



Munich Personal RePEc Archive

# **Airbnb, Technological Change and Disruption in Barbadian Tourism: A Theoretical Framework**

Lorde, Troy and Joseph, Tennyson S D

The University of the West Indies, Cave Hill Campus

6 June 2018

Online at <https://mpra.ub.uni-muenchen.de/95488/>  
MPRA Paper No. 95488, posted 13 Aug 2019 02:19 UTC

# **Airbnb, Technological Change and Disruption in Barbadian Tourism: A Theoretical Framework**

Troy Lorde<sup>\*,a</sup> and Tennyson S D Joseph<sup>a</sup>

<sup>a</sup>The University of the West Indies, Cave Hill Campus, St. Michael, Barbados

## **Abstract**

This paper focuses on how Airbnb, an internet platform which has created the possibility for mass participation in the tourism market, is resulting in class conflict between new entrants and the ‘traditional’ tourism industry. Specifically, it studies how traditional tourism interests in Barbados have responded to Airbnb by seeking to restrict participation in the industry and presents this as a microcosm of broader class transitions and conflicts associated with new technologies. The paper utilises a Marxist theoretical perspective buttressed by Joseph Schumpeter’s theory of ‘creative destruction’ – places emphasis on the process of destroying productive systems to understand how specific industries expand and survive – and Clayton Christensen’s notion of ‘disruptive innovation’ – a process by which a disruptive product transforms a market – for studying how transformations in technology are impacting the tourism industry in Barbados. Its aim is to provide an account of how the process of disruption is unfolding in Barbados by highlighting the reactions of the main hotel lobby group to Airbnb, while also applying the ideas of Marx, Schumpeter and Christensen as useful theoretical lenses through which to examine the unfolding of the process of disruption of settled class and historical control of a dominant economic sector by new technologies.

## **Please cite as:**

Troy Lorde & Tennyson S. D. Joseph (2019) Airbnb, technological change and disruption in Barbadian tourism: a theoretical framework, *Third World Quarterly*, DOI: 10.1080/01436597.2019.1633913

---

**\*Corresponding author:** Troy Lorde, Department of Economics, Cave Hill Campus, The University of the West Indies, P.O. Box 64, Bridgetown, Barbados. Tel.: (246) 417-4279; Fax: (246) 438-9104; Email: troy.lorde@cavehill.uwi.edu.

## **1. Introduction**

This paper is motivated by observations of growing tension between established interests, and less centrally organised, more informal, autonomous, newer entrants, and traditional players in the tourism industry of Barbados. These tensions, though always present, have intensified as a result of the emergence of Airbnb, an Internet platform that has essentially levelled the playing field in key areas such as ‘free’ marketing and advertising, global reach to customers, the matching of service to customer needs and spending power, and other related variables associated with tourism services.

Airbnb is a technological innovation that exploits Web 2.0 Internet technologies, which permits users to create their own content on websites<sup>1</sup> and makes the process of listing, discovering and booking accommodation and experiences easier to accomplish. Airbnb’s innovation extends beyond the accommodation sector to other tourism and leisure products. It is a marketplace where specialty experiences, for example, walking tours, one-on-one classes with chefs, and much more are offered for purchase. Since inception in 2008, Airbnb has grown to over 3 million listings, serving 65,000 cities in 191 countries, and booked in excess of 200 million guests.<sup>2</sup> Airbnb’s success points to high demand for its products due to attractive prices.<sup>3</sup>

Given the growing importance of Airbnb, an important inflexion point of economic and class conflict has emerged around the competition to traditional hotel establishments from smaller informal service providers whose participation in the tourism industry has benefitted from direct access to ready-made ‘right-sized’ markets and appropriately-matched consumers, and the removal of advertising and other marketing costs. In a sense there is much to suggest that the business model around which Airbnb services and offerings are established, is tailor-made to the needs of

the smaller, informal, less centrally-organised, newer and less dominant players in the industry, and is particularly suited to their participation in an intrinsically global enterprise.

There is little doubt that the business model developed by Airbnb could only have been developed on the basis of the technological innovations associated with the Internet. However, to reduce its impact merely to discussions around a new business model would be to miss the full implications of its entry and wide utilisation in a country like Barbados. Whilst there have always been small and informal providers of tourism services operating outside the established hotels, the impact of the Internet in directing customers to small players at little cost to these providers has meant more than just the possibilities from a new business model. This is particularly true in Barbados whose historical evolution as a slave-based plantation economy has denied the masses of the population access to capital and other opportunities for wealth ownership.<sup>4</sup> Additionally, in a context where participation in the tourism industry by predominantly large, dominant tourism interests has been facilitated by government incentives and other supportive policy measures, the impact of the technologies which underpin Airbnb's emergence in challenging the structural, and historico-sociological arrangements which have built and sustained the dominance of entrenched tourism interests in Barbados, should not be understated. The potential impact of Airbnb on Barbadian tourism, this paper argues, holds far deeper implications for the political-economy of Barbados, and by extension the Caribbean, than can be understood if seen only as the adoption of a new business model for maximising Caribbean tourism.

Some critical contradictions and some potentially structurally-transformative conflicts within the Barbadian tourism industry, have emerged. While the impact of Airbnb is still in a relatively early phase, a fact which militates against presentation of hard data in relation to income

distribution, and the wider impact of tourism on previously excluded activities, communities and sections of society, there is sufficient evidence in the commentary and policy demands of dominant players in tourism which suggest that their livelihoods are being undercut by Airbnb, and this has resulted in their need to consciously lobby in a targeted manner in response to the perceived threats. In other words, the arguments of the traditionally dominant interests against Airbnb have been framed, not as an argument against a business competitor, but as a discourse around who is, or is not, a genuine tourism provider.

A critical concern of the established tourism interests is the fact that while they may be subject to domestic regulatory guidelines and taxation, Airbnb by its very nature can more easily escape regulatory oversight. Most critically, however, the arguments around taxation and regulation, point to related and underlying historical issues associated with ownership and participation in the major sectors of the Barbadian economy which have their roots deep in the Barbadian colonial and post-colonial integration into the global economy, and which are being challenged by Airbnb. The technological innovations that have given rise to Airbnb, have created the conditions for widening the levels of participation in the tourism industry by a wider cross section of the population than was hitherto possible. Thus, the implications are wider than the mere emergence of a 'new business model', which would mean a more limited event with implications only for business competition and rivalry, rather than shifts in the participation rates, with their associated shifts in lobbying power and influence, and the potential entry and emergence of new players in the industry. Indeed, as will be argued later, the insistence by traditional tourism players for government to regulate and tax Airbnb, is motivated more by the desire to frustrate the participation of smaller providers, rather than by any outrage over the loss of revenue to government. Thus, a perusal of the Barbadian press since 2014 reveals a persistent level of concern

amongst the established tourism players about the threat from new, smaller and less established players.

Perhaps unsurprisingly, given the global business structure of Airbnb, and given the concerns of local established tourism authorities with the ‘threat’ to their livelihoods, much of the narrative surrounding Airbnb in the Barbadian press has revolved around the need for regulation and the overused trope of ‘levelling the playing field’. This is expressed quite clearly by Adrian Loveridge, a local hotelier and columnist, amongst the most vocal in his concerns about the threat posed by Airbnb and other shared economy platforms:

with the advent of websites like Airbnb and Homeaway it has now become a minefield for the potential visitor who presently has absolutely no idea if the thousands of lodging options comply with minimum standards. This obviously does not enhance our reputation. If anyone is lured into thinking this “non-hotel” element forms a miniscule part of our tourism sector, then understand at the time of writing this column, Airbnb had a choice of 556 alternative Barbadian accommodation possibilities on offer and Homeaway a mind boggling 1,277.<sup>5</sup>

The key ‘mind-boggling’ thing to which Loveridge reacts so strongly, is his belief that they fall outside the frame of reference for what is considered a ‘normal’ tourism establishment.

What is clear, however, is that whilst Loveridge highlights the call for regulation, a central issue underlying the concerns of established hotel interests is not only competition from less formal market entrants, but the sense of related reduction in “class power” and “ownership” of Barbadian tourism, measured in their ability to influence government policy, to perform gate-keeping functions, to advocate a national sociology and “political culture” in defence and support of a vision of tourism as perceived by a specific group of tourism players enjoying historical market advantages. As an illustration of the class and lobbying power of the traditional hoteliers, the website of the Barbados Hotel and Tourism Association (BHTA), the official representative body

of hoteliers, identifies their vision as the intention to be, “the private sector organization providing national leadership for vibrant and sustainable tourism development”.<sup>6</sup>

Members of the BHTA view themselves as representing a specific class and political lobby group within tourism. Marx and Engels have provided an apt description of the operationalisation of ruling class ideas, which explains the class power of the BHTA in relation to their gate-keeping function on what constitutes the “world-class” standards of tourism. According to Marx and Engels,

The ideas of the ruling class are in every epoch the ruling ideas, i.e., the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the mental means of production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it... [T]heir ideas are the ruling ideas of the epoch.<sup>7</sup>

While on the surface, the reaction of the BHTA lobby to Airbnb is couched as a discourse on ‘standards’ and the need for ‘regulation’ of non-hotel tourism accommodation providers, a critical analytical research concern points to the possibility of the reduction of the bargaining and lobbying power of traditional tourism players to own and direct Barbadian tourism in the interests of a traditionally privileged group, which the onset of Airbnb portends, and the wider implications for other related aspects of production being impacted by technology. These innovations have given rise to a new material infrastructure with corresponding implications for the institutional and ideational environment. It is the ‘disruption’ caused by the entry of Airbnb, and the reactions by the dominant hoteliers to threats to the class interests of the hegemonic industry players which this paper wishes to study.

The paper utilises the internal conflicts arising out of the tensions from the entry of Airbnb as a tool for analysing the manner in which technological shifts can rupture dominant class relations and recreate the ‘relations of production’ in an economic sector. It presents the existing moment as a useful yardstick against which to study the phenomenon of class conflict and internal class formation and realignment within a specific industry. There are other studies on the phenomena of class re-alignment in the Caribbean. For example, a study which discusses the emergence of a Caribbean commercial elite out of the decaying sugar plantations in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, traced Caribbean class formation, as the agricultural production relations of the post-plantation order were supplanted by new relations associated with commerce, finance and exchange.<sup>8</sup> Karch’s work, however, was a historical, backward glance. The current paper explores a similar question, but in a moment while the phenomenon is ongoing, and in the context of a post-agricultural economic base associated with tourism and services and emergence of the sharing economy.

Significantly, the emergence of Airbnb and its exposure of class relations within the tourism industry in Barbados conform to Marxist social analysis which centres technological change as the key determinant of class conflict and social transitions. Marxism views technological change as the infrastructural fulcrum upon which hangs all related legal, institutional, cultural, political and other changes. Within the Marxist perspective, once there are major transformations in the technological productive infrastructure, then a moment exists for class reconfigurations and shifts in social relations and ownership patterns within specific industries. When the tendency of dominant groups to hold on to, or reduce, the erosion of their economic advantages—a development often caused by their own unwillingness to innovate for survival—is thrown into the mix, the conditions for Marxian-type class conflict begin to manifest.

This paper has four main tasks. First, it provides an overview of the sharing economy, looking more broadly at the interaction between online platforms and economic enterprises and how they shape production. In addition, it summarises key regulatory debates concerning such platforms.

Second, it provides the theoretical framework through which the examination of the impact of Airbnb on class relations within Barbados tourism is undertaken. As a consequence, it will anchor the paper in a Marxist frame of analysis as a way of providing a theoretical basis for the discussion of the impact of Airbnb and class alignment in Barbados. Relatedly, the theoretical ideas of ‘creative destruction’ associated with Joseph Schumpeter and ‘disruptive innovation’ by Clayton Christensen will also be used to buttress the perspective.

Third, since the phenomenon is located in a wider debate about the shared economy, the section of the paper titled, “To Share or Not to Share” does two things. First, it summarises the tourism industry in Barbados so that what is being “shared and not shared” can be better understood. Following this summary, the paper presents an account of Airbnb in Barbados, and examines the veracity of the promise of a shared economy versus the reality of its limited acceptance and evidence of the suitability of the proposed framework for examining Airbnb’s entrance into the tourism accommodation market in Barbados. It also examines the potential for Airbnb to disrupt traditional patterns of ownership and the reactions of the dominant group to the perceived threat from Airbnb.

Finally we discuss the potential offered by Airbnb for contributing to economic growth, and for widening the participation of Barbadians in the tourism industry at a particularly critical moment of economic downturn when avenues for future growth are badly needed, while at the

same time identifying challenges to its entry into the Barbadian market. An important question which we address is the conflict between the rhetoric of tourism as belonging to all and the reality of limited ownership and participation in the Barbados tourism industry. That is, we discuss the contradictions between popular notions of the shared economy, ideals of ‘community tourism’ and the national slogan that ‘tourism is our business, let’s play our part’ on one hand,<sup>9</sup> and the reality of exclusion of the majority on the other.

## **2. The Sharing Economy**

The way in which consumers access, buy and use their favourite products has seen a fundamental shift. Ownership is declining in desirability as a growing number of consumers prefer to pay for temporary access or ‘sharing’ of products.<sup>10</sup> Sharing is becoming increasingly commonplace as the world transitions from an information economy to a networked economy.

While a lack of consensus exists on the meaning of the ‘sharing economy’, it has been defined as a set of practices and models that allows individuals to share access to products, services and experiences through technology and community.<sup>11</sup> Social relationship-based open accessibility, trust, value creation and peer-to-peer (P2P) transactions are common attributes of the sharing economy.<sup>12</sup>

P2P platforms facilitate the offering of goods and services for rental by owners while the platform operator maintains the marketplace.<sup>13</sup> They provide enhanced access to goods and services, increase asset utilisation resulting in greater efficiency, and provide income to owners.<sup>14</sup> By offering more choice, greater service, better prices and higher quality, consumer welfare is

enhanced.<sup>15</sup> It is argued that the need for regulation is largely eliminated because of better information and reputation system.<sup>16</sup>

P2P platforms have created mechanisms that facilitate the formation of trust between buyers and sellers who are unknown to each other,<sup>17</sup> and therefore unlikely to undertake transactions, especially those of a personal or monetary nature, without trust being first established.<sup>18</sup> Monitoring mechanisms to ensure quality have also been developed on some platforms.<sup>19</sup>

Notwithstanding the possible benefits, sharing economy business models raise legitimate concerns about user safety, privacy and access. One key critique is that their primary competitive advantage is avoidance of regulations for protection of third-parties.<sup>20</sup> Dean Baker, cofounder of the Center for Economic and Policy Research (CEPR), writing in The Guardian newspaper, argues that Airbnb and Uber are, “largely based on evading regulations and breaking the law”.<sup>21</sup>

As sharing economy platforms are frequently designed to be intermediaries between buyer and seller, the issue of who is liable if there is an injured party remains unresolved.<sup>22</sup> Further, the perceived quality of shareable goods and services is dependent on the effectiveness of peer-review systems<sup>23</sup> which have been shown to be unreliable and manipulable.<sup>24</sup> Adding fuel to the debate are efforts by governments at various levels to impose antiquated regulatory regimes on sharing economy services that may do little to protect consumer welfare.<sup>25</sup>

Incumbent firms who oppose entry by sharing economy firms argue that they face regulatory burdens not faced by new entrants. They have lobbied for regulations stifling, or outright banning, of such firms.<sup>26</sup> While existing regulations could, in theory, place incumbents

at a disadvantage relative to new sharing economy firms not subject to the same regulations, the converse is also true; that is those same regulations could simultaneously be used to keep or drive sharing economy firms out of the market.<sup>27</sup>

Regulatory asymmetries represent a legitimate policy problem. However, existing debates ought not to be reduced to a contest between innovative companies that connect distributed networks of individuals to share underutilised assets on one hand, and regulators concerned about compliance or even incumbent firms seeking to protect market share, on the other. The real debate should be how to balance innovation and the financial empowerment of individuals, with the need to protect the public from potential harm.<sup>28</sup>

### **3. Technological Change and Disruption in Barbadian Tourism: A Theoretical Framework**

In examining the impact which Airbnb is having on the debate about ownership and participation in the Barbadian tourism industry, Marxist theory, which emphasises the link between technology and social change, offers itself as a useful tool of analysis. A central concern of Marx, was to identify how transformations in the ‘means of production’ correspond to shifts in class relations, both in terms of ownership and participation in specific sectors, as well as in the nature of work, and to show the corresponding implications of these shifts in the relations amongst owners and between owners and non-owners. For the specific purposes of this paper, it is Marx’s analysis of the relations amongst owners which will be the central focus. This is because it is in the shifts in class relations amongst owners that the impact of Airbnb and other technological innovations can be most readily seen in the Barbados tourism industry.

A central assumption of Marx is that the key to understanding the rise and fall of classes lies in the level of development of the productive forces and who has control of the ‘means of production’. This is captured rather reductively in the famous Marxist assertion that,

Social relations are closely bound up with productive forces. In acquiring new productive forces men change their mode of production; and in changing their mode of production, in changing the way of earning their living, they change all their social relations. The hand-mill gives you society with the feudal lord; the steam-mill society with the industrial capitalist.<sup>29</sup>

Central to the Marxist perspective is that changes in technology affect not only how work is conducted, but can determine which classes are able to dominate and participate in an industry and which groups can be excluded. While Marxist theory can be seen as useful in explaining broad shifts in political economy from one ‘epoch’ to another, the theory has tremendous value in tracing, mapping and explaining transitions within specific industries. When applied at the micro-level, the Marxist emphasis on technological change holds critical relevance. This perspective can be applied to Barbados’ tourism industry to show how the impact of innovation can result in the entry of new participants, the undermining of certain groups and the empowering of others.

Another important body of work which facilitates the application of Marxist theory of social change to explaining the impact of Airbnb on class formation and transition in the Barbadian tourism industry, is that by Joseph Schumpeter. Schumpeter places emphasis on the process of destroying productive systems rather than their preservation for understanding how specific industries expand and survive, and as a broad explanation for the success of capitalism to continually expand and reproduce itself.<sup>30</sup> According to Schumpeter,

The opening up of new markets, foreign or domestic, and the organizational development from the craft shop and factory to such concerns as US Steel illustrate the same process of mutation – if I

may use that biological term – that incessantly revolutionizes the economic structure *from within*, incessantly destroying the old, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism. It is what capitalism consists in and what every capitalist concern has got to live in”.<sup>31</sup>

Significantly, to Schumpeter, while economists generally focus on price competition as the dominant feature of inter-firm rivalry, a far more critical theatre of competition can be found in the process of ‘creative destruction’ revolving around the ‘new commodity, the new technology, the new source of supply, the new type of organization (the largest-scale unit of control for instance)—competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the outputs of the existing firms, but at their foundations and at their very lives’.<sup>32</sup>

The emergence of the Airbnb presents a moment of Schumpeterian ‘creative destruction’ within Barbadian tourism. The advent of Airbnb, coinciding with, and on the basis of, a new technological infrastructure that has potentially strengthened the capacity of small and previously marginalised providers of hospitality services to reach new markets and to be connected with consumers, has struck at the ‘foundations’ of the traditional tourism industry and tourism suppliers across the spectrum. It is for this reason that this paper wishes to discuss Airbnb, not only as a new business model but to examine its potentially deeper implications as a process of capitalist class formation, destruction and expansion with implications for the political economy of Barbados.

Jay Mandle, Emeritus Professor of Economics at Colgate, whilst not making any specific reference to Airbnb, has also highlighted the utility of the work of Schumpeter, in particular his application of the concept of ‘creative destruction’ for overcoming the long decade of economic

stagnation in Barbados and for reconstituting the productive base of the society to achieve a new level of development. Mandle, in an article titled, '*Achieving Structural Change in Barbados*', stresses the value of Schumpeter in identifying how innovations take place at the level of the firm, and how these can be critical in achieving development. Mandle's application of Schumpeter provides clear hints of a similar application to the specific concerns of this paper on the resistance to Airbnb by established tourism interests, insofar as it clashes with their domestic market dominance. According to Mandle,

Economic change does not happen unless either new firms producing new products appear, or incumbent firms change what they are producing. Innovation requires innovative entrepreneurs. For Schumpeter "the function of the entrepreneur is to reform or revolutionize the pattern of production by exploiting an invention or more generally an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of material or a new outlet for products by reorganizing an industry...". Barbados has suffered because of an insufficiency of this kind of innovation.<sup>33</sup>

A reading of Schumpeter confirms in many ways the value which Mandle attaches to his ideas for studying the role of innovation in tourism and Barbados's development as a whole. A central concern of Schumpeter was to locate the essence of change or 'creative destruction' in the way firms produce and innovate. In Schumpeter's view, capitalism is

by nature a form or method of economic change and not only never is but never can be stationary. And this evolutionary character of the capitalist process is not merely due to the fact that economic life goes on in a social and natural environment which changes and by its change alters the data of economic action; this fact is important and these changes (wars, revolutions and so on) often condition industrial change, but they are not its prime movers... The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumer goods, the new methods of production or transportation, the new markets, the new forms of industrial organizations that capitalist enterprise creates.<sup>34</sup>

The innovative approach to tourism accommodation by Airbnb can also be viewed through the lens of ‘disruptive innovation’ theory, proposed and formalised by Clayton Christensen.<sup>35</sup> The theory describes a process by which a disruptive product transforms a market, occasionally to the point of upending dominant incumbent firms. A disruptive product typically underperforms initially in relation to the established products in the market, but provide a unique set of benefits or attributes, for example, being cheaper, more convenient, or simpler. Thus, the disruptive product holds appeal for the lower end of the market or creates a completely new market. The low-end of the market is unappealing to established firms, content to focus on their profitable markets and marginally improving their products through ‘sustaining innovations’. As time passes, the disruptive product improves, becoming more appealing to a larger volume of consumers. This pattern is consistent with Airbnb’s growth in Barbados.

There are several features of the political-economy of tourism in Barbados which, when taken together, make the focus of Marx, Schumpeter, and Christensen on technological change, creative destruction and disruptive innovation, particularly useful for studying the impact of Airbnb upon the ownership and class relations in the accommodation sector of the Barbadian tourism industry. Among these features include: the historical development of Barbados as a ‘high-end’ destination built around the dominance of local elites and globally-established brands; the role of the state and its institutions as a facilitator of the interests of the large tourism concerns through the granting of concessions, the sourcing of markets, and the wooing of airlines from major destinations; and, the passage of legislation facilitating the domestic legitimation of existing social relations of tourism.

The historical evolution of the Caribbean business class out of a history of plantation-slavery,<sup>36</sup> has meant that the level of capital formation required for competitive participation in the tourism industry has generally excluded poor and middle-income sections of the population from participating in the tourism industry as providers of accommodation and hospitality services. Relatedly, these same historical forces and patterns of ownership have meant that succeeding generations of previously enslaved populations have been able to participate in tourism only at the lower end of the employment continuum, reinforcing historical stereotypes of servitude. Combined with the fact that the main source markets for tourists are former colonising regions, these developments have resulted in cultural and ideological patterns that have led to under-participation of the majority population in tourism as providers of accommodation.

There are, therefore, concrete historical realities of class power which have shaped the nature and patterns of ownership and participation in Barbadian tourism. These realities are formalised in the institutions of the BHTA and CTO which function not only as lobby groups seeking to secure benefits from the state for tourism service providers but, equally importantly, as ‘gate-keepers’, to exclude the majority from participation, in part, by determining what are the ‘appropriate’ standards of engagement to be upheld. An understanding of these historico-sociological factors is necessary for fully appreciating the arguments which have emerged from the traditional hotel sector to the entry of Airbnb.

Recognition of the potential of Airbnb to disrupt the control of traditionally dominant groups and to facilitate the participation of previously excluded segments of the population from participation in tourism should not be taken to mean that Airbnb is immune from criticism for the traditional practices of exploitation, and the transfer of wealth from the periphery associated with

capitalist-based multinational corporations at the centre of the world-economy. Indeed, a number of writers have provided critical analyses of Airbnb as a reflection of neo-liberal practices in the modern world-economy.

One writer, Cockayne, observes that transactional platforms like Airbnb and Uber (a ride-sharing company) both lay claims to making productive use of excess user resources, yet, “questions quickly arise around precisely what is shared and with whom; how the sharing rhetoric is related (or not) to the revenue strategies of each on-demand firm; and whether sharing is the promise of a new community, a mask for the devaluation of labour under digital forms of capital, or some ambiguous combination of both”.<sup>37</sup> Similarly, Frenken and Schor ask, while the

sharing economy is creating enormous amounts of wealth and that it has been using a socially progressive feel-good rhetoric to do so...is the rhetoric a thin veneer to hide a predatory business model that will ultimately appropriate values to investors and founders once the market develops and users are locked into the platforms? Will the platforms behave like the monopolies that some seem poised to become?<sup>38</sup>

While noting that it was too early for definitive answers, their tentative conclusions were that the expectations of widespread mutual benefits were not always matched by the reality since “the distribution of increased income and welfare are likely to be uneven”.<sup>39</sup> They note that “on-demand platforms also seem sharing (sic) to be leading to increased inequality within the bottom 80% of the income distribution, as highly educated providers capture market opportunities like driving, cleaning and household tasks that was once the province of lower educated and pink collar workers”.<sup>40</sup> Further, Kathan, Matzler and Veider note that the, “sharing economy opportunities currently fall between regulatory cracks” and that “there is a lot of progress to be made to ensure that the sharing economy develops in a way that aids consumers, producer and the environment”.<sup>41</sup>

These observations point to the potentially negative implications of Airbnb, particularly in the context of historical concerns in the Caribbean about imperialism, foreign control, and exploitation of the resources of the Caribbean for the benefit of a few. However, the real and observable impact of Airbnb in opening up spaces for participation in tourism to historically excluded sections of the population, suggests that if handled correctly, an opportunity for growth and broadening of the economic base in a period of economic fragility is being presented. The following section provides some empirical evidence on the process of transformation in the Barbadian tourism industry with the onset of Airbnb.

#### **4. To Share or Not to Share: Airbnb’s Disruption of the Accommodation Sector in Barbados**

##### *4.1 Background*

“To share or not to share”, adapted from the line “To be or not to be”, from the play Hamlet by William Shakespeare, captures the essence of tensions in the tourism industry in Barbados, between the well-established, traditional hotel sector on one hand, and small accommodation providers, on the other hand. The phrase highlights the resistance by incumbents to ‘sharing’ the ‘tourism pie’ with new entrants.

Barbados is a small open economy located in the Eastern Caribbean. The country has an area of 431 km<sup>2</sup> and a population of about 290,000. Tourism is Barbados’ main economic driver and primary source of foreign exchange. Since 1980, tourism has contributed around 50% of total foreign exchange earnings annually. Its direct contribution has hovered between 10%-12% of

gross domestic product (GDP) since 1974. The industry also employs 10% of the workforce. Several studies report the strong relationship between tourism and growth in Barbados.<sup>42</sup>

The main policy tool by successive Barbadian governments to develop the tourism industry has been provision of various incentives. The Hotel Aids Act of 1956 was replaced by the Tourism Development Act of 2002, which was subsequently revised in 2014. Concessions under the 2002 act are offered to: the traditional accommodation sector for financing, construction and operation of hotels; restaurants; recreational facilities and providers of tourism-related services; attractions which emphasise the island's natural, historic and cultural heritage; and, for the construction of properties in non-coastal areas. The scope of concessions includes: duty-free importation, waivers of the value added tax (VAT) and environmental levy, of building materials and equipment during construction and rehabilitation, and supplies for refurbishment; extended write-off of capital expenditure against revenues for a period of 15-20 years; accelerated write-off of 150% of interest on loans; and, deductions of 150% of the cost of training of employees, marketing, and tourism product development and research for income tax purposes. Eligible companies must apply to the Minister of Tourism for the relevant concession.

There are also occasions when the Central Bank of Barbados provides guarantees to financial institutions for credits to the traditional accommodation sector, when the latter experience financial difficulties caused directly or indirectly by external shocks. Currently, the Bank offers a facility that provides guarantees for new loans and debt service up to a period of 7 years and moratoria on debt service for up to 3 years for new short-term loans.

In 2013, to bolster the flagging tourism industry, the Government of Barbados offered even more generous concessions to international hotel chain Sandals. Sandals was granted a tax holiday of 25 years for waiver of:

- all import duties, taxes, imposts and levies, including VAT, on the importation or local purchase of:
  - i. all capital goods, promotional and marketing materials and for cyclical refurbishing to maintain the hotel to the standards of the Sandals brand;
  - ii. consumables;
  - iii. food, alcohol and beverages;
- all import duties, taxes, imposts and levies on:
  - i. all vehicles required for the operation of the hotel;
  - ii. personal and household effects and vehicles for senior and regular staff contracted to work in Barbados who are not citizens or permanent residents of Barbados;
- VAT on the provision of services that directly relate to construction works or cyclical refurbishment of the hotel to maintain the hotel to the standards of the Sandals brand.

At the end of the tax holiday, Sandals will be granted a reduction of 50% of applicable rates and taxes prevailing at the time for an additional period of 15 years.

The concessions granted to Sandals led to demands for the same from local hoteliers. Executive vice president of the BHTA at the time, Sue Springer, predicted that some hotels in Barbados could be forced out of business if they were not given the same concessions handed to Sandals, calling on Government to “level the playing field” on taxation in the hotel sector.<sup>43</sup> Chairman of the Intimate Hotels of Barbados (who are not represented by the BHTA), Renee Coppin, also argued that her group should benefit from the same concessions granted to Sandals.<sup>44</sup>

In response to the concessions to Sandals and demands from local hoteliers, there was a huge outcry from the public, who viewed this as further evidence of the maldistribution of wealth in pursuit of tourism development. Political scientist Tennyson Joseph notes, “where sections of

the tourism class have expressed concerns over the Sandals concessions, their objections have been levelled, not on the nature and extent of the concessions, but on the partiality of their application”.<sup>45</sup> Speaking more broadly, Joseph argues that the economic debate has deteriorated to one in which competing levels of self-interest are falling over themselves to desperately extract greater levels of concessions from the state, notwithstanding the depth of the economic crisis that persists.<sup>46</sup> Similarly, local columnist Harry Russell stresses that the government should revisit the agreement with Sandals to make modifications in favour of the hotel paying some level of taxation consistent with the concessions they have extracted.<sup>47</sup> Despite the groundswell of criticism, intensive lobbying by local hoteliers eventually led in 2015 to them being granted all concessions available to Sandals.

#### 4.2 *Airbnb in Barbados*

A number of Barbadian residents, attracted by the potential to earn alternative income, have listed their properties on the Airbnb platform, [www.airbnb.com](http://www.airbnb.com). As at August 2017, there were 1053 listings with 3343 bedrooms. Summary statistics are provided in Table 1.

**Table 1: Summary Statistics of Airbnb Accommodation in Barbados, 2017**

Type	Share (%)	Price Range Per Night (USD)	Average Price per Night (USD)	Average No. of Bedrooms	Average No. Accommodated
Apartment	30.3	10 - 2,150	407	3.0	6.1
Boat	0.2	280 - 400	340	3.5	9.0
Condominium	3.8	10 - 2,100	297	2.3	5.0
Guesthouse	1.0	12 - 250	100	1.7	3.8
House	21.0	26 - 478	155	2.9	6.0
Room	5.0	18 - 1,685	164	2.0	5.5
Townhouse	3.5	35 - 1,000	290	3.0	6.4
Villa	35.1	60 - 10,000	1,494	4.7	9.5
Total	100.0	10 - 10,000	636	3.2	6.7

**Note:** Authors’ calculations based on observations collected in August 2017 from publicly available information on [airbnb.com](http://airbnb.com).

At the upper end in terms of size and listing price, villas comprise the single largest share of properties listed on Airbnb, at 35%. This suggests that some Airbnb hosts are wealthy, but is not definitive in this regard. However, apartments, guest houses, houses and rooms together comprise over 57% of listed properties, indicating that residents with average incomes comprise the majority of Airbnb hosts in Barbados.

There is wide variation in prices across all types of properties. Prices range from USD \$12-\$478 per night for a guesthouse or house to USD \$60-\$10,000 per night for a villa. The average nightly rate is USD \$636, and the median is USD \$179, indicating that prices above the median tend to be very high. Prices are determined by a property's attributes and country characteristics.<sup>48</sup> Sean Sullivan, Airbnb Policy Head, noted that 16,000 tourists stayed at Airbnb properties in Barbados in 2016,<sup>49</sup> 2% of all arrivals.

Data collected on hotels for the comparable period in 2017 indicates that hotel ownership in Barbados is very concentrated. There was an estimated 4728 rooms available in traditional hotels. Of these, 47% are held by 8 owners (see Table 2). Ownership is predominantly white.

As indicated previously, Airbnb's growing popularity has met with resistance by the traditional tourist accommodation sector, a campaign waged via arguments about maintaining the Barbados 'brand'. For example, an article in the local press by Adrian Loveridge, highlights the implications of Airbnb's entry for traditional tourism business:

some analysts believe Airbnb's frequently lower prices will make it a more attractive alternative to hotels. So they could well become the world's largest hotel, or perhaps better described as alternative lodging chain, without owning a single room. Established hotel groups are expressing concern regarding the lack of regulation over Airbnb's lodging inventory... One thing is certain: our tourism planners should take a few minutes to log onto [www.airbnb.com](http://www.airbnb.com) and study what a myriad of accommodation options are on offer.<sup>50</sup>

**Table 2. Ownership Concentration of Hotels in Barbados**

Hotel	Number of Rooms	Top Shareholders	Share of Room Ownership (%)
Almond	195	Owner A	9
Savannah	92		
Sugar Cane Club	45		
Time Out	76		
Sandals	280	Owner B	6
Sandy Lane	112	Owner C	2
Bougainvillea	138	Owner D	6
Sugar Bay	150		
Coral Reef Club	88	Owner E	3
The Sandpiper	45		
Crane	252	Owner F	5
Ocean Two	88	Owner G	5
Sea Breeze	78		
South Beach	49		
Colony Club	96	Owner H	11
Crystal Cove	88		
South Gap	34		
Tamarind	104		
The House	34		
Turtle Beach	166		
Yellow Bird	22		

Source: Trip Advisor and Hotels' websites. Collected in March 2017.

Note: Only the hotels for the ownership structure referenced in the text are being referenced for reasons of brevity of the table. Owners' names have been excluded.

A comment by the General Manager of local hotel, Sugar Bay Barbados, notes,

I think it is important to make sure that while we should cater to all markets and attempt a drive for them, that we do not water down the product or the experience by providing cheap accommodation. And one of our concerns at the moment, which we are insisting get the attention that is needed, is the Airbnb sector.<sup>51</sup>

Similarly, the Chief Executive Officer (CEO) of the BHTA states,

It is important that we take the necessary measures to ensure that we have the standards administered by the Barbados Tourism Product Authority, which is the competent authority dealing with those types of issues. It is really bigger than the Airbnb. It relates to having the appropriate regulation for unregistered accommodation.<sup>52</sup>

At first blush, such commentary suggests that local Airbnb hosts want to escape regulatory oversight and taxation. However, the local association of Airbnb operators, the Barbados Entrepreneurship and Tourism Association (BETA) argues that this was never the case. They

insist that what they want is a process that includes their input into the design of regulations for the sector and an efficient process for local registration of operators.<sup>53</sup> BETA also take the issue of the Barbados ‘brand’ seriously. However, notwithstanding the current lack of government regulations, BETA maintains that the reputation system of the Airbnb platform provides standards critical for the success of any operator, and by extension the Barbados ‘brand’ (BETA 2018).<sup>54</sup> So while concerns about the Barbados ‘brand’ are legitimate, the nature of the Airbnb rating system mitigates against dilution of the ‘brand’.<sup>55</sup>

The issue of class conflict is not lost on ordinary Barbadians who recognise attempts by hotel owners to keep average Barbadians from greater participation in the tourism accommodation sector. Writing in the blogs of the Barbados Today in response to the comments by the General Manager of Sugar Bay Barbados cited previously, blogger *Midas Spade* laments,

So because ppl [sic] aim to empower their communities and offer lodging in places that they own in a country they are borne [sic] from, you want to get rid of that economic boost to our locals? Why don't you fight against the 75 dollar departure tax which deters visitors? Or the state of roads and the high increases in all costs across the board which makes visiting here so expensive that people need to go to airbnb [sic] because they can't afford to book at sugarbay.com. How many commercials are distributed about Barbados and how many events are being planned over the year? Your forebearers made their money from our backs and now you're looking to perpetuate that slavery? nah, [sic] you need to up your game. Your customer base isn't the Airbnb crowd in the first place because Airbnb caters to a lower income visitor that wouldn't be able to patronize your hotels anyways.<sup>56</sup>

Another blogger *Donild Trimp* argues,

Barbadians should be lining up to utilize the Airbnb platform. It is good for the ordinary homeowner who otherwise would be scraping to make ends meet. Airbnb does not cater to your crowd. Greed seems to be your main motivation. Every visitor to Barbados cannot afford the exorbitant prices charged by Hotels [sic] in Barbados.<sup>57</sup>

It is also important to note that the practice of tourists renting accommodation from Barbadians preceded the advent of Airbnb and similar platforms. Since 1999, the Government of Barbados has supported various programmes intended to deepen the involvement of residents in

the tourism accommodation sector and increase the available room stock. These programmes were not very successful. Unsurprisingly, the BHTA and other hotels were unconcerned with the embryonic residential accommodation sector. The entry of Airbnb, though, has resulted in persistent cries by established hotels for ‘protection’ in the forms of regulation and taxation, to supposedly ‘level the playing field’. Yet, despite such calls to level the playing field, there has been no symmetric appeal by the BHTA that Airbnb operators should be afforded the same generous concessions offered to their membership.

The inherent advantages of the established hotel sector in Barbados, their ownership structure, the wide scope of concessions available only to them, and their asymmetric bargaining and lobbying power with government, belies the threat posed by Airbnb hosts. Even in simple numerical terms, the number of rooms offered by hotels exceeds those offered by Airbnb hosts. In such an environment, appeals by the traditional tourism players to legitimate concerns raised in other jurisdictions regarding Airbnb are being used to mask their real fear, which we have argued is not greater competition, but a reduction of their bargaining and lobbying power, and ownership and control of Barbadian tourism.

## **5. Critical Observations for the Future of Tourism and Barbadian Development**

Underpinning the issue of the defence of the historical advantages of the traditional tourism players, is the equally important question of the role of tourism as the ‘saviour’ of the Barbadian economy in the context of deep and sustained crisis since 2008. This issue has been taken up directly by Jay Mandle, who, in reflecting on the options for taking Barbados out of the economic

crisis and for modernising the political economy beyond its post-colonial moorings, has advocated a transition from tourism. According to Mandle, ‘growth alone is not transformative and inevitably confronts limitations. Incomes may rise with growth, but the industrial structure of output remains the same, as do production methods. But with development, the structure of output and production methods are fundamentally altered, giving rise to the prospect of sustained expansion’.<sup>58</sup>

Based on his assessment of the contribution of tourism to development and productivity from the 1960s to the present, as distinct from its contribution to economic growth, Mandle argues, ‘tourism’s expansion however did not boost total factor productivity, even though it was primarily responsible for the country’s economic growth’.<sup>59</sup> As a result, Mandle notes, ‘Barbados experienced growth but not development, and that growth itself was narrowly based on one dominant industry’.<sup>60</sup> He concludes, ‘as a result, the people of Barbados—managers as well as the labour force—have not learned how to diversify output and introduce advanced methods of production’,<sup>61</sup> and voices the concern that, ‘the narrow base upon which its growth was constructed meant that the country did not have a hedge against the possibility that the demand for Barbados tourism might decline, a falling off that would clearly threaten the country’s prosperity’.<sup>62</sup>

Significantly, Mandle identifies the imperviousness of tourism to technology as one of the main factors militating against its contribution to productivity. He argues,

the problem is that tourism’s success created a strong tendency towards Barbados’ total factor productivity dead end. Obviously it is not itself a high tech industry. But more importantly, it limited the country’s productivity because it was not a source of personnel, who on the basis of their industrial experience, could create or bring new industries to life. Tourism does not reside in what is described as a dense product space. The skills learned and utilized in the industry are of only limited use in new sectors of economic activity. Barbados’ tourism is strong, but its strength does not result in positive spill-overs. In the language of Joseph E. Stiglitz and Bruce C. Greenwald it did not promote industrial learning.<sup>63</sup>

Notwithstanding Mandle's negative assessment of tourism's potential to contribute to Barbadian development, this paper highlights the fact that the possibilities ushered in by Airbnb have indeed created the context for greater participation of larger sections of the Barbadian population in the tourism industry. In the post-2008 context of limited growth, and more difficult circumstances of the wider population following nearly a decade of negative or negligible growth, the possibilities of widening the tourism product to include not only a different class of tourists, but a wider variety of service providers made to fit the demands of new customers, cannot be dismissed or under-estimated. In short, Airbnb must be treated as a new frontier of tourism expansion rather than as a hurdle to be overcome, especially in light of Government's own policy around new inclusive modes of tourism.

Given the opportunities for economic growth and development at a particularly critical moment for Barbados, and given the Government's own stated pronouncements of 'tourism for all',<sup>64</sup> an opportunity exists for Government to use the spaces opened up by Airbnb to take a leading role in facilitating the kinds of sustainable tourism development which it has long advocated. A clear statement of the policy intent of the Government can be found in its *White Paper on the Development of Tourism in Barbados*, laid in parliament in 2012. The White Paper asserts that given the importance of tourism to Barbados's national development the Government would, 'work with the private sector and other social partners to assure that planning and regulation supports the national vision and policy, while being equitable, transparent and consistent'.<sup>65</sup> It also holds that 'this type of cooperation and partnership for effective management and marketing will be crucial if Barbados is to avoid major impacts from the economic recession, while entrepreneurship and innovation become key tools for maintaining competitiveness, increasing sustainability and attracting new layers of consumers in the future'.<sup>66</sup> Significantly, among the

measures identified by the White Paper are the ‘development of more opportunities for Barbadians to be involved and benefit from the sector’ and ‘improving the integration between tourism, the environment and the community’.<sup>67</sup>

Given the stated goals in the White Paper, the possibility of Airbnb in facilitating such, and the evidence of resistance of dominant tourism players to the entry of Airbnb, the Government of Barbados must take decisive action in shaping policy, and defining the environment that would facilitate the activities of Airbnb and similar platforms in spreading the tourism product to a wider cross-section of Barbadian society. The Government cannot remain a mere spectator in such a critical moment of class and social struggle and in such a crucial moment of a shift in the political economy of Barbadian tourism.

## Notes

<sup>1</sup> Guttentag, “Airbnb: Disruptive Innovation,” 1195.

<sup>2</sup> Airbnb, “About Us.”

<sup>3</sup> Tussyadiah and Pesonen, “Impacts of Peer-to-Peer Accommodation.”

<sup>4</sup> Beckles, *Corporate Power in Barbados*.

<sup>5</sup> Loveridge, “Tourism Matters: Take Stock of Rooms.”

<sup>6</sup> BHTA, “Our Mission, Vision, and Values.”

<sup>7</sup> Marx and Engels, *The Poverty of Philosophy*, 434.

<sup>8</sup> Karch, “Growth of the Corporate Economy in Barbados.”

<sup>9</sup> Nation News, “Welcoming Tourists the Duty of All.”

<sup>10</sup> Lorde et al., “Price-setting Behavior in Tourism Sharing Economy,” 251.

<sup>11</sup> Market Revolution, “Sharing Economy and Collaborative Consumption,” 14.

<sup>12</sup> Oh and Moon, “A Shared Understanding of the ‘Sharing Economy’.”

<sup>13</sup> Botsman and Rogers, *What’s Mine is Yours*.

<sup>14</sup> Botsman, “The Sharing Economy Lacks a Shared Definition,”; and Edelman and Geradin, “Efficiencies and Regulatory Shortcuts,” 296-305.

<sup>15</sup> Koopman et al., “The Sharing Economy and Consumer Protection Regulation,” 532.

<sup>16</sup> *Ibid.*, 543.

<sup>17</sup> Resnick and Zeckhauser, “Trust Among Strangers in Internet Transactions,” 127.

<sup>18</sup> Ponte et al., “Influence of Trust and Perceived Value.”

<sup>19</sup> Koopman et al., “The Sharing Economy and Consumer Protection Regulation,” 542.

<sup>20</sup> Horton and Zeckhauser, “Owning, Using and Renting,” 1.

<sup>21</sup> Baker, “Don’t Buy the ‘Sharing Economy’ Hype.”

<sup>22</sup> Ranchordas, “Does Sharing Mean Caring,” 48-49.

<sup>23</sup> Benkler, *The Wealth of Networks*.

<sup>24</sup> Wan and Makoto, “Reliability of Online Review Helpfulness,” 180.

<sup>25</sup> Lehrer and Moylan, “Embracing the Peer-production Economy.,” 53-54.

- <sup>26</sup> Rauch and Schleicher, “Like Uber, but for Local Government Policy,” 21.
- <sup>27</sup> Koopman et al., “The Sharing Economy and Consumer Protection Regulation,” 544.
- <sup>28</sup> Cohen and Zehngebot, “What’s Old Becomes New.”
- <sup>29</sup> Marx, *The Poverty of Philosophy*, 109.
- <sup>30</sup> Schumpeter, *Capitalism, Socialism and Democracy*.
- <sup>31</sup> Ibid., 83.
- <sup>32</sup> Ibid., 84.
- <sup>33</sup> Mandle, “Achieving Structural Change in Barbados,” 2.
- <sup>34</sup> Schumpeter, *Capitalism, Socialism and Democracy*, 82-83.
- <sup>35</sup> Bower and Christensen, “Disruptive Technologies,”; Christensen, *The Innovator’s Dilemma*; Christensen, “Building a Theory of Disruption,”; and Christensen and Raynor, *The Innovator’s Solution*.
- <sup>36</sup> Beckles, *Corporate Power in Barbados*; and Karch, “Growth of the Corporate Economy in Barbados.”
- <sup>37</sup> Cockayne, “Sharing and Neo-liberal Discourse,” 2.
- <sup>38</sup> Frenken and Schor, “Putting the Sharing Economy into Perspective,” 3.
- <sup>39</sup> Ibid., 7.
- <sup>40</sup> Ibid., 7.
- <sup>41</sup> Kathan et al., “The Sharing Economy,” 670.
- <sup>42</sup> Jackman, and Lorde, “Economic Growth and Tourism in Barbados,”; Lorde et al., “Tourism Services Exports and Economic Growth in Barbados,”; and Lorde et al., “Tourism Receipts and Current Account Sustainability in SITES.”
- <sup>43</sup> Nation News, “Hotels may have to Close.”
- <sup>44</sup> Nation News, “Intimate Group wants Break like Sandals.”
- <sup>45</sup> Joseph, “Sandals Desperation.”
- <sup>46</sup> Ibid.
- <sup>47</sup> Russell, “Wild Coot: The Sandals Folly.”
- <sup>48</sup> Lorde et al., “Price-setting Behavior in Tourism Sharing Economy.”
- <sup>49</sup> Barbados Today, “Airbnb Flying High in Barbados.”
- <sup>50</sup> Loveridge, “Tourism Matters: Airbnb Giving Hotels a Run.”
- <sup>51</sup> Barbados Today, “Out of Control.”
- <sup>52</sup> Ibid.
- <sup>53</sup> BETA, *Interview with President of BETA*.
- <sup>54</sup> Airbnb, *How Do Star Ratings Work*, (Airbnb hosts are rated on a 5-star scale for: accuracy of hosts’ online description in representing their spaces; communication by hosts with guests before and during their stay; cleanliness of property; location of property; ease of the check-in process; value for money of the space; and, overall experience); Airbnb, *Superhost*, (another indicator of hosts’ reputation is the ‘Superhost’ badge, a distinction given to hosts by Airbnb for meeting particular benchmarks which they set, such as high response rate, consistent 5-star evaluations, experience and commitment); Lorde, Jacob and Weekes, “Price-setting Behavior in Tourism Sharing Economy,” (just over one-third of AirBnB hosts in Barbados possessed the Superhost badge as at August 2017).
- <sup>55</sup> BETA, *Interview with President of BETA*.
- <sup>56</sup> Barbados Today, “Out of Control.”
- <sup>57</sup> Ibid.
- <sup>58</sup> Mandle, “Barbados between Growth and Development,” 1.
- <sup>59</sup> Ibid., 4.
- <sup>60</sup> Ibid., 5.
- <sup>61</sup> Ibid.
- <sup>62</sup> Ibid.
- <sup>63</sup> Ibid., 10.
- <sup>64</sup> Nation News, “Sealy says Tourism for All.”
- <sup>65</sup> Government of Barbados, *Development of Tourism in Barbados*, 15.
- <sup>66</sup> Ibid.
- <sup>67</sup> Ibid., 14-15.

## Bibliography

- Airbnb. *About Us*. Airbnb. Accessed April 4, 2017. <https://www.airbnb.com/about/about-us>
- Airbnb. *How Do Star Ratings Work?* Airbnb. Accessed April 4, 2017. <https://www.airbnb.com/help/article/1257/how-do-star-ratings-work>
- Airbnb. *Superhost: Recognizing the Best in Quality*. Airbnb. Accessed April 4, 2017. <https://www.airbnb.com/superhost>
- Baker, D. 2014. "Don't Buy the 'Sharing Economy' Hype: Airbnb and Uber are Facilitating Rip-offs." *The Guardian*. May 27. <https://www.theguardian.com/commentisfree/2014/may/27/airbnb-uber-taxes-regulation>
- Barbados Entrepreneurship and Tourism Association (BETA). Interview with President of BETA. Interview by authors. Bridgetown, Barbados, October 27, 2018.
- Barbados Hotel and Tourism Association (BHTA). "Our Mission, Vision, and Values." BHTA. Accessed April 1, 2019. <http://www.bhta.org/index/about-bhta/our-mission-vision-values.html>
- Barbados Today. 2017a. "Airbnb Flying High in Barbados." *Barbados Today*. February 8. <https://www.barbadostoday.bb/2017/02/08/airbnb-flying-high-in-barbados>
- Barbados Today. 2017b. "Out of Control." *Barbados Today*. February 6. <https://barbadostoday.bb/2017/02/06/out-of-control-2>
- Beckles, H. *Corporate Power in Barbados – The Mutual Affair: Economic Injustice in a Political Democracy*. Bridgetown: Lighthouse Communications, 1989.
- Benkler, Y. *The Wealth of Networks: How Social Production Transforms Markets and Freedom*. New Haven, CT: Yale University Press, 2006.
- Botsman, R. "The Sharing Economy Lacks a Shared Definition." Collaborative Consumption, 2013. Accessed April 2, 2017. <http://www.collaborativeconsumption.com/2013/11/22/the-sharing-economy-lacks-a-shared-definition>
- Botsman, R., and R. Rogers, R. *What's Mine is Yours: How Collaborative Consumption is Changing the Way We Live*. London: HarperCollins Business, 2011.
- Bower, J. L., and C.M. Christensen. "Disruptive Technologies: Catching the Wave." *Harvard Business Review*, Jan-Feb (1995): 43-53.
- Christensen, C.M. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Boston, MA: Harvard Business School Press, 1997.

- Christensen, C.M. “The Ongoing Process of Building a Theory of Disruption.” *Journal of Product Innovation Management* 23, no. 1 (2006): 39-55.
- Christensen, C. M., and M.E. Raynor. *The Innovator’s Solution: Creating and Sustaining Successful Growth*. Boston, MA: Harvard Business School Press, 2003.
- Cockayne, D. “Sharing and Neo-liberal Discourse: The Economic Function of Sharing in the Digital On-demand Economy.” *Geoforum* 77 (2016): 73-82.
- Cohen, M, and C. Zehngbot. “What’s Old Becomes New: Regulating the Sharing Economy.” *Boston Bar Journal* 58, no. 2 (2014). Accessed April 1, 2019. <https://bostonbarjournal.com/2014/04/01/whats-old-becomes-new-regulating-the-sharing-economy>
- Edelman, B. G., and D. Geradin. “Efficiencies and Regulatory Shortcuts: How Should We Regulate Companies like Airbnb and Uber?” *Stanford Technology Law Review* 19, no. 2 (2016): 293-328.
- Frenken, K., and J. Schor. “Putting the Sharing Economy into Perspective.” *Environmental Innovation and Societal Transitions* 23 (2017): 3-10.
- Government of Barbados. *White Paper on the Development of Tourism in Barbados*. Bridgetown: Strategic Solutions Inc./Dr. Kerry Hall, 2012.
- Guttentag, D. “Airbnb: Disruptive Innovation and the Rise of an Informal Tourism Accommodation Sector.” *Current Issues in Tourism* 18, no. 2 (2015): 1192-1217.
- Horton, J.J., and R.J. Zeckhauser. “Owning, Using and Renting: Some Simple Economics of the Sharing Economy.” Social Science Research Network (SSRN), February 10, 2016. <https://ssrn.com/abstract=2730850>
- Jackman, M., and T. Lorde. “Examination of Economic Growth and Tourism in Barbados: Testing the Supply-side Hypothesis.” *Tourismos: An International Multidisciplinary Journal of Tourism* 7, no. 2 (2012): 203-215.
- Joseph, T. 2013. “Sandals Desperation.” *Nation News*. November 11. <http://www.nationnews.com/nationnews/news/14731/sandals-desperation>
- Karch, C. “The Growth of the Corporate Economy in Barbados: Class/Race Factors, 1890-1977.” In *Contemporary Caribbean: A Sociological Reader*, edited by Susan Craig, 213-242. Maracas: College Press, 1981.
- Kathan, W., K. Matzler, and V. Veider. “The Sharing Economy: Your Business Model’s Friend or Foe?” *Business Horizons* 59 (2016): 663-672.

- Koopman, C., M. Mitchell, and A. Thierer. "The Sharing Economy and Consumer Protection Regulation: The Case for Policy Change." *Journal of Business, Entrepreneurship and the Law* 8, no. 2 (2015): Article 4.
- Lehrer, E., and A. Moylan. "Embracing the Peer-production Economy." *National Affairs* 56 (2014): 51-63.
- Lorde, T., B. Francis, and L. Drakes. "Tourism Services Exports and Economic Growth in Barbados." *The International Trade Journal* 25, no. 2 (2011): 205-232.
- Lorde, T., J. Jacob and Q. Weekes. "Price-setting Behavior in the Tourism Sharing Economy: A Hedonic Price Analysis of Airbnb Listings in the Caribbean." *Tourism Management Perspectives* 30 (2019): 251-261.
- Lorde, T., S. Lowe, and B. Francis. "Do Tourism Receipts Contribute to Current Account Deficit Sustainability in SITES: A Case Study of Barbados." *International Journal of Tourism Research* 15 (2013): 620-624.
- Loveridge, A. 2014. "Tourism Matters: Airbnb Giving Hotels a Run." *Nation News*. April 1. Accessed January 22, 2017. <http://www.nationnews.com/nationnews/news/7484/tourism-matters-airbnb-giving-hotels-run>
- Loveridge, A. 2015. "Tourism Matters: Take Stock of Rooms." *Nation News*. January 1. Accessed January 22, 2017. <http://www.nationnews.com/nationnews/news/61444/tourism-matters-stock>
- Mandle, J. "Barbados between Growth and Development." Unpublished Paper Presented at The University of the West Indies, Cave Hill, March 2, 2016.
- Mandle, J. "Achieving Structural Change in Barbados." Unpublished Paper Presented at The University of the West Indies, Cave Hill, October 4, 2017.
- Market Revolution. "Sharing Economy & Collaborative Consumption." 2013. Accessed August 10, 2017. <https://www.slideshare.net/MarketRevolution/shsu-sharing-economy-collaborative-consumption>
- Marx, K. *The Poverty of Philosophy (With an Introduction by Frederick Engels)*. New York: International Publishers, 1982.
- Marx, K., and F. Engels. "4 Letters on Historical Materialism. In *Marx & Engels: Basic writings on Politics and Philosophy*, edited by L.S. Feuer, 434-443. Glasgow: Fontana/Collins, 1969.
- Nation News. 2013a. "Hotels May Have to Close." *Nation News*. November 15. <http://www.nationnews.com/nationnews/news/38329/intimate-break-sandals>

- Nation News. 2013b. "Intimate Group Wants Break Like Sandals'." *Nation News*. November 22. <http://www.nationnews.com/nationnews/news/14831/-hotels-close>
- Nation News. 2013c. "Sealy Says Tourism for All." *Nation News*. February 7. <http://www.nationnews.com/nationnews/news/9908/sealy-tourism>
- Nation News. 2014. "Welcoming Tourists the Duty of All." *Nation News*. December 11. <http://www.nationnews.com/nationnews/news/60586/editorial-welcoming-tourists-duty>
- Oh, S., and J.Y. Moon. "Calling for a Shared Understanding of the 'Sharing Economy'." In *Proceedings of the 18th Annual International Conference on Electronic Commerce: e-Commerce in Smart Connected World*, Article No. 35. New York, NY: Association for Computing Machinery (ACM), 2016.
- Ponte, E.B., E. Carvajal-Trujillo, and T. Escobar-Rodriguez. "Influence of Trust and Perceived Value on the Intention to Purchase Travel Online: Integrating the Effects of Assurance on Trust Antecedents." *Tourism Management* 47 (2015): 286-302.
- Ranchordas, S. "Does Sharing Mean Caring? Regulating Innovation in the Sharing Economy." *Minnesota Journal of Law, Science and Technology* 16, no. 1 (2015): 414-475.
- Rauch, D., and D Schleicher. "Like Uber, But For Local Government Policy: The Future of Local Regulation of the 'Sharing Economy'." *George Mason Law & Economics Working Paper No. 15-01* (2015). <http://ssrn.com/abstract=2549919>
- Resnick, P., and R. Zeckhauser. "Trust Among Strangers in Internet Transactions: Empirical Analysis of eBay's Reputation System." In *The Economics of the Internet and E-commerce (Advances in Applied Microeconomics) Vol. 11*, edited by M. R. Baye, 127-157. Bingley, UK: Emerald Group Publishing, 2002.
- Russell, H. 2016. "Wild Coot: The Sandals Folly." *Nation News*. September 12. <http://www.nationnews.com/nationnews/news/85400/wild-coot-sandals-folly>
- Schumpeter, J. *Capitalism, Socialism and Democracy*. New York: Harper & Row, 1942. Third Edition Reprinted by New York: Harper Perennial Modern Classics, 2008. Page references are to the 2008 edition.
- Tussyadiah, I. P., and J. Pesonen. Impacts of peer-to-peer accommodation use on travel patterns. *Journal of Travel Research* 55, no. 8 (2016): 1-9.
- Wan, Y., and N. Makoto. The reliability of online review helpfulness. *Journal of Electronic Commerce Research* 15, no. 3 (2014): 179-189.