
Towards a Just Transition in Island Tourism: Proposing a Hybrid Accommodation Business Model in SIDS

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Abstract

Small Island Developing States (SIDS) are heavily reliant on tourism for economic growth, yet this dependence often creates significant environmental degradation, social inequality, and economic leakage. This paper explores a more diversified accommodation model combining all-inclusive resorts with guesthouses linked to community-based tourism (CBT). This hybridization can enable a more just and sustainable tourism future. Using Mauritius, Seychelles, and the Maldives as comparative case studies, the research employs the Triple Bottom Line framework alongside principles of a Just Transition to evaluate economic, social, and environmental outcomes. Drawing on literature, case study analysis and expert interviews, the findings suggest that neither model alone is sufficient. Instead, a hybrid accommodation business model is proposed that can integrate the economic advantages of resorts with the equity and sustainability potential of CBT. This model could support systemic change while aligning with shifting tourist preferences and national development priorities.

Keywords: Sustainable tourism, just transition, hybrid accommodation model, SIDS, triple bottom line

Track: Business Model Innovations

Focus of paper: Theoretical/Academic

Type of submission: Paper

Introduction

Hotels in island destinations promise luxury, relaxation, and pristine nature, but at what cost? Tourism is a crucial engine of growth for Small Island Developing States (SIDS), contributing substantially to national GDP, employment, and infrastructure. However, this reliance presents major sustainability challenges. As tourism volumes increase, many SIDS face growing social inequality, economic leakage, and environmental degradation. These challenges are particularly acute in Mauritius, Seychelles, and the Maldives, three Indian Ocean SIDS that are both economically dependent on tourism and environmentally vulnerable.

Academic literature has long debated the value and risks of tourism in SIDS. Scholars such as Saarinen & Wall-Reinius (2019) highlight how enclave tourism models—where large-scale, often

foreign-owned resorts dominate—can reinforce inequality and lead to the repatriation of profits. In contrast, guesthouses and CBT initiatives have emerged as more inclusive and locally beneficial alternatives (Ahmed, 2018; Giampiccoli et al., 2020). Still, few studies explore how these models might complement one another or how they might be strategically integrated.

This paper aims to explore how a hybrid accommodation model (a combination of resorts and community-rooted guesthouses) could support more just and sustainable outcomes for tourism in Small Island Developing States. The exploratory nature of this research aims i) to describe in a qualitative way the impacts of these accommodation models under the light of the Triple Bottom Line (TBL) framework, ii) to describe the implications of on the Just Transition framework to examine fair and inclusive development and iii) to open new avenues of research by collecting the opinions of key informants.

Methodological justification

This exploratory analysis employed a qualitative, multi-phase research design grounded in a comparative case study approach and supported by primary data collection through semi-structured interviews. The main phases of the research were:

i) Literature review – comprising 42 academic articles, policy documents, and reports.

The analytical framework combines the Triple Bottom Line (Elkington, 1997) focusing on economic viability, environmental responsibility, and social equity with the Just Transition lens as conceptualised by Rastegar & Becken (2024). It includes dimensions of: recognition justice (acknowledging diverse vulnerabilities), procedural justice (inclusive governance), distributive justice (fair sharing of benefits), and restorative justice (repairing historical harm and building resilience). This combined framework provides a multi-layered view of how different accommodation models contribute to or hinder sustainability and justice in SIDS tourism.

ii) Comparative analysis of three Indian Ocean Small Island Developing States (SIDS).

Mauritius, Seychelles, and the Maldives are three countries heavily reliant on tourism, facing environmental vulnerabilities, and approaching tourism development with varying strategies and policy frameworks. Following Yin’s (2018) case study principles, each country was treated as a bounded case, allowing for within-case analysis before identifying cross-case patterns. This design enabled the identification of both convergences and divergences in how island states reconcile tourism dependency with sustainability imperatives

iii) Semi-structured interviews with professionals across the three states...

Interviews with tourism professionals from the three islands, including resort and guesthouse managers, sustainability consultants, tourism board representatives, and former hospitality executives. The interview guide was designed to elicit expert insights on sustainable development impacts, corporate social responsibility practices, and policy drivers shaping tourism models. The anonymized list of interviewees is described in Table 1.

Table 1. Profile of interviewees

Respondent	Field of expertise	Position
#1	Sustainability	Senior Manager at airline company
#2	Destination management	Mauritius Tourism Authority representative
#3	Accommodation	Eco-lodge operator in Rodrigues Island
#4	Accommodation	Guesthouse manager in Rodrigues Island

#5	Accommodation	Eco-lodge operator in mainland Mauritius
#6	Accommodation	Former general manager of an all-inclusive resort, Seychelles
#7	Accommodation	Former employee in an all-inclusive resort, Maldives

The interview design intentionally sought inclusivity by incorporating a range of stakeholder perspectives across different professional backgrounds (accommodation managers, consultants and policymakers), scales of operation (large resort representatives and small guesthouse owners), and geographic locations. Participants were selected via purposive and snowball sampling to ensure diversity of roles and geographical representation.

Interviews were conducted online or by email, recorded, transcribed, and thematically analyzed. Coding was performed manually, using both inductive and deductive strategies guided by the TBL framework.

The combination of cross-country comparison and stakeholder interviews enabled a holistic interpretation of the dynamics linking macro-level policy structures and micro-level operational practices.

Discussion of results

Comparative Impacts: Resorts vs. Guesthouses

This section outlines the main impacts of tourism across the three key dimensions of sustainability: economic, social, and environmental. This overview aims to provide a comprehensive understanding of how resorts and guesthouses influence destinations in multiple and interconnected ways.

In the **economic dimension**, all-inclusive resorts have long been the cornerstone of tourism revenues across the three island economies. Their ability to attract high-spending international travellers has led to substantial foreign exchange earnings and significant contributions to government revenue. In the Maldives, the ‘one island, one resort’ model generates up to 43% of government income through taxes and fees and over 90% of which is derived from resort-based operations. These facilities often benefit from economies of scale, vertical integration, and streamlined logistics that allow for increased profitability. However, these gains are often offset by deep economic leakage. Ownership structure in resorts tends to favour multinational firms and a small elite. In 2014, it was estimated that fewer than ten key players controlled most of the Maldivian tourism sector (Ibrahim & Bouchon, 2014), with up to 70% of income being lost through repatriated profits, imported goods, and expatriate labour (Pratt, 2015; World Bank, 2021). Procurement chains tend to exclude local producers, weakening linkages with domestic agriculture and services (Naqvi et al., 2023).

By contrast, guesthouses show more positive local economic impacts. As they are typically owned and managed by residents, income generated tends to remain within the local economy. These models support small-scale service providers, including restaurants, guides, and artisans, and help circulate wealth within communities (Ahmed, 2018). Several interviewees reinforced this, noting how guesthouses created demand for family-run eateries and boat operators. However, guesthouses struggle with low visibility, weak digital marketing, and a lack of institutional support. In the Maldives, even though guesthouse bed capacity increased by 35% between 2018 and 2022, occupancy rates remain low, under 30%, compared to resorts. These facilities also face difficulties accessing credit and support schemes, limiting their potential for growth and innovation (Wong & Mohamed, 2022).

The social impacts of the two models differ sharply. Resorts often exist as isolated enclaves, separated from the surrounding communities. This spatial segregation reduces opportunities for genuine

cultural exchange and limits social benefit to local populations. In some cases, high-level roles are disproportionately occupied by expatriates, while locals are limited to low-skilled jobs. A former hotel manager in Seychelles noted that excursions are often booked exclusively through hotel chains, bypassing independent operators. Guesthouses, on the other hand, are embedded within local communities. They foster host–guest interaction, promote local culture, and enhance community pride. In Rodrigues Island, an ecolodge owner described how guests participate in cooking classes, garden visits, and craft workshops. Another guesthouse operator in Mauritius emphasised how their business encouraged tourists to dine in local homes and visit nearby villages. These interactions contribute to more meaningful tourism experiences and increase mutual respect. Nevertheless, not all social effects are positive. Rapid tourism growth in residential areas can cause tensions, especially where infrastructure is limited. Studies found that some residents in the Maldives expressed concern over rising numbers of guesthouses on inhabited islands, citing fears about cultural dilution and community disruption (Ahmed, 2018).

From an **environmental point of view**, large-scale resorts pose significant environmental risks. In the Maldives, overwater villas disrupt marine currents and accelerate coral reef degradation. Desalination plants, required for freshwater, are energy-intensive and further increase resorts' carbon footprints (Naqvi et al., 2023). In Mauritius, the concentration of resorts along coastlines has exacerbated erosion, mangrove destruction, and lagoon contamination (Potage, 2024). Despite the introduction of Integrated Coastal Zone Management, enforcement remains inconsistent, especially for older properties. Seychelles has taken a more proactive stance. With over 30% of its Exclusive Economic Zone designated as protected marine areas, tourism is closely linked to conservation. However, as tourist volumes increase, so do pressures on freshwater, waste management, and transport systems and particularly on the main islands (Rothstein & Wernsdörfer, 2020). Guesthouses and CBT, by contrast, are typically smaller and more resource-conscious. They rely on existing infrastructure and favour low-intensity practices such as composting, solar energy, and rainwater harvesting. A guesthouse in Mauritius implemented a timed A/C system to reduce energy consumption, and another in Rodrigues used aquaponics and herbal medicine as part of a regenerative approach. However, in areas where basic infrastructure is already strained, such as outer atolls in the Maldives, even small-scale tourism can become unsustainable.

Comparison of Tourism Models: Influence of history, policy and contextual factors

Tourism policy has played a defining role in shaping accommodation models in SIDS. In the Maldives, the decision to adopt a 'one island, one resort' model was both economic and cultural. Introduced in the 1970s, this policy restricted resort development to uninhabited islands, keeping tourists and local communities apart. This approach was designed to maximise foreign investment while minimising social disruption in a conservative Muslim society (Techera et al., 2019). Tax breaks, investment incentives, and relaxed environmental regulations accelerated resort development.

In Mauritius, tourism development was part of a broader post-independence diversification strategy. The government facilitated large coastal hotel investments to position Mauritius as a luxury destination. Early tourism policies focused heavily on economic growth, with environmental regulations introduced only later. Coastal tourism zones grew rapidly, often disconnected from the inland economy (Sambajee & Dhomun, 2015). By contrast, Seychelles embedded sustainability into its tourism governance from the beginning. Through tools like the Seychelles Sustainable Tourism Label (SSTL), concessional loans for small businesses, and marine zoning policies, the government actively promoted a mixed model that combined high-end resorts with local entrepreneurship. The Seychelles Tourism Master Plan (2023) outlines goals to diversify the tourism product, support Seychellois ownership, and preserve ecological integrity.

Recent policy shifts reflect a growing recognition of the need for diversification. The Maldives legalised guesthouses on inhabited islands in 2009, a move aimed at spreading economic benefits and reducing dependency on luxury tourism. However, uptake has been uneven due to regulatory and logistical barriers. Mauritius has emphasised the development of agritourism and Small and Medium-sized Enterprises (SME) involvement in its latest strategy plans, but practical support remains fragmented. Seychelles continues to lead in policy coherence, aligning tourism with its broader Blue Economy and sustainability goals.

Tourist Preferences and Emerging Trends

Tourist expectations are evolving, increasingly favouring authenticity, ethical sourcing, and sustainability. European travellers, in particular, seek experiences that go beyond the typical resort model. Observations from interviewees suggest that boutique accommodations and CBT offerings appeal to younger, more environmentally conscious travellers. In Mauritius, one consultant noted: *“They want to fly twelve hours and still feel they’re contributing to the planet.”* Tourists now ask about sustainability practices, waste management, and local engagement as part of their decision-making process. Interestingly, guesthouses are no longer seen as only budget options. In the Maldives, 10% of guesthouse visitors reportedly spend between USD 5,000 and 10,000 during their stay. This reflects a broader trend towards “conscious luxury,” where visitors seek comfort and convenience but within sustainable, meaningful frameworks.

This shift is not absolute. Many travellers, especially families and honeymooners, still prefer the predictability and security of all-inclusive resorts. But the line is beginning to blur. One interviewee, owner of an ecolodge, described how guests often combine both: *“They spend a few nights in a resort and then come to us for a more authentic experience”*. This emerging dual-stay behaviour hints at a valuable opportunity: a hybrid accommodation model that blends the advantages of both worlds. Rather than treating resorts and guesthouses as binary options, SIDS can capitalise on this fluidity to promote models that are both profitable and equitable.

Implication for the advancement of hospitality and tourism research and industry practice

Tourism as a Wicked Problem

Tourism in SIDS represents a classic “wicked problem”, meaning a complex system of competing interests, where solutions are neither straightforward nor universally applicable. On the one hand, tourism offers essential economic benefits: jobs, revenue, and foreign exchange. On the other, it exacerbates existing inequalities, strains fragile ecosystems, and heightens dependence on external markets. In Seychelles, for example, robust marine protection policies have helped mitigate ecological harm but have also restricted access to land and marine resources for local operators. In Mauritius, spatial inequalities are evident, with luxury resorts dominating prime coastal areas while the interior remains underdeveloped. In the Maldives, tourism has delivered rapid economic growth, yet ownership structures have concentrated wealth in the hands of a few. Managing these tensions requires more than environmental regulation or isolated CSR initiatives. As Dwyer (2020) and Scheyvens & Momsen (2008) argue, sustainable tourism must be understood as a dynamic process that balances competing demands and recognises deep-rooted power asymmetries. The TBL framework helps identify the economic, environmental, and social trade-offs of tourism, but it does not go far enough on its own.

This is where the Just Transition framework adds value. It provides a lens through which to interrogate not only the outcomes of tourism, but also the processes by which those outcomes are achieved, and who gets to participate in shaping them.

Tourism under the light of Just Transition

Applying Just Transition to tourism means addressing four justice dimensions (Rastegar & Becken, 2024): the recognition, procedural, distributive and restorative justice.

Firstly, **recognition justice** ensures that the lived realities, traditions, and identities of local communities are acknowledged. This is especially important in places like the Maldives, where cultural concerns initially led to the spatial separation of tourists and locals. Today, that separation is eroding, and new models must respect both tradition and progress.

Then, **procedural justice** calls for inclusive governance. In many SIDS, decisions around tourism development are still made by a narrow group of investors, developers, and policymakers. As interviewees from Mauritius pointed out, small operators are often “doing the work” of sustainability but receive little institutional support.

Thirdly, **distributive justice** relates to the fair sharing of tourism’s benefits and burdens. Guesthouses perform well here, circulating income more equitably. But unless integrated into larger strategies, they will remain marginal. Conversely, large resorts may generate more revenue but often capture it at the top.

Lastly, **restorative justice** urges a proactive effort to repair past harm and build long-term resilience. This includes investing in regenerative infrastructure, supporting community-based tourism, and empowering marginalised actors. A guesthouse operator in Rodrigues captured this spirit when she said, “*We don’t do this because it’s trendy. It’s how we’ve always lived with respect for nature and simplicity.*”

Taken together, these dimensions suggest that a just tourism transition is not about choosing one model over another, but rather about restructuring relationships between hosts and guests, between businesses and communities, and between development and sustainability.

A Hybrid Accommodation Business Model

Drawing on the insights above, this paper proposes a hybrid accommodation business model as a path forward for tourism in SIDS. This model does not discard the resort format, nor does it idealise CBT. Instead, it strategically combines both, leveraging their respective strengths to create a more sustainable, inclusive, and adaptable offer. At its core, the hybrid model facilitates dual-stay experiences, packages or partnerships that allow tourists to split their stay between a high-comfort resort and a more community-oriented guesthouse or eco-lodge. This model can be structured in various ways:

- Brand extension, where a resort group partners with or invests in a network of certified guesthouses, offering combined stays under a single booking platform.
- Collaborations between small and large operators through the development of shared digital or physical infrastructure.
- The creation of cooperative ecosystems and experiences by regional alliances.

This model aligns closely with the principles of the Triple Bottom Line framework: i) economically, guesthouses benefit from access to new markets through resort-linked visibility, while resorts appeal to an increasingly values-driven segment of tourists; ii) socially, the model fosters meaningful tourist–host interactions while preserving local agency and distributing benefits more equitably, and iii) environmentally, hybrid travel patterns help reduce the overall ecological footprint, as high-impact resort stays are balanced with the lighter resource use of guesthouse accommodations.

It should be further explored whether the model is scalable and adaptable to different contexts. In Mauritius, this could mean pairing beach resorts with inland cultural villages. In Seychelles, it might

involve linking dive resorts with family-run island eco-lodges. In the Maldives, resort brands could sponsor sustainability upgrades in the guesthouse sector to meet rising expectations. Interviewees were clear: tourists are already creating these experiences informally. The task now is to formalise and scale them through business innovation and supportive policy.

Conclusion

This paper has examined how the accommodation structure in SIDS influences the sustainability and justice outcomes of tourism. Resorts, while economically powerful, often exclude local communities from value creation. Guesthouses and CBT, meanwhile, offer more equitable and sustainable models but lack scale and support.

Through a comparative case study of Mauritius, Seychelles, and the Maldives, and grounded in the Triple Bottom Line and Just Transition frameworks, the paper has argued that a hybrid accommodation model offers the most promising pathway forward. This model is still to be defined and developed, but this exploratory research concludes that there is an opportunity to redefine what tourism can be: a prosperous, participatory and planet-conscious activity.

The hybrid model could allow for a diversified, resilient tourism economy that can weather external shocks while redistributing opportunity and responsibility. To realise this vision, governments must move beyond rhetorical support for SMEs and implement practical frameworks for inclusion. Businesses must innovate not just in technology or branding, but in ownership models, partnerships, and purpose. Tourists, too, have a role to play, not just as consumers but as co-creators of the tourism experience.

Ultimately, the islands of the Indian Ocean are not just destinations. They are communities with histories, aspirations, and the right to shape their own futures. If tourism is to support them, it must do so justly and that means designing systems that reward care, not just capital.

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