
Understand Wood’s essay in terms of:

- Exotic
- Experience
- Mobilities
- Regulation

The definitions of these concepts can be found in the *Glossary of Terms* borrowed from:

Carribean of the East? Global Interconnections and the Southeast Asian Cruise Industry¹

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Introduction

In Globalization and Culture, John Tomlinson (1999) argues that the most fundamental characteristic of contemporary globalization is deterritorialization — the disembedding of social activity from immediate geographic location. Perhaps no industry constitutes a more extreme case of globalization in this sense than the cruise industry, due to its highly mobile nature and its unique liberation from traditional constraints of place.

The flip side of this disembedding of social relations is the forging of new types of global interconnections. Few ‘locations’ are as purely simulated as are cruise ships, with their postmodern style mixing of themes and motifs from around the world. Few worksites bring together workers from so many far-flung places, setting in motion new migratory patterns. Plus, the particularly footloose nature of capital in the industry has resulted in sudden shifts in ownership and control.

In this context, important new interconnections are being forged between Southeast Asia and the Caribbean. The two regions, of course, share many linkages that go back centuries. It was, after all, the spices from contemporary Indonesia — filtered by trade through India — that Columbus was looking for when he first set his eyes on islands that today are part of the Bahamas and the Caribbean. Subsequent colonial rule brought many Asian migrants, including a fair number from Southeast Asia, to the region. But never have the two regions been more closely linked than today.

Migrants from all over Southeast Asia now make up the largest single group of crew on most Caribbean cruise ships. Elements of Southeast Asian culture have become an integral part of the Caribbean cruise experience. With the takeover of the fourth largest Caribbean cruise operator by a Malaysian company in 2000, the Southeast Asian presence is now felt at the highest levels of the Caribbean cruise industry.

At the same time, the Caribbean has long provided a model of a successful cruise industry to tourism planners in Southeast Asia. Cruise tourism is generally regarded as the fastest growing segment of the tourism industry, increasing between eight and nine per cent annually over the past two
decades. While the Caribbean region accounts for about half of all cruises, market growth has been most spectacular in Southeast Asia. Both industry leaders and tourism officials have repeatedly expressed their goal of making the waters around Southeast Asia the ‘Caribbean of the East’. Thus, the Caribbean has come to be part of the conceptual horizon of Southeast Asian leaders, representing an experience to be emulated and, hopefully, someday surpassed.

I have suggested elsewhere (Wood, 2000) that cruise tourism represents a paradigmatic case of globalization at sea, both in the sense of a sea-based form of globalization, particularly unfettered by traditional constraints of space and time, and in the sense of a voyage of human societies into unchartered terrain, without a known destination. The cruise industry is uniquely deterritorialized in its freedom from place-bound political regulation in its ability to recruit a uniquely global labour force, and in its relative independence even from the usual constraints of touristic place. While these characteristics of the industry have facilitated its growth, they pose potential problems for regions, nations and peoples that the industry impacts.

There are three interrelated factors, in particular, that make this deterritorialization and relative independence from the traditional constraints of place possible: 1) the unique mobility of capital in the industry; 2) the flag of convenience system; and 3) the weakness of international regimes in regulating what goes on in both national and international waters. Let us examine each of these, briefly, in turn.

Cruise ships represent enormous capital investments. Cunard’s Queen Mary, which will be the largest cruise ship afloat (over three times the tonnage of the Titanic) when it debuts in 2003, is projected to cost $780 million. Unlike factories and most other industrial assets, however, these floating chunks of multinational capital can be repositioned to any part of the globe at any time, and are, by virtue of their mobility, outside any national jurisdiction most of the time. Constantly on the move, sometimes explicitly advertising their destination as ‘nowhere’, cruise ships symbolize global capital’s liberation from place-bound space and polities.

Quite apart from their physical mobility, the ‘fictional’ mobility made possible by international norms about incorporation and flags of convenience further disembled cruise ships from the normal rules and laws governing most industries. A number of the major cruise lines are incorporated in countries in which they hardly or never operate. Carnival is technically a Panamanian corporation while Royal Caribbean is a Liberian corporation. Star Cruises is incorporated in the Isle of Man, located in the Irish Sea, although it plans to relocate to Bermuda. Even more important is the flag of convenience system, under which 1) all ships must be registered with a nation state; and 2) the role of ensuring compliance with both national and international laws and regulations is primarily given to the flag of convenience state. Since providing flags of convenience to ships is
a lucrative and highly competitive trade, it is hardly in the interest of a flag of convenience state either to impose its own laws on ships flying its flag or to enforce the laws of others, whether these be national or international in nature. Hence, the flag of convenience system allows cruise ships to operate independently of most of the labour, environmental, and safety laws of the countries they visit, and to escape enforcement of international agreements as well.

The weakness of international regimes regulating behaviour on the high seas further contributes to the deterritorialization of the industry. In part, this results from their acceptance of the flag of convenience system, which effectively undermines the enforcement of international agreements such as Law of the Sea and the International Convention for the Prevention of Pollution from Ships, known as MARPOL. Both consist of a number of separate agreements and annexes, many of which are weak and unratified by the requisite number of countries. The result is that despite the existence of such bodies as the International Maritime Organization (IMO), the seas remain uniquely deterritorialized and free from effective regulation.²

As we shall see, these factors explain much about the Caribbean-Southeast Asian connection, and also pose challenges to those in Southeast Asia who seek to develop the cruise industry in a way that has maximum benefits the region and its peoples. The rest of this article, therefore, proceeds as follows. It begins with an exploration of the participation of Southeast Asian workers in the Caribbean cruise industry, and of how Southeast Asian culture has become part of the Caribbean cruise experience. The next section turns to the growth of the cruise industry in Southeast Asia and its recent global reach to the Caribbean via Star Cruise’s takeover of Norwegian Cruise Line. The following section explores some of the controversies associated with Caribbean cruise tourism with an eye on drawing appropriate lessons for the further development of the industry in Southeast Asia. The final section returns briefly to the importance of deterritorialization and the challenges it poses for an equitable and healthy cruise sector in the Southeast Asian tourism industry.

**Southeast Asia in the Caribbean Sea**

The Caribbean is the world’s largest cruise tourism market, accounting for slightly over half of all bookings. It has been a central focus of the three largest cruise lines — the industry-leader Carnival (which consists of six different brands: Carnival, Holland America, Cunard, Seabourn, Costa and Windstar); Royal Caribbean International (RCI, which also includes Celebrity Cruises); and P&O/Princess. The region attracts roughly 70 ships from close to two dozen cruise lines. The three leading companies, however, hold over 80 per cent of the market share (Miller, 2001).
Large cruise ships are floating resorts and as such, consist of two parallel occupational structures; grafted on top of the fairly traditional ship hierarchy of captain, officers (most commonly Scandinavian and Italian) and seamen is the complex structure of a resort hotel, with separate hierarchies dealing with food purchase and storage, the kitchen, the dining room, housekeeping, entertainment, concessions and the purser’s office. A single large cruise ship may have over 1,000 employees from 50 countries in over 160 different occupational positions on board.

Despite the proximity and high unemployment of the islands, Caribbean nationals represent only a small minority of shipboard employees, no more than seven per cent by one estimate (Wise, 1999). Indeed, on a sailing of Holland America’s Zaandam in February 2001, there was exactly one Caribbean national among the entire crew of about 650. Asians, on the other hand, represented over three-quarters of the crew staff on the Zaandam, and it is probable that they constitute the largest single category of workers on most of the larger cruise ships. The biggest category across the industry is almost certainly Filipino, followed by Indonesians, although most Southeast Asian nationalities are represented in some degree. South Asians are also well represented, particularly in kitchen positions.

Behind the very visible presence of Southeast Asian crew in the Caribbean Sea lies complex migratory processes. Labour export is actively promoted by some states, most notably the Philippines, which has an estimated six million Filipino overseas contract workers in over 130 countries (Son, 1995; Ball, 1997). In 1996, the state agency, the Philippine Overseas Employment Administration (POEA) oversaw the deployment of 660,122 workers, of whom 175,469 (27 per cent) were sea-based (Aranda, 1997). Thanks partly to POEA’s efforts, 10 per cent of all seamen in the world are Filipinos. The Philippine government particularly benefits from sea-based placements, since Philippine law requires a higher proportion of seafarer wages to be remitted as foreign exchange than is the case for land-based workers. A large number of recruiting and training operations, some run by the cruise companies and some independent, are scattered across the Asian region. As a *Hotel and Motel Management* report says: “Today, no enterprise illustrates the globalisation of the work force so starkly as the cruise industry” (Seal, 1998).

Nationality and ethnicity are built into occupational recruitment on the large cruise ships, although the expansive growth of the industry has opened up new opportunities and blurred previously rigid lines between positions for ‘European’ and ‘international’ staff.3 Cruise Industry News Annual reports that: “The industry relies primarily upon Asian crew for its deck and engine positions, and the recent economic problems in Asia have made jobs at sea even more desirable. Hotel positions are sourced worldwide” (Wernett and Smith, 1999:220). Different cruise lines pursue somewhat different practices, but national and ethnic typing of specific occupational
categories is common. Royal Caribbean relies on Filipino deck and engine employees and recruits Nepalese Gurkhas as security guards; its Celebrity brand recruits more from Indonesia (Sharsky, 1999:84). Holland America (HAL, owned since 1989 by Carnival Corporation) is likewise known for its Indonesian and Filipino crew, with its SS Jakarta school providing land-based training. Carnival’s sourcing appears to be particularly global, but mainly focused on South and Southeast Asia and Eastern Europe. Among ‘the most common mistakes made’, a cruise ship employment guide informs its intended audience of North Americans and Europeans job seekers, is “applying for a job that is traditionally held by a Filipino or by someone from other ‘third world’ countries” (Landon, 1997:48). In contrast, high-end cruise lines such as Seabourn, costing up to several thousand dollars a day, advertise the fact that shipboard service is mostly provided by white males. The European origin of the captain and officers is routinely emphasized in almost all cruise company brochures and websites.

While a few cruise lines appear to employ West Indians in some numbers, they are almost completely absent from others, most notably Holland America. Taken together with a Holland America cruise director’s repeated descriptions of the Indonesian and Filipino staff as ‘little’, ‘cute’, ‘gentle’, and ‘loving to provide service’, it is hard to avoid the suspicion that the line caters to the prejudices and fears of some of its older — almost entirely white and North American — clientele. Service employees of African descent are entirely absent, and Southeast Asian themes and décor trump any sign of Afro-Caribbean presence or culture.

Lower level employees on the big cruise ships earn US$400–500 a month; they do not receive tips. Salaries for tip-earning positions, such as cabin stewards, bar and dining room waiters and waitresses, wine stewards and busboys are as low as US$50 a month, but tips typically range between US$1,000 and US$1,500. As industry spokespersons consistently emphasize, these earnings are often princely compared to what can be earned back home. They also underline the enormous savings the cruise companies reap under the maritime flag of convenience system, since they are exempt from their home office country’s minimum wage and other labour laws (including anti-discrimination legislation). Labour savings alone come up to several million dollars a year on a single, large ship (for a good journalistic report, see Frantz, 1999).

A quite striking characteristic of this ethnically diverse and stratified onboard labour force in the Caribbean is that it is often actively promoted as an integral part of the cruise experience. Carnival cruise directors represent this diversity as a wonderfully-successful “mini-United Nations”, as “one big happy family” and through other similar images. Specific ethnic virtues are extolled and promoted, e.g. Filipino ice-carving (hardly an obvious ethnic marker for a tropical country). On several major lines, employees wear name tags with their nationality prominently displayed.
Not surprisingly, promotion of the specifically Southeast Asian composition of its labour force is especially pronounced in the case of Holland America Line. For example, HAL’s Caribbean catalogue declares, “At the heart of Holland America’s unmatched onboard experience is our renowned Indonesian and Filipino staff. Trained at our very own school in Jakarta, Indonesia, they pride themselves in exceeding your every wish.” Pictures of Indonesian employees grace the cover of all HAL Caribbean brochures and catalogues, with not a Caribbean person in sight. Indeed, alongside the brochure’s promise that “somehow the Caribbean seems more exotic from the deck of a Holland America cruise ship”, a uniformed young Indonesian man is pictured tapping on a xylophone. Reading passenger accounts posted to various Internet sites, it is clear that relations with Southeast Asian crew constitute a memorable part of the Caribbean cruise experience for many.

Caribbean cruisers on HAL’s ships encounter a broad variety of Southeast Asian touches (mostly Indonesian). The specifics vary by ship somewhat, but these include Indonesian motifs in interior designs; names, as in the Wajang Movie Theatre and the Java Café, the latter decorated with Javanese masks; Indonesian hor-d’oeuvres and a weekly Indonesian buffet in the lido, with colourful wayang golek (Sundanese wood puppets) brought out for the occasion; uniforms and cabin fabric designs based on Indonesian batik, and so on. There are Indonesian and Filipino crew shows for passengers. While HAL emphasizes it the most, the Southeast Asian presence in the Caribbean cruise experience is unmistakable on all the large ships. It appears that the Caribbean tourist gaze is partly constructed via (an equally constructed) Southeast Asian exoticism.

North Americans tend to be quite uninformed about the geographical contours and attractions of Southeast Asia, and so for many this contact with Southeast Asian crew, food and aesthetics is likely to be a first. To my knowledge, no research has been done on how this specifically Southeast Asian contact is experienced and received, but the cruise industry claims unusually high levels of customer satisfaction with its product. The importance of Southeast Asian crew and themes in cruising, not just in the Caribbean but along the Alaskan Coast, in South America, and even in European waters, suggests an untapped opportunity for promoting Southeast Asian tourism that may be worth exploring by Southeast Asian tourism authorities. For millions of Americans and Europeans, their first direct contact with Southeast Asian people and culture may, ironically, have taken place in the Caribbean Sea. Such are the paradoxes of contemporary globalization.
Cruising in Southeast Asia

Cruise tourism in Southeast Asia has been fundamentally transformed in the past decade. Just a dozen years ago, Singapore and other Southeast Asian ports were almost exclusively ports of call for cruise ships mainly carrying American and European passengers on tours originating outside the region. Regionally based cruises date only to 1980 and at first were not financially successful (Singh, 1999). In 1989, the Singapore Tourist Promotion Board (STPB but now renamed Singapore Tourism Board or STB) established a Cruise Development Division and began to work closely with the Port of Singapore Authority (PSA) to increase cruise tourism in the region and to promote Singapore as a hub port (Kruse, 1997; Lee, 1997). The Singapore Cruise Centre (SCC) opened two years later in 1991, at a cost of US$25 million, although it had to be upgraded to handle the new mega-ships in mid decade. Docks capable of handling large cruise ships were also constructed at Port Klang, Langkawi, Penang, Phuket, Laem Chabang and elsewhere.

The number of cruise passengers passing through the SCC increased rapidly in the 1990s, from 62,585 in 1990 to over one million in 1998 and subsequently. Indeed, between 1994 and 1998, the cruise industry in Southeast Asia grew, overall, at the extraordinary average annual rate of over 60 per cent, compared to four per cent for the North American cruise industry (Singh, 1999:24). Equally striking, cruise passengers in the region shifted from being predominantly American and European to being overwhelmingly from ASEAN countries, the latter constituting some 83 per cent of cruise passengers passing through the SCC in 1996 (PSA, 1997). By the end of the decade, Singapore could claim to be the most important international cruise destination and hub in the Asia Pacific region. Annual Seatrade Asia-Pacific Cruise Conventions in Singapore from 1994 onward served to ratify this status. Six cruise ships were home ported in Singapore in 1999.

Rapid increases in discretionary incomes linked to the Asian boom of the 1980s and early 1990s fueled the rise of Asian cruising, but it was primarily Malaysian-owned Star Cruises that made it possible. Established in 1993, Star Cruises emerged within a few years as the fifth largest cruise line in the world. While Star’s stock is listed on the Hong Kong exchange, the company is controlled by the family of Genting Berhad chairman and chief executive, Tan Sri Lim Goh Tong. It continued to grow and prosper even during the Asian financial crisis of the late 1990s, introducing and ordering new ships and reporting record profits. According to its website, Star Cruises in June 2000 employed 2,285 full-time shoreside employees and 11,642 full-time employees on its ships.

Star Cruises’ ships pioneered short ‘freestyle’ cruises aimed at families and young professionals, emphasizing informality and choice (the latter
linked to extra charges for dining options, previously unheard of in most of the industry). The company claims to maintain a higher crew-to-passenger ratio than the other leading cruise companies, “resulting in an unsurpassed level of service” (quoted in Fermi, 1999). Interestingly, despite its promotion of ‘Asian-style cruising’, Star Cruises takes pains to report on its website that its captains and officers are “handpicked from Scandinavia, a region renowned for its fine seamanship and centuries-old maritime tradition” (Star Cruises, 2001). This particular vestige of ethnic stratification and marketing, familiar in the Caribbean, seems alive and well in Southeast Asia.

Star Cruises has mainly targeted the Asian market, with its ships embarking from Singapore, Port Klang, Phuket, Bangkok, Hong Kong, Taipei, and Osaka/Kobe. It is also going after the non-Asian (particularly Australian) market, and in these respects, it offers an experience very different from the cruise ships of the Caribbean, which have been likened to floating Disneylands for adults. As one British reviewer commented on her Star cruise, after noting that the vast majority of her fellow passengers were Asian, “For me, this was a great treat; we were not only exploring Southeast Asia but travelling on a floating chunk of it” (Harding, 1998). No one could ever mistake a Caribbean cruise ship for a floating chunk of the region.

Star Cruise’s targeting of diverse Asian nationalities, Australians, and Europeans and Americans has resulted in unique patterns of passenger stratification, linked to perceived cultural preferences. Star’s former Chairman and CEO Collin Au — a graduate of Harvard Business School who formerly worked for Exxon and Nestle — explains:

There are different food requirements for different nationalities, different usage of the facilities on board ship and different languages, etc. . . . We are attempting to structure the product around the various nationalities’ requirements . . . The Australians are sun-seekers . . . they like the outdoors so they will be accommodated on Deck 11 next to the sun deck . . . The Japanese will be located on a Lower Deck 9, around mid-ships because they are new cruisers, closer to the public areas located on Decks 7 and 8 . . . Asians cruising with families will be given rooms close to the children’s area on Deck 10 . . . (Au, 1999:53)

South Asian Indians have also constituted a growing market for Star Cruises, reaching 24,000 in 2000, out of an estimated total 32,000 Indian cruise tourists in that year (India Business Insight, 2001a, 2001b). Star also attracted 20,000 Indonesian cruisers in that year (Jakarta Post, 2001). Interestingly, some of the most recent new cruisers are from the Caribbean area. In January 2000, a Mexican company chartered Star Cruise’s SuperStar Virgo for 1,380 of its Mexican employees and other guests for a six-day cruise out of Singapore (Cruez, 2000).

Tourism and cruise industry spokesmen speak glowingly of the almost
limitless diversity of destinations potentially available to cruise ships in
Southeast Asia, East Asia, and the Pacific. — In contrast, in the words of
one STB official, “to the relative staidness and homogeneity of the Caribbean
region — currently the number one cruising playground in the world”
(Lee, 1997).

Cruising in Asia and the South Pacific has rapidly closed the gap with
Mediterranean cruising, the second major market after the Caribbean, and
will most likely move into second place early in the twenty-first century.
The May 1999 sinking in the Malacca Straits — Titanic-style but with-
out casualties — of a ship of Star Cruises’ main local competitor, Sun
Cruises’ Sun Vista, lowered cruise growth in 1999, but did not reverse the
general trend. However, as in the Caribbean, concentration in the industry
has proceeded apace, with Star gobbling up Sun Cruises and most of
the other regional lines going out of business. Aspiring entrants keep appear-
ing, however, like China Sea Cruises, which runs short cruises between
China and Vietnam. Star, in fact, sees China as its major growth area,
and a tenth of its revenue comes from China (Chung, 2001). Growth in
the Japanese market, however, has been disappointing and Star has cut
back on its presence there.

After a temporary pullback, most notably Carnival’s withdrawal from
a partnership with Hyundai in 1997, Western cruise companies are expand-
ing their Asian presence, although their offerings remain largely seasonal
or as parts of round-the-world cruises. According to the Berlitz Complete
Guide to Cruising and Cruise Ships (Ward, 1999:12–17), ships from 20 non-
regional cruise lines had cruises in Southeast Asian waters during 1999.
Southeast Asian cruising has been divided between short cruises aimed at
the regional Asian market run by regional companies, and long cruises
aimed primarily at markets in Europe, USA, and Australia/New Zealand,
rung mainly by Western-based companies (Ericson, 1995). The diversifi-
cation of Star Cruises’ offerings, as it acquires more mega-ships and other lines
is, however, gradually blurring this distinction.

The significance of Star Cruise’s rise was not fully appreciated in the
Western trade press until recently. As recently as 1998, separate articles in
Cruise Industry News Annual warned that “the jury is still out on this com-
pany’s future potential”, and predicted that because of the Asian financial
crisis, some of its fleet would end up, after being chartered or sold, in
Star, however, made its presence powerfully felt before the century was
out.

In December 1999, Carnival made a bid to purchase Norwegian
Cruise Line, the fourth largest cruise operator in the Caribbean, with nine
ships and two more on order. Star Cruises first stepped in as an ally of
NCL against Carnival, then briefly teamed up with Carnival, and then,
taking advantage of particularly loose Norwegian regulations, bought up
over 50 per cent of NCL’s stock, resulting in a surprise hostile takeover of the company in early 2000. The takeover also brought NCL’s Orient Lines under Star’s control. Practically overnight, Star Cruises’ fleet increased to 18 ships with 21,000 berths, just slightly less than P&O/Princess, which occupies the number three slot in the industry, after Carnival and RCI. By the end of 2002, the fleet would have increased to 23 ships and 28,000 berths, with several further ships on order. Star’s Chairman Datuk KT Lim stressed the global strategy behind the acquisition: “We now have the complete freedom to manage the Star Cruises, NCL and Orient Line brands on a global basis with the best synergies on the revenue and cost fronts” (Wild, 2000). The company proceeded to make its presence immediately felt, not only in the Caribbean but in the Alaskan and Hawaiian cruise markets as well.

Within a few days of its takeover, Star announced that it had hired away a Princess Senior Vice-President to be President and CEO of NCL once the takeover procedures were completed. A few years earlier, Star’s President and CEO had said, “We are trying to make Malaysia, Singapore and Thailand the Caribbean of Asia” (Hongthong, 1997). Today, Star Cruises is a major player in the Caribbean itself.

Learning from the Caribbean Experience

Both regional and cruise company officials in Southeast Asia have repeatedly identified the Caribbean as a benchmark for cruise tourism development in Asia, projecting Southeast Asia as the ‘Caribbean of the East’ or the ‘Asian Caribbean’. However, the Caribbean cruise industry is not without its critics. The industry elicits controversy in a variety of areas, including its relationship to land tourism, the level and distribution of its economic benefits, its environmental impact, and its redefinition of touristic space. It is only reasonable to ask whether Southeast Asia really wants to replicate this kind of ‘success’. The following sections briefly describe these four areas of controversy and their potential relevance for Southeast Asian cruise tourism.

The Relationship of Cruise and Land Tourism

A healthy cruise tourism should promote healthy land-based tourism, not undermine it. The relationship between cruise and land tourism has been a contentious issue in the Caribbean, and there is strong evidence that land-based tourism has suffered as a result of the growth of cruise tourism. On many islands, land-based tourism has declined in relation to cruise tourism, and on some, it has declined absolutely as well. For example, overnight stays in the U.S. Virgin Islands declined 26 per cent between
1988 and 1998 to 410,000, while cruise ship arrivals increased by 50 per cent to 1.6 million. Tourism revenues declined by one-third between 1993 and 1998 (Perry, 1999). Overall, the Caribbean Tourism Organization reports that the proportion of North American tourists spending at least one night on land declined from 61.8 per cent in 1987 to 48.6 per cent in 1998 (McDowell, 1999).

Hotel owners in the region, organized into the Caribbean Hotel Association, have bitterly complained about the advantages their sea-based competitors enjoy. These include freedom from most import, sales, personal, and corporate taxes; from labour and pension laws; from environmental and safety regulations; and many more. Due to the unique globalization of the cruise industry, the ‘playing field’ is highly uneven. The practice of registering their ships in flags-of-convenience states has allowed cruise companies to pay low onboard wages and very few taxes in the countries where they are headquartered (Frantz, 1999). This is compounded by the fact that a number of the largest companies are incorporated in offshore tax havens as well. Despite protestations by the cruise companies that they generate future stayover visitors, the evidence clearly indicates a negative impact of the growing imbalance between cruise and land-based tourism in the region.

Some similar patterns are already evident in Southeast Asian cruise tourism. The Sun Vista, lying at the bottom of the Malacca Straits, was registered in the Bahamas. All of Star Cruises’ ships, likewise, carry flags of convenience, mainly Panama and the Bahamas. The potential for unequal ‘playing fields’ for sea-based and land-based tourism facilities is definitely there.

One Royal Caribbean cruise executive once expressed a desire to “empty the hotels” of the Caribbean region, and, as noted above, this has occurred to some degree. This is probably not a serious concern for Southeast Asian countries, such as Singapore, Malaysia and Thailand, with compelling land-based attractions and strong hotel and resort facilities but it could be a concern for countries and regions with weaker tourism infrastructures, e.g. Vietnam, Kampuchea, Myanmar and the outer islands of Indonesia and the Philippines. Just as in the Caribbean, cruise tourism in Southeast Asia is already being touted as a “safe” and “hassle-free” way “to experience exotic destinations” (Ericson, 1995). Playing on tourist stereotypes and fears has been very much a part of the Caribbean cruise industry’s marketing strategy and this could be carried over into Southeast Asia as well.

How one evaluates the effects of cruise tourism on land tourism depends greatly on one’s point of view. Government tourist bureaux are often driven by the goal of increasing the number of tourist arrivals, and from that point of view, inclusion on a single ship’s itinerary is a cause for celebration. Vietnamese authorities, for example, celebrated the addition of Da
Nang to Star Cruise’s SuperStar Leo’s itinerary by noting that the 50,000 tourists the ship would bring in a single year was equal to the total number of cruise ship visitors in the previous five years. Local perspectives may be different, however, reflecting concerns over the impact on land values, the effects on the marine environment, the distribution of benefits, and so on. In some contexts, it is possible that housing a portion of the tourist population offshore on a ship may be preferable to having to support it on land, especially where fresh water and other resources are limited, e.g. in places like Komodo (Hitchcock, 1993). Indeed, some places may be better off without any cruise ships at all. If any one thing is clear from the literature on tourism, it is that the benefits for all cannot be assumed.9

**The Economic Benefits for Host Ports and Communities**

In the Caribbean, cruise tourist expenditure on land is largely at duty-free shops stocked with imported goods. The foreign exchange leakage, therefore, has been extremely high, typically around 70 per cent. This leaves rather little of the US$125 spent by the average Caribbean cruise visitor. Land excursions are mostly sold by the cruise ships, which either run them themselves or use their bargaining power to subcontract services at very low rates.

A study by the Singapore Tourism Board suggests that cruise tourism’s economic benefits for Singapore have been significant and widely dispersed, with a multiplier effect of 1.46, which compares favourably with other tourism sectors (Lee, 1997). Singapore has a long history as an entrepôt providing a variety of maritime services and, also, benefits from being a homeport. Studies have indicated that the economic gains are 10 to 14 times greater for homeports than for ports of call. It seems likely that local economic benefits of cruise tourism elsewhere in Southeast Asia will tend to be both more limited and more concentrated.

Cruise companies and their associations have successfully played off Caribbean ports of call against one another, resulting in extremely low port fees throughout the region.10 At the same time, host ports have been expected to make major investments in modernization and waste disposal.11 This set of issues definitely has resonance in Southeast Asia. In its 1999 agreement for two of its ships to visit Vietnamese ports, Star Cruises used its clout to get a 50 per cent reduction in the country’s port fees, raising issues — familiar in the Caribbean — of the traditional power imbalance between the cruise lines and the ports of call. Ports throughout the Caribbean region have been cajoled into undertaking major investments to handle larger cruise ships, not always on a basis that proves economical for them in the long run.
In Southeast Asia, Star Cruises has shown a greater willingness than most companies operating in the Caribbean to share in investing in port facilities. Its 70 per cent dominance of the regional cruise market, however, does not auger well for the bargaining power of ports.

Economic benefits for Caribbean ports have also been undermined by their replacement in cruise ship itineraries by private islands, ports of call owned by the companies themselves that promise an ‘authentic’ experience of the Caribbean ‘without the hassle’. Six cruise companies own private islands in the Caribbean, which they use as full-day ports of call. Royal Caribbean has even created ‘clubs’ within some of its ‘real ports of call, to which passengers can retreat from the hustle and bustle of Caribbean street life. Private islands and clubs serve to concentrate tourist spending in venues owned and operated by the cruise companies, with a corresponding diminution of local economic benefits. The current focus of many Southeast Asian cruise itineraries on ‘idyllic’ islands whose main attractions are their beautiful beaches raises the distinct possibility that private islands could equally become part of the Southeast Asian cruise scene, to the economic detriment of port and island communities.

Evaluating the economic significance of cruise tourism is a complicated task, as the useful framework put forth by Dwyer and Forsyth (1998) demonstrates. It is clear, however, that in a context of broad official commitment to tourism development across the region on the one hand, and of a highly-concentrated industry structure on the other, the bargaining power of receiving ports and regions may be limited. The Caribbean experience is a cautionary one here.

**Environmental Issues**

The large cruise ships that increasingly dominate the industry are floating mini cities, carrying up to 5000 passengers and crew. Although cruise ships represent a tiny fraction of all ships, they generate over three-quarters of all ship waste. A single large cruise ship generates, in a week’s voyage, 210,000 gallons of sewage, one million gallons of graywater (wastewater from sinks, showers, galleys and laundry, often containing significant pollutants), at least 130 gallons of hazardous wastes, eight tons of solid waste, and 25,000 gallons of oily bilge water (Schmidt, 2000). Cruise ships emit large quantities of air pollutants as well (Bluewater Network, 2000). All of these are potentially hazardous to reefs and other forms of marine life, with the further potential of introducing toxic substances into humans through the food chain. The potential adverse impact on the environments that sustain both local cultures and tourism is widely recognised, yet regulation remains non-existent or weak in most parts of the world.

The weakness of the maritime regulatory regime, and the dangers it
poses for the environment, have been highlighted by a number of cases in the Caribbean over the past decade.

Inside territorial waters, ships are bound by the laws of the state with jurisdiction. However, the ability of port states to regulate foreign flagged ships in their waters is vitiated by the practice of referring violations to the vessel’s flag-of-convenience state. A US State Department study of MARPOL V violations in US waters in 1992, for example, found that of 111 cases referred to flag states, no penalties were imposed except for small fines in two cases (GAO, 2000:20). Furthermore, resources devoted to detecting violations in territorial waters are extremely limited, such that the major source of known illegal discharges in US waters is self-reports by ships or cruise companies (GAO, 2000:17). Surveillance resources are even more limited in much of Southeast Asia.

Environmental regulation in international waters is even weaker, dependent on treaties that many countries have not signed and which lack enforcement mechanisms other than flag state referral. In the most spectacular case of illegal dumping in the Caribbean, Royal Caribbean pleaded guilty in 1998 to a “fleetwide conspiracy” to dump oily waste by rigging pipes to bypass its ships’ anti-pollution commitment over several years. In this and a related pollution case in which RCI was caught red-handed, conviction and the imposition of penalties in a US court was only made possible by a technicality: the company was convicted not for illegal dumping, or for falsifying its log at sea, but for presenting a falsified log to US Coast Guard officials in a US port (Goldberg, 2000). Few Caribbean states have the resources to inspect or track potential polluters and, indeed, most have failed to ratify the annex of MARPOL that creates a special area for the Caribbean.

The cruise industry around the world resists tighter regulation and argues for industry self-regulation. The Florida Cruise Line Association privately negotiated an agreement with the State of Florida in 2000 that lacks any enforcement mechanism and that included no public input or oversight. The International Council of Cruise Lines announced a new ‘Industry Standard’ for all its cruise lines (which do not include Star Cruises) for waste management practices and procedures in 2001. However, the standards not only lack any enforcement provision, but are extremely weak. The only ICCL restraint on the dumping of both sewage and graywater into the ocean is that the ship be four nautical miles from shore and moving at a speed of not less than six knots (ICCL, 2001).

It is worth noting that the Caribbean cruise industry exercises considerable clout. When US charges were brought against Royal Caribbean, it hired a former US attorney-general to argue its position that the case belonged in Liberian courts. The industry is well-organized and is a significant political contributor that has successfully lobbied the US Congress on a number of occasions to block legislation it opposed.
Recurrent fires and accidents in the Caribbean, such as Royal Caribbean’s Monarch of the Seas running aground in November 1998, causing extensive reef damage in St. Maarten, have underlined the hazards of the industry. Violations of pollution laws, both by accident and design, have continued. However, as the Secretary-General of the Caribbean Tourism Organization, a past critic of the cruise industry, has acknowledged, environmental pollution caused by poor waste disposal practices of Caribbean hotels may be an even bigger problem. Noting that “legislative provisions to control effluent discharge are weak, or non-existent” in the region, she has stressed the “need for a Caribbean specific Environmental Convention, to be signed by all Caribbean states, that consults the specific geographic arrangements of the region” (Holder, 1995).

These are all issues with strong resonance in Southeast Asia. Environmental concerns have already surfaced strongly in connection with the cruise industry, as in the widespread public opposition in the 1990s on the Thai island of Phuket to Star Cruise’s plans to build a major new pier for its new megaships. The range of issues raised by local Phuket residents and businesses — from fears about reef damage to scepticism about the local benefits of the estimated two million cruise passenger arrivals yearly — was strikingly similar to those raised in many Caribbean contexts. Southeast Asian governments are likely to find themselves as hamstrung as those in the Caribbean and North America by the weakness of the international maritime regulatory regime.

The Ship as Destination

Sociologist George Ritzer (1999:8–9) has called cruise ships “cathedrals of consumption”, both enchanted and highly rationalized. The advent of the simulated world of cruise tourism potentially poses a threat to those touristic places whose main attraction is that they are ‘real’. As cruise officials in the Caribbean have repeatedly claimed, the real attraction is the simulated world of the ship, not the gritty reality of the destinations. In the Caribbean, the proportion of cruise passengers who do not bother to leave the ship when it is in port has increased steadily. This, in fact, is the preference of the cruise companies, which have increasingly designed cruise ships to be all-inclusive resorts, with everything from shopping arcades to skating rinks and rock-climbing walls. As a Royal Caribbean vice-president said of Voyager of the Seas, which became the world’s largest cruise ship when it was launched in 1999, “[t]his ship can truly function as a destination. You can go on a seven-day cruise and never get off the ship” (Miller, 1999:148). Given the congestion caused by disgorging thousands of cruise passengers at once on small island ports, the new mega-ships help make this a self-fulfilling prophecy.
Only time can tell if a similar trend will play itself out in Southeast Asia, but it is interesting to note that in one very positive report (D’Arcy, 1999) on a cruise on Star Cruise’s *SuperStar Leo*, the Australian reviewer notes that she chose to stay on ship at several stops and that the unsatisfactory shore excursion at Songkhla, Thailand made everyone “keen to get on the buses back to the nice clean *Superstar Leo*!” She adds, “The ports were not a highlight of the cruise... The beauty of the *Leo* was a much bigger highlight.”

In welcoming cruise tourists, Caribbean countries have held the hope that cruise tourists will return subsequently for land-based vacations, an expectation for which there is very little actual data. For long haul cruisers in Southeast Asia (particularly those from the Americas), this benefit is probably less likely to be realized, given the cost and time spent getting to Southeast Asia. However, Star Cruises has experimented with land-sea combination packages that may result in more land-based benefits and it is possible that regional tourists, both Asian and Australian, will return on their own. Through discounts and upgrades, however, all the cruise companies try their hardest to keep returning travellers on their ships. If Ritzer and Liska (1997:107) are right in arguing that “people raised and living in a post-modern world dominated by simulations increasingly come to want, nay to insist on, simulations when they tour,” cruise ships may be quite successful in keeping their future passengers out of land-based hotels. The spending of stayover tourists is estimated to be as much as thirty times as high as cruise ship day visitors. To the degree that the ship itself becomes the destination, cruising’s potential contribution to Southeast Asia’s economic development is likely to be diminished.

**Conclusion**

The globalization of the cruise tourism industry has been based on the broader deterritorializing processes that underlie globalization in general. Both the Southeast Asian presence in the Caribbean cruise tourism industry, and the Caribbean-style growth in the Southeast Asian cruise industry reflect these processes. New modes of regional interconnections have been forged.

Southeast Asia is obviously very different from the Caribbean, but the Caribbean cruise industry does provide a record of experience worth paying attention to. I have suggested that the Southeast Asian presence in the Caribbean cruise industry — rarely if ever noted by business and tourism planners — may, in fact, represent an advantage that can be exploited for the sake of Southeast Asian tourism generally.

The Caribbean experience, however, also reminds us that the globalized nature of the cruise industry poses a number of potential problems
and can exacerbate both inter- and intra-regional inequalities. Southeast Asia should be wary about following the Caribbean experience blindly. If Southeast Asian cruise tourism is to be a genuinely regional tourism, the industry’s potential to create new inequalities and conflicts and to inflict environmental damage is an issue that must be attended to. Southeast Asian countries have reaped advantages from regional cooperation in the past. Especially if democratization continues to deepen across the region, such cooperation (which has largely eluded the Caribbean region) can provide the basis for a combination of both effective promotion and regulation of the burgeoning Southeast Asian cruise industry.

Notes

1. An earlier version of this paper was presented at the conference on “Interconnected Worlds: Southeast Asian Tourism in the 21st Century,” 6–7 September 1999, sponsored by the National University of Singapore and the Singapore Tourism Board.

2. For useful discussions of how the flag of convenience system undercuts the international regulatory regimes designed to protect the environment, see Becker (1998); Goldberg (2000); and United States Environmental Protection Agency. (2000).

3. ‘International’ crew are those not from North America, Western Europe or Australia; the term in industry parlance generally represents those from Asia, Africa, or Latin America. Eastern Europeans occupy a somewhat ambiguous position in the frequently drawn contrast between ‘European’ and ‘international’. They seem in most contexts to be assimilated into the ‘international’ category.

4. In one particularly striking Seabourn advertisement, nine white males in suits are lined up on the deck to provide service to a white woman in a bathing suit on a deck chair. With the slogan of ‘When Only the Best Will Do, and text that says you will feel like you are in your own private club, the message is clear: you will be served by your own kind. As a British couple explained in complaining about the Indonesion service on Holland America: “Only a Brit can understand another Brit.”

5. See Chang (1997, 1998) for analyses that place Singapore’s strategy to become a tourist hub in a broader regional and political context.

6. While its main focus has been the Caribbean, NCL has also operated along the west coast of USA and Canada, and in Europe. NCL also owned Orient Lines and Norwegian Capricorn Line, which Star subsequently shut down.

7. A subsequent report by the Bahamas Maritime Authority concluded that the Sun Vista had been in such poor condition that it should not have been carrying passengers, but it blamed the American Bureau of Shipping, which had certified the ship, and Sembawang Shipmanagement, which managed the ship. The fact remains that ultimate responsibility rests with the Bahamas, as the flag-of-convenience state, even if there are very few international sanctions that can be brought against states that fail to meet their official responsibilities. To be considered as a valid registry, the flag state must be a member of the International
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Maritime Organization, have adopted all its safety resolutions and conventions, and established a mechanism for enforcing compliance with all international and flag state standards.

8. One Star ship — the SuperStar Sagittarius — is registered in Norway. Formerly a Royal Caribbean vessel, Norway’s ‘second registry’ exempts international crew from many Norwegian regulations, hence, Norway has been threatened by the International Transport Workers Federation (ITWF) with formal classification as a flag-of-convenience state.

9. Ultimately, the issue of benefits must be evaluated at least in part in terms of the culturally-based perspectives of local people, a point nicely made for Southeast Asian and Pacific cases in Berno (1999) and Erb (2000).

10. Port fees in the eastern Caribbean in early 1999 were US$3 in Grenada, US$5 in Dominica and St. Kitts-Nevis, US$6 in the Grenadines and Antigua, and US$6.50 in St. Lucia (Pattullo, 1996). The English-speaking Caribbean fared modestly better: US$15 for the Bahamas and Jamaica. Only Bermuda, closer to mid Atlantic ports and without local competition, and which has stringently limited cruise visitors so as not to weaken its hotel sector, has been in the enviable position of negotiating a port fee of US$40 per person.

11. A tug of war from 1997 to 1998 among the cruise companies and several eastern Caribbean countries wanting to pass on some of the cost of World Bank waste disposal projects in the form of increased port charges resulted in a modest increase in port charges for some countries, but only after they refused to blink when Carnival threatened to drop them from its ships’ itineraries altogether. However, Carnival dropped Grenada, perceived as a ringleader, from its itineraries shortly thereafter.

12. For example, in a press release entitled ‘Half Moon Cay Private Island Destination Features an Uncluttered and Hassle-Free Setting’, Holland America Line claims: “Half Moon Cay recalls the idyllic Caribbean of 30 years ago. There are no hassles. It’s just you and a balmy island with a white-sand beach, coral reefs and a clutter-free arrangement of attractive facilities designed for casual roaming” (Holland America Line, 1997).

13. For a fascinating study of what happened when Disney-style simulation was grafted onto a pre-existing local park and tourist attraction, see Teo and Yeoh (1997). In this case, the ‘Disneyfication’ of the park failed in the face of local resistance, and the Singapore Tourism Board (2001) announced that the park would be restored to its ‘former glory’ and revert back to its original name, Tiger Balm Gardens. Disney-style simulated environments are broadly popular in other Asian tourist settings, however.

References


