

Examining Sustainability amid Tourism Growth in the Costa dos Coqueiros

The Costa dos Coqueiros, or Coconut Coast, the 120-mile stretch of coastline stretching from the northern edge of Salvador to Bahia's border with Sergipe, is a hotspot for Brazilian tourism growth. Based on land acquisitions and planned projects, the hotel supply is set to potentially increase from 6,500 to 18,000 rooms, and several thousand second residences are projected to be in place by the year 2015.

The present scenario at Costa dos Coqueiros is one of stark contrast. Sparsely populated coastline dominated by "latifundios", dotted with coastal and inland villages lacking proper sanitation, infrastructure, and access to secondary education, are a throw-back to the region's post-colonial history. Yet large landholdings have now facilitated international tourism real estate speculation and development. In an attempt to deal with this juxtaposition, hotel and business owners from the region's Tourism Cluster organized themselves to evaluate the challenges and formulate a strategy for development that ensures the destination's sustainability and competitiveness.

The resulting model calls for an acceptance of large-scale hotel development while strengthening the cultural identities and singularities of the local populations. In this model, economies of scale bring tourists to the destination, while local attractions provide differentiation and quality, creating a multifaceted mix of large, medium, and small-scale businesses where investments generate tourist traffic but are able to minimize their impacts. This is to be attained through the following strategies:

1. Strengthening regional governance and self-regulation
2. Regulating zoning and urban design
3. Strengthening the local tourism supply chain
4. Promoting eco-efficiency
5. Establishing and monitoring indices of infrastructure development

The region's future perspectives, model, and strategy all involve concerns over the destination's sustainability. As such, the following brief analysis of the Costa dos Coqueiros examines some of the potential impacts and interrelation from social, environmental, and economic perspectives.

Social Impacts

When the Costa do Sauípe complex opened in 2001, the region saw an increase in local artisan and agricultural production. A study performed by the Instituto de Hospitalidade of the surrounding villages demonstrated that from 1998 to 2004, handicraft production came to occupy 22% of the labor force, growing from 3% prior to Sauípe's opening. The percentage of employed women also rose from 29% to 55%. Furthermore, households in the region increased in percentage of potable water from 32% to 75%, and 72% of the respondents indicated an overall increase in the quality of life.

Similarly, Oberstar's 2006 opening was a large contributor to Mata de São João County's 40% increase in formal employment between 2005 and 2007. With this next phase the scale is much larger however, and greater importance is now placed on the towns inhabited by residents, which becomes problematic. Costa do Sauípe's nearby coastal town of Porto Sauípe, for example, saw increased and disordered growth when many of the complex's non-native construction workers permanently relocated afterward. This impact changed the original town demographics and greatly

reduced the town's tourist appeal: today it receives a fraction of the visitors as Praia do Forte and Impasse, and has much lower real estate values. An iconic representation of this reality can be seen just south of Porto Sauípe's main urban section, where a beachfront hotel abandoned in mid-construction lies unfinished.

On the other end of the spectrum, as real estate values in the preserved villages increase, local owners are offered extremely favorable deals for their properties, as speculators and developers see opportunity for investment, and expatriates and southern Brazilians seek to capture the

quality of life in the local towns. In Praia do Forte, for example, property along the town's main pedestrian strip is selling for US\$2,500-\$3,500 per m², while houses in nearby residential communities go for around US\$1,400-\$1,700 per m².

The model calls for preservation and promotion of the local villages, their inhabitants, and their products and services. In order to preserve local singularities, tangible profit offered to a local land or business owner will require offsetting through incentives, and impending beach town gentrification must be correctly managed.

Environmental Impacts

New environmental rules increasing building restrictions went into effect in the region. This was partly a response to fears that large-scale development would trample the region's fragile ecosystem, which hosts aquifers and rivers, mangroves, restinga, and secondary Atlantic forest. As a result, some developers were informed that their previous permits were no longer valid and required new evaluation.

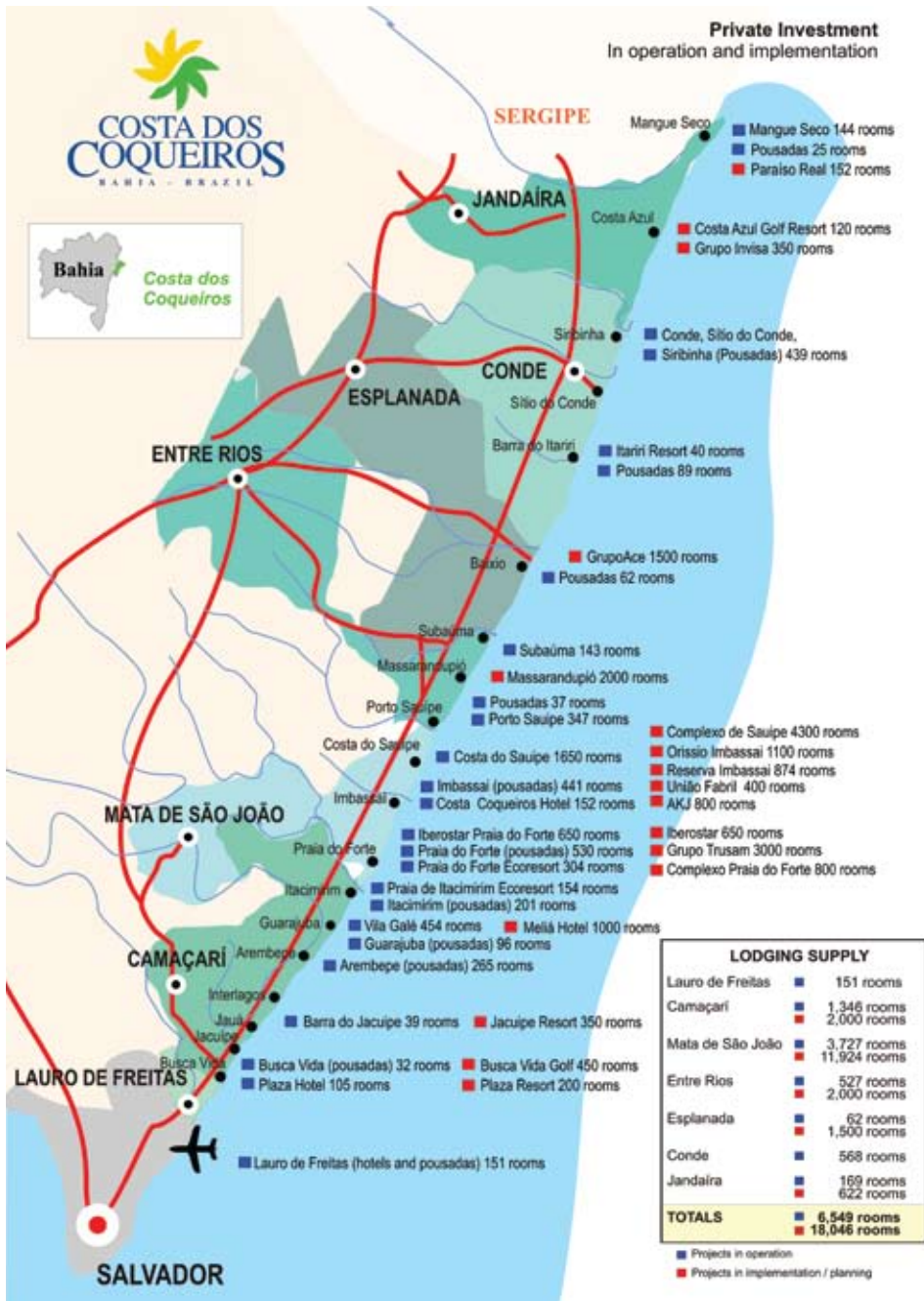
And while hotels are often subjected to rigorous, ambiguous, and amorphous environmental legislation, the impending environmental consequences of the region's development lie heavily in the population

increase. For example, the Sauípe River suffered severe degradation during Costa do Sauípe's construction, where the nearby towns that housed workers lacked proper sanitation.

With one direct and three indirect jobs generated per hotel room, a region which in 1998 held 16,000 inhabitants (40 per km² in the coastal area measured), will consequently see a total labor demand much larger than its entire original coastal population, according to Silvestre Teixeira of the IH.

Costa do Sauípe was criticized for importing 2/3 of its labor force from Salvador, 80 km away. Caused by the region's scarcity of qualified workers, however, this maintained lower population levels and subsequent impacts in the region. The current trend demonstrates an increase in local labor,

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considering that transit infrastructure will not be able to sustain high labor importation from Salvador when the hotel supply triples. And furthermore, Mata de São João, the county which hosts the majority of the hotel development, is offering tax incentives for hotels maintaining 65% of their labor force from the county.

Given this expected increase, the region's housing situation (where two thirds of inhabitants lack access to public sewage treatment), and the lack of structure to regulate the neighboring towns' pollution and degradation of the shared forests, rivers, and beaches is an imminent threat. As an example, squatting continues in Porto Sauípe, and is now encroaching on mangroves.

Environmental preservation therefore depends on a shared responsibility between developers and the public sector, transcending property boundaries.

Economic Impacts

Without question, growth equates to employment and revenues from hotel construction and operation. Yet tourism development is often criticized

for its negative economic multiplier, with foreign companies importing top management, infiltrating the supply chain, and sending profits overseas instead of reinvesting in the regions in which they operate. Foreign ownership is certainly the case in the Costa dos Coqueiros: of the tourism real estate in place and slated for development, less than 15% of the investment is Brazilian. The rest comes from abroad. And foreign tour operators have already installed themselves as ground handlers, demanding elevated commissions in return for volume.

However, the long-haul flight, the strong real, and diverse national and worldwide supply for sun and sea tourism all indicate a struggle to maintain Costa dos Coqueiros' competitiveness as a destination, which is not merely built by hotels. Furthermore, in order for investors to carry out their proposed developments, the region's demand will need to match its supply, allowing for capital access to finance turnkey operations.

The key to the region's economic prosperity and sustainability, as identified by the Tourism Cluster and its constituents, lies in the preservation of the singularities of the region's villages and environment. This will set it apart from other destinations. A strong example is one of the region's largest projects currently under the planning stages in the town of Baixo, where a Spanish investment group intends to preserve the pristine natural surroundings and integrate the quaint fishing village as the development's prime attractions.

Conclusions

The Costa dos Coqueiros is in an important phase of development, with a clear relationship existing between the local population, natural environment, and tourism real estate growth; immensely intertwined, each have a direct impact on the other. Stakeholder awareness coupled with worldwide and ample tourism modeling

resources may spare the Costa dos Coqueiros from the fate of countless other destinations. Or it may simply have manifested its plotting along traditional destination lifecycle models developed decades ago.

Whether or not the Costa dos Coqueiros will be able to maintain its proposed model, integrate large-scale hotel development with attractive local villages, preserve its natural surroundings and increase the well-being of the local communities while balancing population growth remains to be seen. However, its experience will provide an example either to be reproduced, adjusted, improved upon, or even abandoned based on its results, as development eventually renders the Costa dos Coqueiros one of South America's foremost recognized tourism destinations.

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 Map Source: Costa Dos Coqueiros Tourism Cluster*