development of Niue, specifically examining the function of New Zealand's aid in tourism development. Both primary and secondary data was gathered to form an overall understanding of the tourism industry in Niue. The research design relates to the key objectives outlined below:

1. What is the nature of Niue's tourism industry?
2. What are the barriers, opportunities and needs of Niue's tourism industry?
3. What is the relationship between Niue's tourism industry and New Zealand's aid?

The objectives are answered through a mixture of primary sources and secondary sources. The first objective is informed by documentary analysis, interviews and questionnaire-surveys to describe the nature of Niue's tourism industry from a variety of perspectives. The second objective, identifying the barriers, opportunities and needs of Niue's tourism industry is addressed through a wide array of information collected from key informants, local and visitor survey respondents and through grey literature. Drawing upon the information from the first two objectives and integrating the full range of primary and secondary sources is used to answer the third objective through a critical discussion of the significance and sustainability of tourism, the role of New Zealand's aid and the theoretical implication of these findings.

This chapter outlines and justifies the methodological framework that was used when undertaking this research. Initially, the research paradigm will be described, and then the research design will be outlined with a discussion on the qualitative and quantitative approaches selected, and an explanation of the mixed methods and triangulation techniques used which increased the viability, reliability and scope of the research. The various methods, data collection and sampling techniques are then explained and justified in turn, namely; the literature review and documentary analysis, semi-structured interviews, questionnaire-surveys and observation techniques. An overview of the data analysis will be provided, which comprises of the coding techniques used to thematically analyse interview transcripts and

questionnaire-surveys. An explanation of the positionality of the researcher follows, stressing the importance of reflexivity throughout the research process. The ethical considerations will then be explored, outlining the ethics approval process. Finally, the limitations of the research will be reflected upon.

3.2 Research paradigm

This research employed an interpretivist approach, which is based upon a subjective and socially constructed ontology and epistemology (Neuman, 2007; Pasian, 2015). The constant evolution of development theories illustrates that ways of seeing the world and knowledge production is in flux and dependent on the dominant subjective interpretation of the time (Encyclopaedia Britannica, 2017). Interpretivist researchers seek to understand “how individuals and groups create meaning in their everyday practices, communication and lived experiences”, and argue that the human experience is qualitatively different from natural science (IGI Global, 2017; Neuman, 2007). Interpreting the meanings that Niuean communities give to tourism and situating these experiences within broader social, economic, political and cultural systems has been vital. Understanding the meanings of rules that regulate broader society, and the way agents create meaning from their actions, relationships and experiences all form aspects of what guides an interpretivist approach (IGI Global, 2017). Interpretivism is anchored on the belief that commonly-held ‘facts’ are “constructed in the context of webs of meaning” (Encyclopaedia Britannica, 2017). For the current research, this web of meaning was constructed through engaging with agents, concepts and historical influence, such as the tourism industry, the Government of Niue, Niuean culture, aid and remittances, globalisation and local communities.

The interpretivist approach is closely aligned with a constructivist view of the world, which holds that the way people live their lives is heavily dependent on what they perceive to be real rather than what is objectively real (Neuman, 2007). For this reason, interpretivist researchers rely more on qualitative data which better reflects the fluidity of our constructed social reality (Neuman, 2007). Verstehen (empathetic understanding) describes the desire interpretivist researchers have for accurately portraying the worldview of the groups being studied (Neuman, 2007). Adopting this approach allowed for a better understanding of how Niuean people perceive development and the growth of the tourism industry.

3.3 Research design

This research was grounded in data, academic literature, policy and grey literature and informed by locals, tourists, and key informants who have a connection to Niue's tourism industry. Furthermore, a mixed-method research approach was used – drawing on qualitative and quantitative research methods to ensure that there was flexibility in gathering the most relevant data to fully respond to the aims and objectives.

Qualitative and quantitative research form two very different research approaches, providing different types of information. Both approaches have their benefits and pitfalls, contributing to different types of knowledge production and consumption (Scheyvens and Storey, 2003; Hay 2016). Qualitative research provides an in-depth understanding of a phenomenon, although this often means there are a smaller number of perspectives that can be gathered (Hay, 2016). Qualitative methods provide the researcher with the flexibility to examine different perspectives which exist around certain topics (Hay, 2016). Bryman and Burgess (1999) explain that qualitative research has three goals; exploring the perceptions and actions of different actors; their engagement in their home/natural space; and to develop a theory. Using qualitative methods and by observing and working in the communities in which the research is centred, researchers can work inductively to create new theories (Neuman, 2007; Scheyvens and Storey, 2003). Qualitative research is intertwined with ideas about the philosophy of meaning, embodying the belief that the subjective experience has far-reaching implications for how we understand the world (Scheyvens and Storey, 2003). By using an approach which allows people to explore areas which cannot necessarily be described with hard facts, a deeper understanding of the complex nature of the world can be acquired (Scheyvens and Storey, 2003; Hay, 2016). This research utilised several qualitative techniques, namely interviews, questionnaire-surveys and observations.

Conversely, quantitative research is primarily concerned with numerical and empirical responses which can be collated and formed into broad and generalised patterns (Scheyvens and Storey, 2003). The quantitative approach is deductive and attempts to test a hypothesis on a particular group (Kitchin and Tate, 2000). As the scientific method evolved in the early twentieth century, quantitative methods were seen as a way to find the objective truth (Scheyvens and Storey, 2003). Whether this objective truth actually exists is hotly contested by social scientists whose philosophies are centred around the idea of subjectivity and where

qualitative methods are seen as the only way to reach these understandings (Scheyvens and Storey, 2003; Johnson and Onwuegbuzie, 2004).

There is a common misconception that quantitative and qualitative data cannot be used in unison and that they align only to certain methods or ideological paradigms (Kitchin and Tate, 2000; Hay, 2016). However, qualitative and quantitative methodologies can be seen as a continuum, and quantitative data is almost always generated in the course of fieldwork (Kitchin and Tate, 2000; Scheyvens and Storey, 2003). During this research quantitative data was gathered through the questionnaire-surveys and from documentary analysis. This information was used to provide a broad overview of the tourism industry in Niue and to garner an overall understanding of how locals and tourists perceive the tourism industry (Scheyvens and Storey, 2003).

Qualitative and quantitative methods represent two ways of interpreting information and evaluating situations, but this is not to say that they cannot be used together as part of one research project (Hay, 2016; Johnson and Onwuegbuzie, 2004). This research employed a mixed-methods approach for data collection and analysis, allowing a creative and expansive form of research to be conducted which was not constrained by adhering to one belief or way of thinking (Johnson and Onwuegbuzie, 2004). This ensured that the benefits from both qualitative and quantitative methods were obtained and this was considered as the most suitable approach to answer the current research aim and objectives (Pasian, 2015).

Triangulation was used as another way to increase the validity of research findings (Yeasmin and Rahman, 2012). Types of triangulation include using multiple sources, theories, methods and investigators (Hay, 2016). Source and method triangulation were employed for this research. By using multiple methods and multiple sources, the validity and reliability of the research will increase (Yeasmin and Rahman, 2012). It is also assumed that by using triangulation any intrinsic biases are less likely to affect the results (Yeasmin and Rahman, 2012).

3.4 Research methods

This research employed an array of primary and secondary methods to gain a broad but in-depth understanding of the research area. The literature search prior to fieldwork determined the theory behind tourism, development, foreign aid and SIDS. Documentary analysis of grey literature, online sources, government documents, policies and plans took place as part of the literature review and throughout the research period as new documents became available. The literature review and documentary analysis assisted in identifying the most relevant stakeholders to answer the research questions and key policy and historical details relevant to the study (Hay, 2016). Semi-structured interviews were used as the primary method for gathering information from a range of stakeholders in Niue's tourism industry, including tourism operators, local leaders, academics, government officials and New Zealand High Commission representatives. Questionnaire-surveys were used to ascertain the broad perception of tourism in Niue from local residents and tourists alike and the data gathered comprised both quantitative and qualitative information. Observational methods and photographs were also used during the fieldwork, drawing on the researcher's own experience and reflections as a visitor.

Purposive sampling was used for key informant interviews, particularly in the form of criterion sampling, snowball sampling and opportunistic sampling (Hay, 2016). Criterion sampling refers to selecting participants who meet the criteria, namely individuals who have been involved in the tourism industry (Hay, 2016). Snowball and opportunistic sampling were used to allow for flexibility in the field, ensuring that new opportunities for referrals that arose could be seized (Hay, 2016; Scheyvens and Storey, 2003). Convenience sampling was used for questionnaire-surveys at Hanan International Airport, the Alofi makete and the commercial centre where it was easiest to identify tourists and where there was a range of local respondents (Connell, 2008; Hay, 2016).

3.4.1 Literature review and documentary analysis

The literature review is an important first step in conducting research, providing the current "state of knowledge" in the relevant field which informs the theoretical framework from which the current research will grow (Hay, 2016; Neuman, 2007). Gaining a broad understanding of tourism and development approaches in the past helps to provide an understanding of what the current tourism and development situation is and how this manifests differently across the

globe. The literature review also outlined the unique challenges of SIDS and how the MIRAB model has emerged as the dominant economy in some SIDS. The existing literature on tourism development in Niue was also outlined. A theoretical framework was created through the literature review, where gaps in the literature were identified which this research has sought to fill. Comparing the current research to the existing literature allowed the findings to be informed by theory (Hay, 2016; Kitchin and Tate, 2004).

Incorporating documentary sources in the research provided an insight into the structures and institutions which guide decision-making with respect to tourism development in Niue (Kitchin and Tate, 2004). These secondary sources included academic literature, government reports, policies, plans and documents, research assessments, websites, photographs, media sources and other unofficial reports from related areas (Kitchin and Tate, 2004). By including these sources, the research built on a broader array of information from the public and private sector. Documents provided by key informants were often more up-to-date than documents that could be found online. Ensuring the secondary sources were reliable, authentic and representative was important to keep in mind when incorporating the data (Bryman and Burgess, 1999; Kitchin and Tate, 2004). Identifying the purpose of documents provided a way to determine how the source could be used in further research (Bryman and Burgess, 1999). Situating each document - by understanding what genre it is part of and conventions it uses - provides another way to determine where and who it is representative of (Bryman and Burgess, 1999).

3.4.2 Key informants and semi-structured interviews

Semi-structured interviews were a key primary data source as they provided insight into personal thoughts and experiences concerning tourism in Niue from a variety of stakeholder perspectives (Flowerdew and Martin, 2005; Hay, 2016). Semi-structured interviews were chosen as this ensured the incorporation of the objectives underlying the research questions, and this also allowed the informant to respond as they wished and to express what they saw as most appropriate to their interpretation of the question (Hay, 2016; Scheyvens and Storey, 2003). This method also allowed each interview to accommodate the different experiences and expertise of the informant, rather than following a strict interview script which may relate more to one stakeholder group than another (Hay, 2016). Kitchin and Tate (2004) stress the importance of being flexible in the interview, allowing a more relaxed and comfortable atmosphere where the researcher and informant build rapport so the informant will feel free to

express their own opinions (Kitchin and Tate, 2004). Some key informants were identified and contacted prior to the fieldwork taking place and gaining their consent and permission from any relevant ‘gatekeepers’ such as employers or village chiefs was important (Hay, 2016).

The interviews all took place in face-to-face meetings, at a place of the informants choosing and took between 15 minutes and 90 minutes. Key informants interviewed included members of the parliament, government officials, tourism businesses, accommodation and other hospitality businesses, community leaders, and representatives from the New Zealand High Commission (see Appendix 1 for the full list). Having a variety of perspectives from different areas allowed for a holistic account of what tourism means for people, communities, government and the private sector in Niue. Thirty semi-structured interviews took place over the six weeks of fieldwork in Niue. Although the questions were adapted to suit each interviewee, and key informants were asked questions surrounding their role/roles in tourism, the benefits and disadvantages that tourism poses, the changes associated with tourism investment and expansion, opinions on tourism sustainability, and perceptions of New Zealand’s aid involvement with tourism. The full interview schedule can be seen in Appendix 2. The interviews were audio-recorded, and notes were taken as a backup in case of technical failures or if the informant was not comfortable being recorded (Hay, 2016). As part of the interview process, a photo-elicitation technique was sometimes used to draw out any deeper insights which informants may have regarding the popular depiction of Niue (Hay, 2016). This technique is described further under the observational methods in section 3.4.4.

3.4.3 Questionnaire-surveys

Another key method used were questionnaire-surveys which provided both quantitative and qualitative information (Hay, 2016). The questionnaires contained open and closed questions. Open questions allowed participants to provide their own opinions and experiences on certain topics, while closed questions provided quantitative information that pertained to broad responses of the tourism industry or demographic information (Hay, 2016). Surveys were used to gain opinions from a larger group of locals and tourists as it would have been impossible within the six weeks of fieldwork to spend the time interviewing all of these stakeholders. The questionnaire used straightforward language, with simple questions to start with and moved into the more complex questions (Scheyvens and Storey, 2003). To avoid any unfamiliar terms and inappropriate question the survey was piloted and adjusted accordingly, and the researcher

was always present to answer any queries (Kitchin and Tate, 2000; Scheyvens and Storey, 2003). Survey respondents either filled out the surveys themselves or dictated their answer to be written down by the researcher. The local questionnaire-surveys contained questions surrounding their opinions of tourism, development challenges in Niue, hosting friends and relatives, and the role of government and aid in tourism. Visitor questionnaire-surveys included questions surrounding their choice of destination, their experience in Niue and basic demographic questions. Full local and visitor questionnaire-surveys are included in Appendix 3 and 4.

One hundred questionnaire-surveys were distributed, comprising of fifty local questionnaire-surveys and fifty visitor questionnaire-surveys. These were distributed among local people and tourists at the airport (before the departing flight when people had long waiting times), at the twice weekly market in Alofi and around the Commercial Centre in Alofi. A range of holidaymakers, VFR tourists and visitors on business completed the surveys. The airport, Alofi market and the commercial centre in Alofi were chosen as the best places to attain a range of local people from around Niue as many travelled to Alofi from the outer villages for work, travel or shopping. Efforts were made to attain a range of ages and gender. The survey took approximately 15 minutes to complete and was not made too long to ensure respondents did not lose focus (Kitchin and Tate, 2000).

3.4.4 Observation

Observation has an unconstrained quality about it, leaving out observations that the researcher makes during their time in the field would mean losing out on valuable and insightful information which would be impossible to gather through other methods (Hay, 2016; Kitchin and Tate, 2004). Observation helped the researcher to be better informed when entering discussions with key informants and survey respondents (Kitchin and Tate, 2004; Scheyvens and Storey, 2003). Revealing intentions from the outset was one way in which a trusting relationship was built with individuals and the host community, and by building this rapport people were more likely to share their experiences and act as they normally would (Kitchin and Tate, 2004). Uncontrolled observation provided a holistic set of complementary information to the more structured methods of interviews and questionnaire-surveys, allowing the researcher's own experience in the field to build on the perceptions of informants (Hay, 2016).

Photography was used as part of the process of ‘looking with intention’ during the researcher’s time in the field, ensuring that active engagement with the research environment occurred continuously (Sanders, 2007: 181). As well as the researcher taking their own photographs in order to gain a better understanding of the environment, photograph elicitation was available to use during interviews to develop the discussion and elicit further thoughts from the key informant (Hall, 2009; Hay, 2016). Prior to fieldwork numerous images of Niue and advertisement material were gathered (primarily from the tourism website) and stored in a folder to bring to interviews. Although photo elicitation was not used as much as was planned, it was another medium available for the researcher and the interviewee to relate to in their discussion. Hall (2009) suggests that using photographs and the messages they convey as a research method (under a post-structural approach) are useful if understood within the appropriate context. Rose (2008) however warns that power relations are reproduced within photographs, particularly where a dominant representation is continuously reproduced and thus making invisible other perceptions of a place.

Diary entries and annotated descriptions of photographs were used to record observations as soon after they were taken as possible (Hall, 2009; Hay, 2016). Keeping detailed field notes was crucial for the data analysis involved in observation techniques (Bryman and Burgess, 1999). Attuning observations to align with the research purpose was important, taking brief notes throughout the fieldwork also helped to retain specific information throughout the later stages of research, and writing full field notes took place on the same day or as soon after the observation took place (Bryman and Burgess, 1999).

3.5 Data analysis

The semi-structured interviews were converted into a written format to allow for easier analysis of the text (Hay, 2016). Coding data is a vital part of data analysis, allowing for “higher level thinking”, and this involves two main activities; mechanical data reduction and categorisation (Neuman, 2007: 330). This makes analysing large amounts of data simpler so that interpreting the results does not become an arduous task of going through all the raw data (Neuman, 2007). The transcriptions were coded using thematic analysis to ascertain the different perspectives relating to different research questions (Hay, 2016; Pasian, 2015). Qualitative information from the questionnaire-surveys was also analysed and collated into different thematic groupings.

Upon completion of coding, the different sections were amalgamated so all perspectives on a certain issue could be compared (Hay, 2016). The raw quantitative data collected from the questionnaire-surveys was collated into spreadsheets (Neuman, 2007). Statistical analysis was then carried out and graphs and tables produced (Hay, 2016). Photograph analysis was also completed by associating each with different themes. Photographs were used to provide key insights not otherwise found through written analysis and this provided another medium through which the data can be presented (Bryman and Burgess, 2005).

3.6 Ethical considerations

Ensuring that this research was undertaken with ethical considerations in mind is paramount to its success and validity (Neuman, 2007; Scheyvens and Storey, 2003). Ethical research is conducted by several means; using informed consent, ensuring confidentiality, Māori consultation, gaining ethics approval by the University of Otago prior to conducting the fieldwork (see Appendix 5), having a Memorandum of Understanding (MoU) with Tāoga Niue, and through identifying the positionality of the researcher (Hay, 2016). The MoU was a mutual agreement between the researcher and the Department of Tāoga Niue, Ministry of Social Services. As outlined in the MoU, the research will improve knowledge and understanding of tourism development and sustainable economic development in Niue, contributing intelligence to future reference and literature and will be deposited to the Department of Tāoga Niue upon completion. Informed consent from all informants involved in the research was required, with an information sheet provided so participants knew exactly what the research would be used for, and assured participants of their privacy and anonymity (Hay, 2016). There were separate information sheets for interview participants and questionnaire-survey respondents (see Appendix 6 and 7 respectively), consent forms for participants are shown in Appendix 8. All field notes, audio recordings and completed questionnaire-surveys are kept secure, and the related informants kept anonymous (Hay, 2016). Positionality has required a constant reflection on the relationship between researcher, informants and host community throughout the research process to maintain ethical standards (Scheyvens and Storey, 2003).

3.6.1 Positionality

As a researcher, there are certain assumptions that underlie the way we approach research and construct knowledge (Hay, 2016; Rose, 1997). The researcher's epistemology (how we

produce knowledge about the world) and ontology (assumptions and beliefs about the world) guide the research - from the questions that are posed to the methods that are used (Hay, 2016; Kitchin and Tate, 1999). Therefore, it is important for the researcher to identify what guides their research in the first place and how these assumptions may influence the direction of their research. An interpretivist approach guides the current research as discussed in the research paradigm (see section 3.2). As the research evolved, it was possible that these underlying assumptions could change (Scheyvens and Storey, 2003).

It is difficult to fully situate oneself in the context of the research, so it was essential to constantly reflect on positionality throughout the research process (Hay, 2016; Rose, 1997). This reflexivity relied on constantly checking and challenging one's preconceptions, as it is impossible to remain completely objective throughout the research project (Scheyvens and Storey, 2003). The field notes taken as part of the observation process provided a way to assess how the researcher's thinking evolved over time (Bryman and Burgess, 1999).

Having always lived in New Zealand, the culture that the researcher has grown up in is different to that of Niue. Developing a cultural awareness of Niue prior to entering the field was important, although this was not fully possible beforehand (Hay, 2016; Scheyvens and Storey, 2003). Showing respect and sensitivity was paramount to building good relationships with participants and within the host community, and the researcher's time previously spent in other countries has increased this sensitivity to cultural nuances and the need to show respect in new cultural contexts (Scheyvens and Storey, 2003). Being a young female researcher may have had implications on the power relations during the research process.

3.7 Limitations

It is important to identify potential limitations throughout the research process so that they may be addressed along the way. An initial limitation of the proposed research was the lack of personal first-hand knowledge of Niue, and that Niue was a foreign destination for the researcher (Scheyvens and Storey, 2003). Gathering knowledge about Niue was primarily completed through literature and online sources, however due to the small size of Niue there are limited resources available. There is limited documentation available online from the Niuean government which results in having to rely on other secondary data sources from

outside of the country which are not necessarily reliable, given the differing figures available for even the most rudimentary data.

The fieldwork was undertaken in February and March, coinciding with the cyclone season and off-peak tourism season. This time of year was quiet for many tourism operators and accommodation owners who spent time travelling or on maintenance work to prepare for the following tourist season. This resulted in some stakeholders being unable to participate in the research, although it also meant some key informants had the time to participate, which they would not have done during the peak-season.

Although beyond the scope of this research, looking at other donor countries or organisations that deliver aid to Niue would have provided a better understanding of the overall situation of development aid in Niue. The growth of Chinese aid and investment in the Pacific region has been a topical issue within media and academia in recent years. This could provide a basis for further research.

3.8 Conclusion

This chapter has outlined the methodological process and methods used to inform this research in an ethical and reflexive manner. The three main objectives were outlined to start with, and the methods associated with the key objectives were then detailed. An explanation of the interpretivist approach which guides this research was given. Following this, qualitative and quantitative approaches were detailed, with the use of a mixed-methods approach and triangulation identified as important elements to ensuring reliability and validity of this research. A literature review, documentary analysis, semi-structured interviews, questionnaire-surveys and observation techniques were all chosen as the research methods appropriate to provide a breadth of information informed by both quantitative and qualitative data. An overview of data analysis for qualitative and quantitative data was provided. Ethical considerations and positionality were outlined, with constant reflection identified as being key to producing ethical research. Potential limitations were then outlined. The methodology provides a solid foundation from which the fieldwork is carried out. Before moving onto the findings and discussion, a context chapter will provide an overview of the research environment

with explanations of Niue's physical geography, history, culture, population, government and policy, economy and employment.

4. Context

4.1 Research environment

Niue is a small Pacific Island state in free association with New Zealand. Niue is located at 19.0544° S, 169.8672° W, and is situated between the Cook Islands, Tonga and Samoa, and is 2,400 km northeast of New Zealand (see Figure 4.1). Niue is a raised coral atoll with a total area of 259 km² and an EEZ that covers 450,000 km² (GoN, 2016). The residential population in the 2011 census was 1,460, the median age was 32.8 years and the education and employment rates are high compared with the rest of the Pacific (Statistics Niue, 2012a). There are many more Niuean people living outside of Niue than within the country, according to the New Zealand 2013 census there were 23,883 Niuean people residing in New Zealand (Statistics New Zealand, 2013). This statistic is unsurprising, given the special relationship Niue shares with New Zealand giving automatic New Zealand citizenship to all Niuean people as stipulated by the Niue Constitution Act 1974. Considering the close relationship between Niue and New Zealand and understanding the historical and contemporary ties between the two countries and the resulting support and aid from New Zealand forms an integral part of this research and is key to the country's prosperity.

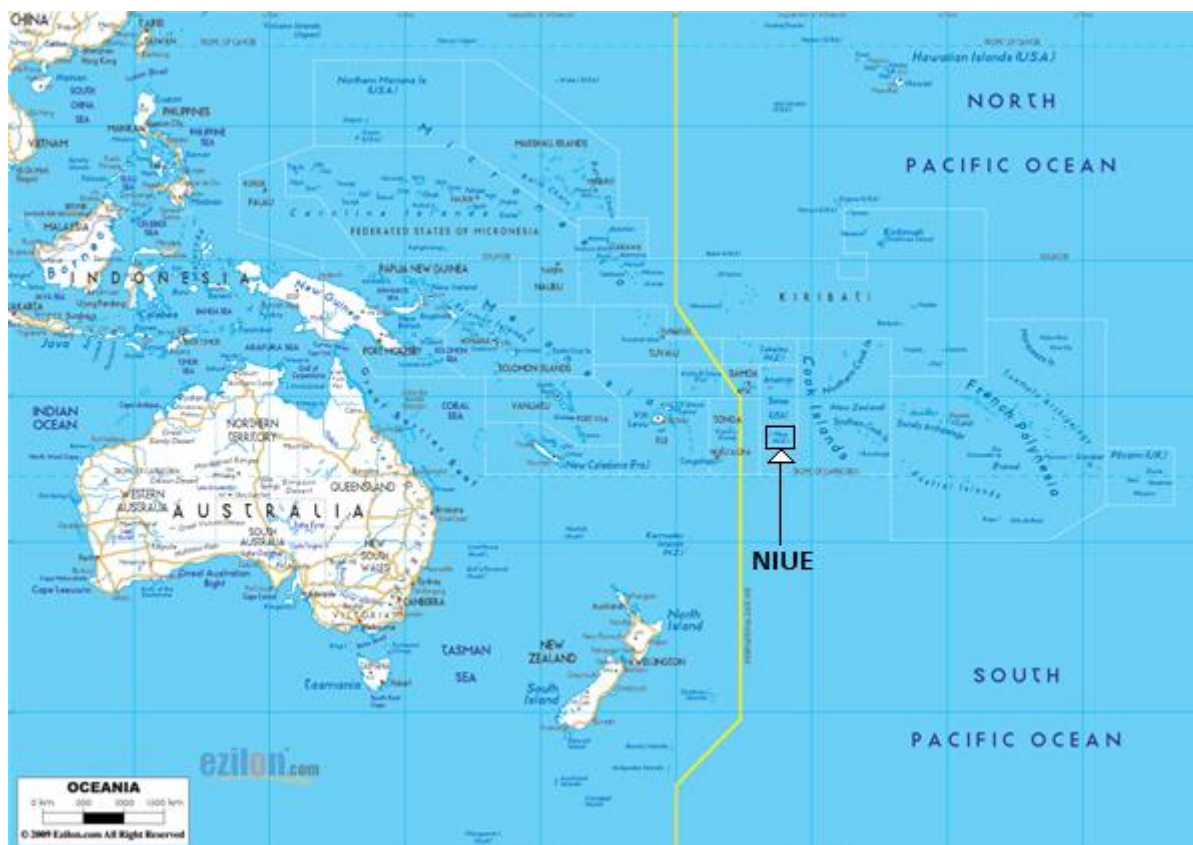


Figure 4.1: Oceania, Niue highlighted (Source: Ezilon Maps, 2009).

4.1.1 Physical environment

Niue consists of one landmass with 14 villages all of which are situated close to the coast. The coastline is marked by steep cliffs descending into a narrow reef which surrounds most of the island. There are a series of terraces on the island, with the lower terrace marked by the cliffs averaging 28 metres above sea level and the upper terrace averaging 69 metres above sea level (Anthoni, 2004).

The island has no surface water, freshwater is instead tapped from underground aquifers. Numerous limestone caves and chasms are found throughout the island, above which grows tropical rainforest, scrub, subsistence gardens and an area of virgin rainforest in the conservation area shown in Figure 4.2.

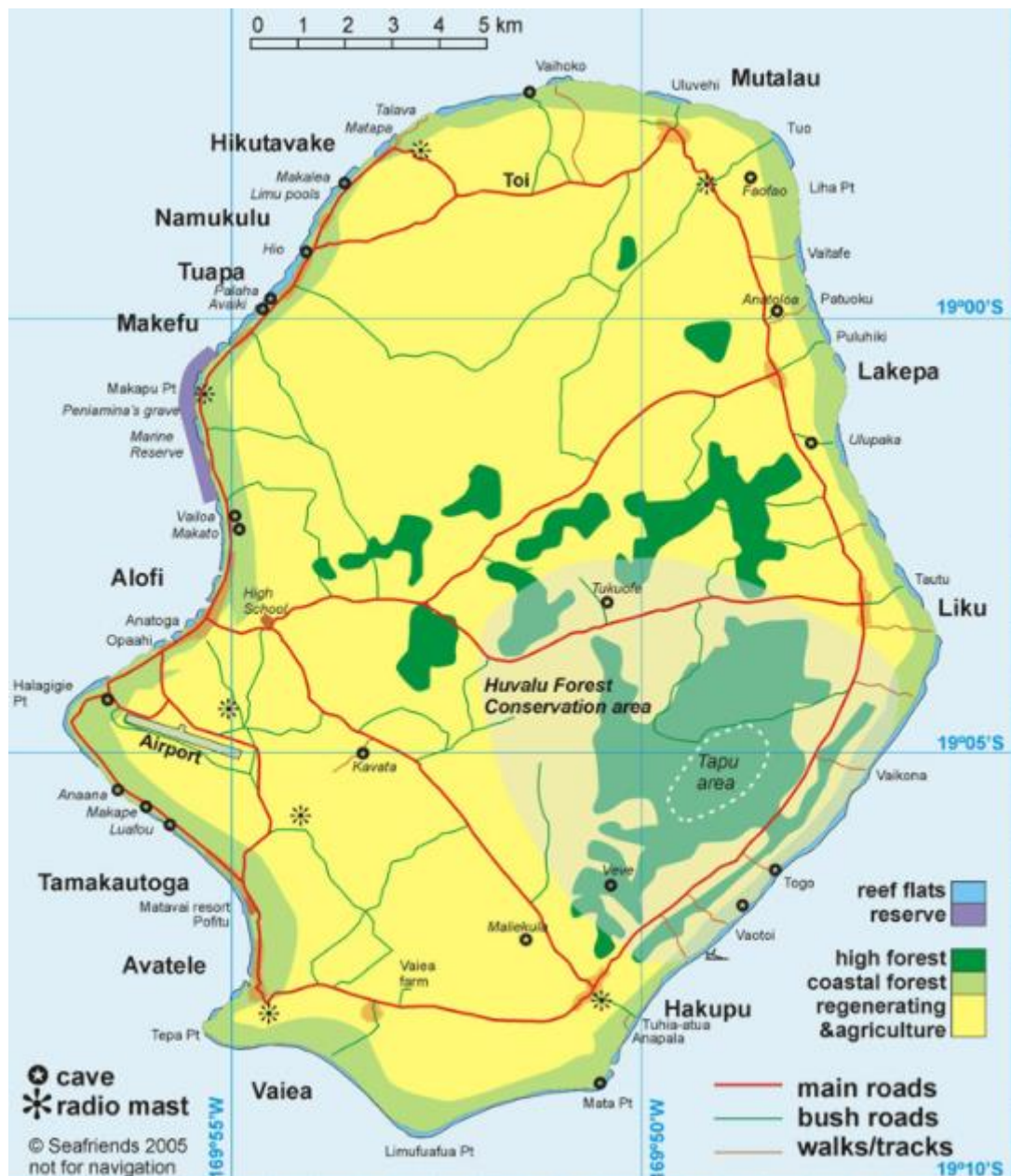


Figure 4.2: Map of Niue Island (Source: Anthoni, 2004).

Niue has a tropical climate with a cooler dry season (April - November) with temperatures averaging 20-28°C, and a hot wet season (December - March) with temperatures averaging 22-30°C. Summer is also the cyclone season and tropical cyclones occur approximately every seven years. These storms can have severe consequences for the island, the most recent in 2004 being Cyclone Heta which destroyed or damaged many residences and government buildings. Climate change will affect the magnitude and frequency of tropical cyclones, thus putting Niue

at a greater risk of these severe weather events (UN, 2017). Sea level rise could affect the freshwater supply in underground aquifers (UN, 2017).

4.1.2 History, culture and population

Historically there have been two regions in Niue; Motu to the North and Tafiti to the South. These regions were differentiated by the two main waves of migration from Samoa and Tonga. The two groups had little contact prior to the colonial period, much of which was typically hostile. Given this history, the concept of Niue as a distinct ethnic group only emerged during the 20th century (Bertram and Watters, 1984). In 1774 Captain James Cook sighted the island but was not able to land or make contact with the local people, and the name Savage Island was given to the island. In 1846 missionaries successfully established Christianity (Niue Island, 2017). In 1901 Niue was annexed to New Zealand until it gained self-government status in 1974.

The resident population in Niue has fluctuated over the past century, at its peak in 1966 there were 5,194 people, but the major demographic issue has been depopulation (Connell, 2008; Statistics Niue, 2012a). Niueans have automatic citizenship in New Zealand making it relatively easy to migrate and access better work opportunities, education and a higher living standard. The significant population already residing in New Zealand can help with an easier transition for new immigrants (Connell, 2008). In 1971 the international airport was opened in Niue, and while it built to facilitate tourism on the island, it resulted in greater mobility for outward migration (Connell, 2008).

The resident population in 2011 comprised of 80% Niuean or part-Niuean (Statistics Niue, 2012a). This proportion had fallen by 3% over the past decade, indicating higher numbers of expatriates. Migration is not evenly distributed with younger people tending to go overseas to seek out education or employment. The median age is 32.8 years, with a life expectancy of 72 or 75 years for males and females respectively (Statistics Niue, 2012a). The fertility rate is 2.2 (average number of children Niuean women have), and the infant mortality rate is extremely low with one death over the past five years. Education is compulsory until 14 years and follows the New Zealand system (Statistics Niue, 2012a). The census showed a relationship between age and qualification, with younger age groups attaining some level of education qualification ($\geq 90\%$ aged 15-34 having an educational qualification compared to approximately 50% of

those aged over 60 years). Twenty-five percent of the population had a university qualification (Statistics Niue, 2012a).

Although Niue has a similar culture to other Polynesian Island groups, there are several key differences. The social structure in Niue is more egalitarian than its closest neighbours of Tonga and Samoa meaning there is more equality between all members of society (Connell, 2007). Respect for elders is still an important part of Niuean culture, family and village communities are important although individual achievement is also strived for. There are no hereditary rulers and the political system reflects the New Zealand system. Religion plays an important role in Niuean society, with the main denomination - Ekalesia Niue (Christian) making up 67% of the population (Statistics Niue, 2012a). Sundays are considered a day of rest and most business activity ceases.

4.1.3 Government and policy

Niue is a self-governing parliamentary democracy in free association with New Zealand. Niue is responsible for internal and external affairs although constitutionally if requested by Niue, New Zealand accepts responsibility for foreign affairs and defence (Government of Niue, 2016). The parliament is based on the Westminster system and there are general elections held every three years. There are 20 members of the Niue Assembly, one for each of the 14 village constituencies and 6 from a common roll (Government of Niue, 2018). The members elect a Premier who in turn selects three cabinet ministers who represent the Ministry of Infrastructure, Ministry of Natural Resources and Ministry of Social Services (Government of Niue, 2018). The Niue National Strategic Plan 2016 – 2026 is the overarching document that sets out the priorities and direction of Niue's government to reach its vision of *Niue ke Monuina – A prosperous Niue*. This vision is underpinned by seven national development pillars and their respective goals, these pillars are: finance and economic development, governance, infrastructure, environment and climate change, social services, Tāoga Niue and the private sector. Government departments and central agencies which correspond with each sector put together corporate plans and budgets which encourage consistency and alignment with the national development pillars (Government of Niue, 2016).

4.1.4 Economy and employment

The economy in Niue has broadly been described as following the MIRAB model, with international aid providing necessary capital to run the government and support specific projects (Bertram and Watters, 1995; Connell, 2008). Employment rates are high, with 68.8% rate of labour force participation (Statistics Niue, 2012a). The public sector is the largest employer, accounting for 61% of the employed population and most government workers have a four-day working week (Statistics Niue, 2006). Agriculture, fisheries and tourism are the largest private sector industries, although the government and foreign aid plays an essential role in supporting the private sector (Department of Agriculture, Forestry and Fisheries, 2015). Manufacturing was trialled for a time, although this is no longer seen as a viable industry. The role of these industries is discussed below and show how tourism has become the dominant industry.

Agriculture remains important in Niue for several reasons, the agricultural sector comprises of 4.8% of national employment, it attracts foreign revenue from niche export products (such as noni, vanilla and honey), and perhaps most importantly subsistence farming provides local food security (DAFF, 2015). Although most Niuean residents buy imported food, the *Aga Fakatomu Niue* - the set of values that directs life in Niue - are represented by family and family roles, i.e. sharing of resources and the importance of the land, with subsistence farming being one way in which these beliefs continue to be expressed (Levi and Boydell, 2003). 80% of households in Niue actively partake in agricultural activities, including subsistence farming, and uga (coconut crab) and seabird hunting, illustrating its importance in the rural sectors (DAFF, 2015). Traditional social gatherings and the act of gift-giving to family and friends is important in Niuean culture and is reliant on agriculture (Terry and Murray, 2004). Surplus food is also sold at local markets (DAFF, 2015). A lot of the commercial agricultural activity is driven and supported by the public sector through providing guidance, incentivising agricultural products and servicing farms (DAFF, 2015).

While agriculture is clearly important for local economic and cultural reasons, the poor-quality soil has impeded the potential for export crops over the past century (Aregheore and Misikea, 2009; DAFF, 2015). This has also been the case of fisheries - with the more traditional vaka (canoe) fishermen and the use of modern fishing vessels contributing to the livelihoods of many Niueans and there have been efforts to develop a commercialised fishing export industry

(DAFF, 2015). The fragile soil, the remoteness from external markets and the small population have all contributed to the limited nature of agriculture and fisheries.

SIDS embraced elements of globalisation much earlier than other places throughout the globe (Baldacchino, 2006; Bertram, 2006). They had to rely on connections to the outside world if they were to be a part of the modern world. The technological advancements in bulk containerisation and shipping routes in Newly Industrialised Countries or other parts of the developing world made manufacturing so efficient that small countries (particularly SIDS) were hard-pressed to compete. For microstates economies of scale do not apply and the comparatively high cost of small to medium sized shipping mean that they are not economically viable competitors with the cheaper production sites in other areas. The small manufacturing industry in Niue could not become a major player in the economy because everything had to be imported before it could become a value-added product, thus costing much more than it was worth (Connell, 2008).

Tourism has been the industry best suited to overcoming the various constraints in Niue, thus since the 1980s tourism has been identified by both the Niue and New Zealand governments as a key development area that could greatly contribute to the economic development of the small country (Connell, 2007). The change in New Zealand's aid policy has led to a focus on grants and developing the tourism sector (Overton, 2009). Although it was hoped that this restructuring of support would encourage growth in the private sector, there has simultaneously been an exodus of the population and an increase in the subsistence sector has also impacted on such prospects (Terry and Murray, 2004). However, the focus on the tourism industry has persisted as it has been identified as the key to reach a higher level of economic independence for Niue (Connell, 2007).

4.2 Conclusion

This chapter has provided an overview of the research environment to situate the reader. The physical environment, history, culture, population, government and economy of Niue all show the context of the tourism industry and the constraints that it contends with. The government plays a leading role in tourism development and the pursuit of tourism aligns with the national vision for a prosperous country. The high level of employment with a large percentage in the

public sector represents another barrier for growth in the tourism industry. However, it has clearly been shown that tourism has the most opportunities to overcome the development constraints facing Niue and to grow into a leading industry.

5. The Nature of Niue's Tourism Industry

5.1 Introduction

Over the past five decades Niue has experienced many changes, but one thing that remains constant is the drive to create better opportunities for Niuean people. As highlighted in the literature review, tourism has long been a key driver at the forefront of Niue's ambitions to move into a period of economic growth and independence. The special relationship between Niue and New Zealand has developed to support this ideal and has been an important element of the tourism focus since 2009, with Niue experiencing significant tourism growth as a result. The literature review showed that Niue's tourism development has been explored in the past, however much of this research is becoming outdated at a time when it is most important to understand how the growth in tourism is leading to social, political, economic and cultural change in Niue.

This chapter explores the first objective; determining the nature of Niue's tourism industry in 2018. Firstly, a government perspective will be explored, drawing upon the Niue National Strategic Plan (NNSP) 2016-2026 which will provide an up-to-date overview of how tourism is seen as an integral part of achieving the vision of *Niue Ke Monuina - A Prosperous Niue*, and what this will mean for Niue long-term. The following section will share the viewpoints of individuals in local communities. It has long been recognised that the local population is one of the most important elements to the success of a tourist destination; “‘destination communities’ support for tourism, or ... a ‘happy host’, is considered essential as the success and sustainability of the sector depends upon the goodwill of local residents” (Sharpley, 2014: 37). The last section will provide an overview of tourist perceptions. This will include tourist profiles drawn from the questionnaire-surveys and the Statistical Release: Travelling Residents and Visitors of Niue March Quarter 2017 (GoN, 2017).

5.2 Government perspective

The NNSP 2016-2026 outlines the guiding principles that support the mission of Tānaki - Leveki - Puipui - Anoiha, Working Together to Protect the People and the Environment. “Our mission is to build a prosperous Niue responsible and sustainably, to meet social and economic

needs and development aspirations while preserving Tāoga Niue culture and heritage values, and protecting our environment” (GoN, 2016: 24). There are seven national development pillars shown in Figure 5.1 which are integral in achieving this vision and in supporting economic growth.

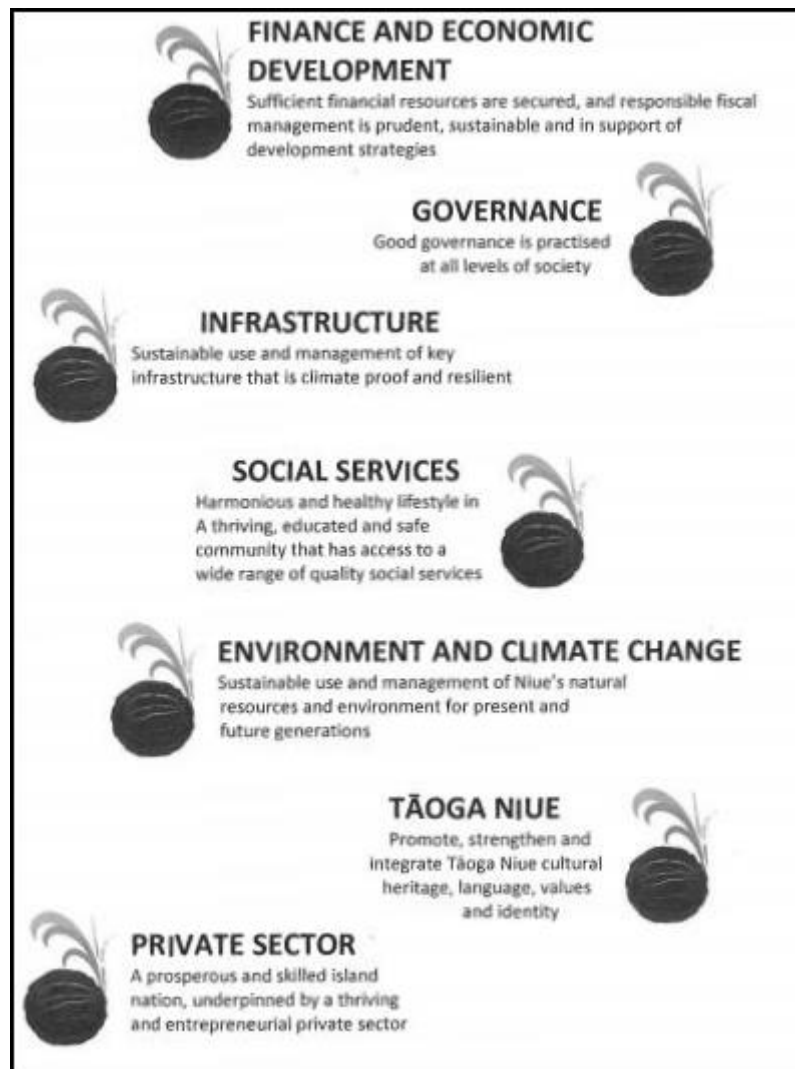


Figure 5.1: National Development Pillars (Source: GoN, 2016: 26).

The finance and economic development pillar and the private sector pillar include tourism as part of the strategy to achieve specified goals. Under finance and economic development, tourism, agriculture and fisheries are priority areas. For the private sector pillar, a skilled and entrepreneurial private sector is sought out. Three broad aims are specified to achieve this:

1. Get the basics right for business

2. Enhance investment in people to improve skills and create a local workforce
3. Create and capitalise on market opportunities

These aims are key for the development of any industry, especially tourism. This is reflected in a specific aim of the private sector in ‘assisting businesses to benefit from tourism growth’.

It is evident in the NNSP 2016-2026 that tourism plays a key role in economic development. Investment in this area is made possible because of the relationship between Niue and New Zealand as the principle development partner. The Joint Commitment of Niue and New Zealand 2011-2014 discussed earlier in section 2.7 further solidifies the importance of this partnership in making the vision of a prosperous Niue possible. The New Zealand Aid Programme (NZAP) assists Niue in its goals, and there has been a strong focus on financial assistance in the tourism industry since 2009 which has seen the industry evolve significantly.

One piece of grey literature provided during fieldwork was the Activity Design Document (ADD) 2017-2020 of the Niue Tourism Marketing Programme which highlighted the value added by a significant increase in marketing funding by New Zealand. During the previous ADD 2011-2013, the increase in marketing support led to a 56% increase in visitor numbers and over 80% increase in visitor spend. New Zealand has sustained its funding for Niue Tourism Marketing Activity in the time period following this initial growth, with the 2014-2017 fund seeing \$2.1 million investment contributing to further progress. Infrastructure and services have also been expanded to accommodate and facilitate growth in visitor numbers and spend. This included a twice weekly flight year-round, expansion of the Matavai Resort to 56 rooms and building a convention centre, along with a range of events to raise the profile of Niue and put it on the map. Growth in the private sector has seen over a dozen new tourism-related businesses established since 2014, and new policies and standards have been issued to ensure quality accommodation and responsible tourism. The goals over the 2018-2020 period include 5-10% growth annually in visitor numbers along with further expenditure, increased M.I.C.E. activity (meetings, incentives, conferencing, exhibitions) and growth over the shoulder season. The NZAP will allocate \$2.7 million over the three-year period to achieve these targets.

5.3 Local perspectives

Over the past 50 years local people have been taking opportunities to create and invest in tourism businesses because they saw the potential in what it could become, despite the many difficulties of establishing any sort of industry in a small island like Niue. While it has been made clear from the previous section that the government has designated tourism as the only viable economic option for Niue, this section will deliver viewpoints from the individual and local level in Niue, giving a brief overview of key informant perspectives and drawing predominantly on local questionnaire-survey responses. At the conclusion of the literature review it was suggested that tourism could be an appropriate tool for sustainable economic development in Niue after considering the local goals and resource capacity, thus this chapter will start to uncover whether tourism meets the needs and desires of local people. It is widely recognised amongst tourism planners and academics that local perceptions of tourism are important so that the most benefits and fewest costs are incurred for tourism to remain viable long-term (Sharpley, 2014; Williams and Lawson, 2001). Locals are responsible for supplying most of the tourism products and services in Niue, and investment in tourism from the GoN and foreign aid must be matched by the local supply of accommodation and services. The overall hospitality of the host population is an important factor in determining how tourism progresses in any destination, and it should be recognised that tourism has socio-cultural effects on both visitors and the host community (Murphy, 1985; Sharpley, 2014).

5.3.1 Key informant overview

Key informants from the public sector, tourism industry, community and High Commission attest to the importance of tourism for Niue. It was repeatedly stated that tourism was the only industry that could make a significant contribution to the economy (KI001, KI002, KI0003, KI004, KI005, KI006, KI007, KI008, KI009). One such comment illustrated how vital tourism has become,

“Take tourism away from Niue and their returns fall sharply... Unemployment would go through the roof - we don't have any here at the moment, we have a labour shortage. But without tourism you'd have none of that, you'd have no growth in Niue whatsoever. There's nothing else for Niue, it has to be tourism” KI001.

Tourism also has many socio-cultural impacts, and with the high ratio of tourists to locals, visitors become an important part of social life on the island.

“It keeps the island alive. I think without tourism it will be, won’t be boring but will be quiet.” KI010.

Tourism does not exist in a vacuum, there are other industries which have benefitted from the growth in tourism. Research by Singh (2012) explored the linkages between agriculture and tourism in Niue, concluding that there were minimal linkages at that time. This was caused by the many constraints which face SIDS. While there were only a few examples of cross-industry ventures (such as agricultural tourism, explored further in Chapter 6), they were popular with tourists (KI008, KI011). Although agriculture and fisheries in Niue is limited in terms of export potential (KI004), an increase in tourism numbers has opened a whole new market for products in Niue.

“We’ve tried agriculture, we’ve failed because of the quarantine things in NZ, and also the shelf life of the products we have like taro... We’d rather get people to come and eat it here! Coconut crab, fish, local fish just come out of the sea. Instead of us trying to export” KI004.

5.3.2 Local responses

Local perspectives were drawn from the local questionnaire-surveys. Surveys were predominantly conducted at the market and the airport to gather a range of perspectives, from a range of local respondents who were working or retired, from NGO’s, the public and private sector, community group members and business-people. Overall, local people had positive attitudes towards tourism with 82% of local survey respondents believing that tourism was important for the development on Niue (see Figure 5.2). When asked if they wanted to see further expansion of tourism in Niue, 66% of respondents stated they would want further expansion, though only through controlled growth within Niue’s resource limits would it remain beneficial. It was commonly brought up both within the surveys and in informal conversations that local people did not want to see Niue become too busy with tourists as many other Pacific Islands have experienced.

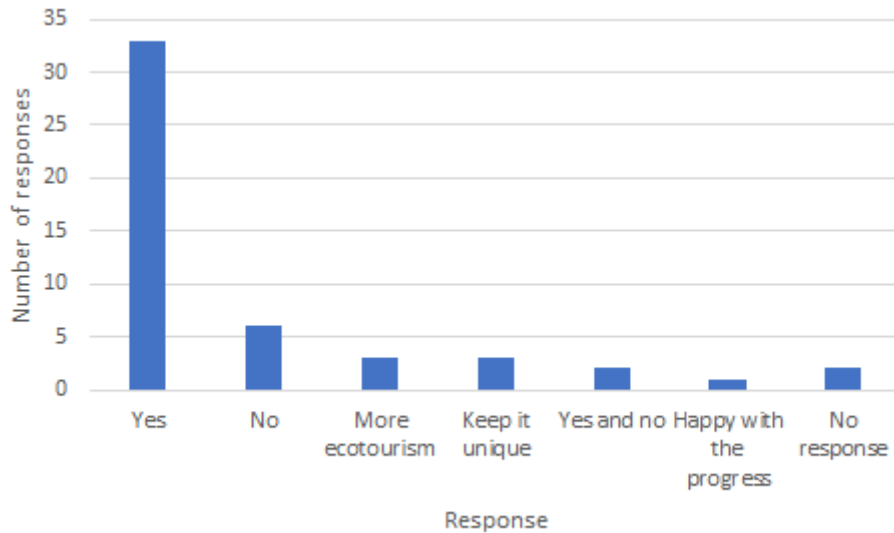


Figure 5.2: Local responses to wanting further expansion of tourism.

While 66% of respondents suggested they would like to see further expansion on tourism, only 30% of respondents thought the government should be spending more on this development as shown in Figure 5.3. Most respondents were not entirely sure how much government expenditure went towards tourism. A government official stated that the government did not spend significant amounts on tourism, with the budget only being enough to spend on operational costs (KI007).

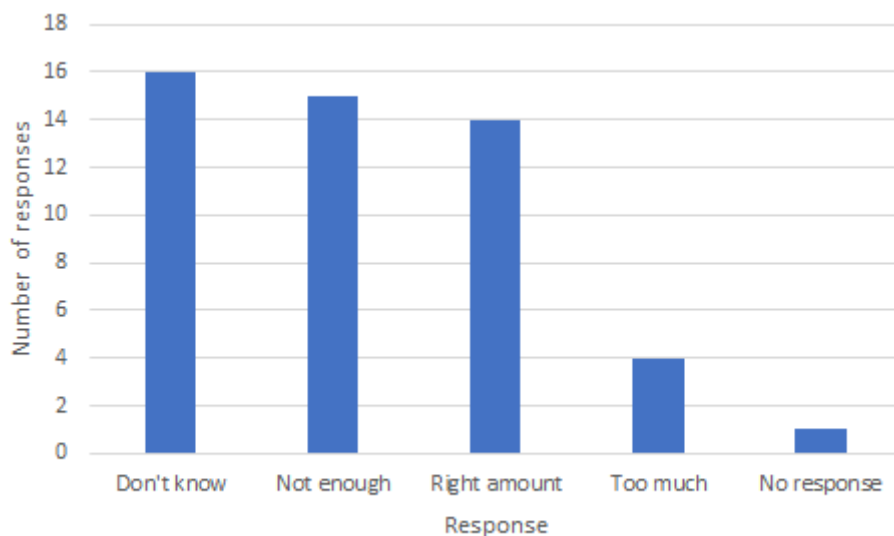


Figure 5.3: Local responses to whether the government is spending the right amount on tourism.

Local respondents were also unsure about the role of New Zealand’s aid in tourism. 46% of respondents suggested it was for financial and general assistance, 12% suggesting it was for investment and maintenance of infrastructure (see Table 5.1). Some comments reiterated the response of many key informants, that New Zealand’s aid is the “backbone of Niue in terms of funding” (QSR022). Most local respondents were positive about the role that New Zealand’s aid played, but there was concern about how the aid was being spent by the government. Several respondents suggested the government spent the aid unwisely, with one respondent stating that New Zealand “should give money direct to agencies that look after tourism so all people and environment benefit and not to government to dictate as also they work 4 days, tourism is day and night, 24/7” (QSR010).

Table 5.1: Locals perceptions of the role of New Zealand aid in tourism.

What do you see is the role of New Zealand aid in respect to tourism in Niue?	Number of responses
Financial assistance	12
General assistance	11
Investment and maintenance of infrastructure	6
Resources - info	4
Shouldn't be any - focus on other things	4
To get Niue to be financially independent	3
None	2
Commercialisation	2
Transport to Niue	1

Drives tourism

1

Table 5.2 below shows the perceived benefits of tourism, with 70% of respondents stating that the biggest benefits were economic, creating new jobs and business opportunities and promoting growth in the economy. The second most frequent response was that tourism was a way to share Niue with the world, both as a destination and by personally talking to foreigners when they visited.

Table 5.2: Local perceptions of benefits of tourism

What benefits do you think come from tourism in Niue, if any?	Number of responses
Economic	35
Opportunity for people to know more about Niue/promoting Niue to the world/talking to people	10
Two flights a week	3
Infrastructure development- beautify the villages with nice houses and clean surroundings	2
Pulling in global tourists	2
Growth and development as an Island as a whole and individual development	2
Reduced reliance on aid	1
Spill over benefits	1
Capacity building	1
Markets- tourists coming, but often don't buy	1

Local people also identified several disadvantages which came from tourism. As shown in Table 5.3, the increasing pressure that tourists placed on the infrastructure was stated as a disadvantage by 28% of respondents. Another concern was that tourists were not respecting the culture, with concerns surrounding ‘exploitation of sacred sites’, ‘loss of cultural values - tourists being disrespectful by walking around in bikinis’, and ‘tourists not respecting Sundays’ (QSR009, QSR044, QSR019). While 14% of local respondents suggested there were no disadvantages, they highlighted that this was only the case “as long as there are strong policies in place”, and “if NZ are doing a good screening process” (QSR011, QSR027). Similarly, the risk of social problems such as crime and drugs were deterred because of the limited access to the island.

Table 5.3: Local perceptions of disadvantages of tourism.

What disadvantages do you think come from tourism in Niue, if any?	Number of responses
Pressure on infrastructure - water quality, energy, roads, waste	14
Not respecting the culture	7
None	7
Local lifestyle lost/commercialized	5
Risk of social problems	5
Environmental impacts i.e. coral	3
Need to update website with correct info	1
Risk of government focusing mainly on tourism and not so much on local needs	1
Seasonal industry	1
Increase in number of cars	1

Funds should be more spread out	1
Tourists not spending a lot of money	1
Monopoly by Air New Zealand	1
Niuean to run tourism	1

Infrastructure was one of the biggest development concerns for local respondents, with 50% of respondents suggesting the roads and other infrastructure were key development issues in Niue. 20% of local respondents highlighted labour issues as a key challenge for development, particularly low local skill levels and human resources being spread too thin. One respondent commented “People wear many hats which can be a challenge, some things don't get as much attention as it should” (QSR040). Of the development challenges, 22% of respondents highlighted issues that directly related to tourism, such as too few or poor “local attractions and tourist facilities” (QSR041), and that the “tourist season is not long enough” (QSR033).

Local people valued the lifestyle they could have in Niue, as a place where everybody knew everybody, and they all cared for one another, “in the islands everybody looks out for you. Like the kids are brought up by everybody!” (KI012). Correspondingly, 36% of visitor survey respondents stated ‘friendly/smiley people’ as the best way to describe Niue. This aspect of life in Niue has become an asset for the country as a tourist destination, but if tourist numbers start to put a strain on this relaxed lifestyle it could see a move from apathy, to annoyance, to antagonism, as found in other destinations (Doxey, 1975). There is concern amongst local people about how their lifestyle was being jeopardised for the sake of the tourist. Local respondents suggested that they would be much less inclined to visit certain areas if there were other people visiting, thus limiting the options to visit the sea during the busy tourist season of April to October. Conversely, one local survey respondent suggested that tourism “should be promoted all year round for uniqueness and culture not just money making. Everyone would benefit if it was promoted in the right way” (QSR023). This comment represents the optimism that many locals feel for tourism and how it has become part of the culture.

While local people see the economic and social benefits that comes with tourism development, they also highlighted concerns that come with increasing visitor numbers. A distinction can be

made between the positive spin that the government places on tourism (specifically its impact on the economy), and the individual and community values. At an individual and local level tourism is approached with optimism, but there are concerns about the pressure placed on the physical environment and a concern about core values being undermined by the focus on tourists rather than locals. If these concerns are addressed appropriately, tourism would be an appropriate tool for sustainable economic development in Niue. The relationship between various industries on the island have also been touched on. To complete the overview of the nature of Niue’s tourism industry the tourist perspective will be explored.

5.4 Tourist perspectives

The following section will outline the tourist characteristics established from a questionnaire-survey of 50 tourist respondents. Relevant information is also drawn from a piece of grey literature; the Statistical Release: Travelling Residents and Visitors of Niue March Quarter 2017 (GoN, 2017). The data shows some of the more relevant demographics and determines how these relate to the target market as set out by the Niue Tourism Office (NTO).

5.4.1 Tourist characteristics

The age groupings of respondents showed some representation from each of the age groups, although it was skewed to the older age groupings with 60% of respondents being over the age of 45 (see Figure 5.4 below). The Statistical Release (GoN, 2017) similarly showed a larger number of visitors between 50-59 years of age.

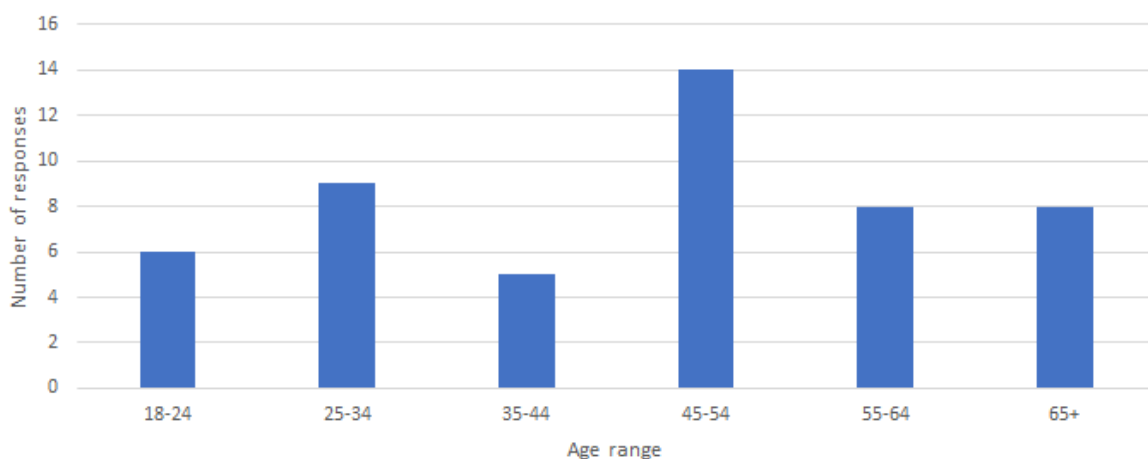


Figure 5.4: Visitors by age.

The length of stay was restricted by the flight schedule, with two flights a week arriving and departing every Tuesday and Friday (local time). As shown in Figure 5.5, the highest proportion of respondents (44%) stayed between one and two weeks.

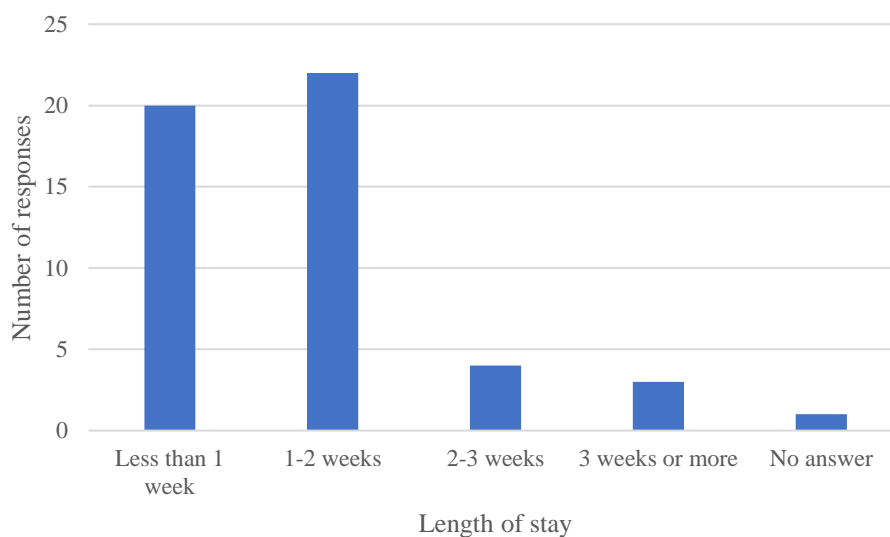


Figure 5.5: Length of visitor stay in Niue.

The method of transportation to Niue is predominantly by plane year-round. Air New Zealand is the only regular commercial carrier operating in Niue and this is reflected in the Statistical Release with 97.7% of arrivals in the January-March 2017 quarter travelling Air New Zealand. Cruise tourists can have day excursions, although these only happen about ten times a year. An additional 400 yachting visitors a year come from May to October (KI013). The Niue Yacht Club is a not-for-profit and run by volunteers, and while there is very little focus by the NTO on the yachting visitors they contribute \$80 per yacht in departure tax (KI013).

Of the 50 tourists surveyed, 11 had lived in Niue. Almost half of the tourists had been in Niue at some point previously (Figure 5.6). Of those who had visited Niue before the current visit, 21 had been in Niue more than once, indicating there may be social and/or familial connections with people in Niue.

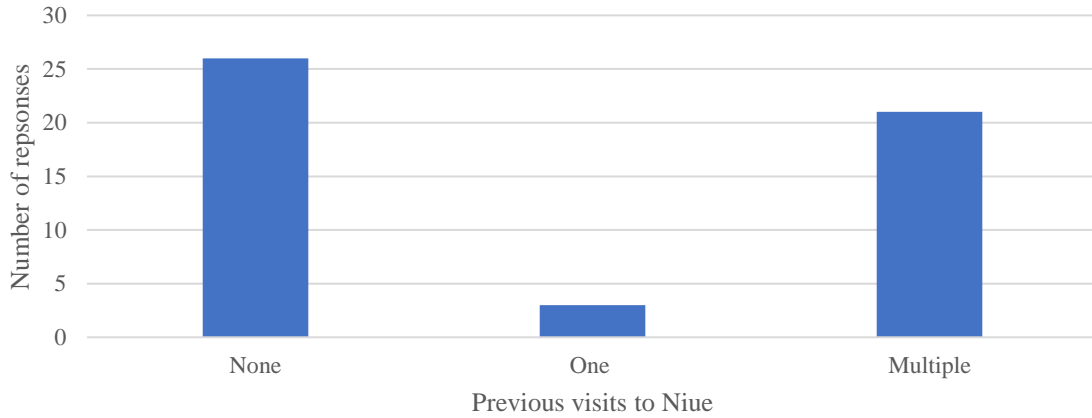


Figure 5.6: Previous visits to Niue.

The Statistical Release distinguished Niuean and non-Niuean visitors based on residential status and found that 24.3% of visitors in the first quarter of 2017 were Niuean. The purpose of visit was also distinguished by residential status, with 55.1% of Niuean visitors travelling to visit friends and families. Conversely, 13.8% of non-Niuean visitors were VFR tourists. 39.4% of Niuean visitors were ‘holiday’ tourists, 61% of non-Niuean visitors were ‘holiday’ tourists. 18.9% of tourists came for business or to attend conferences, while less than 1% were migrating permanently. The overall trend for surveyed tourists was similar to the Statistical Release, with 60% of visitors travelling for holiday and 42% of visitors were visiting friends and relatives (see Figure 5.7 below). There was some overlap between these groups as some respondents chose two purposes for their visit. The ‘other’ category included visiting for a wedding or for study.

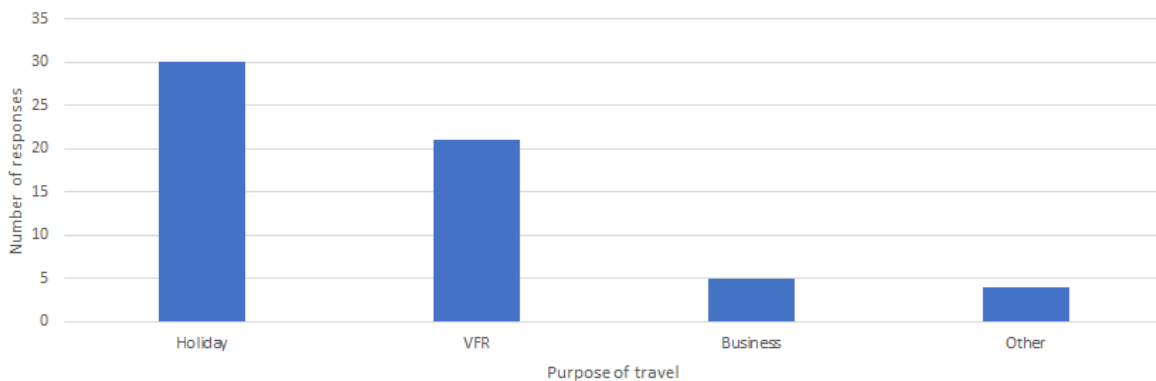


Figure 5.7: Purpose of Visit.

Of the 21 VFR tourists surveyed, 9 had spent time living in Niue and 14 had visited Niue at least once prior to the current visit. VFR tourists were more likely to stay in a private home, although 7 stayed at the resort (see Figure 5.8).

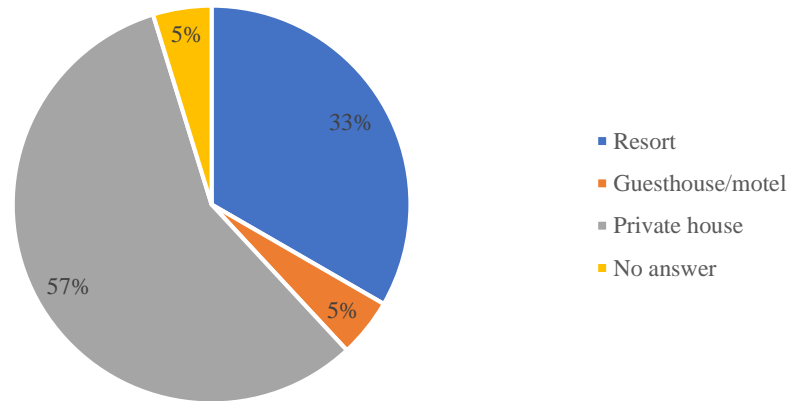


Figure 5.8: Accommodation type of VFR tourists.

Of the VFR tourists who responded to the question about the length of their stay in Niue, only 30% of VFR tourists spent less than one week in Niue, compared to 48.3% for non-VFR tourists (see Figure 5.9 below). Therefore, the data suggests that VFR tourists are likely to stay longer than non-VFR tourists, 23.8% of VFR tourists stayed longer than two weeks, while only 6.9% of non-VFR tourists stayed longer than two weeks.

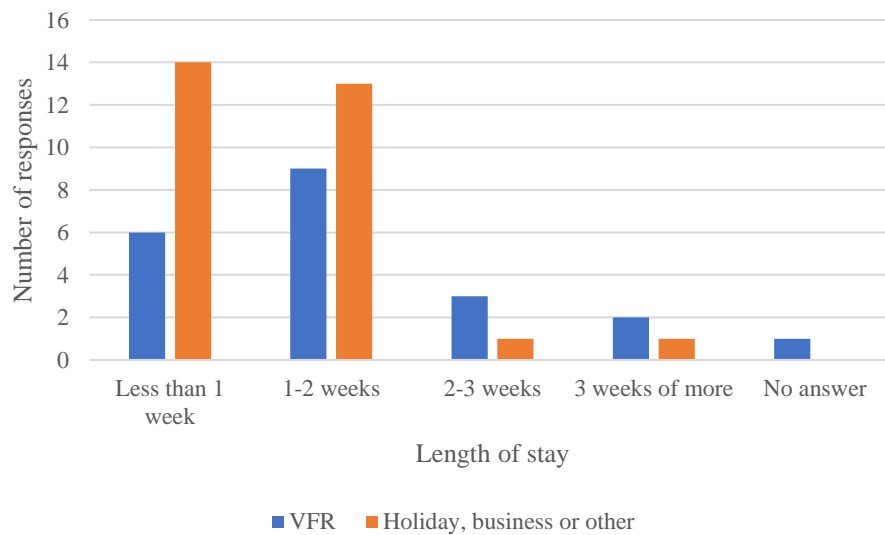


Figure 5.9: Comparison of VFR tourists' length of stay and non-VFR tourists' length of stay.

The largest visitor market with 81.2% of the total market are from New Zealand, and joint with Australia and other Pacific Islands this makes up 92.9% of total visitors (GoN, 2017). Figure 5.10 below shows the place of origin for the survey respondents, which again shows a large majority from New Zealand (70%), with the largest portion from Auckland. The 8% of other respondents were from Canada, other Pacific Islands and the UK.

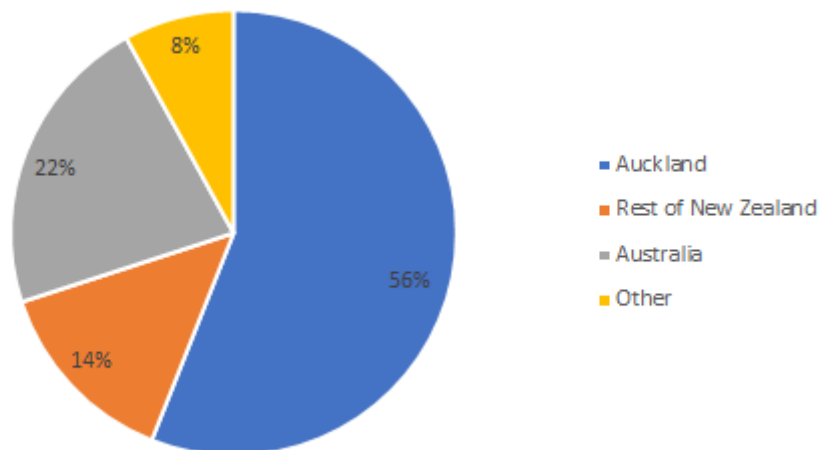


Figure 5.10: Visitor place of residence.

The Statistical Release gathered data on how visitors knew of Niue. The most common response was visitors stating they were Niuean or had Niuean family, totalling 38.1% of visitors. Following this, 35.8% of visitors stated they knew about Niue through word-of-mouth. Newspaper, magazine, internet, and tourism agents were all sources individually scoring less than 5%, with 6.2% of visitors stating they knew of Niue through television.

5.4.2. Economic characteristics

The economic characteristics of tourists to Niue help to ascertain how the tourist market is aligning with the target market determined by the Niue government and NTO. The underlying desire of the target market is for high yield and low numbers (KI007).

Two survey questions contribute to the understanding of the economic characteristics of tourists. The accommodation choice shown in Figure 5.11 below shows that over half of the

respondents stayed at the resort, 30% stayed in private residences and the rest stayed in guesthouses or motels. The seasonal effect should be noted, as many of the smaller accommodations close over the quiet season for maintenance work or because the owners travel at that time.

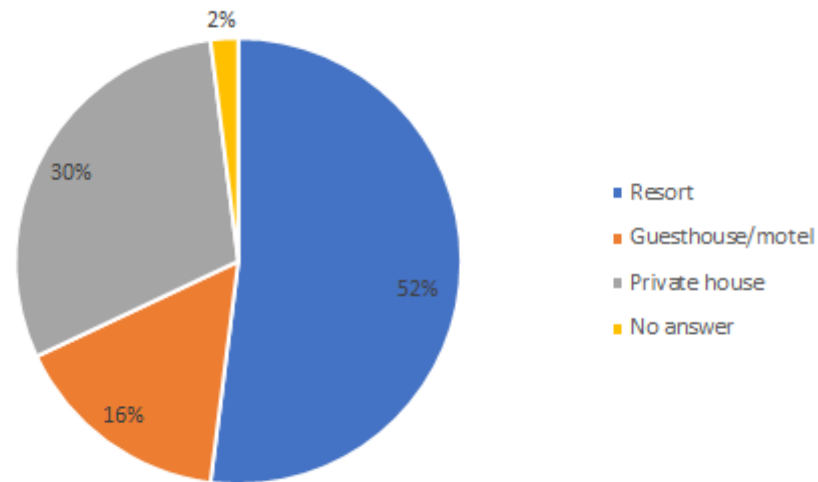


Figure 5.11: Accommodation type of tourists.

Of the visitors who stated their income bracket, the most common response at 37% was between \$40,000-\$80,000, while the least common response was \$1-\$40,000 with 14% (see Figure 5.12 below). However, 30% of total respondents preferred not to say or were retired.

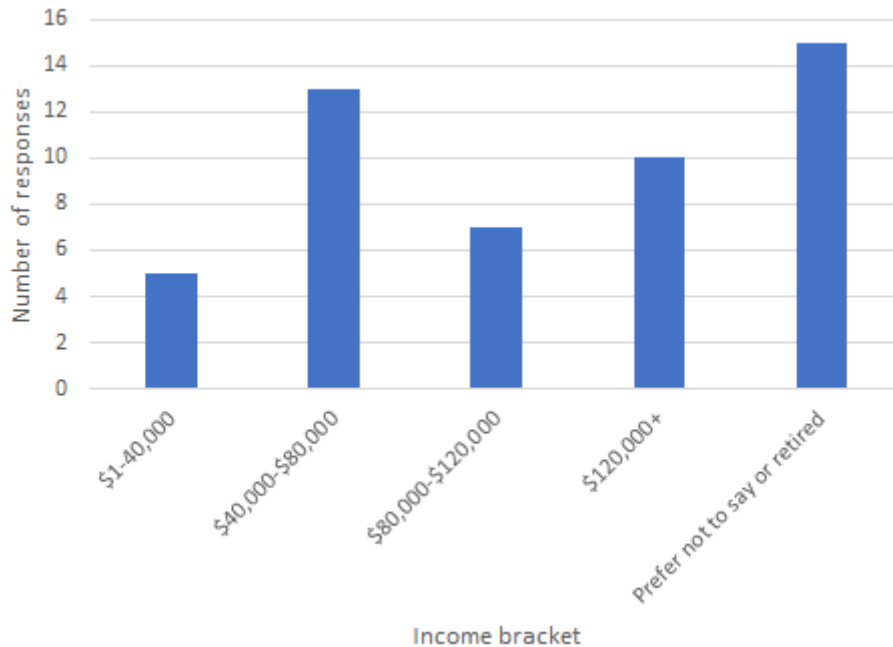


Figure 5.12: Annual income of visitors.

The GoN Statistical Release outlines a variety of data that can also determine the economic characteristics of visitors. The accommodation for tourists in the first quarter of 2017 saw 37.5% of visitors staying with family or friends. Of the remainder, 71.3% of visitors stayed at the more expensive accommodation options of the Scenic Matavai Resort/Villa/Apartments. Less than 2% of visitors stayed at the backpackers, which has since closed.

The average expenditure per visitor was \$735 (GoN, 2017). The Statistical Release determined the average expenditure of visitors by residential status or usual country of residence and found that there were significant differences between these groups. Niuean visitors spend an average of \$84 per day, while non-Niuean visitors spent an average of \$119 per day. New Zealand visitors contributed the most in terms of total expenditure (75% of total expenditure). However, in terms of average expenditure per capita this was higher in the case of visitors from USA and Canada (\$1245pp), Germany (\$1070pp), the United Kingdom (\$1067), Australia (\$906pp) and other European countries (\$859pp) than visitors from New Zealand (\$698pp). The seasonal effects should again be noted as some of the biggest tourist activities include whale watching and fishing charters which do not operate or are significantly less frequent during the period fieldwork was conducted.

The Statistical Release gathered information on occupation. From this some basic inferences can be made to determine economic characteristics. The largest group of visitors were professionals at 36.8%. The second and third largest groups were students/children and retired/unemployed, respectively making up 16.3% and 12.6% of total visitors. Craft and related trade made up 10.9% of visitors. Legislators, senior officials and managers made up 9.5% and the remaining groups were all below 6% each. This indicates a higher number of more skilled workers and fewer people in elementary occupations. This data adds to the evidence of a middle to high end market, which is what the GoN and NTO has targeted.

5.4.3 Tourist opinions

The questionnaire-surveys provided both quantitative and qualitative data helping this research to provide a holistic understanding of the typical tourist in Niue. The following section explores the tourist perspective on their experience in Niue. Comparisons will be made with local surveys and marketing campaigns to determine whether the perceptions of what tourists like and what locals believe they like are the same.

Visitors to Niue gave a variety of reasons for why they chose Niue as their holiday destination. As shown in Figure 5.13, the largest group were those who already had links to the island or with people on the island prior to the current trip. As 24 visitors had been to Niue prior to the current trip it is expected many of these visitors already had familial or social links to people on the island or had made links while on previous visits. The second most common response was that they chose Niue because of a promotion. During the time of fieldwork there were flight and accommodation packages at the Scenic Matavai Resort. These packages may be another reason why the resort dominated the accommodation type for tourists (see Figure 5.8).

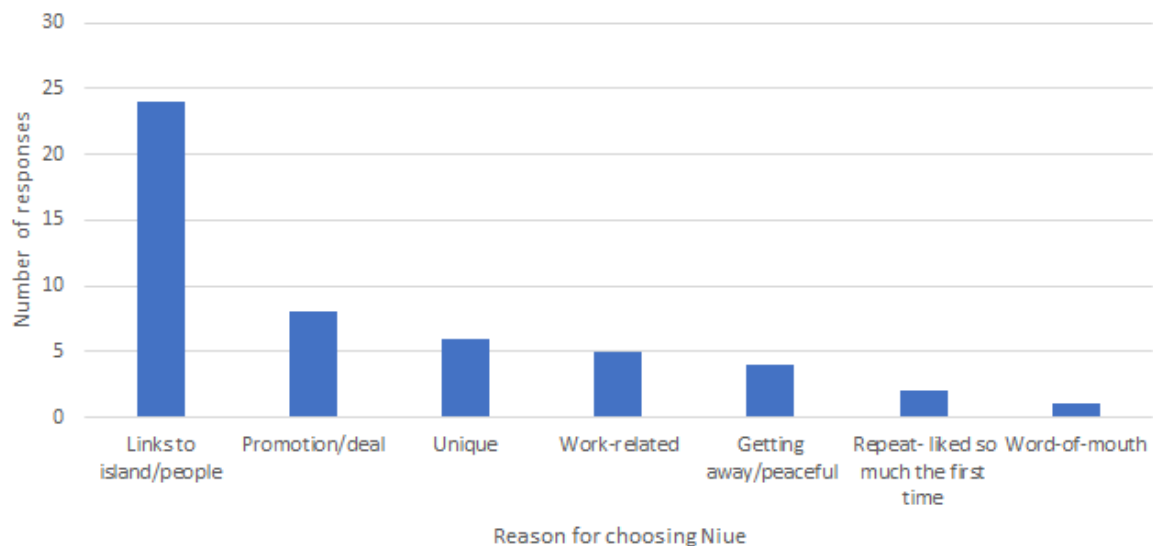


Figure 5.13: Tourists’ reasons for choosing Niue as a holiday destination.

Tourists engaged in a variety of activities during their stay. While Table 5.4 gives an indication of the activities people enjoyed in Niue it may not be completely accurate given people could provide their own answers and therefore may have missed some activities which they did take part in but were not thought of directly as ‘activities’ (such as general exploring or sightseeing). The most common responses were swimming/snorkelling, bushwalks, eating local cuisine, and exploring and sightseeing. While this information gives a good indication of the important areas for tourists, this data does not provide information on the frequency of these activities. The effects of seasonality would see quite different data at different times during the year.

Table 5.4: Tourist activities

What activities did tourists take part in?	Number of responses
Swimming/snorkelling	35
Bushwalks	20
Eating local cuisine	20
Explore/sightsee	16

Wedding	7
Tour	6
Conference/workshop/business	5
Hunting	5
Visiting friends and relatives	5
Diving	4
Caving/climbing	3
Engaging with locals	3
Fishing	2
Shopping	2
Funeral service	2
Fishing charter	1
Photography	1
Sculpture walk	1
Mountain biking	1
Motorbiking	1
Market	1

The following data in Table 5.5 gives an indication of the areas where Niue tourism is doing well and the areas that could be improved upon according to tourists experiencing the tourist product first-hand. The most commonly stated asset was the natural beauty and scenery of

Niue. Respondents also saw the marine environment as a key asset. The third most common response was the friendly local people, followed by the swimming spots and lack of crowds.

Table 5.5: Visitor perceptions of Niue’s assets and advantages for tourism.

What are Niue's key tourism assets/advantages?	Number of responses
Scenery/charm/natural beauty	22
Sea/marine life/corals	16
Friendly/locals	12
Swimming spots	10
Lack of tourist crowds	9
Relaxed	7
Rock formations-chasms	6
Being in nature/bush walks	5
Fishing	4
Culture	4
Food	4
Whales in season	3
Diving	3
Less commercial	3
Tourism infrastructure	2

Roads	2
No big resorts/undeveloped	2
Safe	2
Accessibility	1
Remoteness	1
Family feast	1
Sun/Pacific 'Island'	1
location	1

Tourists saw a myriad of advantages of tourism in Niue, and while many of these key advantages align with the soft-adventure campaigns which Niue currently markets itself on, there are other advantages that are not reflected in Niue’s marketing strategies. Similarly, the areas which could be improved upon are not necessarily reflected in the areas that NTO or the GoN are trying to improve. Tourists were asked how Niue compared to their expectations and 66% of respondents replied favourably, stating that their expectations were met or exceeded. Only 10% of respondents explicitly stated that their expectations were not met, reasons being that Niue was more undeveloped than expected, that Niue had gone downhill in terms of infrastructure and they had expected more improvement over the years, and that there was little to do. Two respondents suggested the health issues (specifically obesity) were concerning. The remaining 24% of respondents stated that they did not have expectations or there were a mixture of good things and bad things about their experience.

When asked what visitors would change to improve their experience the most common response was ‘nothing’, as “that would spoil Niue” (QSR054). However, infrastructure concerns were brought up by 22% of respondents who wanted to see upgrades to the roads (see Table 5.6 below). 16% wanted to see an improvement in tourist infrastructure, specifically upgrades to walking tracks and better signposting. 12% of tourist respondents suggested they would have liked more opportunities to spend money, with one stating that they “would have

been happy to spread the dollars more, but not many options” (QSR074), and others suggesting there needed to be better information regarding restaurant open-hours.

Table 5.6: Visitors perceptions of things to improve.

What would tourists change to improve their experience of Niue, if anything?	Number of responses
Nothing	14
Roads	11
Upgrade tourist infrastructure	8
Town not open/few opportunities to spend money	6
More food options/local food	5
Infrastructure	4
Weather- too hot this time of year/cyclone season	3
No answer	3
More Niuean arts/crafts available	2
Cheaper dining	2
Improved customer service	2
Internet/phone service	2
Food running out at cafes and bakeries	1
Internet	1
Improve accommodation and essential services	1

More aircon	1
More commercial accommodation	1
More activities	1

5.5 Conclusion

This chapter has provided an overview of the government policy with respect tourism, and local and tourist perspectives of tourism in Niue. Section 5.2 showed how tourism has been heavily integrated into the national vision and strategies for reaching the vision of *Niue Ke Monuina - a Prosperous Niue*. The partnership between Niue and New Zealand has played an important role in the growth of tourist numbers, expenditure and investment since 2009. For the most part, Niueans saw the economic benefits which were reaped from the growing tourism industry and wanted to see further expansion. However, there were concerns about the effect on local culture and tourism's impact on the environment. Tourists had many positive things to share about their experience in Niue. The natural beauty, pristine clear water and friendly locals were highlights for tourists and many tourists would not change a single thing to improve their experience as a tourist. The relaxed nature in Niue seemed to improve visitor's outlook, with comments such as "I'll come back - changed my mind from not wanting to" (QSR075), and "the roads, what an experience enjoyed every bump on the road" (QSR088). The many repeat visitors also indicated something special about Niue that people wanted more of.

The local and tourist surveys showed two sides of a story. Tourists liked Niue for its authenticity, the feel of a raw, unique and untouched environment which they alone could discover. Local people have had that same appreciation for their environment for generations, and they showed a strong connection to the land and were protective of their environment. Local people did not want to see the environment or their lifestyle put in jeopardy for the sake of tourism. On the other hand, tourists and local people both saw how tourism is or could be contributing to the economy. Tourists wanted more ways to contribute to local businesses, while locals were concerned with the impact of tourists on the infrastructure. However, the improvements brought about for the sake of tourists were also generally very positive for locals. This includes improvement of sea tracks and the resort and facilities.

6. Barriers, Opportunities and Needs of Niue's Tourism Industry

6.1 Introduction

Small island developing states have long been defined by the barriers that they experience. Smallness is a restriction on opportunities, insularity impedes growth, and the 'developing' status puts SIDS in a box of dependence and inferiority. Is this all there is to SIDS? Is this what defines Niue? This chapter will explore how Niue challenges these preconceptions through tourism development. The first section will outline the barriers to tourism development, while the following section will explore many of the same 'barriers' and how they can become opportunities. The chapter will conclude with an inspection of the current needs of tourism on the island. Themes are drawn from the literature to compare and contrast Niue with other destinations. This chapter attempts to unravel some of the complexities that have been laid out during the fieldwork and throughout the research process. By talking to a variety of stakeholders in Niue, a holistic overview is provided of the complex elements to both the tourism industry and the effects of tourism on broader life in Niue.

6.2 Barriers

From the literature review it was clearly established that SIDS face numerous barriers that prevent their success in many areas of economic development. Niue is no exception, and in many cases these barriers are more extreme. The particular barriers that will be highlighted are isolation and remoteness, vulnerability to extreme weather events, the fragile natural environment, limited infrastructure and services, migration and access to family land. While this list is not exhaustive, it covers the main barriers to tourism development that Niue must contend with.

6.2.1 Isolation and remoteness

Access to Niue is limited, there are only two regular flights a week and a cargo ship is due every three weeks with essential imported goods. This makes Niue one of the most isolated islands in the Pacific. Isolation and remoteness are not only restrictive for a country seeking to

develop in a globalised world, but also exacerbate the other challenges that face SIDS. Advances in technology continue to reduce barriers of isolation, but the geographical remoteness of Niue will always remain a barrier to Niue. While these factors have meant that Niue could not successfully employ more traditional economic development schemes prevalent in other parts of the Global South (see Chapter 4), this barrier has led Niue to engage in a more concerted fashion in tourism.

A major barrier that stems from Niue's remoteness and isolation is the heavy reliance on the cargo ship to transport goods from New Zealand. The ship is scheduled to call-in at Alofi every three weeks. Cargo includes goods for the supermarket, shops, restaurants and accommodation supplies, along with non-commercial orders. Business owners and families alike rely on the cargo for maintenance of their properties and supplies that cannot be sourced locally. Accommodation owners found this particularly hard, "the cost of getting items onto the island is a big hitch, and time" (KI014). There is only one entry point for the boat which is significantly affected by sea conditions, meaning several days of rough seas can mean supplies do not arrive for another three weeks. A major concern for tourism operators is food supplies running too low and subsequently disgruntled guests. There are some locally sourced food products including fish, meat, fruit and vegetables, but much of the local diet relies on imported foods.

6.2.2 Vulnerability to extreme weather events

As discussed in Chapter 2, SIDS are particularly vulnerable to extreme weather events and climate change. While sea level rise is a major concern for many Pacific Islands, it is less of a direct threat to Niue given its elevation. However, the effect on the fringing reef and underwater aquifer could pose a risk. If contaminated with seawater, the water source for Niue would be compromised. Problems with oil leaching from broken sumps in abandoned cars is already posing a threat, and damaged bores have caused boil-water notices throughout the island (KI013, KI015). Health risks increase with water quality issues, and the changing status can be detrimental to the tourism industry (Gössling *et al.* 2012). The reef and underwater environment are also fragile and it is important that they be protected for many reasons including local traditions such as vaka fishing and seasonal kaloama fishing, and its centrality to tourism.

Cyclones pose one of the biggest barriers for development in Niue. The cyclone season is from November to April, accompanied by hot and humid weather and it is the low season for tourism. Figure 6.1 below shows the effects on one of the most popular tourist spots the day after Cyclone Gita passed Niue on 10 February 2018. Several devastating cyclones have occurred over the past sixty years, several of which spurred the outward migration which occurred since the late 1950s and after Cyclone Heta in 2004 (Barker, 2000; Connell, 2008; KI015). One key informant discussed the influence that the climate can have in Niue.

“... Between 1974 and 1980, 4,500 people left... all of that trend that was happening in NZ, prior to that the rural to urban drift, and the draining out of the countryside. In New Zealand it was shifting to the urban areas for education and jobs, here it was the same sort of thing, but it was helped on its way by climate. Niue took a real pounding in the late 60s and early 70s. There were two really destructive cyclones in 1959 and 1960” KI015.

The ramifications of natural events can be huge, and for SIDS the cost of rebuilding can be exorbitant as rebuilding efforts often rely on external assistance. Cyclone Heta all but wiped out Alofi South, Figure 6.2 shows the devastation caused by the cyclone. Homes, businesses and public buildings were destroyed, with the destruction of the Niue Government Hotel being a major loss for the Niue’s tourism industry (KI013; Connell, 2007).



Figure 6.1: Limu Pools, a popular swimming spot experiencing rough seas after Cyclone Gita passed (Source: Author, 2018).



Figure 6.2: Destruction of Cyclone Heta in 2004. Images on the left show before and after the cyclone on Alofi South coastline, the image on the right highlights the buildings destroyed in Alofi South, all of which have been relocated (Source: Niue Yacht Club, 2004).

The high risk of damage from cyclones every year means that there are no insurance options for most businesses. Going into the private sector in Niue requires this risk be taken, and undoubtedly deters some individuals from making this move. This was emphasised by several key informants, with one business owner summarising the concern below,

“Probably cyclone is the biggest threat here, because one direct hit and probably lose everything. So, there’s no insurance on the island, you can’t insure anything on the island, so if you lose it, you lose it.” KI010.

Risking individual capital on starting businesses in Niue is a reality for most investors, so business owners must self-insure, and they realise the risk that exists during the cyclone season in which they may sustain significant losses. The costs of self-insurance should be factored into

their goods or services pricing, another factor which deters people from entering the private sector.

6.2.3 Fragile natural environment

Tourism has come to rely on the untouched image that Niue promotes itself on, but it is inevitable that with increasing tourist numbers there are additional pressures on the environment. A key informant discussed the expected damage tourism could cause,

“Tourism hurts the clean, green image, there’s no doubt about it - anywhere in the world. And so Niue is no different, the more tourists the more pressure there is on the environment. So it’s a give and take” KI016.

These issues range from increased soil degradation from increased foot traffic on the various tracks, to issues of litter and pollution. Efforts are made to reduce environmental damage caused by tourists, but there are many existing environmental issues that should also be addressed for the sake of tourists and locals.

The environmental and visual pollution of abandoned and derelict houses, cars and oil tanks are a constant sight around the periphery of Niue (see Figure 6.3 below). This was a key area of frustration for locals who highlighted that it was not only visual pollution, but an environmental issue when oil or other contaminants eventually seep into the water supply (KI015). The abundance of abandoned houses and cars also contradicts the pristine imaginary of Niue. At the time of the 2011 census, there were 399 empty and derelict houses (Statistics Niue, 2012a).



Figure 6.3: Abandoned houses, cars and rusting infrastructure are commonplace in Niue (Source: Author, 2018).

6.2.4 Infrastructure and services

The combination of being isolated, remote and small, results in an increased cost of infrastructure and services. Niue is not large enough for economies of scale to apply, and while Niue is self-sustainable in some areas - such as fisheries and fresh water - almost everything else requires imported goods, services or expertise. Infrastructure is an essential building block for development, but most key informants stated that infrastructure is the biggest barrier in Niue and half of all survey respondents stated that infrastructure should be improved or that this was the main barrier to development.

For new tourism businesses, becoming operational relies on importing a variety of goods, from construction materials to furniture, vehicles to cleaning products (KI014). Weather conditions can impede wharf access, but the infrastructure on the wharf is also hugely important. Figure 6.4 below shows the wharf at Alofi on ‘boat day’, with lots of infrastructure important to ensure the smooth running of loading and unloading of containers. A tugboat transports each container from the cargo ship to the wharf, a crane on the wharf will load these containers onto trucks which are then stored around the wharf and along the main road until further processing can be completed. The wharf itself is an important piece of infrastructure which relies on constant maintenance. Key Informant 16 highlighted the concerns about the wharf and that it needs to be reinforced. Furthermore, while the cargo ship is in port and unloading other recreational or commercial operations cannot operate from the wharf.





Figure 6.4: Wharf at Alofi busy with loading and unloading containers from the cargo ship (Source: Author, 2018).

Frequent defects with existing infrastructure are causing a problem for tourists. Niue has a high-end target market and with that comes higher expectations. One key informant who runs a tourism business summed up what most key informants had noted,

“Niue is not exactly for the high-end tourist. It has many reasons for that, like infrastructure, the capacity on the island is just not there to cater for the tourism.”
KI009.

Comments from tourist survey respondents supported this claim, as shown in section 5.4, several visitors would have liked better roads and tourism infrastructure. Local people also shared the frustration regarding infrastructure, perceiving increased pressure on infrastructure as the biggest disadvantage of tourism. One key informant discussed how local residents saw the growth in tourist numbers as a problem because of the added stress to infrastructure,

“from a local perspective it’s all good to see the big growth and the numbers coming up but I’m also quite hesitant of the effects, because the infrastructure at this stage on the island can’t really sustain an influx of visitors in terms of waste management. Things like that need to be looked at before we start moving towards ‘let’s build our numbers and let’s make it bigger’” KI017.

Counter arguments also existed, with Key Informant 18 suggesting that the increased investment in tourist infrastructure such as the sea tracks, noticeboards, toilet and washing facilities shown below in Figure 6.5 have dual benefits for tourists and local communities.



Figure 6.5: Sea track, information boards and facilities (Source: Author, 2018).

The pursuit of the high-end tourist market is heavily dependent on infrastructure. The state of the roads and the regular electricity blackouts are definite barriers to sustaining a high-end market, but it has also encouraged a lot of growth. The local supermarket was relocated into a larger facility with a retail and business hub which was completed mid-2018. However, one key informant questioned the practicality of this step;

“Building a huge supermarket over there, I mean it’s going to benefit the island and the tourists but think of the drain on the power supply for that huge complex. Have they thought about how they’re going to keep the power running?” KI015.

The increasing investment in ‘non-essential’ developments will continue to be a problem if the underlying infrastructure is not able to support it. Another concerned business owner suggested that the main challenge in Niue for development is that residents want to have the same opportunities, amenities and services that exist in Auckland (KI006). Key Informant 6 used the

4G network as an example of a service that should not have been put before pressing infrastructure development such as wharf strengthening and airport maintenance. The question of prioritisation becomes apparent in Niue, especially when competing with high-end resort destinations such as Fiji or the Cook Islands. The opportunities that are more likely to succeed are those which compliment what Niue already has, meeting basic needs such as roading and consistent power supply rather than compromising those for the sake of tourists (Sharpley, 2003).

6.2.5 Migration

One of the biggest historical barriers for SIDS are high rates of outward migration. The population of Niue has dropped three-fold in the past 50 years, urged on by opportunities in New Zealand and natural disasters in Niue. The public sector makes up a large proportion of the workforce, and although there are many opportunities in the private sector, the public sector continues to dominate the workforce. As the MIRAB model suggests, the bureaucracy is vital for the political economy of the country as well as making the important decisions that keep the country running. Government workers have a four-day work week which is also a disincentive for people to make the change to the private sector (KI018, KI019). Furthermore, key informants indicated that the work ethic in Niue means that government jobs are more favourable than more menial roles in servicing the private sector (KI006). The aversion to working in the private sector has been a long-standing issue among the workforce in Niue, with Connell (2007: 11) stating that “there is no individual local interest in stimulating or being involved in a private sector of at best uncertain potential. Yet national goals demand that the island develop a private sector to escape extreme aid dependency”. Although the private sector has grown in recent years, people are still hesitant to leave the financial security of working in the public sector, especially with the seasonality of tourism work. The labour shortage has resulted in a search for foreign workers to fill these gaps (KI020).

6.2.6 Family land

Stemming from the waves of emigration over the past half century, family land was left abandoned by those who sought opportunities abroad. The land tenure system means that Niueans living overseas still have the right to land in Niue, leaving the remaining people in each village to maintain abandoned properties as they watch on as houses are overcome by

nature (see Figure 6.6 below). There have been opportunities for the houses to be demolished to their foundations, funded by New Zealand's aid, but this was only taken by 40 families. One key informant discussed how development was being hindered by absentee landowners,

“The NZ aid poured in money to that project. The deal was that the asbestos would be stripped off the roof and disposed of safely, the building site would be demolished to the concrete slab and the debris removed. And they would be given an official surveyed title to their home. So it was a win-win situation, and about 40 households gave their approval, and 40 houses that was done too, and the rest took our injunctions. So you've got the people living next door to abandoned houses and mowing right up to the concrete base, it's just crazy. So progress is being blocked by people who aren't here”
KI013.

While residents do their best to take care of their properties and village greens, the decrepit abandoned houses convey a sense of neglect which impacts on the tourist experience.



Figure 6.6: Abandoned house with manicured lawn (Source: Author, 2018).

Several key informants suggested that finding land to build businesses on was a difficult process (KI010). Key Informant 12 highlighted that the land tenure system meant many overseas-based Niueans had an easy option for returning to Niue as they had land, but most were not taking this opportunity. Some academic commentators criticise the land tenure system, stating that it impedes foreign investment and thus economic development (Hughes, 2003). However, the system plays a role in protecting the country from excessive foreign

ownership that is responsible for many of the problems associated with mass tourism throughout developing countries (Scheyvens and Momsen, 2008).

In some Pacific Islands it is common to pay a small fee to cross private land to access natural attractions (Taine, 2014). Customary land ownership means that there is a possibility for land owners to charge entry for sites in Niue, but the NTO maintains most of the tourist sites (at no cost to the land owner) strongly oppose this practice (KI007). Commercial tourism businesses which rely on access to attractions across Niue as part of their tourism product also face problems with people wanting to charge for access (KI002). For landowners this would provide some economic benefits directly from tourism, however it would only be sporadically enforced given the low unemployment numbers. The ‘uncommercial’ feel of Niue is also something that survey respondents stated as an advantage of the tourism industry in Niue, thus charging for access may undermine the desire of keeping Niue unique from other Pacific Islands.

6.3 Opportunities

The preceding section has shown how the many barriers common to SIDS are manifested in Niue, with a specific focus on how these difficulties culminate to form a tourism industry that is burdened with constraints. This section will explore the converse arguments, drawing on Scheyvens and Momsen (2008) to show that although there are many barriers for tourism in Niue, these can often lead to new opportunities and strengths. By exploring the characteristics of SIDS in a positive way, the attributes of Niue can be empowering rather than debilitating for the tourism industry (Scheyvens and Momsen, 2008).

6.3.1 Isolation and remoteness

The twice weekly flight between Niue and New Zealand is the only regular way to travel in and out of the country. While this may spell disaster for many holiday destinations, it can be a significant drawcard for those seeking a remote island getaway from New Zealand. SIDS had to embrace globalisation early on to reap the rewards which an increasingly interconnected world could provide (Baldacchino, 2006; Bertram, 2006). Niue’s isolation is used as an advantage in terms of its tourism product; it is a destination that is exclusive only to those who make the effort to get there (Bertram, 2006). While New Zealand became the hinterland that Niue would draw resources from, Niue became an island getaway that was returned to many

times by a limited number of New Zealanders trying to escape the big cities or gloomy weather once in a while (Baldacchino, 2006).

It is not only the hinterland relationship that has provided a tourist market for Niue, but also the transnationalism of the Niuean diaspora, forming a significant VFR tourist market (Hall and Williams, 2002). The NTO marketing fund is predominantly directed towards New Zealand. While Niue is remote and isolated, the link to New Zealand provides access to a market that can saturate the tourism supply in the peak season (KI006, KI007). As shown in the tourist profile in Section 5.4, 70% of tourists survey respondents were from New Zealand. With New Zealand citizenship, this is also the most important destination for expatriate Niueans visiting friends, family and their homeland.

Increasing transport links have improved access to remote locations throughout the globe, and there are many strategic advantages of Niue's location in the middle of the South Pacific. For example, due to Niue's location the proposed fibre optic submarine cable will link Niue with other Pacific Islands and improve digital connectivity. Governmental linkages are established for strategic purposes, and this has provided Niue with more opportunities to reduce its isolation (Spratt and Wood, 2018). The air connection between New Zealand and Niue is subsidised by New Zealand to keep the connection open year-round even when it is not necessarily a good commercial option. However, this also means that every air-travelling tourist (the vast majority of Niue's tourists) must come through Auckland International Airport to travel to Niue. There are no connecting flights with other Pacific Islands, as there had been in the past. As was pointed out during the Tourism Forum in 2018, a connecting flight to another island could offer a whole new market of tourists (many from European markets) who island-hop on their way to New Zealand. However, the biggest concern that people had with connecting flights to other Pacific Islands were the security risks given the differing standards and protocols of border security in other Pacific Islands compared to the strict New Zealand border security.

The isolation and small tourist numbers which accompany this is in itself one of the biggest attractions of Niue. Visitor survey respondents frequently commented on the lack of crowds being one of the biggest advantages in Niue. As one of the smallest countries in the world this is also a significant point of difference to other Pacific Island destinations. Figure 6.7 below

shows two popular seaside spots almost deserted, which visitors could explore without the distraction of others.



Figure 6.7: Avatele Beach, one of the most popular tourist spots in Niue sitting empty (top); A beachgoer enjoying the solitude of Hio Beach (bottom) (Source: Author, 2018).

6.3.2 Fragile natural environment

The tourism industry undoubtedly causes adverse effects on the environment, just as every industry does. A resource paradox exists between tourism and the natural environment; tourism places a strain on the environment through infrastructure development, producing waste and consuming natural resources, but it also relies upon the natural environment as the foundation which tourism matures from (Williams and Ponsford, 2009). The manifestation of environmental implications in SIDS destinations are particularly concerning because of their fragile natural environment and particular reliance on the natural environment as part of the tourism product. Engaging in sustainable tourism practices is a way to alleviate the pressure on this environment. These opportunities will be explored further in section 6.3.7.

6.3.3 Migration

The small population and historic outward migration have had significant ramifications on Niue's development and are likely to remain a constraint for some time yet. However, many academics and philosophers alike maintain that smallness has many advantages, if appropriately scaled small can be sustainable and efficient, and from there comes the saying *small is beautiful* (Scheyvens and Momsen, 2008; Schumacher, 1973). With fewer stakeholders in the tourism industry they can be more synchronised and collaboration in their efforts. One of the guiding principles to the national vision of *Niue Ke Monuina – a prosperous Niue*, is working through collaboration, clear communication and consultation, and implementing plans, policies and goals in a cohesive and coordinated manner (GoN, 2016). Therefore, although the GoN has the final say over what strategies tourism will use, there is a push to ensure that this is done in coordination with other stakeholders, and the small size of Niue facilitates these connections more than could be possible in other countries (Scheyvens and Momsen, 2008). The NTO works with the Chamber of Commerce and conducts community consultation to garner opinions and share news, although some key informants note that this consultation process could be improved (KI002, KI021). The opportunities to improve this process exist as the NTO is better able to spread information to the entire population to organise consultations throughout the 14 villages.

Another opportunity that the historic migration of Niueans has provided is the significant Niuean diaspora residing in New Zealand, Australia and beyond. While this is not a central aspect of the research, it is important to mention as there has been a long history of the VFR

market being underestimated (Backer and Morrison, 2017). There were high instances of repeat visits with VFR tourists, shown in the tourist profiles in Section 5.4, with 30-50% of tourists fitting into this category. For VFR tourists the motivation for visiting Niue exists without much promotion by the NTO, and there are coming-of-age ceremonies, wedding, funerals and other events throughout the year that draw in family and friends (KI022). Research has found that in many countries VFR tourists still spend money in restaurants, accommodation and the social and cultural benefits to both the visitors and their hosts are invaluable, with Niue being no exception (Laskai, 2013; O’Leary and Morrison, 1995). There is a unique social atmosphere in Niue that frequently results in tourists and locals becoming friends, thus building a larger VFR market in terms of the ‘friends’ component. This was seen first-hand during fieldwork, it was not unusual for local residents to welcome you to enjoy family feasts, join church services or share local food. Restaurants have ‘happy hours’ or cultural nights where locals and visitors mix. The effects of the social atmosphere on the island results in many repeat visitors as demonstrated by the following comments from one fishing charter operator and an accommodation owner;

“Usually by the end of February to March I’m full for the season. A lot of repeat visitors, so I’ve got guys that have been coming up here for the last seven or eight years, every year, some of them come twice a year. I see the spinoff, they start to bring their friends.” KI024.

“I have a lot of repeaters, and every year that they come, and I have a lot of people that have come since I’ve opened, and they come every year, twice a year sometimes...” KI012.

A consistent base of repeat visitors indicates a high-quality experience and product from these businesses. This solid tourist base could be a key component of the return migration process, particularly with more tourism opportunities coming up (Hall and Williams, 2002). One VFR survey respondent was looking into options for starting their own accommodation after seeing gaps in the market (QSR045).

Niue has seen a ‘u-turn’ in its population according to the latest statistics, suggesting there may be return migration from the diaspora although there are also a growing number of expatriates starting businesses. There are more business opportunities and upgrades to infrastructure which makes the transition to living in Niue easier for residents of New Zealand or Australia. The land tenure system means many overseas-based Niuean still own and can utilise land, whereas

leasing property for *palagi* (foreigners) can be a difficult process. The system ensures that even if land is leased, after an extended period of time there is a chance to regain and repurpose the land or renew the lease. This diminishes the risk of MNCs taking over and seeing the benefits trickling away as has been the case in many other island destinations (Nurse, 2016). The strict business and visa process ensure that people who come to Niue to work and reside will be adding to Niue's economic development and not taking away business from others (KI020).

6.3.4 Cultural opportunities

Development in Niue must adhere to Tāoga Niue - the identity of Niuean people and cultural values that underlie the way of life in Niue (GoN, 2016). Vagahau Niue (the Niuean language) is used in everyday life in Niue and is an important part of maintaining the culture. There are many traditions and customs unique to Niue and it is important for Niueans that these are not sacrificed at the expense of tourism. Tourism will always have an influence on the culture of a destination to some degree but ensuring that the values of the local culture are not undermined because of the tourism industry is a key feature of sustainable tourism (Telfer and Sharpley, 2016). Research has found that island microstates tended to embrace western culture more than other non-western countries (Baldacchino, 2006). This was reflected in this research, with key informants and questionnaire-survey respondents alike stating that Niuean culture appeared more Western than many other Pacific Islands;

“because when you look at other Pacific Island destination, they're just so rich in culture and heritage, whether it's the diversity of their languages or their dance and everything. Whereas I think sometimes our culture has been a bit westernised and a bit diluted.”
KI002.

It is almost a rite of passage for Niuean people to spend time overseas (KI012), during that time away the attractive aspects of the Niue lifestyle are accentuated which sees many Niueans returning, but it also exposes Niuean people to ideas, values and ways of doing things from other cultures that then becomes interwoven with the Niuean way of life (KI004).

Tourist respondents highlighted that it was difficult to see examples or have experiences of Niuean culture most of the time. However, each village has an annual Show Day, and there are arts and crafts groups which operate where visitors are usually welcome to attend and participate. There are buffet nights and cultural shows, although some of the culture shows are criticised for being inauthentic and showcasing dances from other Pacific Islands (KI025). One

key informant had hosted regular *fiafia* nights along with their village. They discussed the great success they had at bringing locals together with tourists in a natural setting;

“My wife and I had the *fiafia* night here. I tried to make it a natural product. A natural product, it’s a family kind of thing, with little children and babies and everybody participating in it. I wasn’t interested in the fictional performances, I was interested in the natural ways how we behave how we dance how we do things aye. And the food is local food. And I have a plate of sandwiches if they don’t like the local food they can always have something else. And we had speeches, and they had speeches too, and that’s the important thing. They talk amongst themselves, and they go back home. The women that are involved, we share the money aye. But we enjoyed the night, not because it was a lot of money, but because the people were good. It was on an equal basis, not the monkey in the zoo.” KI019.

While this is no longer running, tourists have opportunities to attend church services and sometimes share in the Sunday feasts (KI004). Furthermore, tourists are able to attend local events rather than tourist specific events (see Figure 6.8 below).



Figure 6.8: Fundraising event at Niue school hall (Source: Author, 2018).

Traditional skills such as weaving are becoming less popular with the younger generations. With full employment and more opportunities for travel or leisure time people are less likely

to take up certain traditional practices which may be perceived as old-fashioned or redundant (KI008). A key informant shared their views on the matter,

“it [increasing tourism] does potentially come at the expense of traditional culture. So I think the trick will be to keep the focus on tourism, and incorporate those cultural elements so it’s not lost. So in a way it’s a barrier, but it’s also an opportunity. It’s a way for Niue to celebrate its culture rather than separate the culture from the rest of the world.” KI018.

The opportunity is certainly there for more small tourism business involving traditional skills or other cultural elements to be developed and this may result in younger generations revitalising some practices which are slowly disappearing (Sinclair-Maragh and Gursoy, 2015).

There are many arguments about how culture can be protected from the negative impacts of tourism, but the fact remains that culture is fluid and changing and by being exposed to the world every culture is going to evolve and incorporate aspects of other cultures (Telfer and Sharpley, 2012). Furthermore, the literature showed that developing partnerships between culture and tourism can be a way to promote and protect cultures (UNWTO, 2016). Several key informants offered their thoughts on the matter,

“any kind of tourism can influence and will influence the local culture. And the culture as we know it is evolving so we can’t stop it. We can’t put something under the cover... culture is not like that, culture is evolving all the time. How we nurture it, that is a different story. That is up to the local people to look after it” KI009.

“whether we like it or not we have to be part of what’s happening in the world, part of the system. We’re not on our own and we don’t own the planes or own the ships, and you either join in or you miss out” KI022.

It is important to preserve aspects of the culture that remain important for the people of Niue. At the same time, most Niueans want to see some change, something to indicate progress and show that while they continue to respect traditions, they are also open to the benefits that can come with change.

Tourists are drawn in by certain cultural events in Niue, whether these are family events which attract VFR tourists, or public events which attract all sorts of tourists (KI022). Tourism cannot be completely separated from culture because travellers are interested in understanding what the differences are between their culture at home and the culture at the destination (Telfer and

Sharpley, 2012). Survey respondents listed the friendly people as the best attribute for Niue's tourism, but several noted they "would love to see some more Niuean food and tourist involvement" (QSR056), and they would like more opportunities to see or experience the culture. Local survey respondents had the impression that "locals feel that tourists don't really want culture, language and people" (QSR099). This discrepancy in thinking may cause local people to avoid advancing opportunities in cultural tourism and reject any form of cultural tourism.

6.3.5 Private sector support

The biannual tourism forum provides a space for the NTO to share the changes that are coming up and ask for input from various stakeholders. Observing the March 2018 Tourism Forum showed that this time was a great opportunity for stakeholders to discuss between themselves how they might assist one another and showed the relaxed and uncompetitive relationship which exists between tourism operators. Stakeholders recognise the importance of having a variety of tourism operators and accommodation providers for tourists to choose between with the various segments of the tourist market catered for by the diverse array of tourism businesses, and they collaborate about how to work together to provide the most benefits for everyone (KI022, KI023). For example, the resort manager invites tourism operators to the meet and greets with resort guests when they arrive on plane days. Collaborative efforts were shown throughout the tourism forum, and this was able to happen because a large proportion of the tourism operators attended this meeting and were able to voice their opinions. Furthermore, efforts are made by the Chamber of Commerce to ensure new businesses will complement existing businesses and that a supply/demand balance is maintained (KI003).

The Scenic Hotel Group and Air New Zealand are the two largest tourism-related businesses that operate in Niue. As shown in the literature review, TNCs or MNCs can grow to dominate the tourism industry in developing countries, drawing away the benefits from locals and toward the developing world. While there is a risk of this in Niue, there are huge benefits which come to the local community from the affiliation of these companies. The decision to have a New Zealand company run the resort came about after years of local management;

"We tried doing it. Get New Zealand, get people who know, get a company to run it but at least we have a trust of the government... So the New Zealand company is running it but the benefit is there for us, food going in you know buying the stuff from

the locals, entertaining, you know. Rental of cars. The workers working there. It's all a win-win situation" (KI004).

Marketing efforts from both Scenic Hotel Group and Air New Zealand are key for the promotion of Niue as a destination. Affiliation with a hotel chain in New Zealand allows Scenic Matavai to use these channels for marketing purposes, producing the benefits through the 'hinterland' link (Baldacchino, 2006). The NTO lacks a large marketing budget that can compete with the larger and more well-known Pacific Island destinations, thus marketing budgets from the private sector are very important to supplement marketing efforts.

6.3.6 Tourism spin-offs

Tourism is directly related to 65% of the private industry, and it is not just seen as a tool for growth but also for the value it adds to a myriad of other businesses in Niue (KI003). This is shown in one of the aims for the private sector of the NNSP which specifies they can 'create and capitalise on market opportunities: assist businesses to benefit from tourism growth' (GoN: 330). Agriculture and fisheries have received significant investment over the years, but they could never connect with an international market to generate significant external revenue. However, a gateway has opened for small agriculture and fisheries businesses to be strengthened by linking with the tourism industry (KI008). As one key informant put it, "we'd rather get people to come and eat it here! Coconut crab, fish, local fish just come out of the sea instead of us trying to export" (KI004).

The spin-off benefits of tourism are clear in some situations such as fisheries directly supplying the resort or other eateries. More indirect connections can be seen in agriculture. Organic vanilla grown on Niue has become a world-renowned niche product, however the value of the beans alone is not significant because of the small crop size and the years that it takes to harvest the vanilla. Vanilla farm tours have allowed the business to bring in some revenue in the long period that it takes for the plants to become productive (KI011). The high-end tourism market that Niue aims to attract has also allowed for a range of high-end value-added products to be produced and sold in the Vanilla Shop in Alofi.

A mixture of small population size and high employment has resulted in some clear differences between Niue and other Pacific Islands. The twice-weekly local makete (market) is small, with some produce, prepared food and handicrafts being sold in it, generally finishing before 9am.

A visit to the market in other destinations is a key activity for many tourists, providing a chance to interact with locals, see what food and handicrafts are common and spend money. Of the 50 tourists surveyed, only one mentioned the market as an activity they took part in, while five wanted to see more food options, “more local food, not fries!” (QSR061). Another respondent stated they “would have been happy to spread the \$'s more, but not many options” (QSR082). On the other hand, six local survey respondents shared that one of the benefits of having tourism was the opportunity it gave them to share Niue with foreigners and to get to know these people. The market provides an opportunity for socialising, earning extra income and sharing more aspects of Niue with tourists. There has been some expansion in the market, with a monthly organic market which is more accessible and may start to combat the issue of the limited opening hours which six visitor survey respondents and several local respondents suggested should be improved. Developing more of these opportunities for small-businesses could produce a more positive relationship between locals and tourists, particularly those who do not currently see the economic benefits directly.

6.3.7 Sustainability

The goal of Niue tourism is to “conserve, preserve and promote our pristine natural environment to people who share the same values. So it’s people who share the same values of conservation, appreciation of culture, those are our goals” (KI007). For an island which is heavily reliant on the pristine, untouched environment, there is every reason to conserve it. Niue’s stunning nature is a cause for pride among locals in its own right, but it has also become an integral part of the tourism product - something to be capitalised on - thus essential for economic development. This fact has given more incentive for businesses and organisations to prioritise environmental goals. Accordingly, Niue markets itself to the adventurous tourist who is responsible in how they interact with nature. Figure 6.9 shows the code of practice and code of conduct for tourism businesses and visitors, both of which highlight (among other things) the importance of contributing to sustainable practices and responsible tourism and the symbiotic relationship that exists between these areas.



Figure 6.9: Inside the Information Centre, posters showing the natural beauty of Niue. Bottom right side show the ‘code of practice’ for tourism businesses, and the ‘golden rules for your stay in Niue’, a visitor code of conduct (Source: Author, 2018).

As a destination that heavily relies on the natural environment and the unspoilt scenery, Niue is already a step towards becoming a sustainable tourism destination. However, as discussed in the literature, these ‘sustainable’ or ‘ecotourism’ practices have their pitfalls, particularly where these are just used as a label rather than adhering to sustainable principles (Goeldner and Ritchie, 2012). It is anticipated that sustainable practices continue to become further entrenched within Niue’s tourism industry, as stated in the NNSP, “Niue’s unique, unspoilt and pristine coastal environment will be internationally recognised as a beacon for its sustainable and responsible environmental practices and this is how the Niuean environment will be protected” (GoN, 2016: 24). As Niue moves in this direction and the opportunities which come from the status as a protected area (for example) are numerous, it is important that the sustainable ethos exists within the community and is enforced.

Waste management in Niue is almost non-existent, a fact noted by many survey respondents and key informants. One such comment suggested that littering was becoming an embedded practice, “and you know talk about that pride, we’re losing that pride. I go for a walk around

the block with the dogs and every day we just pick up a bag of rubbish, people just throwing it out” (KI025). There are innovative ways in which this might slowly turn around. The Hikurangi Sculpture Park uses art to express the problems associated with waste, encouraging visitors to reflect on what this means for society (see Figure 6.10 below).



Figure 6.10: Two pieces at the Hikurangi Sculpture Park (Source: Author, 2018).

Sustainable practices are nothing new in Niue which has always had a strong culture of conservation. As with many cultures throughout the Pacific, Niueans have a close connection and strong desire to take care of the land because the land takes care of them. One key informant demonstrated this connection with his everyday actions,

“I not only drink coconut from the tree that my forefathers planted, but I continue to plant also. Where that tree is down or old, I chop it down and put another tree there beside it.” KI004.

There are concerns about the poor practical efforts that accompany the conservation mentality (such as poor waste disposal practices) (KI007). However, the values associated with environmental stewardship are not only shown through personal actions, they are articulated within many of the NNSP 2016-2026 goals and shown through many new sustainable practices which are becoming more prominent year after year.

Niue Ocean Wide (NOW) is one such project which has come about through community action (via the local non-profit organisation Tofia Niue) and government backing to create a “holistic sustainable development and management framework for Niue” (KI005). This public-private partnership demonstrates how committed the government is to conservation, and one of the major steps was to close off 40% of the EEZ to become a Marine Protected Area (MPA) (KI005; UNDP, 2017). This was an important step forward because it could promote ecotourism, conservation management and preserve food security (KI005). Tourism has become a springboard for sustainable practices to be implemented not just for their own sake, but for the sake of the largest private sector industry on the island,

“the main thrust behind it is not just about conservation and management, it’s about generating benefits for the people of Niue, and in particular focusing on ecotourism” KI005.

International recognition has come about because of Niue’s remarkable environment on land and at sea, and this has been another factor for pushing sustainable practices to be reflected in policy. Tofia Niue has gained support from an international philanthropic organisation (Oceans5) and the National Geographic Society Pristine Seas project. NOW and other similar projects are effective in bringing greater awareness and appreciation for the natural environment both within Niue and internationally. In 2018 sustainable practices were further entrenched within Niue’s tourism industry through the ‘sustainable Niue’ initiative, providing

more institutional and private sector support of sustainable practices. This will be discussed further in Section 7.3.2.

6.4 Needs

The barriers and opportunities discussed above have demonstrated that there are many complexities in the development of a sustainable tourism industry that supports economic development. This research has shown that there are numerous needs to be met if the tourism industry is going to succeed economically, sustainably and meeting local needs. The main needs of Niue's tourism industry identified in this research are: (1) improved communication, (2) ensuring that Niue remains authentic and that tourist needs are not prioritised over local needs, and (3) improved infrastructure and activities to ensure that tourism remains sustainable.

6.4.1 Communication

Since 2009, millions of dollars have been invested in developing Niue's tourism industry. This money has gone into many areas, including marketing, resort development, tourism infrastructure and events. This investment has had a huge impact on the growth of tourism and many goals have been met, however many communities are left wondering why there is so much investment and energy going into tourism. Key informants and survey respondents expressed a variety of opinions about how they thought the NTO was approaching tourism, but there was a noticeable disjuncture between what was being done and what people thought was being done. This confusion extended to what the target market was, whether it was GoN or foreign aid that was being spent on projects, and if tourism brought any real benefits to the general community. The small population should allow for easier consultation and collaboration between local people, the NTO and the private sector, and this is a need which must be addressed.

In other contexts, academics have found that the more control residents feel they have over tourism, the less likely they are to experience negative social and cultural impacts (Apostolopoulos and Gayle, 2002). There appears to be a communication gap in Niue regarding the reasons why tourism has received significant investment. One business owner discussed the reactions which locals had at the start of the heavy investment period in 2009,

“A lot of the island were apprehensive about tourism, especially the older ones, they think, ‘Well there’s nothing wrong, so why do we need to change?’ Well there was a lot wrong because they were getting too much money off New Zealand and New Zealand was saying we can’t just keep firing all this money, you gotta develop your own economy” KI006.

A significant amount of New Zealand’s aid has been invested in developing the tourism industry since this time, and it may be expected that local people’s perception will have changed. Overall, most local survey respondents supported the decision to invest in the tourism industry because it was what the government had deemed as the best option, but there is still some confusion over the purpose of investing in tourism. Four local questionnaire respondents stated that New Zealand’s aid should not play a role in the tourism industry and this aid should also be focused on other areas, with one stating that “New Zealand should aid the fundamental basics for Niue” (QSR050). Two others felt that New Zealand’s aid played no role in Niue tourism. Only 6% of survey respondents directly stated that the role of New Zealand’s aid in Niue tourism was to help Niue become more financially independent, although 46% of respondents stated that the role of New Zealand’s aid was for financial or general assistance. This again shows the need for better communication of information and a shared understanding of how tourism is contributing to Niue and what purpose New Zealand’s aid has in this area.

With more open communication between the local community, the private sector and NTO a more appropriate and mutually beneficial approach to tourism could be developed. A previous member of the NTO stated that this was something they could learn from,

“because we [NTA] moved so quickly trying to grow tourism, we probably didn’t allow enough time or put enough investment into bringing the operators, or the industry and in particular the local community with us on that tourism train” KI002.

If ‘tourism is everything’ for Niue, then it cannot be driven solely by one entity on the island. Key informant 2 went on to discuss the benefits of drawing on the variety of knowledge and skills that exist in Niue,

“it’s all about taking everyone on that journey, and we’re too small to be so fragmented in our approach, or to be disjointed. I mean, yes, we can all look at each other and say well they’re a competitor to our business. But you’re marketing Niue as one destination with different offerings, or different qualities. It’s not about competing with one another it’s about looking to see how we can, sort of, deliver a really good tourism experience

that people want to leave their tourism dollars here because it goes back into the community.” KI002.

This is reflected by other locals who want to see the benefits spread around the island, stating that the government and NTO should be more active about engaging with communities and ensuring public awareness of new tourism programmes (KI018). This could lead to a better understanding for communities about how they might engage with tourism in a beneficial way, and at an individual level an improved understanding of the link between the investment in tourism and of the direct benefits to communities in Niue.

The above discussion indicates that NTO could take some steps towards increasing the effectiveness of their public consultation, however it was also suggested that there tends to be poor reception from locals when there are village consultations (KI007). The NTO is central to tourism development in Niue and is the go-to organisation for the marketing of small tourism businesses in Niue, but NTO itself is small and cannot work without community support and engagement (KI017). As Scheyvens and Momsen (2008) explain, smallness facilitates coordination, allowing innovation and adaptability of a tourism product to suit the demands of the tourist and the supply from tourism operators. Niue has yet to take full advantage of these opportunities, for example one business-owner stated that it was difficult to see what tourist market NTO had targeted (KI024). Business owners have years of experience to know who their customers are, what they want and how more of these types of tourist could be attracted to Niue.

The need for improved coordination and collaboration between community groups, the private sector and NTO is also reflected in the facilitation of events. Events include annual village Show Days, tourist getaways, music or cooking festivals and competitions. These events are often successful with high local and visitor engagement, although they are not becoming a sustainable function and need the continued support of the NTO and aid to fund them (KI017). A fishing competition was one such event that attracted many tourists to the island and was enjoyed by everybody. Once NTO had other priorities and could not continue to organise it, the event was left to dwindle, lacking the community support by other groups that it needed to continue (KI011, KI017). This is where community and industry input become more important, where everybody needs to be on board. Improved communication and coordination between the NTO and the community is needed so that these events and opportunities are not abandoned

and continue to provide benefits for locals and to spread the load in terms of events input and marketing ideas which more fully represent the local community.

As discussed in the previous section, there is a disjuncture between what tourists perceive about Niue attractions and what locals think tourists perceive. To reiterate, tourist survey respondents suggested they would have liked to have more cultural experiences, whereas some local survey respondents felt tourists did not want to have any cultural experiences. This may come about from advertising which focuses on nature, or the lack of tourists at the market or weaving groups. If there was a stronger focus on these activities and cultural activities were made more accessible, then it may become a bigger part of the tourist experience and in turn create more opportunities for tourists to spend money. This reflects the need for a more integrated approach to marketing efforts in consultation with the local community.

Local economic development all over the world is often pushed by ‘champions’, the members of a community who put a lot of effort and enthusiasm into ensuring the rest of their community can experience the benefits that are out there to be taken (Nel and Binns, 2002). Applying this champion position in Niue is not hard, everyone knows everyone and can see the good that others are doing, thus champions can lead by example. It became apparent speaking with one business owner, a jack-of-all-trades, that their vision was to see Niue transform into a society that has the capacity and drive to become independent. The following quote from this business owner shows their enthusiasm and optimism for the future of Niue.

“One of my main reasons for being in the private sector and my goal being in business in Niue is just to show my people it can be done. If you put your head down it can be done. That’s my main goal, to show to my people: if that man can do it, you can do it!”
[grammar corrected] KI021.

Furthermore, the strong community attitude in Niue is to help those around you and to look out for one another.

“In Western society it’s like the strong gets stronger and the rich gets richer kinda mentality, whereas here we gotta make sure that we all sort of, we all benefit from tourism, so nobody gets left behind” KI012.

The mentality around supporting one another and the champions who push for development are vital for tourism to support the economy.

6.4.2 Keeping Niue, Niue

One of the major points of discussion expressed throughout interviews and questionnaire-surveys was that it is imperative that the essence of Niue stayed the same regardless of tourism growth. Commodifying elements of the culture or the environment or changing the lifestyle to suit the needs of tourists was not an option for Niueans, and in turn this is what tends to increase local dissatisfaction about tourism (Apostolopoulos and Gayle, 2002). Research shows tourism which emphasises the social and cultural experience of the visitor and the local resident - such as is often the case in VFR tourism - can lead to a more positive experience for both visitors and hosts (Laskai, 2013; Telfer and Sharpley, 2016). People in Niue also see the downsides of becoming a bustling tourist destination such as Fiji, Samoa or the Cook Islands. Seven key informants stressed how important it was that Niue did not become subject to the issues that came with mass, mainstream tourism that was detached from the 'real Niue' (KI004, KI007, KI012, KI015, KI017, KI018, KI019). One of the benefits to come from the relatively slow tourism growth has been seeing how tourism has affected neighbouring Pacific Islands and learning from these. Niueans are cautious about the two sides of tourism and want to ensure a balance between expanding tourism and looking after what makes Niue, Niue (KI018). Survey respondents reiterated this thinking with 24% of local respondents wanting to see expansion of tourism in a controlled manner.

One of the key differences in Niue as a destination compared with other Pacific Islands is that the limited number of tourists is part of the tourist experience and what visitors come to enjoy. It is also one of the lifestyle factors which keep local people in Niue,

“the beauty of being here is you can go to so many places and you’re the only people there. That will change, the whole experience will change because they’ll be a whole sea of people [if tourism numbers grow significantly]” KI015.

These key informants warn that by growing too much it will destroy what makes Niue a destination in the first place,

“Tourism can contribute a great deal aye. But once tourism goes haywire it doesn’t. Undermines the very things you’re trying to build up.” KI019.

This goal of having low-impact tourism that can be appropriately sustained by the population and land area follows along with the sustainable principles which are being integrated more into tourism and supports the push for high-end tourism. Low numbers and high-yield could lead to a more sustainable tourism industry that produces less changes for the local lifestyle.

6.4.3 Infrastructure and activities

The problem of infrastructure has been touched on throughout the last two chapters, but as Niue becomes a more popular tourist destination it becomes an issue that must be addressed for both the livelihoods of locals and the experience of visitors. Basic infrastructure such as roading, power and water continue to have many faults, even as the tourist numbers continue to rise. Taking a holistic and calculated approach to improving infrastructure so that it can sustain growing pressure must be addressed if tourist numbers and resident population increases. For accommodation and other tourism services to remain viable they need to have the effective infrastructure. Specific tourist infrastructure such as sea tracks have been updated through aid funding, but there is still work to be done in terms of improving tourist activities.

As a destination which relies heavily on repeat visitors, it becomes increasingly noticeable to these visitors when things are not progressing. At times this can add to the charm of Niue, but there is an underlying expectation and desire for progress, and for new ways to spend time and money. A tourism operator discussed the need to have more activities in Niue so that tourists can spend more money, particularly on higher end goods or services which appeal to high-end tourists,

“It’s all well and good to get visitors to Niue, but if they can’t spend money, they can’t do activities, go on tours, if they don’t have access to the facilities that help to deliver an exceptional experience for them, it’s not worth it” KI002.

Tourism business in the private sector have steadily increased over the past nine years, but it may not be enough to meet the increased demand.

There are ways that a higher yield could come from existing businesses. The demand for more activities was clear throughout the tourist surveys, and key informants recognised that there were plenty of options to pursue, it just relied on local people being active in pursuing them. There is scope for existing non-tourism businesses or groups to become more involved with tourism. For example, Key Informant 25 discussed how tourists are now able to participate in sports tournaments, but also suggests that clubs could make this opportunity more accessible for tourists. There are some cultural experiences, though not all are authentic Niuean (KI025). Restaurants are starting to capitalise on the demand for Niuean food, with some cafes and restaurants running ‘Niue Kai’ nights once a week. One tourist respondent stated that they “would love to see some more Niuean food and tourist involvement e.g. innovative businesses

to cater for tourism dollars e.g. crafts, food in different eateries, too many chips and soft drinks” (QSR056). There is ample demand for more of these options, many of which were shown in section 6.3.

6.5 Conclusion

At the beginning of this chapter a question was posed about whether the barriers to development are what defines Niue. The intervening pages have hopefully shown that Niue is much more than its barriers and that tourism has become a tool for turning many barriers into opportunities. Niue’s isolation, remoteness and fragile environment has made other industries redundant, but the exotic appeal of a remote and unique island destination has been a blessing for tourism development. The high rates of outward migration have left Niue with hundreds of abandoned houses and one of the smallest populations in the world, but this has provided new opportunities for easier collaboration and coordination across the country. There are many opportunities for new tourism products, services and experiences. Cultural opportunities are particularly sought out by tourists and may assist in supporting the goals of Tāoga Niue as stipulated by the NNSP 2016-2026. ‘Sustainable Niue’ has become a recent initiative for Niue tourism and shows a way forward that integrates many of Niue’s underlying principles and traditions within a tourism framework. The growing sustainability focus in Niue has created linkages between the tourism industry, NGO’s and businesses and has attracted international attention.

The final section in this chapter explored the needs of tourism, highlighting the barriers which should be overcome for tourism to thrive. There is a lot of expertise and resources within the wider tourism sector and communities in Niue which could improve the outcomes of tourism economically, socially and culturally, but to access this knowledge there needs to be improved communication practices between the government/NTO and the wider tourism industry and the broader community. Niue must remain authentic and tourism development should align with Niue’s values, ensuring that local needs are not neglected for the sake of tourism. The final need to be addressed is an improvement in infrastructure to accommodate the growing numbers of tourists and the higher expectations of the high-end target market, while also satisfying local needs, and to provide more activities for tourists to take part in.

7. Tourism Growth and Aid

7.1 Introduction

The aim of this research has been to understand the extent to which tourism development has contributed to sustainable economic development in Niue. The previous two chapters have responded to the first two objectives, detailing the nature of the tourism industry and highlighting the sector's barriers, opportunities and needs. This chapter will explore the final objective, namely the relationship between Niue's tourism industry and New Zealand's aid. To address this objective, it is important to examine both parts separately and then address the relationship. Firstly, the role of tourism in Niue in 2018 will be discussed, examining the social and economic impacts of the expansion of tourism which have occurred over the past decade. Following this is an analysis of the current Niuean tourism strategy, with a focus on discussing whether the current strategy is sustainable and if there are other considerations which the NTO needs to consider. The role of New Zealand's aid will then be considered with a focus on the relationship between tourism and aid. Finally, the MIRAB model and other models will be examined with a view to consider their relevance in the Niuean context and in its current political economy.

7.2 What is the role of tourism in Niue in 2018?

For the last few decades Niue has been finding its place in a globalised world. The growth of a transnational community, the small population and the special relationship with New Zealand has firmly established Niue and its people as an international society (Connell and Brown, 2005). Tourism has become one more contributing factor to Niue's international focus, which helps place it amongst many other SIDS that have come to rely on tourism - and therefore foreign revenue - to survive in the modern world (Apostopoulos and Gayle, 2002). The previous chapters have already provided an overview of the nature of tourism and the barriers, opportunities and needs which face it, these findings are extended in the following pages to show how tourism has affected the economy and society.

The general attitude toward tourism among local people is one of acceptance and optimism. Although there are some gaps in communication between government and communities about

the aims of tourism, local people generally have faith that the government is making the right decisions in encouraging tourism development. When tourism was starting to grow as a key industry for Niue in the late 20th century and early 21st century, there was little public interest in growing the local private sector to cater for the tourism industry (Connell and Brown, 2005). Despite this early reluctance, there has since been a growing interest in tourism as demonstrated by many people who have found being involved in tourism has been rewarding (KI012, KI021).

Key informant 18 suggested that people in Niue are quick to move on to the next ‘big idea’ which came at the expense of their previous ventures. However, for tourism to catalyse economic development it will require constant work, and this is well understood by many key players involved in the tourism industry,

“The money is on the mark, and it obviously has to continue. Tourism is not something you can just invest by seeding something and then you sorta have to stay in it particularly long term in order to get to over a minimum sort of threshold after which it becomes self-financing and self-generating.” KI005.

There have been several champions operating in the tourism industry and breaking the cycle of chasing the next ‘big idea’, instead persisting with ventures in the private sector and showing how rewarding and dynamic tourism in Niue can be (KI012, KI021, KI027). People are finding new ways of generating revenue from tourism, and at the organisational level there are emerging signs of producing an industry, which by its very nature, will reduce the adverse consequences of tourism. This will be explored in more detail in section 7.3.2.

Niue has experienced substantial economic growth because of tourism, with the latest available figures showing a 240% increase in tourism’s contribution to the GDP from 2010 to 2014, amounting to \$5.3 million in 2014 (Adam Smith International, 2015). The private sector is dominated by tourism businesses supporting the livelihoods of many local people. Tourism is the biggest contributor to the economy (other than foreign aid), and a catalyst for further economic development (GoN, 2016). It will be important in the future to broaden the scope of tourism businesses to encourage more spin-off economic activity which has slowly started to appear. Key informants could not emphasise enough that tourism was the only serious economic option. It was also recognised that tourism is an asset for the social life on the island as “it keeps the island alive” (KI010). More investigation into specific local aspirations will need to be conducted, but the more these aspirations are compatible with tourism development

initiatives, the more positive the social and economic development will be (King, McVey and Simmons, 2000). The questionnaire-surveys indicated that most locals felt positively about tourism, with 82% of respondents stating that the impact of tourism was more positive than negative. This finding shows that Niue is making headway with utilising tourism as a strategy for development that encourages local benefits and minimises negative consequences (Sharpley, 2014).

The previous chapter illustrated that there are many opportunities for the tourism industry to grow and diversify, and while there are also many barriers that a small place like Niue faces, there are ways to overcome them. One of the major impediments to growth is the small size of the local population as this restricts opportunities for market expansion and the availability of a local work-force. These numbers are slowly turning around, with the latest statistics showing that there is a small amount of growth in the population for the first time since 1966 (KI020). Compared to the Cook Islands, Niue has one tenth of the population with the same land area (which is spread over 15 separate islands in the Cook Islands). The Cook Islands had 161,362 visitors in 2017, while Niue had around 10,000 (Cook Islands News, 2018). Theoretically this level of growth is possible, however it would be a long time before there was a sufficient resident population and infrastructure to sustain those visitor numbers. Furthermore, the attitude toward this sort of growth is largely negative in Niue (see section 6.4.2), with locals identifying the problems and pressures that a large tourism industry places on the land and the people. The more desirable option for local people has been to keep the tourist numbers low - thus placing less pressure on resources - and seeking out the high-end tourist market instead. In theory this market will provide a greater yield, but this also requires a high-end destination and associated facilities, which Niue does not yet provide.

7.3 Is the current tourism strategy sustainable?

The Niue brand has remained relatively constant over the past nine years, with a strong emphasis on the *pristine* and *unspoilt* nature and the sense of *adventure* which it provides (see Figure 7.1 below). Niue offers something unique in the Pacific, not the typical sandy beaches but a rugged and raw experience. While the national marketing strategies have highlighted nature as the focus of tourism in Niue, the three most common words tourist survey respondents used to describe Niue were: *beautiful*, *friendly*, and *relaxing*. The natural beauty is undoubtedly

important, but the value of tourism as a catalyst for social interaction between tourist and local comes through in these responses. This aligns with the broader literature which signifies the paramount role of the host community for the tourism industry (Sharpley, 2014).



Figure 7.1: Niue advertising material (Source: Niue Island, 2017).

Contact with local people is central to the experience of visitors even though this is not referred to or alluded to in most of the major marketing campaigns. Although this was lacking in the official streams of promotions, informal discussions with people who have visited Niue always came around to the idea that what made Niue special was arriving as a tourist and leaving as a friend. This engagement between local and tourist contributes to the high instance of repeat visits.

7.3.1 Target market

Niche markets are very important for Niue, with the three most significant niche activities being whale-watching, diving and fishing. There are numerous businesses involved in these activities in Niue and they are responsible for a significant number of the tourists visiting Niue. Surrounding these activities are often tight-knit communities of operators that are an important avenue for the promotion of Niue as a destination. These groups facilitate word-of-mouth contact and as a result, Niuean businesses become busy with repeat or word-of-mouth clients (KI012, KI024). Capitalising on word-of-mouth and repeat visitors are the key promotional techniques for a variety of accommodation providers (KI012, KI024, KI026). Although tourism businesses have had success using word-of-mouth techniques for marketing, some key informants criticise the NTO for also using a niche approach for marketing at a national scale (KI006; KI021). These key informants suggest that because of the small budget and small visitor numbers, as an alternative to niche marketing Niue should target the easier markets - the 'low-hanging fruit' from the closest metropolitan markets (Auckland) which have only just been penetrated (KI006, KI021).

The NTO oversees tourism marketing with an annual budget of around \$900,000, which is small compared to the multi-million-dollar marketing budgets of other Pacific Islands (KI007; MFAT, 2017a). With this small budget it is essential to be focused on promotional activities, but there are several key informants who expressed concern that the focus of the funding was misdirected, and a lot of money could be invested in more productive areas (KI006, KI009, KI027). The NTO typically run two events a year ranging from food festivals to ukulele festivals and feature celebrities, these all aim to raise the profile of Niue to a high-end market (KI007, KI017). Concerns arise about the 'glitz and glam' of the events that do not reflect the reality of Niue, and pumping money into these events is perceived as frivolous when the target market it aims to attract are not going to be satisfied with the products, services and infrastructure available on the island (KI006, KI009, KI027). A reallocation of funding from marketing to servicing the heightened demand (through infrastructure upgrade, facilitating more activities and so on), would improve the overall experience for those tourists drawn to Niue with the expectation of a high-end destination.

There are lessons that can be learned from the successful operators in Niue who continually receive repeat and word-of-mouth tourists. They show that establishing a good and consistent

product that people enjoy will entice visitors to keep returning. Once visitors know they will receive a reliable product or service, word-of-mouth becomes an efficient option for marketing, rather than continuing to rely on costly events every year. While events are designed to raise the profile of Niue and incite word-of-mouth, events should be designed to complement what Niue currently provides as a destination. More in-depth investigation would help to deduce whether the events are working as well as they could, particularly to establish if they align with the motivations of the target market (Goeldner and Ritchie, 2012).

The current demographics of tourists in Niue is very different to that of other Pacific destinations. There are larger numbers of visitors 65 years old and older, many of whom have already travelled extensively throughout the Pacific and beyond (KI007, KI028). Although this market is somewhat adventurous, safe and accessible infrastructure becomes more important for these tourists. One tourism operator discussed the number of injuries they had heard about was becoming a major problem, and that “some of the biggest changes have been the maintenance of the tracks and the fact that they’ve put down some of that fibreglass grid, makes a huge difference” (KI015). Developing accessible tourism infrastructure should be considered with the target market of Niue.

While the current high-end target market will require increased investment in safety and higher-quality products, infrastructure, activities and services, there will continue to be several other tourist markets that will inevitably travel to Niue and they should also be understood. The VFR market is sustainable in that there is a large transnational Niuean community and they continue to travel to Niue for special occasions, to visit friends and family and connect with their roots. While the VFR market have slightly lower expenditure, they still use many facilities, seek out local goods and strengthen social and cultural link between communities (Laskai, 2013; Shani and Uriely, 2011).

Hundreds of yacht tourists visit Niue every year, supported by the Niue Yacht Club with limited support from the government and NTO (KI013). Some cruise ships also visit Niue on voyages around the Pacific. Cruise tourists are offered a day trip in Niue (see Figure 7.2 below), however these day excursions are dependent on weather and if the wharf is operational. Many businesses are not willing to take the risk of planning to cater for the increase in customers because of the risk they will not be able to dock safely (KI022). Local people also hold more

negative views of day tourists in regard to cultural insensitivity and find that allowing cruises to dock in Niue is more trouble than it is worth (KI015, KI022).



Figure 7.2: Cruise ship passengers arriving for their day excursion with good weather (Source: Author, 2018).

Local opinion on backpacker tourists are mixed, some suggest tourist beds would be better used by a higher-end market (KI007), while others suggest they still spend money on food and activities and only cut costs on accommodation (KI006, KI021). There are clearly benefits of VFR, yacht and backpacker markets, at present they are contributing to the economy even though very few resources or investment going towards attracting or catering for these groups. The scope of this research does not leave room to investigate these groups in depth, but there is a lot to be considered for alternative markets in future research.

7.3.2 Sustainable Niue

Sustainable principles underlie many aspects of life in Niue from the sustainability focus of the national strategic plan, to the untouched, pristine Niue brand, to the bush farms that instil a sense of sustainability, and the billboards reminding people of eco-village and sustainability initiatives (see Figure 7.3). The sustainability focus that has become a major part of

international development is particularly apparent within the ‘new tourism’ or sustainable tourism industry (Telfer and Sharpley, 2015). Sustainable tourism has become a key factor for development, and for SIDS, sustainability and development are becoming intertwined concepts. Niue’s vision is *Niue Ke Monuina - a prosperous Niue*, is built upon principles of responsibility and sustainability and the tourism industry in Niue must focus on these principles to contribute to *Niue Ke Monuina*. As discussed in Section 6.2, there are some indications that although Niue does not live up to the principal of being a sustainable destination in all areas, the push for a sustainable brand has been pursued further than ever in 2018.



Figure 7.3: Billboard in Niue village (Source: Author, 2018).

The national tourism website is an important resource for tourists considering Niue as a holiday destination, and in mid-2018 ‘Sustainable Niue’ was launched (see Figure 7.4 below). This section of the website outlines the new and existing conservation projects and environmental initiatives which align with Niue’s sustainability principles. The latest initiative was to ban single-use plastic bags. The ‘Responsible Tourism Initiative’ highlights measures from the government and tourism industry to show Niue’s support of the SDGs. The initiative shows that sustainability is at the forefront of the tourism industry and will begin to represent the destination more so than it has in the past. A new Visitor Code of Conduct brings tourists into the fold to ensure that they act responsibly, contributing to the sustainability of Niue’s natural environment and respecting local communities (Niue Island, 2018). This has clear advantages

and potential benefits, but Niue will need to address some of the challenges noted previously in section 6.3.7 to live up to this image.



Figure 7.4: Niue advertising material (Source: Niue Island, 2018).

7.4 What role does New Zealand’s aid play in Niue in 2018?

The many barriers that face Niue have constrained development for decades, yet Niue currently has better indicators (including higher wages, little-to no poverty and higher mobility) than many of its neighbouring Pacific Islands or developing countries around the globe (Connell, 2008; KI001, KI016). The constitutional links between Niue and New Zealand ensures that Niue has economic and administrative support from the latter (MFAT, 2017c). While the necessary support is not directly stipulated in the Niue Constitution, Quentin-Baxter (2008) suggests that it should allow a similar standard of living within realm countries as that in New Zealand. However, it is not certain that every New Zealand government will provide the same level of assistance as the New Zealand government which came before it - the global trends explored earlier in the literature review are testimony to this fact. Current New Zealand foreign

policy aims to support economic development in realm countries to become more self-sufficient. The purpose of investing aid into Niue's tourism industry is for the country to have productive economic development. The tourism industry has grown significantly and there is lots of room for growth, however the growth has been driven by increasing amounts aid. The tourism industry is not self-sufficient and if tourism development continues to rely on New Zealand's aid it may not reach its goals of increased independence.

The largest tourist market for Niue are New Zealanders, and the close ties between Niue and New Zealand exist not only because of the Niue Constitution and the colonial history, but also because of the people. Most Niueans will spend some part of their lives overseas, and many will do so in New Zealand given their citizenship and family ties. The Niuean population in New Zealand are contributing to the New Zealand economy just as New Zealand contributes to Niue. Niue also relies on New Zealand for goods and services, Niue imports four times more than it exports, and Niue is spending more money than it is generating (Statistics Niue, 2012b). One business owner explained the situation as they saw it,

“everything [aid] that comes from New Zealand to Niue goes back to New Zealand. And that's with the airlines, cause it's Air New Zealand of course so all of the profits go back there. Other marketing that comes here, probably about 80% of the marketing budget or even 85% of the marketing budget is spent in NZ” KI012.

A significant amount of New Zealand's aid for tourism goes towards marketing, and there are very close affiliations with New Zealand companies who run promotional activities and liaise with the NTO closely. Most marketing material, such as magazine or newspaper advertisements are placed in the New Zealand media only. The aid for tourism has undoubtedly led to greater opportunities in the private sector and economic development over the past nine years since tourism has been prioritised by the Niuean and New Zealand governments, and New Zealanders have in turn benefitted in terms of having access to a holiday destination and increased business opportunities.

The mutually-beneficial reality of the New Zealand-Niue relationship can lead to some controversy in terms of aid and foreign policy. In the literature review it was suggested that aid is a form of strategic investment (Milne, 1992; Overton, 2008; Spratt and Wood, 2018). By having a close relationship between the two countries and by New Zealand giving substantial amounts of aid to Niue it maintains an influence over the country and the wider Pacific region.

The small population size also means that although the percentage of aid allocation from the NZAP for Niue is relatively low, what it receives on a per capita basis covers many of the needs for Niue and results in a much higher standard of living compared to other recipient countries with a larger population (MFAT, 2015). New Zealand's foreign relations have increasingly been centred upon areas where commercial and geostrategic advantages can be gained for New Zealand (Spratt and Wood, 2018). Like New Zealand, there are other countries which aim to have some control or influence over the Pacific region (Asia Pacific Report, 2018). Recent concerns in 2017 and 2018 have highlighted the growing presence of China in the region, with talks about China fixing the roads in Niue circulating at the same time. There were concerns about what this would mean for Niue in the long run, with many preferring infrastructure development to be funded internally or by aid from New Zealand.

7.4.1 Aid and bureaucracy

The MIRAB model has provided a base through which the political economies of the prescribed countries can be critiqued. Bertram (1996) and Poirine (1998) have both questioned the effects that aid and remittances would have on the motivations of local communities to come up with new solutions and industries to increase independence. This research shows that these critiques have been the reality in Niue to some extent. The public sector in Niue is funded by recurrent budget support from New Zealand and employs a considerable proportion of the working population. Key informants thought that the dominance of the public sector with a four-day working week policy resulted in poor work ethos in the country (KI007, KI021, KI025). In addition, there are many opportunities in the private sector that are not being pursued because workers do not show up, seeing tourism related jobs as something surplus to their needs that does not need to be taken seriously. Additional work in tourism businesses is sometimes seen as a hobby rather than a way to earn money (they may work in tourism to supplement household wages in the public sector or from pensions), which means work in tourism is not a top priority (KI007).

Poirine (1998) expressed other concerns over the effects of aid on the workforce, stating that it would slow down the expansion of the private sector as public sector workers could earn twice as much as in an equivalent job in the private sector. This is a disincentive for people to service existing tourism businesses or start new businesses which would generate foreign revenue rather than furthering dependence on aid. Connell (2008) argued that the number of government

jobs and migration were directly related - if aid were to decline, so too would the population as people would leave Niue to find better job opportunities. Local people feel some apprehension about the possibility of a reduction in New Zealand's aid (Connell, 2008). If there was a fall in aid for any reason, having a stronger private sector would increase economic security, although it has also been argued that any new economic activity would not be enough in the short or medium term to increase Niue's independence from New Zealand's aid (Poirine, 1998; Reiser and Pforr, 2015).

7.4.2 Suggested changes to New Zealand's aid

The purpose of aid is typically to combat poverty, to provide assistance to people in countries without many opportunities and to improve livelihoods. Without New Zealand's aid it is likely that there would be fewer opportunities in the workforce, although most Niueans are self-sufficient in some ways - such as subsistence farming practices and vaka fishing. The fact remains that Niue has received significant amounts of aid since independence, placing the country and its people in a better position for developing their own economy and has resulted in the absence of significant poverty (Connell, 2008). New Zealand's aid is directed towards budget support, tourism, and various other projects on the island. However, it is suggested by several key informants that it may not be appropriate for this funding to be put under the 'aid' label, but rather it should be drawn from a 'development' pool (KI006, KI016). Key informants implied that by classifying foreign money into 'aid' this is generating extra work in Niue to address poverty targets that are quite redundant for the goals of Niue, while 'development' money may produce better outcomes because they are more relevant to Niue's development goals (KI006, KI016). If money came out of a 'development' fund, there may be more efficiency in terms of reporting and the specific goals would be more relevant because there would be less time spent on adapting the focus to fit the more typical 'aid' conditions of less developed countries (which would focus on poverty alleviation) (KI006). The small workforce in Niue means that prioritising key areas is important, and spending time and resources on superfluous assignments or paperwork could result in more important matters being left incomplete.

For Niue to gain the most out of New Zealand support it needs to be recognised for what it is, what is possible in Niue and what issues are the most important to focus on. It is a known problem that donor countries do not consider the diversity of insular microstates and that these

may require a different approach to improve aid effectiveness (Milne, 1992; Murray and Overton, 2011). The increasing pressure placed on the public sector of these countries to provide feedback and collaborate with the donor takes away precious time and resources from what is important. There were many development issues that key informants and questionnaire respondents brought up that were not tourism related, but which still have effects on the tourism industry. Local questionnaire-respondents indicated education as a development area that should be given a higher priority. Multiple tourist questionnaire-respondents brought up the quality of food and the apparent health problems in Niue, suggesting it was off-putting as a tourist that there was not as much focus on these issues as there could be. If the government was spending less time on the process of obtaining ‘aid’ or ‘development’ funds, there may be better outcomes for these other important areas (KI006, KI016; Murray and Overton, 2011). In the meantime, parts of the private sector have been improving some of these issues. Key Informant 6 thought there could be easy ways in which to “change the health of a nation”, which was already starting to be done with an agricultural business providing fresh fruit and vegetables. With more innovative ideas like this there could be a lot of headway made in all areas of development.

7.5 Beyond MIRAB

The MIRAB model was created to describe the factors of economic development in several SIDS economies over 30 years ago (Bertram and Watters, 1986). The model supported a better understanding of the economy and development methods pursued in Niue, Cook Islands, Kiribati, Tokelau and Tuvalu, paving a way for a directed research focus into these less understood small island economies (Bertram, 2006). In 2004, a conference centred on the theme ‘Beyond MIRAB: The Political Economy of Small Islands in the Twenty-First Century’ reviewed the economies of insular states throughout the world, comparing the MIRAB model with the more recently conceived SITE model (small island tourist economy) and PROFIT model (people considerations, resource management, overseas engagement, finance, insurance and taxation, and transportation). Bertram (2006) created a new taxonomy of small-island economies shown below in Figure 7.5, which encompasses the three ideal-type models and situates 50 small island states within them. The five original MIRABs (including Niue) were still classified under the MIRAB model, and there were six MIRAB states which showed SITE characteristics.

Figure 1. A taxonomy of small-island political economies Notes: a. Overlaps between MIRAB and SITE lists. b. Overlaps between SITE and PROFIT lists.

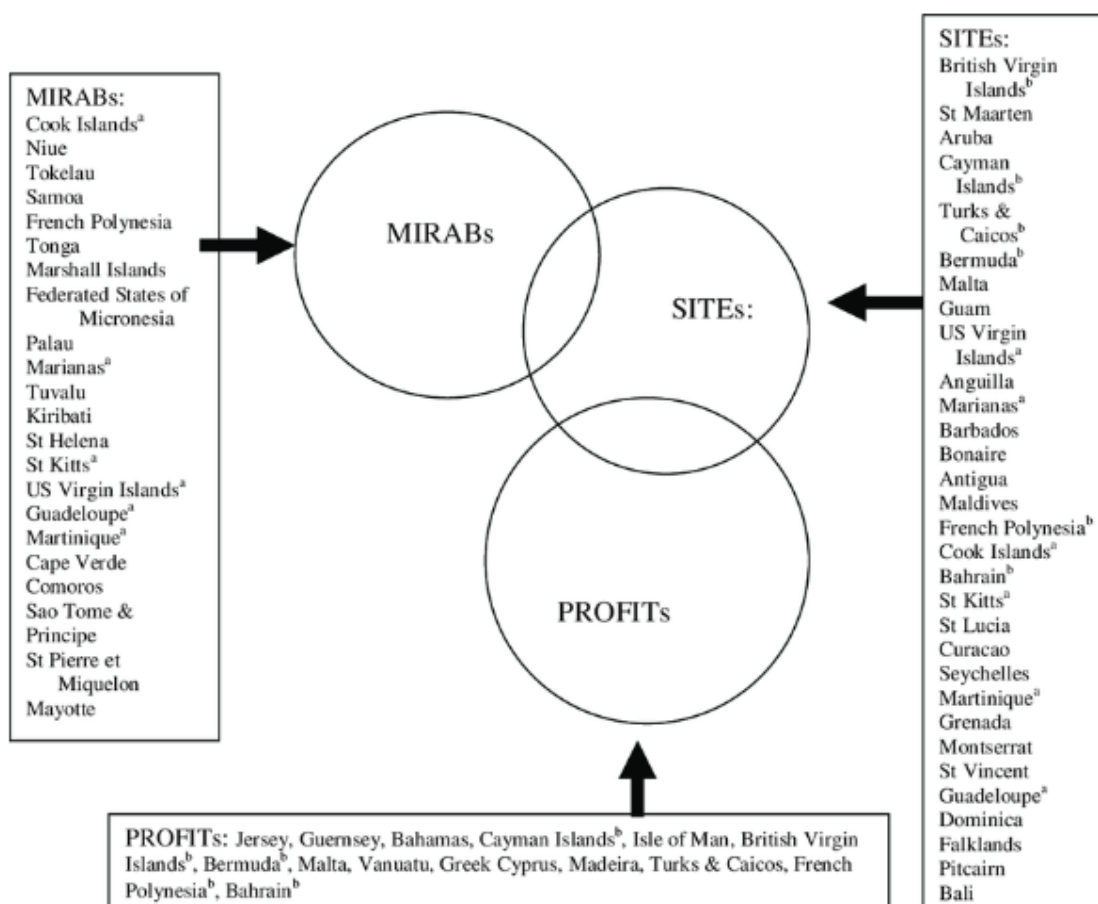


Figure 7.5: Taxonomy of small island political economies (Bertram, 2006: 7).

The original MIRAB model did not consider the success of tourism development and the profit that it could bring to small island economies, but the empirical evidence meant that tourism “promises to be the face of a post-MIRAB, or non-MIRAB, commercially successful economic future for at least some small islands” (Bertram, 2006: 6). As stated by Bertram, the new taxonomy paves the way for further research into the transition of small island economies from one model to another. While Niue was still firmly situated within the MIRAB model according to Bertram in 2006, the intervening 12 years has brought many changes to Niue’s economic characteristics. The remainder of this chapter explains why the MIRAB model no longer apply to Niue and explores how Niue could now be characterised.

7.5.1 Migration and remittances in 2018

Migration has been one of the most significant factors affecting society and the political-economy in Niue over at least the past half-century. At its peak Niue had a population of approximately 5,000 permanent residents, but cyclones, overseas employment opportunities and a ‘better life’ drove thousands of Niueans to resettle in New Zealand and beyond. Twice weekly flights are a luxury that have only come about in the past few years, with Niue once being a very isolated location. The resident population has finally stabilised, but the depleted population has meant Niueans abroad have remained an important part of Niuean society and economy. The People and Population Strategy in the NNSP states that “Niueans living abroad are important and the cultural bridge with those living in Niue will continue to feature and will complement efforts in other sectors to rebuild Niue’s population” (GoN, 2016: 25). However, the financial role of Niueans living abroad in the Niuean economy is changing.

Remittances are significant for many MIRAB economies (and many developing countries across the globe), often exceeding 30% of the national income (Overton, 2009). However, remittances were never as important for Niue as they were in other Pacific Islands (Connell, 2008). The high levels of aid alongside the burgeoning public sector meant remittances were not as significant. Although there has been a lot of evidence that remittances are no longer significant to the political economy, the MIRAB model continues to be associated with Niue (KI008). Connell (2008) did suggest that MIAB (migration, aid and bureaucracy) would be a better fit, as this recognised that historic migration still has implication on the political economy of Niue. The transnational corporation of kin remains important (Connell and Brown, 2005).

Although remittances are insignificant to the national economy, there is still a lot of economic value which the Niuean diaspora contributes. The VFR market is an important subset of the visitors whose key contribution is often undervalued (Shani and Uriely, 2011). As the Niuean expatriate community do not need to send remittances back home, they are in a better position to visit more frequently. VFR tourists are less affected by seasonality, and in Niue these visitors extend the tourist season and come for weddings, funerals, coming-of-age ceremonies and village Show Days (Boyne, Carswell and Hall, 2002; KI022). VFR tourists contribute to the economy, particularly as they have higher instances of repeat visits and stay for a longer period (as shown in section 5.4) and require less investment in terms of marketing and promotions. The growth in the tourism industry along with the imbalance between labour supply and

demand is hoped to bring an increase in return migration of Niueans (GoN, 2016; KI020). Currently Niue is seeing more non-Niueans moving to Niue for business, while returning Niueans are often coming to retire or start young families (KI020). As tourism development continues there will be more opportunities to attract overseas-based Niueans for the business opportunities.

7.5.2 A post-MIRAB economy

If the MIRAB model must be revised in the case of Niue, what will follow? Going back to the taxonomy in Figure 7.5, there are many islands that are characterised by the MIRAB and SITE models. Niue was not included in this grouping, but since the time of the Bertram's article millions of dollars have been invested into Niue's tourism industry, the net tourist arrivals have increased from 6,214 in 2010, to over 8,000 by 2015 and tourism has become the largest private sector industry (Statistics Niue, 2012a; UNWTO, 2017b). McElroy and Parry (2010) discussed the characteristics of small island tourist states and determined they could be at different maturity levels, with five dimensions leading to a successful SITE, these are:

1. Favourable location near lucrative origin markets;
2. Dependent political status providing access to metropolitan patron country investment, infrastructure and visitors;
3. Sufficient affluence and economic modernization to provide tourists with the standards of service they expect;
4. Adequate tourism infrastructure to handle the level of mass visitation SITE islands have achieved; and
5. A certain abundance of tropical amenities and/or an uncrowded ambience reflecting the unhurried pace of island life (McElroy and Parry, 2010: 324).

Niue displays three (1, 2 and 5) of these dimensions, but still has a way to go to fully provide the remaining dimensions (3 and 4). While there are signs that Niue may slowly become a SITE economy, the most advanced SITEs (most of which are Caribbean islands such as Aruba, Bermuda and the US Virgin Islands) tend to be wealthier and have a larger immigrant society in urban areas to address the tourism labour demands (McElroy and Parry, 2010). Over half the per capita income is made up of visitor spending in the most successful SITEs, and 20% of the actual population on any given day are visitors (McElroy and Parry, 2010). There tends to be significant development and investment in large-scale transport infrastructure, resort facilities

and human-made attractions to promote off-season traffic. Cruise tourism is frequent and there tend to be shorter lengths of stay (with weekend trips commonplace). Negative consequences include pollution, environmental degradation on land and on reefs, increased crime rates and price hikes in property (McElroy and Parry, 2010). McElroy and Parry (2010) highlighted the importance of modernisation and adequate infrastructure, and the low level of tourism penetration in Niue which indicates that Niue would still not fit this model. Given the negative connotations surrounding modernisation with its Eurocentric and economic focused growth that is achieved at the expense of local-centred forms of development, the SITE model does not adhere to the principles of development that Niue seeks (GoN, 2016; Sharpley, 2003). Moreover, the critical element of aid and bureaucracy is still an essential part of the economy in Niue and is not considered within the SITE model.

A taxonomy encompassing tourism, aid and bureaucracy is needed, and perhaps this could be found in the work of Apostolopoulos and Gayle (2002: 10) who explored the “transformation of MIRAB societies to TOURAB (tourism, aid, bureaucracy) economies”. The TOURAB model is not in widespread use, and Apostolopoulos and Gayle (2002) did not directly explain their reasons for removing of migration and remittances from the model. The findings of the current research suggest that a *TOURAB* model should be developed so that places like Niue can be accurately characterised and therefore better understood. The TOURAB model would draw upon the MIRAB and SITE taxonomies, reflecting the increasing role of tourism while recognising that tourism is reliant upon aid and bureaucracy. The TOURAB model would incorporate tourism development with the aid and bureaucracy which have remained fundamental to the political economy of Niue for many decades.

7.6 Conclusion

The objective driving this chapter has been to explore the relationship between Niue’s tourism industry and New Zealand’s aid. To understand this, it was firstly important to determine the social and economic factors which have played a part and been influenced by tourism. As with many SIDS, Niue quickly utilised aspects of globalisation to build an economic base. While many strategies to enter and profit from the global economy have failed, tourism has become a central part for Niue’s global reach. More locals are investing in tourism than ever before, and although the public sector still dominates the workforce, private businesses number in the

hundreds and there are many opportunities for growth. The social life in Niue has become enriched by the increase in tourists, with visitors saying that the connections they make with local people are important to them and keep them coming back.

Tourism has become a vital part of the economy; more people are sticking with their roles in tourism and wanting to see growth and prosperity coming from this industry. There has always been a strong focus on the distinctive brand and target market, with the NTO ensuring they do not slip into the same pattern and problems that other SIDS have experienced. There is some disparity between the high-end tourist target market and the middle to low-end infrastructure that services Niue and the tourism industry. The Niue brand has focused on nature and soft adventure, for people who respect the environment and culture. The focus on sustainability has become entrenched within the tourism brand in the past year, with 'sustainable Niue' becoming the most recent campaign.

Aid has remained a central part of Niue's economy for the past half-century, and even with the growth in tourism this dependence has not diminished. The growth of tourism has been facilitated by the NZAP and while there has been significant growth in tourist arrivals and expenditure, New Zealand's aid has only increased. Thus, the relationship between Niue's tourism industry and New Zealand's aid is stronger than ever, with tourism development dependent on New Zealand support. However, it should be recognised that there is a reciprocal relationship between Niue and New Zealand. Many Niuean's migrate to New Zealand and contribute to the New Zealand economy, and most marketing is spent in New Zealand to attract New Zealand tourists.

The growing tourism industry elicits a change in theory to understand how Niue's political economy is evolving. Remittances do not contribute in any significant way to Niue's economy, although the 'transnational corporations of kin' suggests that there are many other ways the Niuean diaspora is contributing Niue's economy (Connell and Brown, 2005). The tourism industry has been invested in by the NZAP, the GoN and many people in the private sector, and this should be reflected in the models that are used to understand Niue. The SITE model is well-established, but better reflects more mature tourism industries, and reflects insular locations which experience many negative consequences of tourism. Although TOURAB is

not an established model, it may better represent Niue's economy with its focus on tourism, aid and bureaucracy.

8. Conclusion

8.1 Introduction

‘Tourism is everything for Niue’ was a phrase heard time and time again when conducting this research. Although tourism has been identified as a key part of Niue’s development since the 1980s, the past nine years have seen the greatest investment and growth in the industry. Economic development in many SIDS throughout the world has been elusive in many sectors given their unique challenges, but tourism has been one area that has generally flourished despite these barriers. Niue has not been able to drive tourism-based development on its own, and in this regard, Niue’s special relationship with New Zealand has allowed the small Pacific Island nation to achieve a high standard of living while also pursuing sustainable economic development in areas best suited to its own resources and needs.

This concluding chapter reviews the findings and outcomes of this thesis. Firstly, the aims and objectives will be revisited in turn, outlining the key findings of this research, and then going on to show how the gaps in the literature have been filled. Observations from this thesis are then generated into final recommendations for the Government of Niue, New Zealand Ministry of Foreign Affairs and Trade and Niue’s tourism industry. Following this, recommendations for further research opportunities are made that will contribute to the development of Niue and other SIDS and insular microstates.

8.2 Aims and objectives

The aim of this research was to develop an understanding of how tourism has contributed to sustainable economic development in Niue and how New Zealand’s aid has contributed to this outcome. This research was driven by a need to reassess the nature of Niue’s tourism industry after almost a decade of concerted effort from both Niue and New Zealand to establish a viable tourism industry to bring about sustainable economic development. Three key objectives were established to direct the research and were the basis of Chapters Five, Six and Seven. In this section, each of the objectives are addressed in turn before a summary is given to establish if this thesis has reached its aim.

The first objective was to determine the nature of Niue's tourism industry by drawing on government plans and policies, and local and tourist perspectives. It was established that Niue's government identified tourism as an integral part of Niue's development strategies to achieve the national vision of *Niue Ke Monuina - a Prosperous Niue*. In this context, New Zealand continues to play a vital part in supporting the tourism industry. Local people trust the government in the pursuit of tourism development, but there is concern surrounding the risk of negative effects from tourism on their lifestyle, cultural values and environment. Similarly, visitors also noted their concern about the adverse effects that large crowds would have on the tourist experience, because the authenticity of the island, and the raw, unique and untouched environment which are what draws people to Niue in the first place. The visitor surveys indicated that the island has a mid to high-end market, and a high proportion of visitors stayed at the resort. Most activities visitors took part in were nature-based, but there is a noticeable lack of income-generating activities which tourists can take part in. There are high numbers of repeat visitors, hinting at the significant social aspect of tourism and a large VFR market.

While Chapter Five gave an overview of what the tourism industry looks like, why it exists and how it is perceived, Chapter Six addressed the positive and negative factors that affect development in Niue, and how they might be overcome or their effects mitigated through the tourism industry. The second objective was to determine the barriers, opportunities and needs of Niue's tourism industry, and thus explored the common traits that constrain development in SIDS. These include isolation, remoteness, the fragile environment and small population, which collectively have all impeded on development in Niue. However, it was shown that there are many ways in which these supposed 'barriers' are potentially advantageous and can provide many opportunities for tourism to develop. Remoteness can be a strong pull factor for tourists, and the small population gives Niue an 'untouched' appeal. Despite the barriers that Niue has overcome to pursue tourism, there are several apparent issues which need to be addressed for tourism to be accepted by the broader community. These include improving communication between the Niue Tourism Office, tourism operators and the general public. Local people do not want to see a drastic change that alters their lifestyle for the sake of tourists, and they do not want the essence of Niue compromised just for economic benefit. Finally, if the high-end target market continues to be pursued, infrastructure development will need to be a major priority, and there should be more activities developed for tourists.

The final objective addressed in Chapter Seven was to determine the relationship between Niue's tourism industry and New Zealand's aid. There were several key areas explored to understand the growth of tourism and the relationship between tourism and New Zealand's aid. Firstly, it was found that tourism has been Niue's door to the rest of the globe. While there were many issues that stem from colonisation, SIDS have used their colonial links to establish a connection and a 'hinterland' that can be drawn upon to stimulate development and build an economic base. Tourism-related businesses account for over half the businesses in Niue and are creating more opportunities for locals and the Niuean diaspora. There are still significant discrepancies between the needs of a high-end target market and the local realities in terms of infrastructure, goods and services that support the tourism industry, and this will need to be addressed. An increasing focus on sustainability supports Niue's commitment to sustainable economic development.

New Zealand's aid has been essential for the development of the tourism industry and it continues to play a key role in Niue's tourism industry which has yet to reach a position of self-sufficiency. Thus, aid remains central to Niue's political economy, and the growth of tourism has reached a stage where it is now an integral part of the economy. There needs to be a better way to theorise Niue's political economy beyond the MIRAB model. The TOURAB model is suggested as a way forward to better understand Niue's political economy, and perhaps that of other SIDS with emerging tourism economies.

The aim of this research was to address the role of tourism in Niue's sustainable economic development and to determine the role of New Zealand's aid in this development. This aim and the linked objectives have been achieved in this study presenting new findings that challenge previous research findings since Niue's independence in 1974. Tourism is growing at a rate not seen before in Niue's history and it is contributing to the vision of *Niue ke Monuina- A prosperous Niue*. Increasing importance is placed on the sustainability of the tourism industry, both in terms of environmental sustainability and sustainable economic development. As Niue raises its profile and continues to present new and innovative sustainable policies it is becoming internationally recognised, generating more interest and praise. The role of New Zealand's aid is as significant as it has ever been. Niue's high employment and low poverty rates are a testament to the good relationship which exists between Niue and New Zealand and the associated benefits flowing from that relationship. In the past this relationship has not

facilitated significant growth in the local private sector because of the New Zealand funded public sector. However, there are now several champions in the community who encourage growth in the private sector and combat the public sector dominance.

8.3 Contribution to literature

This thesis presents the latest research on Niue's pursuit of tourism development, sustainable economic development and the role of New Zealand's aid. The aim of the literature review in Chapter 2 was to lay a basis to determine if tourism is an appropriate tool for sustainable development in Niue, concluding that if this aligned with local goals and resource limits and taking cognizance of the costs, tourism could be an appropriate tool for sustainable economic development. After gathering and analysing the various perspectives of numerous key informants, locals and tourists it can be concluded that tourism is the most appropriate tool for sustainable development although this continues to rely on foreign aid.

This research contributes to the limited writings in the field of microstates and their experience of pursuing sustainable tourism development. The differences between Niue and other SIDS was reflected upon, highlighting the need for increased recognition of the difference between microstates and larger SIDS, particularly in the area of aid effectiveness (see 8.4 Recommendations below). Chapter 7 investigated the relationship between New Zealand's aid and Niue's tourism, finding that the growth of tourism has become heavily dependent on New Zealand's aid. Therefore, Niue remains an aid dependent state but the MIRAB model is no longer appropriate for describing Niue's political economy and the TOURAB model may provide a better fit – reflecting the importance of tourism, aid and bureaucracy. Tourism development in Niue has been a top priority of Niue and New Zealand over the past nine years, and this research has provided an updated reflection of how this has played out for the government, tourism operators, locals and tourists. There are, of course, many challenges still to be addressed and overcome, and the following section will provide several recommendations that might assist Niue to further achieve its goals.

8.4 Recommendations

This research has provided an up-to-date overview of the tourism industry in Niue. The pursuit of tourism as a strategy to promote development in Niue has had a long history, however the past nine years has seen a concerted effort to support and expand the industry from the Government of Niue and the New Zealand Aid Programme. This focus has brought about a degree of private sector growth and has provided Niue with opportunities to generate foreign revenue and make the most of Niue's unique attributes which have otherwise impeded the profitability of other industries such as manufacturing, fisheries and agriculture. There are, of course, areas for improvement regarding both the decisions of Niue's government and the direction of the New Zealand Aid Programme. Listed below are the key policy recommendations for MFAT and the GoN that have come about through this research.

Recommendations for New Zealand Ministry of Foreign Affairs and Trade:

1. Financial assistance from New Zealand for Niue is currently for 'development' rather than 'aid'. The purpose of New Zealand's aid is to promote sustainable development, poverty reduction and humanitarian support. These three goals often work in unison, so it is important that they are grouped together in many circumstances. However, in some situations - such as in Niue - aid is not working towards poverty reduction (given there is so little acute poverty), but rather it is targeted to promote sustainable economic growth. The focus of the NZAP in Niue is for sustainable development, but the current system means that to receive the aid, reporting and goals need to adhere to a structure that is set towards poverty reduction. Hence it is recommended that the focus and nature of aid and the associated reporting requirements should be reconsidered. Niue's small population means that efficiency in the administration of the country is vital to achieve its development goals, and the more time spent on unnecessary paperwork is more time taken away from development. Niue needs the support from NZAP, but also the time and resources to apply the support to the right areas and for the appropriate goals.
2. More emphasis needs to be placed on the unique circumstances and needs of each aid receiving country. Not only do recipient countries have varying development needs, but they are also diverse in terms of population. Smaller countries have distinct needs because of their size, and this should be reflected within the Aid Programme through uniquely targeted support and interventions.

3. The purpose of prioritising tourism is to increase economic development, and in turn this should reduce Niue's dependence on New Zealand's aid. As it has played out, tourism has become one more area that relies on the support of the NZAP. If New Zealand's aid were to decline, this would be detrimental to the tourism infrastructure, reduce marketing functions, there could be cuts to business support and grants for tourism businesses and the twice weekly flight connection to Auckland may be at risk. To increase independence of the tourism industry there should be funding allocated towards making tourism a self-sustaining function.

Recommendations for the Government of Niue:

1. The promotion of the private sector is one of the national development pillars which is imperative for Niue to achieve *Niue Ke Monuina – A prosperous Niue*. One of the guiding principles is working through collaboration and communication and building effective relationships to achieve Niue's vision. Strengthening relationships between the public and private sector is key to achieving these goals. For tourism to become a self-sustaining function that can remain productive without being aid dependent there needs to be a more coordinated effort between the NTO and the wider tourism sector to share the load of marketing, organising events and establishing the priorities of the tourism industry.
2. Sustainable principles are important for all areas of development in Niue. If Niue continues to integrate sustainability principles into policy and tourism there could be many more benefits which come from its status as a sustainable destination, particularly given the growing perceived importance of sustainable principles in tourism worldwide. Future decisions on sustainable tourism development should be undertaken based on evidence that shows how sustainable the tourism industry really is, and what changes come about through implementing new policies or initiatives such as *Sustainable Niue*.
3. Issues with infrastructure in Niue was the most common concern among both locals and tourists, particularly those associated with road maintenance and power outages. The government is aware of these problems and there are efforts being made to reduce these problems. However, the increasing pressure on infrastructure from growing tourist numbers may amplify negative feelings of local people towards tourists and the wider tourism industry. People who choose to make Niue their home do not want to see

their lifestyles being jeopardised for the sake of tourism. Although infrastructural improvements pushed for the sake of tourism do serve locals as well, there should be more consideration put into the infrastructural needs of each new project and what the benefits and disadvantages are for tourists and locals.

The following paragraphs will outline several other recommendations which need to be considered by the GoN and the wider Niuean community. Community-based tourism has increasingly been recognised internationally as a good way for ensuring the attainment of benefits that are directed towards local communities and that any negative consequences are reduced. Recognising these principles within the growing tourism industry in Niue may guide better decision making and encourage more local people to get involved in tourism if they wish.

Poor infrastructure causes a major – although not the only – barrier to Niue becoming a high-end destination. If Niue continues to market itself as such there needs to be major improvements in roading, tourist facilities, activities and attractions. As it is, because there are so few activities there is very little difference between what middle-range tourist and high-end tourist could afford in Niue, thus spending similar amounts. Some key informants even argued that ‘backpacker’ tourists in Niue spend just as much as high-end tourists in areas other than accommodation. There could be more consideration put into increasing the yield from VFR and the yachting tourist markets. Conversely, cruise-ship tourists tend to be considered an impractical and unprofitable market, and efforts to accommodate and prepare for an influx of customers by tourism operators are often futile on the few occasions cruise ships do anchor in Niue. Although cruises may seem synonymous with Pacific Island tourism, Niue simply does not have the appropriate infrastructure and conditions to cater for this market and should consider not accepting cruise ships at the present time.

The need for improved communication between government/NTO and the local communities is another key takeaway message from this research. Niue’s small population size lends itself to easier communication, yet there are still multiple cases that suggest communication channels could be better utilised to ensure everyone in Niue is aware of the importance of tourism for Niue and know how to attain the benefits from this growth. Improved communication could also lead to better coordination and collaboration between the NTO and the tourism operators who have a lot of knowledge and experience in the field. NTO provides services and support

for the tourism industry, just as many tourism operators collaborate to ensure the benefits are spread throughout the Island. This supportive environment is imperative for *Niue ke Monuina – A prosperous Niue*, and to reach the goals set out by the national development pillars, particularly for economic development and private sector development. One of the guiding principles set out in the NNSP 2016-2026 is ‘working through collaboration, clear communication and consultation for cohesive and coordinated implementation’ (GoN, 2016: 25). More work needs to be done to ensure that a collaborative ethos is entrenched within the tourism industry.

There are currently no mainstream cultural experiences that play a significant role in Niue’s tourism industry. While it is not essential to have a large base in cultural tourism - and elements of Tāoga Niue should not be adapted for the sake of tourists - the opportunities that exist are numerous and past initiatives have had great success, being enjoyed by visitors just as much as it has been by hosts. Tāoga Niue is a national development pillar, and as such it is important to recognise how it could be strengthened through tourism.

8.5 Future research

Throughout this thesis three main gaps were found that should be further investigated in future research. Section 7.5 showed that the MIRAB model developed in the 1980s is no longer completely appropriate for describing Niue’s political economy and another model could be applied which incorporates the growth of tourism and the diminished significance of remittances. Though not in widespread use, the TOURAB (tourism, aid and bureaucracy) model showed the best fit to Niue’s current political economy. Further work is needed to determine the particular characteristics of TOURAB as an economy model and situate TOURAB within the wider taxonomy of small-island political economies. The TOURAB model may fill the gap between MIRAB and SITE that some low tourism density island states currently experience.

This research had limited scope to explore the experiences and perceptions of (and towards) all tourist markets and focused predominantly on air-travel tourists. However, there are hundreds of yachting and cruise ship tourists who visit Niue every year. Yachts moor of the coast of Alofi during the yachting season and make large contributions to Niue’s economy. More

research should be conducted to determine the extent of the contribution by yachting tourists and what role this market plays in the wider tourism industry. There was generally an unfavourable attitude towards cruise ships in Niue because there was uncertainty over whether the wharf would be accessible on any given day. There are only a few businesses who are able to cater for cruise-tourists on their day excursions. Further research into the feasibility of future cruise ship tourism in Niue is highly recommended and would be welcomed by many of those who participated in the current research.

This research had a clear focus on New Zealand's aid in Niue which is the biggest contributor to Niue, but this is not the only foreign aid that Niue receives. Niue receives development aid and assistance from Australia, the United Nations, the Asian Development Bank, and other country and organisational donors. There is limited published research on aid in Niue, and while it is hoped this research will contribute some knowledge to this area, there is still a lot of scope to assess what impacts the changing nature of aid has had - particularly for microstates such as Niue. Furthermore, there has been an increase in China's aid in the Pacific region, which takes a different form and function from that of New Zealand's aid. It would be interesting to note differences in the aid effectiveness of different donor countries.

8.6 Final remarks

This thesis has sought to shed light on tourism development in Niue. It has almost been a decade since tourism was made a top priority for Niue's government and by the New Zealand Aid Programme. In this time there has been significant expansion of the resort, growth in accommodation and other tourism-related businesses, millions of dollars have been funnelled into tourism marketing, new plans and policies to promote Niue's commitment to sustainability and responsible tourism, and an additional flight has been scheduled to Niue from New Zealand every week throughout the year. Annual tourist arrivals have grown significantly along with increased average expenditure, signifying the contribution of tourism to economic development. In this context the tourism industry continues to rely heavily on New Zealand's aid. This research also supports findings which state that remittances are no longer significant for Niue's economy, and the growth of tourism has reached a point where Niue's political economy is no longer appropriately described by the MIRAB model but is instead more accurately described by the TOURAB model.

From this research there have been several recommendations made for the Government of Niue, New Zealand Ministry of Foreign Affairs and Trade and the wider tourism industry in Niue. Given Niue's small size it is not unexpected that there is limited literature available on tourism development in Niue, nevertheless what there is continues to be important for its progression. Three key areas of growing significance are highlighted and suggestions for further research were stated. As Niue continues to evolve it is important to assess the changes that come about. The most recent initiative is *Sustainable Niue*, and it will be critical to determine whether this (and other initiatives) are making a difference; if the principles are being upheld and whether there has been a positive change in sustainable economic development as a result. This thesis contributes to the literature by providing an updated overview on tourism development in Niue, presenting new insights into the relationship between tourism development and foreign aid, key differences between microstates and SIDS, and the importance of the TOURAB model. As Niue and its tourism industry continue to evolve there will be more to discover about tourism opportunities and constraints on the pristine Rock of Polynesia.

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Appendices

Appendix 1

List of Key Informants

Key Informant	Position/organisation
1	New Zealand High Commission
2	Tourism operator
3	Business association
4	MP
5	Government official
6	Business owner
7	Government official
8	Academic
9	Accommodation provider
10	Tourism operator
11	Business owner
12	Accommodation provider
13	Tourism operator
14	Accommodation provider
15	Tourism operator
16	New Zealand High Commission
17	Government official
18	Community leader
19	Community leader
20	Government official
21	Business owner
22	Travel agent
23	Accommodation provider
24	Tourism operator
25	MP
26	Business owner
27	Business owner
28	Air New Zealand
29	Development Bank
30	Tourism employee

Appendix 2

Interview schedule topics

Setting the scene

1. How long have you lived in Niue?
2. What are the highlights of living in Niue for yourself?
3. What is your position?
4. What role do you play in the tourism industry?
5. What are the goals of your business and are there particular barriers to achieving these goals? (Funding, tourist numbers etc.)

Tourism

1. What do you see are the main attractions of Niue for tourists?
2. What are the main benefits you see come out of tourism?
3. Is there a certain market (VFR/holiday/business) that you see is more important for Niue tourism? Is this market being targeted/catered for adequately?

Tourism sustainability

1. What role is tourism playing in achieving Niue Ke Monuina- a prosperous Niue?
2. What changes have you seen come about in the last 9 years (since NZ has become more involved in tourism development)?
3. What changes came before this?
4. Do you think Niue risks losing some of its unique characteristics with tourism/if tourism continues to grow?
5. Are bottom-up (local based) initiatives being implemented enough?
6. How is tourism developing sustainably? Is it contributing to a clean/green image?
7. What are the costs tourism brings with it / what are the downsides? How can these issues be mitigated?
8. How supportive is government of tourism? Provide details
9. Are there barriers to its expansion?
10. Are cultural and social values being upheld?

NZ aid and Niue

1. What are the benefits of having NZ's aid involved in Niue's tourism industry?
2. How would you like to see tourism develop in Niue in the short and long-term?
3. Do you see the role of NZ inhibiting upon local aspirations in the tourism industry?
4. How important is the relationship between NZ and Niue and what changes would be beneficial?
5. Do you see any changes coming about with the increase in other countries increasing their funding in Niue?

Economic development

1. How important is tourism for economic development?
2. What local spinoffs from tourism have you seen developing?
3. What are the other key activities?
4. How important is tourism when compared with the other development areas?
5. Are there development opportunities other than in tourism?
6. Perception of aid and remittance economy?

Appendix 3

Local Questionnaire

Fakaalofa lahi atu! I am a student from the Otago University, New Zealand, undertaking fieldwork as part of a Masters degree in Geography. I am looking into the tourism industry of Niue, specifically how it aids local sustainable economic development, along with investigating the role of New Zealand Aid in this process. I want to gain a wide range of perspectives on tourism in Niue which is where you come in. I would be grateful if you could spare the time to take part in this research by completing the following survey. All information you provide is strictly confidential and your answers will remain anonymous.

Age

18-24

25-34

35-44

45-54

55-64

65+

Prefer not to say

Have you ever lived outside of Niue?

Yes

No

What is your occupation?

What do you think are the key development challenges for Niue?

How important do you think tourism is for the development of Niue?

very important

1

2

3

4

5

6

7

8

9

unimportant

10

Would you like to see further expansion of tourism in Niue? Why or why not?

What three words would you use to describe Niue?

What benefits do you think come from tourism in Niue, if any?

What disadvantages do you think come from tourism in Niue, if any?

On average how often do you have friends and relatives visiting from outside of Niue?

Never Every few years Most years Multiple times a year

When friends and relatives visit do they stay with you?

Yes Sometimes No

Do you think the Government is spending the right amount on tourism?

Not enough Right amount Too much Don't know

What do you see is the role of New Zealand Aid in respect to tourism in Niue?

Any further comments about tourism in Niue

Thank you for taking the time to complete this survey.

Appendix 4

Visitor Questionnaire

Fakaalofa lahi atu! I am a student from the University of Otago, New Zealand, undertaking fieldwork as part of a Masters degree in Geography. I am looking into the tourism industry of Niue, specifically how it aids local sustainable economic development, along with investigating the role of New Zealand Aid in this process. I want to gain a wide range of perspectives on tourism in Niue which is where you come in. I would be grateful if you could spare the time to take part in this research by completing the following survey. All information you provide is strictly confidential and your answers will remain anonymous.

Age

18-24

25-34

35-44

45-54

55-64

65+

Prefer not to say

Have you ever lived in Niue?

Yes

No

How long are you staying in Niue?

How many times have you visited Niue previously?

Never

Once

More than once

What is your main purpose of travel?

Holiday

Visiting friends and relatives

Business

Other (please specify)

Why did you choose Niue as your holiday destination?

How did Niue compare to your expectations?

What three words would you use to describe Niue?

What was your accommodation in Niue?

Resort

Guesthouse/motel

Private house

Other (please specify)

What activities did you take part in during your visit to Niue?

What are Niue's key tourism assets / advantages?

What would you change to improve your experience of Niue, if anything?

Annual income (NZD)

\$1-40,000 \$40,000-\$80,000 \$80,000-\$120,000 \$120,000+ Prefer not to say

Where do you live?

Auckland Rest of New Zealand Australia Other (please specify)

Any further comments about tourism in Niue

Thank you for taking the time to complete this survey.

Appendix 5



17/172

Academic Services
Manager, Academic Committees, Mr Gary Witte

23 January 2018

Professor E Nel
Department of Geography
Division of Humanities

Dear Professor Nel,

I am again writing to you concerning your proposal entitled "Tourism Development in Niue", Ethics Committee reference number 17/172.

Thank you for your email of 22nd January 2018 with response attached addressing the issues raised by the Committee.

On the basis of this response, I am pleased to confirm that the proposal now has full ethical approval to proceed.

Approval is for up to three years from the date of this letter. If this project has not been completed within three years from the date of this letter, re-approval must be requested. If the nature, consent, location, procedures or personnel of your approved application change, please advise me in writing.

Upon approval, it is expected that all members of the research team are made aware of what the standard conditions of ethical approval covers. This includes the date ethical approval expires, as well as the process regarding applying for amendments to the research.

The Human Ethics Committee asks for a Final Report to be provided upon completion of the study. The Final Report template can be found on the Human Ethics Web Page

<http://www.otago.ac.nz/council/committees/committees/HumanEthicsCommittees.html>

Yours sincerely,

A handwritten signature in black ink that reads 'Gary Witte'.

Mr Gary Witte
Manager, Academic Committees
Tel: 479 8256
Email: gary.witte@otago.ac.nz

c.c. Assoc. Prof. M Thompson-Fawcett Department of Geography

Appendix 6



Tourism Development in Niue

INFORMATION SHEET FOR INTERVIEW PARTICIPANTS

Thank you for showing an interest in this project. Please read this information sheet carefully before deciding whether or not to participate. If you decide to participate we thank you. If you decide not to take part there will be no disadvantage to you and we thank you for considering our request.

What is the Aim of the Project?

This project is being undertaken as part of the requirements for a Master of Arts at the University of Otago. The main aim of this project is to assess tourism development in Niue, with a focus on the role played by New Zealand Aid and the impact which tourism development has on sustainable economic development.

What Type of Participants are being sought?

The interview participants sought include tourism business operators, government officials and local residents. Selection criteria will be based on the individual's role and knowledge of the tourism sector. Approximately twenty people will be sought to take part in interviews. Participation is on a voluntary basis, as a token of appreciation a pen is offered to thank you for your time.

What will Participants be Asked to Do?

Should you agree to take part in this project, you will be asked several questions about tourism development in Niue. The time commitment will be up to an hour.

Please be aware that you may decide not to take part in the project without any disadvantage to yourself of any kind.

What Data or Information will be Collected and What Use will be Made of it?

Information about tourism development in Niue will be collected. If you agree, the interviews will be audio recorded to assist the researcher in interpreting the provided information. The tapes will only be available to the researcher and supervisor named below. The tapes will be destroyed upon completion of the project.

The data collected will be securely stored in such a way that only those mentioned below will be able to gain access to it. Data obtained as a result of the research will be retained for **at least 5 years** in secure storage. Any personal information held on the participants [*such as contact details, audio or video tapes, after they have been transcribed etc.*] may be destroyed at the completion of the research even though the data derived from the research will, in most cases, be kept for much longer or possibly indefinitely.

The results of the project may be published and will be available in the University of Otago Library (Dunedin, New Zealand) but every attempt will be made to preserve your anonymity.

All interview participants will be offered the option of reading and verifying the transcription of their interviews once the transcriptions are complete. You also have the opportunity to be sent a copy of the completed thesis.

This project involves an open-questioning technique. The general line of questioning includes a focus on tourism development in Niue and the role played by New Zealand Aid in this development and how this aligns with sustainable economic development of Niue. The precise nature of the questions which will be asked have not been determined in advance, but will depend on the way in which the interview develops. Consequently, although the University of Otago Human Ethics Committee is aware of the general areas to be explored in the interview, the Committee has not been able to review the precise questions to be used.

In the event that the line of questioning does develop in such a way that you feel hesitant or uncomfortable you are reminded of your right to decline to answer any particular question(s) and also that you may withdraw from the project at any stage without any disadvantage to yourself of any kind.

Can Participants Change their Mind and Withdraw from the Project?

You may withdraw from participation in the project at any time and without any disadvantage to yourself of any kind.

What if Participants have any Questions?

If you have any questions about our project, either now or in the future, please feel free to contact either:

Rosina Watson

and

Etienne Nel

Department of Geography

Department of Geography

Email Address:

Email Address:

watro011@student.otago.ac.nz

etienne.nel@otago.ac.nz

University Telephone Number:
0064-3-4798774

This study has been approved by the University of Otago Human Ethics Committee. If you have any concerns about the ethical conduct of the research you may contact the Committee through the Human Ethics Committee Administrator (ph +643 479 8256 or email gary.witte@otago.ac.nz). Any issues you raise will be treated in confidence and investigated and you will be informed of the outcome.

Appendix 7



Tourism Development in Niue

INFORMATION SHEET FOR QUESTIONNAIRE-SURVEY PARTICIPANTS

Thank you for showing an interest in this project. Please read this information sheet carefully before deciding whether or not to participate. If you decide to participate we thank you. If you decide not to take part there will be no disadvantage to you and we thank you for considering our request.

What is the Aim of the Project?

This project is being undertaken as part of the requirements for a Master of Arts at the University of Otago. The main aim of this project is to assess tourism development in Niue, with a focus on the role played by New Zealand Aid and the impact which tourism development has on sustainable economic development.

What Type of Participants are being sought?

The participants in this study include local people from around Niue, including government officials, tourism business operators and local residents or visitors to the island. Approximately fifty people will be sought to complete the questionnaire-surveys. Participation is on a voluntary basis and no payment will be offered.

What will Participants be Asked to Do?

Should you agree to take part in this project, you will be asked several questions about your experience of tourism and its development in Niue. Questionnaire-surveys will take approximately 10 minutes to complete.

Please be aware that you may decide not to take part in the project without any disadvantage to yourself of any kind.

What Data or Information will be Collected and What Use will be Made of it?

Information about tourism development in Niue will be collected. The questionnaire-surveys seek to determine the perceptions of local residents, business operators, government officials and tourists with a variety of open-ended and closed-ended questions.

The data collected will be securely stored in such a way that only those mentioned below will be able to gain access to it. Data obtained as a result of the research will be retained for **at least 5 years** in secure storage. Any personal information held on the participants [*such as contact details, audio or video tapes, after they have been transcribed etc.*] may be destroyed at the completion of the research even though the data derived from the research will, in most cases, be kept for much longer or possibly indefinitely.

The results of the project may be published and will be available in the University of Otago Library (Dunedin, New Zealand) but every attempt will be made to preserve your anonymity.

In the event that the line of questioning does develop in such a way that you feel hesitant or uncomfortable you are reminded of your right to decline to answer any particular question(s) and also that you may withdraw from the project at any stage without any disadvantage to yourself of any kind.

Can Participants Change their Mind and Withdraw from the Project?

You may withdraw from participation in the project at any time and without any disadvantage to yourself of any kind.

What if Participants have any Questions?

If you have any questions about our project, either now or in the future, please feel free to contact either:

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and

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0064-3-4798774

This study has been approved by the University of Otago Human Ethics Committee. If you have any concerns about the ethical conduct of the research you may contact the Committee through the Human Ethics Committee Administrator (ph +643 479 8256 or email gary.witte@otago.ac.nz). Any issues you raise will be treated in confidence and investigated and you will be informed of the outcome.

Appendix 8



Tourism Development in Niue

CONSENT FORM FOR PARTICIPANTS

I have read the Information Sheet concerning this project and understand what it is about. All my questions have been answered to my satisfaction. I understand that I am free to request further information at any stage.

I know that:

1. My participation in the project is entirely voluntary;
2. I am free to withdraw from the project at any time without any disadvantage;
3. Personal identifying information [audio-recordings] may be destroyed at the conclusion of the project but any raw data on which the results of the project depend will be retained in secure storage for at least five years;
4. This project involves an open-questioning technique. The general line of questioning includes tourism development in Niue, the role of New Zealand Aid in this development and how this aligns with sustainable economic development of Niue. The precise nature of the questions which will be asked have not been determined in advance, but will depend on the way in which the interview develops and that in the event that the line of questioning develops in such a way that I feel hesitant or uncomfortable I may decline to answer any particular question(s) and/or may withdraw from the project without any disadvantage of any kind.
5. The results of the project may be published and will be available in the University of Otago Library (Dunedin, New Zealand) but every attempt will be made to preserve my anonymity.

I agree to take part in this project.

.....
(Signature of participant)

.....
(Date)

.....
(Printed Name)

.....
Name of person taking consent

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