THE STRUCTURE OF ENTREPRENEURIAL OPPORTUNITIES IN SUN AND BEACH TOURIST DESTINATIONS: THE CASE OF FUERTEVENTURA (CANARY ISLANDS, SPAIN)

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This paper analyzes the unequal structure of opportunities in the development of entrepreneurial activities. In particular, it delves more deeply into a situation where immigrants of European origin find better business opportunities than domestic residents, which is contrary to what is commonly described in the literature on immigrant entrepreneurship and ethnic economy. To explore this issue, a sun and beach tourist destination will be taken as a case study.

Since the 1990s, sun and beach tourist destinations have been facing changes in their demand characteristics, leading to a potential reorganization of supply components. More demanding, better informed and multifaceted, consumers coexist with online agencies that question traditional intermediation and low-cost airlines that facilitate travel to new groups. So, beyond accommodation and beaches, destinations need to reinvent themselves through new activities and products. Some authors have called it a ‘differentiation strategy’. This strategy looks to maintain demand, capture new customer segments and increase tourist spending in destination. It is a renewed post-fordist tourist destination phase. However, these changes are not mechanical, so tourism enterprises require new structures, know-how and culture, all of which need to be relatively different from those already established.

This research has been carried out on the island of Fuerteventura, one of the seven Canary Islands belonging to Spain. After more than two decades of growth, it has consolidated as a major sun and beach tourist destination. Fuerteventura received more than two million tourists in 2015. This growth has been spectacular, close to 200% since the beginning of the 1990s. In 2009, Fuerteventura was declared a Biosphere Reserve by UNESCO, in addition to already being a territory that had several protection mechanisms. This new designation covers the entire island territory and is designed to contribute to a better link between economic growth and environmental protection.
In this paper, we are interested in analyzing entrepreneurship, particularly that related to marine and recreational activities, such as diving, surfing, windsurfing and kitesurfing. In recent years, these activities have become the island’s tourism icons. Specifically, it is important to study these new entrepreneurs’ characteristics and competences, and the relationships they create with the rest of the local tourist productive network. The central aspect to be addressed is the importance that immigrants of European origin have in the renewal of the destination, because there are some situations and opportunities that seem to favor such immigrants in their business activities.

There are two central hypotheses. On the one hand, the entrepreneurship seen is part of a dynamic generated by Fuerteventura’s tourist activity; though not because of its tourism offer but due to its tourists’ demands. The particular characteristics of this economic activity favor the consumers themselves, so that they can become entrepreneurs and contribute to determine the tourism offer. As a second hypothesis, it is argued that the structure of opportunities is more favorable to residents from different European countries than to local ones. These opportunities arise from the greater probability of foreigners having the credentials, qualifications and specific knowledge to develop the activities in a context of complex public-private relations.

In this sense, this paper takes advantage of different theoretical-empirical proposals. The theoretical developments focusing on immigrants’ labor and business integration provide an insight into their objectives and subjective determinants. Additionally, considering the specific structural characteristics of the tourism sector is also a fruitful approach. The combination of both dimensions can facilitate greater understanding of the main processes at work. Thus, a theoretical approach is proposed that includes a reflection on the factors that favor business activity among European immigrants and consideration of the specific characteristics of the tourism sector.

As mentioned, it seems there is an unequal adaptation between what immigrants of European origin and Spanish residents can offer and the types of business niches that the tourism sector generates, with this adaptation being worse for Spanish residents. In this sense, some authors propose taking into account economic (market conditions), geographical and cultural components (specificities of some ethnic groups, widely studied in the case of ethnic minorities in developed countries, such as a culture of entrepreneurship) and social (social capital) and institutional dimensions. Entrepreneurs operate in a social and institutional environment, so it is necessary to deal with the relationships between immigrants’ businesses, social capital and the general economic and institutional context (such as rules and laws).

In this way, it is necessary to consider the specific characteristics of the tourist sector. Indeed, there are several distinctive features of tourist activities, such as the simultaneity of production and consumption, the importance of employees in innovation, the tourists and their knowledge of suppliers; almost more relevant than internal innovation itself. This will affect the opportunities presented to local and foreign residents. The weak entry barriers in the tourism sector also favor a more rapid incorporation of potential entrepreneurs.

Finally, from previous approaches, the importance of the relations between entrepreneurs and their environment can be seen especially through the concept of social networks. Here the emphasis is placed on the importance of formal and informal rela-
tionships in the activity of entrepreneurs. Along these lines, this paper also studies the complex relations between private and public actors in socio-economic development.

Thus, the reflections of Huete et al. (2013) on the limits of the ‘lifestyle migration’ concept, contributions from theories on the structure of opportunities for immigrants that includes social and institutional components and O’Reilly’s more general theoretical approach (2012) on the theory of structuring and migration as a process have been taken into account. In addition, a perspective in which entrepreneurs are conditioned by a space of networks, organizations and normative framework has also been contemplated.

To carry out this study, entrepreneurs’ external constraints in the recreational-sports activities in Fuerteventura have been analyzed. The analysis includes the evolution of the sector on this island, and the specific space occupied by businesses engaged in marine recreational-sport activities. There is also a description of the relations with the rest of the productive system and with the local administration. Next, the characteristics of residents from northern Europe are studied, in contrast to local residents, who have benefited the most in the implementation of such recreational-sports enterprises. In particular, the skills and abilities that favor these European entrepreneurs are analyzed. The methodology used was a combination of secondary data and in-depth interviews. Regarding the interviews, and taking into account the objectives of the research, a semi-structured script was prepared, and then people from the mentioned business sub-sectors were contacted through the ‘snow-ball’ strategy. During May 2015 a group of fifteen entrepreneurs and local administration professionals were interviewed. These interviews were transcribed and analyzed.

The following conclusions can be drawn. With regard to entrepreneurship focused on marine sport and recreational activities (diving, surfing, windsurfing and kitesurfing), the relationships between public and private agents and between different enterprises oriented to tourism are not sufficiently collaborative. Nevertheless, new initiatives have developed, being fueled by dynamics that have, however, little to do with collaboration between businesses and institutions. The characteristics of the tourist activity and its productive structure have encouraged tourists, who become residents, to become entrepreneurs, by taking advantage of the knowledge they have acquired as practitioners of sports activities, the language and culture they share with the tourist clientele, and the complexities of many of these sport-recreational activities. This entrepreneurial activity is not favored by the classic internal dynamics of the sun and beach tourist destinations, where the tour operators have a central role in the intermediation; and neither is this activity because of the local administration.

This entrepreneurial behavior cannot be understood from a Lifestyle Migration perspective. Since a conventional business activity is developed, and not just one aimed at complementing incomes already being obtained in the countries of origin. Here, the tourist destination creates a structure of opportunities that benefits and encourages European immigrants. This is the contrary to what happens to other groups of non-European immigrants, who are treated badly by the Spanish labor market.

Moreover, a part of this group of residents of European origin seems to be part of a transnational flow of people moving more or less regularly and periodically between their countries of origin and Fuerteventura. Here we find ‘immigrants very prepared ... to start
a business in which to use their skills, biculturalism and transnational networks effectively to increase material gains’ (Frändberg, 2014, Solé et al., 2007). This probably happens in a way that is different from other economic activities, as Jonker et al. (2009) argue: ‘the attributes for entrepreneurship differ from one sector of activity to another’.

The relations within the local tourism productive network provide a valuable insight into the processes and relationships among these new enterprises, regarding both their limitations and advantages. Indeed, the literature dedicated to social networks has given a very interesting perspective to this paper. Informal networks seem to especially benefit these enterprises, while formal ones are less profitable, except for those enterprises that collaborate with a particular hotel or chain. In any case, weak relations predominate, the actors relate little and at specific times between each other.

Taking a holistic approach, the characteristics of European entrepreneurs in Fuerteventura and their situation in this productive and institutional context have been analyzed. The results allow a better understanding of the recent dynamics of the sun and beach tourist destinations.