

Draft

Neoliberal Globalization: The Cruise Ship Industry as a Paradigmatic Case

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Introduction

The intimate and deep relationship between globalization and tourism has been widely noted in the literatures of both fields. No other form of tourism--or arguably just about any other industry--is more deeply rooted in globalization processes than cruise tourism. This paper explores the distinctively global nature of the cruise industry and argues that this form of “globalization at sea” offers a paradigmatic case of globalization processes and outcomes generally. Because of this, cruise tourism has a special interest not only for tourism researchers but for globalization and development researchers as well.

While the Caribbean region continues to attract about half of the world’s cruise business, the rapid growth of cruise tourism has meant its extension to more and more ports around the world. Around the world cruises, with the option to join the cruise for a given section, have become increasingly popular, and large numbers of new ports of call are announced each year. Cruise ships themselves have become global microcosms. A manifest of Princess Cruises’ *Sea Princess* (Schwartzman, 2001), showed passengers from thirty-two countries on every continent except Antarctica, which itself has become a significant cruise destination. The crew on a large cruise ship like the *Sea Princess* will typically hail from even more countries, although generally in reverse proportions to the passengers. The cruise industry is clearly global in scope, but what this chapter will focus on is its global structural underpinnings.

Globalization as Process and Project

Definitions of globalization are legion and reflect the particular orientations and interests of researchers, as well as the complex and multidimensional nature of the phenomenon itself. As a starting point, it is useful to distinguish between globalization as a process and globalization as a project (McMichael, 2000; Lechner, 2001). As a process, globalization is seen as occurring largely on its own and “behind the backs” of actors, e.g. through technological innovation and its shrinking of the world through “time-space compression.” As a project, globalization is viewed as the outcome of groups of people consciously pursuing their interests and visions of how the world should be. While the

distinction is sometimes framed as a debate, most theorists see globalization as the outcome of both processes and projects. In this spirit, I will focus on one process and on one project that I believe together most fully capture the meaning of globalization and which also have particular relevance for understanding the cruise industry. The process is deterritorialization and the project is neoliberalism.

We commonly think of globalization as being about more extensive and deeper interconnections between places. But equally important is how this process changes the nature of place itself, such that the global is now in the local. This in turn changes the relationship between place and the social, cultural and economic life that goes on there, disembedding the latter from its immediate geography. As Tomlinson (2003 p. 273) has put it: "Modern culture is less determined by location because location is increasingly penetrated by 'distance'." While this need not mean the "end of geography" as some have claimed, it does mean that culture, social life and economic activity become increasingly *deterritorialized*, no longer rooted primarily in the immediate physical geography of place. I will argue in this chapter that this is especially true for the cruise industry. It is a uniquely deterritorialized industry and cruise ships constitute uniquely deterritorialized destinations (Wood, 2004a).

While the deterritorialization of social life has many sources and is arguably rooted in modernity itself (Giddens, 1990; Tomlinson, 1999), it has been intensified in recent decades partly as the result of deliberate efforts. The late twentieth century, Bauman (1998 p. 9) has claimed, was the "Great War of Independence from Space" waged successfully by capital. "The mobility acquired by 'people who invest'--those with capital, with money which the investment requires--means the new, indeed unprecedented in its radical unconditionality, disconnection of power from obligations" to place-bound workers and communities. While it is important to recognize that deterritorialization has involved positive consequences for communities as well and that it has often gone hand in hand with processes of *reterritorialization*, in which the meaning of community and place is redefined, Bauman's point suggests a reciprocal connection between deterritorialization as a *process* and the dominant *neoliberal project* of globalization. Let us address this neoliberal project briefly.

Actually-existing globalization has been in large part the result of a conscious and coordinated effort to create a global economy based on neoliberal principles. Neoliberalism has been the dominant elite ideology in the industrialized world since the Reagan and Thatcher regimes of the 1980s, and has been built around two core ideas. The first has been an abiding faith in the superiority of markets in the allocation of resources in a society. Over

time the magic of the marketplace became the mantra of free trade as neoliberalism embraced a global vision which insisted that there was no viable alternative to maximally-free markets based on the elimination of barriers to trade and investment. The second core idea involved a deep suspicion of the intrusion of government into economic affairs. With the buzzwords of deregulation and privatization, neoliberal elites sought to shift fundamental power and decision making from the public to the private sphere. Epitomized for many in the WTO, globalization has been deeply shaped by this strikingly-successful neoliberal project.

In reality, however, very little of the world conforms to this neoliberal vision in any pure way. Even the great neoliberal achievement of NAFTA included thousands of pages of politically-negotiated departures and exceptions to pure free trade. As Ó Tuathail (1998 p. 87) puts it:

Actually existing globalization is not the globalization of neoliberal visions, the Utopia of friction-free global markets or Internet-driven virtual worlds, but the contingent and unsteady symbiosis of imperfectly transnational networks, institutions and firms, and the ‘ramshackle diversity’ of international bureaucracies, states, police, mafias and other sources of power struggling for territorial authority in the post-cold war world.

But there is one place where something quite close to a realization both of a deterritorialized world and of the neoliberal vision of globalization does exist: the global cruise industry. As such, it is a source of potential insights into the relationship between tourism and globalization and into the uncertainties of globalization at sea.

Deterritorialization and the Cruise Industry

Global outsourcing has revealed seemingly-place bound things like factories to be detachable from communities and even nations, but cruise ships represent a unique level of deterritorialization. Huge floating chunks of capital, they are intrinsically mobile and capable of being repositioned at a moment’s notice. Unlike land resorts, cruise ships can change their locations to escape bad weather, political instability, or other things their owners may not like. Major events like 9-11 can elicit massive redeployments of whole fleets.

It is a common refrain in the industry, one that goes back at least to the 1930’s (Douglas and Douglas, 2004 pp. 72, 95), that the cruise ship is the real destination for most passengers, not the ports of call. Nonetheless, as Dowling and Vasudavan (2000 p. 21) observe, the full changeover from cruise ships to floating resorts required sufficient size “to accommodate the kind of leisure and entertainment facilities that are available in lavish hotels

ashore.” As such, the contemporary large cruise ship is a uniquely deterritorialized destination in a number of senses. Apart from the importance of sun--77% of the world’s cruise capacity is positioned in warm and sunny areas (Cartwright and Baird, 1999 p. 127)--both ship décor and ship life show striking and increasing similarities regardless of cruising region. Popular new features quickly become universal on new ships, e.g. atriums, the prevalence of cabins with balconies and the creation of alternative dining spaces. While the pastiche of architectural styles associated with Carnival designer Joe Farcus may represent an extreme, virtually all the newer large ships have standardized features and are built around a notion of what one might call postmodern glitz. Cruise ships as deterritorialized fantasyscapes are epitomized in Celebrity Cruise’s arrangement with Cirque Du Soleil that transforms observation lounges into “The Bar at the End of the Earth™”, where guests are invited “to cross the mirror to another universe” (Celebrity Cruises, 2004).

To the degree that real places may be reflected in the décor, it is likely to be entirely divorced from the cruising region, as in Holland America Lines’ appropriation of Indonesian designs and motifs while sailing almost exclusively in Caribbean, North and South American, and European waters. The mainly-European mid-size exceptions to this have been rapidly going under in the first decade of the twenty-first century with the collapse of such companies as Renaissance, First European/Festival, and Royal Olympia Cruises, and with the increasing prominence in European waters of the large North American-based companies such as Carnival and Royal Caribbean and their subsidiaries.

For ship buffs, the ultimate form of deterritorialization might be seen as the gradual distancing of the ship from the sea itself. To maximize passenger cabins in desirable areas, ships have become boxier and taller (Cartwright and Baird, 1999 pp. 168-198); Dawson, 2000; Cudahy, 2001 pp. 21-26), prompting traditionalists to bemoan the loss of an era when ships were ships, not floating resorts. A variety of onboard design features have reinforced the shift from the sea to the ship interior as the center of vision and activity: deck chairs facing the pool and bar area, dining rooms with curtains covering the windows, even staterooms facing inward to the promenade and mall area. Since 1996, the creation of “post-Panamax” ships too wide to go through the Panama Canal have limited the cruising range of the largest ships, since their high centers of gravity also limit their ability to reposition via rough waters like those of the Cape Horn. Since large ships also require special port facilities, “as ships get bigger for company purposes, the places to which they can go become fewer” (Douglas and Douglas 2004, p. 19).

The concept of deterritorialized destinations may also be applied to the private islands frequented by a number of the major cruise companies in the Caribbean. While these technically are part of Caribbean nations, no locals live or are allowed on the premises unless they work there. Royal Caribbean even markets as a “private island” a heavily fortified piece of Haiti, and the promotion of a generic “island paradise” has, according to one account (Orenstein, 1997) resulted in visitors not even realizing what country they are in. But while separated from the grit and hustle and bustle of Caribbean life, place can occasionally intrude, as with the cancellation of visits to Royal Caribbean’s Labadee for three months on account of Haiti’s political instability in 2004.

Not just their ships, but the major companies that own and operate them are uniquely deterritorialized as well. The largest ones are incorporated in places around the world that may have little or nothing to do with where they operate, or with who owns and manages them. Despite the fact that the world headquarters for both are in Florida, Carnival is technically a Panamanian company, Royal Caribbean a Liberian one. Malaysian-based Star Cruises is incorporated in Bermuda. While offshore incorporations have become increasingly common in the contemporary global environment, these companies derive special tax benefits from long-standing tax agreements that exempt foreign-owned passenger transport companies from most taxation in the countries they operate. The laws were designed as a reciprocal courtesy between air and shipping lines of different countries to avoid double taxation (e.g. United Airways and British Airways, each paying taxes in their country of origin), but cruise companies registered in international tax havens largely avoid even single taxation (Frantz, 1999).

Cruise tourism is almost completely controlled by transnational corporations (McNulty and Wafer, 1999). The globalization of the cruise industry has brought about relentless consolidation. Carnival took over Holland America, Windstar, Seabourn, Costa, Cunard, and Princess Cruise lines; Royal Caribbean took over Celebrity, and Star Cruises took over NCL and Orient. Many other companies went out of business or were absorbed into larger entities. Together the top three cruise companies control about 80% of the cruise market worldwide, an exceptionally high level of industry oligopoly even by global standards. While these brands have continued to be marketed separately, there is no question that the territorial link to their original countries of origin (Netherlands, U.K., Italy, and Greece) has been significantly attenuated.

So exactly where is one when one is at sea on a cruise ship? As Alice B. Toklas is reputed to have said of Oakland, California: “There is no there there.” In a technical sense,

one is on a floating chunk of whatever country the ship is registered in. But the situation is complicated by a patchwork of local, national, and international regulations, laws, regimes, and practices--as well as loopholes and weaknesses in the enforcement of all of these. The deterritorialized environment of the cruise ship is being reterritorialized in various ways, but the process remains contested and uneven. On balance, however, neoliberal globalization has reinforced and extended the industry's freedom from place and significant regulation. It is to this issue that we now turn.

Neoliberal Globalization and the Cruise Industry

At the core of the neoliberal vision of globalization is a commitment to the unobstructed movement of capital, goods, and services, subject only to the discipline of market forces. (Neoliberals tend to be either silent or ambivalent about comparable mobility rights for labor (Seabrook, 1998).) Sophisticated neoliberal elites and institutions understand that markets themselves require regulation, and that a global economy requires an institutional infrastructure to ensure the provision of necessary public goods and to set and enforce the rules of the market. As noted earlier, actually-existing globalization is partly the product of other forces besides neoliberal ideology. But it is the thesis of this section that the regulatory framework of the cruise industry, whatever its origins, is one that conforms in particularly-striking fashion to the neoliberal deference to markets and private actors and to limits on politically-based regulation. Cruise industry spokesmen regularly stress the highly-regulated nature of their industry, due to the many international and territorial jurisdictions that impinge upon cruise ship operations. However, I will argue that the international regulatory environment of the cruise industry, consistent with the basic tenets of neoliberalism, serves more to limit meaningful regulation in the key areas of safety, pollution, and labor practices than to promote it.

Two interrelated aspects of the regulatory regimes within which cruise tourism operates stand out: 1) the open registry, or flag of convenience system; and 2) the weakness of global governance and the privatization of cruise industry regulation.

Flags of Convenience. Flags of convenience (FOCs) go back at least several centuries, and originally involved ships of lesser powers flying the flag of greater powers for political and military protection (Thuong, 1987). In the second half of the twentieth century they took a very different form, with ship owners from the traditional maritime powers preferring to flag their fleets in relatively-poor countries which charge only nominal fees and largely exempt ship owners from taxation and regulation. United Fruit reflagged some of its Great White Fleet cargo ships, which also carried cruise passengers, from the U.S. to

Honduras in the 1920s (Weiner, 2004; Wood, 2004b). But as late as 1940, there were only two flag of convenience states and only one percent of the world's tonnage sailed under flags of convenience (Toh and Phang, 1993 p. 33). Today over half of the world's ship tonnage sails under flags of convenience (Alderton and Winchester, 2002 p. 151), and the figure is substantially higher for the cruise industry. In 2000, cruise ships accounting for 61.6% of total cruise passenger capacity flew the flags of just three FOC states: Bahamas, Liberia and Panama (ITF, 2000 Table 20). These registries have been actively promoted by the United States government for a variety of economic (keeping US-owned ships competitive by lowering their costs) and political/military reasons (Carlisle, 1981). With respect to the latter, special agreements with these registries give the United States government comparable rights the U.K. government had in requisitioning QE2 at the time of the Falklands War in 1982.

International law specifies that all countries must fly the flag of an internationally-recognized state that belongs to the International Maritime Organization (IMO). Ships acquire the nationality of the flag state that registers them and it is the responsibility of the flag state to certify them and to enforce applicable international regulations. The 1958 Geneva Convention on the High Seas asserts that there should be a "genuine link" between the state and the ship, especially in terms of control (Li and Wonham, 1999 p. 137), but in fact this is largely honored in the breach in the case of most flags of convenience.

The flag of convenience regime has been criticized for many years for being little more than a mechanism to obscure ownership and to avoid tax, safety, environmental, and labor regulations. More recently it has come under scrutiny for its potential usefulness to terrorist organizations. FOCs have been a prime target in several grass-roots campaigns targeting cruise ships: the International Transport Workers' Sweatship Campaign, Bluewater Network's Cruise Ship Campaign, Ocean Blue Foundation's Cruise Ship Initiative Campaign, Oceana's cruise pollution campaign, and others. But the system has been largely impervious to change because of the way the International Maritime Organization is structured. Voting rights are vested on the basis of tonnage, and so FOC states basically control the organization, not only to the detriment of the traditional maritime states but most developing countries as well. This form of global governance, vesting power in those whose position depends on minimal regulation, clearly functions mainly to constrain it, much as the World Trade Organization exists as much to prevent others from regulating trade as setting the rules for trade itself.

The economic health of the cruise ship industry--and its competitive position *vis a vis* land resorts, is crucially based on the flag of convenience system. This is most obviously true

in the case of labor costs. National ship registries have traditionally required that a substantial proportion of a ship's crew be nationals and be governed by national labor regulations. Under competitive pressure from the FOCs, some national registries have loosened the crewing nationality requirements in systems that have become known variously as second or captive registries. But not all such systems exempt workers from national labor regulations entirely, and so FOCs have retained their competitive edge, particularly for cruise companies. In *Ship Management*, John Spruyt (1994 p. 51) calculated that a ship with a 24-member crew, the difference between an all-northern European crew and an all-Chinese crew came to \$698,400 a year. Considering the fact that the larger cruise ships have over 1000 crew members (about 70% of them on the hospitality side), the labor cost savings afforded by FOCs are enormous. But wage savings are not the only factor: just about no country's labor laws would allow a company to require a seven-day week of 12 or more hour days for four-to-six months at a time without a single day off--and effectively ban unions as well. Nor would they likely allow the kind of ethnic recruitment and discrimination that goes on with some cruise lines, where different ethnic groups are slotted into different positions on the job hierarchy.

It is true that a cruise ship job may seem preferable to the available alternatives in Eastern Europe or Southeast Asia, but the fact remains that only a combination of deterritorialization and globalization make the existence of such jobs possible, for better or for worse. The cruise industry is unique in having access to a truly global labor force (see also Wood 2000; 2002). In a study of the shipping industry in general that sees it as having "gone furthest down the globalising path," Bloor and Lane (2000 p. 332) observe:

It might be thought that poor and hazardous working conditions are concentrated in the declining and backward sectors of the industry. This is not the case. Although conditions do vary considerably between different sectors, some of the very worst conditions for crews are actually to be found in the booming cruise sector.

FOC states are universally also tax havens. The combination of tax regimes in registry states and in (the often separate) states of incorporation, along with the unique double taxation provisions for passenger transport companies in the countries where cruise companies have their operational headquarters, result in the leading cruise companies paying almost no corporate taxes in the countries where they are actually headquartered. Carnival President Dickinson correctly observes in *Selling the Sea* that these tax and labor advantages of FOCs are what "makes it possible...to offer cruises at much lower cost" than would be otherwise (Dickinson and Vladimir, 1997 p. 66-67). These advantages have led the land-

based tourism industry, particularly in the Caribbean, to complain bitterly about the lack of a level playing field between territorially-rooted hotels and resorts on the one hand, and deterritorialized cruise ships on the other. So central are FOC-based prerogatives that one highly-critical analysis of the effects of the FOC regime on cruise industry environmental behavior nonetheless rejects the idea of eliminating FOCs out of hand because such an action “would be financially devastating to the cruise industry” (Schulkin, 2002 p. 125).

For many ship owners, an additional appeal of FOCs is minimal regulation and hence lesser costs for vessel maintenance. Roughly 150 ships sink each year. The rate of FOC ship loss is well over twice the rate for nationally-registered ships. Indeed, the growth of new FOC registries, e.g. in landlocked states that allow ship registration over the internet with no documentation requirements, reflects “the market-based nature of these registers,” in which new FOC countries see a niche in servicing the needs of ship owners whose ships can’t even meet the minimal requirements of traditional FOC states (Alderton and Winchester, 2002 pp. 154-158).

In the cruise sector, both market and political forces act to deter such extremes. While there appear to be differing levels of passenger acceptance of FOC registry (Cartwright and Baird, 1999 p. 32), cruise ship and passenger safety is central to the industry’s marketing and profitability. Those aspects of cruise ship design that have been criticized from a safety standpoint, e.g. atriums that can spread fires and the logistics of unloading 5,000 or more people from high-sided vessels on the high seas, do not depend on FOC registry. Nonetheless, questions of the adequacy of FOC state safety oversight have been raised in some cases, e.g. the cruise ship sinkings of *Fantome* in 1998, *Sun Vista* in 1999, and *Sea Breeze* in 2000.

Under the rules of the International Maritime Organization which currently govern ship registration, the country of registration is responsible for the enforcement of relevant laws and conventions. There are three major limitations to this, however. The first is that FOC states are less likely to sign these conventions, and hence not be subject to them even if they do come into force. Alderton and Winchester (2002 p. 158) find that whereas traditional maritime states have on average ratified 61% of IMO conventions, “old FOCs” (which include the major cruise line FOCs) have ratified only 49%, and “new FOCs” only 37%. More specifically, of twenty-two cruise ship-relevant international conventions cited in an Ocean Conservancy study, the three major cruise ship FOC states of Panama, Liberia and Bahamas had failed to ratify 11, 9, and 8 of these conventions respectively (Ocean Conservancy, 2002 pp. 60-62). Second, FOC states have sufficient voting power to prevent

conventions coming into effect, since voting is linked to registered tonnage. For example, the highly-relevant Annex IV (covering sewage treatment and discharge) of the International Convention for the Prevention of Pollution from Ships (MARPOL) has never come into effect because of insufficient FOC state ratification. Third, the fact that it is the responsibility of the registry state to investigate and punish ships flying its flag that violate either international or port state laws results only very rarely in any action. In the United States, a General Accounting Office study found that of 111 cases of illegal discharges by cruise ships in U.S. waters referred to registry states, no penalties were imposed apart from two minor fines (GAO, 2000). The IMO has absolutely no power to enforce its conventions itself.

The weakness of global governance and the privatization of cruise industry regulation. While the FOC system limits enforcement of safety, environmental, and labor conventions, existing international law in these areas is very weak, especially for environmental and labor issues. Many laboriously-negotiated agreements have never come into force because they have failed to get the required level of ratification. Those that have come into force are mostly very weak. For example, it remains totally legal for cruise ships to dump anything but plastics and oil in most of the world's oceans. The restrictions that exist apply almost entirely to territorial waters, usually only for three miles from shore but occasionally twelve. Even with such limited restrictions, the cruise industry has been embarrassed by a steady string of violations of international and national environmental laws within territorial waters in recent years--violations that have only declined when port states imposed severe penalties. Indeed, assertion of port controls has been the major source of changes in cruise ship environmental practices in the past decade. But even if there were no violations within territorial waters, massive dumping of sewage and toxic substances could remain the norm outside.

In this context the cruise industry has sought to privatize environmental governance by making it a voluntary activity of industry organizations. This can be seen as conforming to neoliberalism's distrust of government, so that when market solutions are not available, other private arrangements among market actors are preferred. Held and McGrew (2002 p. 10) in their book *Global Governance* see such trends as reflecting what

is sometimes referred to as the privatization of global regulation, that is, a redrawing of the boundaries between public authority and private power. From technical standards to the disbursement of humanitarian assistance....private agencies have become increasingly influential in the formulation and implementation of global

public policy....Contemporary global governance involves a relocation of authority from public to quasi-public, and to private, agencies.

Two such arrangements have emerged in respect to cruise ship pollution in the past several years: voluntary codes of conducts and memorandums of understandings (MOUs) between cruise industry organizations and local authorities.

In June 2001, the International Council of Cruise Lines (ICCL), an organization of most of the major cruise lines, announced that their members had unanimously adopted mandatory environmental standards for all of their cruise ships. Compliance with these standards was to be a condition of membership in the ICCL. This was clearly a response to pollution scandals of the previous several years involving almost all of its members and also to the fear that state and federal environmental legislation to deal with environmentally-destructive cruise ship practices in Alaska would be extended to other areas.

While the ICCL policy went beyond international requirements in committing cruise ships to refrain from dumping toxic wastes anywhere, whether in territorial waters or not, in most respects the ICCL policy simply said that its members would observe current international and national environmental regulations, which, as noted above, are extremely minimal. By and large the policy is weaker than the legislative controls in Alaska and also Canada's (non-binding) guidelines for cruise ships (Klein, 2003 pp. 25-26). The ICCL policy allows for the discharge of both black water (sewage) and gray water (mainly sink and drain runoff) four miles from shore, and is silent on such subjects as air emissions and ballast water. Perhaps most importantly, the ICCL policy contains absolutely no mechanism either for monitoring or enforcing compliance. Since its promulgation, several of its members have been convicted of criminal acts that violate the ICCL policy, but no ICCL action has been taken against them. Hence in the eyes of most environmental organizations, the policy, while a step in the right direction, is no substitute for governmental or international regulation (Nowlan and Kwan, 2001; Ocean Conservancy, 2002; Oceans Blue Foundation, 2002; Klein, 2003).

The cruise industry has also sought to prevent regulatory legislation by negotiating MOUs with local authorities. The Florida Department of Environmental Protection and the Florida Caribbean Cruise Association (FCCA) signed a MOU in March 2000, and the state of Hawaii signed a MOU with the North West Cruise Ship Association (NWCA) in October 2002. In March 2004 the NWCA signed a MOU with the Port of Seattle and the state's Ecology Department. In each case there was little or no public input and strong opposition from the local environmental community. Monitoring and compliance are voluntary.

As a Bluewater Network and Ocean Advocates report (Klein, 2003) makes clear, the outcomes of the voluntary MOU approach and legislative regulation first in Alaska and then in California have been strikingly different. In Alaska and California, not only have violations of environmental regulations significantly declined after initial convictions and fines, but cruise companies have shifted their least-polluting ships to those areas, leaving their more-polluting ships to serve MOU areas. As another report (Schmidt, 2004) states: “Cruise ship pollution incidents have continued to occur since the cruise industry heeded the ‘wake up call’ of the Royal Caribbean cases. More than fifty incidents have occurred, many in violation of voluntary policies or MOUs.”

While calls continue to be made to establish mechanisms to force FOC states to meet their legal obligation of ensuring that the ships they register meet international safety, security, crewing and environmental standards, e.g. by the U.S. Commission on Ocean Policy (2004), the assertion of port state control has come to be seen by many as the most politically-available means to redress the failings of the FOC regime. European countries reached their own MOU--the Paris Memorandum of Understanding on Port State Control) to target cruise ships for regular inspection starting in 2003 (Klein, 2002 p. 53). In the United States, federal and state courts have gradually extended port state controls, particularly in connection with passenger rights and safety, and, as noted above, several states have put in place their own regulatory framework. The federal government has shown an increased willingness to file charges directly against cruise companies that violate anti-pollution regulations, rather than referring them to registry states. In addition, grassroots campaigns have begun to produce some significant cruise company responses, most notably in Royal Caribbean’s promise in 2004, in response to Oceana’s boycott campaign against it, that it would install advanced wastewater purification technology on all its ships, both new and existing ones.

The Future of Globalization and Cruise Tourism

Neoliberal globalization is increasing dependency on international tourism in many countries, as their agricultural or manufacturing industries get dismantled in the wake of the end of subsidies and preferences required by the WTO and free trade agreements. Ports around the world look to the cruise industry as a potential source of economic development. Combined with a growing middle class in many countries and the industry’s success in reaching out to younger people, the cruise industry is likely to continue to grow.

Concentration in the industry is likely to increase even further. Certainly in North America and Europe there seems to exist no challenger to the dominance of Carnival, Royal

Caribbean and Star, and it is likely that apart from niche players, the surviving regional companies will have a hard time remaining independent. Star's growth in Asia has been slower than the company had hoped and expected, but if Star can position itself as the Carnival of Asia, it could alter the balance between itself and the two other top oligopolists. It would seem likely that Asia would also be the most likely breeding ground for any new large-scale contenders.

The cruise industry is deeply rooted in--and dependent upon--key globalization processes and projects. Not only does the cruise industry come as close as any industry to the neoliberal ideal of a maximally-unfettered global market, but it also encapsulates some of the excesses of neoliberalism that are producing movements to rein it in and to explore alternative models of globalization. This paper has argued that this paradigmatic case status makes the cruise industry particularly interesting to look at for globalization researchers. It may well be that the industry's freedom from meaningful regulation has peaked, and that a combination of grassroots pressure, port state control, and a strengthening of global regulatory regimes may gradually enforce a "meaningful link" between flag states and their ships, limit the freedom of offshore financial centers, strengthen the conventions not only of the IMO but also of the International Labor Organization (ILO), and force the industry to cooperate more meaningfully in regional development efforts. Some of these changes may be helped along by security concerns (Economist, 2002 p. 65). How the cruise industry responds to the changes in the wind will shape not only the future of cruise tourism but will say something about the future shape of globalization itself.

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