



The Caribbean Cruise Ship Business and the Emergence of a Transnational Capitalist Class

Jeb Sprague-Silgado

University of California, Santa Barbara

jhsprague@soc.ucsb.edu

Abstract

This paper will provide an overview of the fundamental changes that the cruise ship business has undergone with the emergence of capitalist globalization and in the context of the Caribbean region. Rising profits and investments in tourism during the later decades of the 20th century and into the 21st century have been an important part of the globalizing economy. This has been a consequence of both the major technological and organizational developments of global capitalism, but also, and most importantly, of the global system's changing social and class relations. The shifting social relations and productive activities that undergird the cruise ship business have meant gains for some involved, most especially, transnational capitalists, and exploitative and contradictory dynamics for many others. Annually millions of tourists from high consuming sectors worldwide partake in brief holiday escapes aboard cruise ship vessels. At the same time, the cruise ship business has become an oligopoly, controlled by a handful of large companies, that has driven many competitors out of business or acquired them. Labor in the business has become more flexibilized, with low-wage workers (from a variety of nationalities) whose activities are increasingly standardized, monitored and micro-managed. While moving away from indicative development planning (with an eye to national goals), state policymakers in the Caribbean, for their own social reproduction, increasingly promote the interests of transnational capital such as with the cruise ship business. Importantly, labor and environmental protections have been stymied as the cruise ship companies, adept at public relations and skirting regulations, remain largely unaccountable.

Keywords: Caribbean, Tourism, Cruise Ships, Global Capitalism, Transnational Capitalist Class



New articles in this journal are licensed under a Creative Commons Attribution 4.0 United States License.



This journal is published by the [University Library System](#), [University of Pittsburgh](#) as part of its [D-Scribe Digital Publishing Program](#) and is cosponsored by the [University of Pittsburgh Press](#).

The Caribbean Cruise Ship Business and the Emergence of a Transnational Capitalist Class¹

This article critically examines shifting material and social relations in the cruise ship business, as part of a growing body of scholarly work that has analyzed the structural features of global capitalism. Looking in particular at the cruise business in the Caribbean, my main argument is that the emergence of a transnational capitalist class (TCC) has led to restructuring processes that have been geared toward global accumulation, alongside an insertion of labor power and consumer activities into transnational chains of accumulation. While a number of scholarly works have examined the cruise ship business, none have looked at it in regard to the rise of a TCC. Below, I examine the political economy and historical development of the cruise ship business (and in the context of the Caribbean), looking at the fundamental ways in which it has been transformed during the globalization phase of world capitalism. I look at how processes of restructuring are taking place through circuits of transnational capitalist accumulation, connected most notably to the flexibilized exploitation of labor—with its gendered and racialized components—as well as changing corporate relations with the state.

The cruise ship business is not motivated by the national economic development of any single country. Rather, it is capitalism's anti-social character at any level—local, national, regional, international, and, most importantly in recent decades, the transnational, that propels this business. Yet, when we add up the ecological impact of mass cruise ship tourism, the costs to humanity become increasingly unbearable. This analysis of the expansion of capitalism in the Caribbean via leisure travel reinforces the point that capital accumulation is substantively a contradictory and unsustainable global process in which those exercising state power play a very important role. State policymakers from a variety of states (most importantly, from the U.S.) have become complicit in the reworking of capital-labor relations to benefit the TCC. It shows us that sovereignty, states, and power are not so tightly tethered to a self-interested territorial logic, but, rather, exhibit what John Agnew (2009) calls “certain migratory propensities.” The number and range of incentives that are provided to cruise companies deepen processes of global market integration to the advantage of the TCC. Dramatically expanded cruise travel also draws growing numbers of the middle strata and working class into its circuits of consumption.

¹ The author thanks for their feedback: Dr. Georgina Murray, Polly Pattullo, Salvador Rangel, Dr. William I. Robinson, Dr. Robert Sierakowski, Dr. Jackie Smith, and the students and faculty that attended a presentation of this paper at The University of the West Indies at Mona, Jamaica.

Global tourism—and, most notably, the cruise ship sector—stands out as a leading yet under-explored example of the growing transnationalization (the functional integration across borders) of many material and social relations.² Vacationers from among a growing number of affluent places worldwide partake in tourism, experiencing new commoditized and hypermobilized social relations. Importantly, the Caribbean sub-region accounts for 34.4 percent of cruise ship deployments worldwide. Whereas around 3.7 million passengers traveled worldwide on cruise ships in 1990, this reached 23 million in 2015 (Cruise Market Watch 2016). With the Caribbean the most popular sub-region for the cruise business, the most highly visited destinations have included Cozumel on the Mexican coast, the Cayman Islands, the U.S. Virgin Islands, Puerto Rico, St. Maarten, and Jamaica (Pattullo 2005: 195; Budget Travel 2012). Tourism, the cruise business, and associated commercial and financial activity have grown as a dynamic core of the Caribbean's service sector (Daye 2011) and a major spigot through which the region's population has been inserted into the globalized economy.

One of the largest and fastest growing sectors within global tourism has been the cruise ship business (Pattullo 2005). While a number of studies have examined cruise ships (most notably: Klein 2005, 2009) and other globalizing tourism businesses (Theobald 2004), none yet have looked at these changing industries in relation to the formation of transnational capital and its dialectical relation with labor (Robinson 2003). This article's purpose is to illuminate the contradictions and nature of the shifting material and social processes that sustain the cruise business, as capital seeks continually to expand. How are the shifting capital-labor relations of the globalizing cruise business occurring through the context of the Caribbean? Next I want to look more broadly at contradictions underlying global tourism, focus on the unequal social relations that undergird the business, and how these connect with the rise of a TCC. After that I will look at the history of the cruise business in the Caribbean, attending to the importance of shifting forms of capitalist accumulation. Lastly, I consider the changing contours of the business in the Dominican Republic, Haiti, and Jamaica, elaborating upon its uneven and transnational structural features.

A growing body of work (going back through the last quarter of the twentieth century) on the sociology of global tourism has looked at tourist motivations, roles, and relationships, as well as institutions and their impact on tourists and tourist-receiving communities (MacCannell 1976; Urry 1990; Gmelch 2009). Such studies force us to consider the nature of consumerism and cultural commoditization in the global era. Scholars have also looked in particular at the role of tourism in

²This research is based on analysis of business and governmental data, including company tax records of the U.S. Securities and Exchange Commission, secondary accounts of the industry, and semi-structured interviews with experts and workers involved with the cruise ship business. My views were also shaped through a significant amount of time spent in the region, in the Dominican Republic, Haiti, and Jamaica.

regard to sex work, illuminating gendered and racialized aspects of class and productive relations in regions such as the Caribbean (Cabezas 2009; Kempadoo 2004; Pattullo 2005; Yelvington 1995; Wonders and Michalowski 2001).

Chin (2008) has written on the gendered labor patterns on board cruise ships. Not only are there few female ship captains, but unequal gendered dynamics permeate labor relations across the business. Female workers from lower-income backgrounds are usually “performing the ‘frontline’ work of interacting with passengers, and/or the ‘backstage’ work of cleaning cabins” (Chin 2008: 13). While it is common for “white” Eastern-European female labor to greet passengers, negatively racialized female workers from the global South are most often tasked with cleaning cabins.

The racialization of labor in the cruise ship sector, as so many other parts of the global economy, has been built up through social constructs and material relations that reproduce ethnic divisions and racialized exploitation. To provide just two examples, Terry (2013) has written specifically on the discursive makings of Filipinos in the cruise businesses’ global division of labor, while Oyogoa (2016a, 2016b) has pointed out how racialized class relations of the world-system have been reproduced on board today’s cruise ships. Negatively racialized populations, recruited mostly from former colonial countries, have been idealized as the perfect crewmembers to perform menial low-waged services. Some scholars have described the situation developing in the Caribbean region as “plantation tourism,” with labor-intensive hotels and cruises evolving from the old plantation agriculture and other labor intensive exploitive models, where low-wage jobs are reserved for Caribbean, Central American, East Asian, Pacific-Islander, and other former colonial peoples (Boyce 2003; Weaver 2001: 166).

Traditionally, scholars have looked at different nation-state-based elites as dominating the resorts and cruise ship destinations. Dotted the Caribbean’s new array of privatized beaches, these businesses are under the control of a coalition of foreign, expatriate, and local elites (Klein 2005, 2009). In fact, it is clear that the world-system that came about through earlier phases of capitalism has played a key role in shaping many terms and conditions of today’s transnational class relations form (Watson 2015).

World-systems scholars have looked at the cruise ship business and tourism industry in the developing world as based on the flow of resources from “periphery” nations to wealthy “core” nations (Boyce 2003; Weaver 2001). Through this perspective, we would then see the U.S. state as facilitating the profiteering activities of U.S. national capitalists (with a fraction being internationally oriented) (Sprague, 2014a). This is in fact also a perspective underlying nationalist sentiments that many scholars and activists have embraced, including within the Caribbean: that poorer nations and their business communities must then compete with influential foreign national power blocs. Yet as capitalist accumulation has undergone fundamental changes over recent decades, we need to recalibrate how we understand political economy in the global era.

Developmental models and relations tied to the inter-state system continue to erode, as many state leaders and local elites promote transnational capitalist interests and global competitiveness—even if this does include national rhetoric (and some policies that are in apparent contradiction).

Importantly, state apparatuses and power blocs in society cannot be understood outside changing processes of production, labor struggles, and class and ideology formation (Poulantzas 1978: 27). With this in mind, we must understand capitalism and the state in its historical *and* contemporary relations. Over the closing decades of the twentieth century and into the twenty first century, inter-national chains of accumulation and the previous indicative development planning (with an eye to national goals) of state managers has largely fragmented and become subsumed within processes of global competitiveness and transnational accumulation. The social reproduction of corporate and state elites is less and less tied to competing national interests, but, rather, is geared toward profiting through the functionally integrated cross-border networks of capitalist accumulation that have formed. U.S. state policymakers; for example, rather than (as in the past) promoting the interests of U.S. national or inter-national capital, increasingly promote the interests of transnational capital (and particular fractions therein) (Baker 2014; Robinson, 2014).

Incontrovertible changes have occurred in recent decades in production, distribution, consumption, and finance. Through technological and networked development, new models of corporate organization have emerged worldwide. Scholars Peter Dicken (2007), Grazia Ietto-Gillies (2012) and others have shown the centrality and the activities of transnational corporations (TNCs) in the global era (See also: Sprague, 2014b). Through functionally integrated networks of production and finance, TNCs have been able to “cut through, and across, all geographical scales, including the bounded territory of the state” (Dicken 2007: 13).

A number of scholars have shown how the structural changes associated with the emergence of capitalist globalization have influenced new fissures among social groups and classes (Harris 2006, 2016; Hoogvelt 2001; Liodakis 2010; Murray and Scott 2012; Robinson 2004, 2014; Sklair 2001; Sprague 2015, 2016; Sprague-Silgado 2018; Watson 2015). As transnational networks of capitalist production and finance redefine the scale and the shape of the world economy, scholars of the “global capitalism school” have argued that transnational social relations have begun to form among different classes and class fractions.³ A TCC has become

³ There have been lively debates over the conceptualization of a TCC, transnationally oriented state elites, and the analytical abstraction of emergent transnational state apparatuses (i.e., Amin, 2011, Hanieh, 2011; Meiksin Wood, 2007; Robinson, 2014). Scholars of the “global capitalism school” do not claim that the nation-state is disappearing. Instead, these scholars argue that the relationship of states to the global system is being transformed as a transnational capitalist class articulates interests that are tied less and less to territoriality. While the significance of the North-South divide continues (Castillo-Mussot, et al, 2013; Robinson, 2014), powerful TCC groups have emerged throughout the global South whose interests lie in the global over national and regional economies. Rather than core and peripheral nation-states (Wallerstein, 2004), the core and periphery can be first more fruitfully seen as denoting social groups in

increasingly visible, bound together as a conscious class whose material basis is imbricated in TNCs and the accumulation of global capital (Harris 2006; Robinson 2004; Sklair, 2001). This class has emerged as that segment of the world bourgeoisie that owns the leading worldwide means of production embodied in TNCs and various key financial institutions. However, such a class is not monolithic. Many fractions exist within this class, with different historic trajectories and tethered in different ways to one another and to various institutions, states, regions, and industries (Robinson, 2014; Sprague 2016). The owners and major investors within the cruise ship business make up a microcosm of the TCC.

In addition to the TCC, other social groups and classes are undergoing major changes associated with globalization. Middle strata, such as professionals and small-scale working entrepreneurs, and fractions of the working and popular classes have become integrated into processes of global capitalism (Struna 2009; Robinson 2014). Workers are compelled to sell their labor power to capital (directly and indirectly) as well as reproduce themselves as consumers through mortgage debt, rent, personal debt, savings accounts, making it extremely hard for individuals to escape the clutches of transnational capital. Labor power has become incorporated into transnational value chains. In the Caribbean (and around the world) many are linking into these chains, laboring for companies in tourism and other global industries.

All of this underscores the shift from an *international* to a *global* division of labor, with its many regional dynamics. The *international* division of labor described how different countries had become specialized in the production of particular types of products, so that labor across the interstate system was bunched within nations and geared toward particular productive forces (Liodakis, 1990; Mies, 1999). Through globalization though we can identify “peripheral” pools of labor in the “core” and “core” pools of labor in the “periphery”, meaning that we see in recent decades the emergence of a *global* division of labor “which implies differential participation in global production according to social standing and not necessarily geographic location” (Robinson 2003: 59).

With the Caribbean as an example, my central argument here is that the restructuring of the cruise ship business is tied up with the emergence of a TCC and the globally exploitative relations that it promotes. At the heart of this are altered labor relations, the restructuring of state-capital relations, and a reorganization of financial and productive processes within the business.

a transnational setting. No scholars researching the TCC and transnationally oriented state elites and apparatuses have negated the exploitative and repressive nature of the policies of the powerful countries that are associated with imperialism. However we can see how increasingly many state policymakers promote and defend the interests of the TCC (and certain fractions therein), rather than the particular national interests of dominant groups in particular countries (Robinson and Sprague-Silgado, 2018).

Global Tourism and Cruise Ships

The rise of a global tourist industry and a TCC has been a consequence not only of major technological and organizational transformations associated with global capitalism (Lumsdon and Page 2003; Rodrigue 2013; Theobald 2004), but also, and most importantly, changing social and class relations. Tourism is estimated to account for approximately 9 percent of global GDP, or more than \$6 trillion (World Travel & Tourism Council 2012). TNCs involved in transportation, hotels, and various tourism related activities have proliferated worldwide (Dowling 2006). This has been aided by well-organized lobbies of industry representatives and allies, as well as transnationally-oriented elites and technocrats operating through state apparatuses. Alongside the increasing transnational integration among dominant groups, lower- and middle-income populations (including those from the global South) have become inserted into transnational chains of accumulation. As Robinson explains, “The globalization of the tourist industry draws in local contingents around the world in diverse ways” (2003: 198).

Another key factor in the global tourism industry’s phenomenal expansion has been the reconfiguration and growth of social strata worldwide that have disposable income for leisure activities (Liechty 2003; Rohde 2012). While inseparably linked to rising global income inequality and social polarization, a growing portion of the global population takes part in mass tourism, and hundreds of millions of jobs are tied to the industry (Mowforth & Munt 2008). According to the United Nations World Tourism Organization, more than one billion people now take part annually in tourism outside of their home country (UNWTO 2012).

The Caribbean has been a major site for global tourism. In 1996, for example, \$7 billion was spent on tourism in the Caribbean annually (Uebersax 1996), and by 2013, this had risen to \$28.1 billion. Meanwhile, with a growth rate above 7 percent annually since 1990, the global market for cruising had approximately 18.3 million customers in 2010 (Rodrigue 2013). Various segmented and niche markets have come into being, where wealthy and privileged working class clients of global society are channeled into different lifestyles, featuring a variety of entertainment to fulfill their desires and experiences. Cruise costs for passengers, at one point, ranged from 100 USD per night to more than 1,000 USD per night (Tortello 2006). Tourists are thus incorporated into chains of global accumulations and what Sklair (2002) describes as a globalized consumerist culture.

While all regions have experienced growth in tourism arrivals over recent decades, the share of overall arrivals to “peripheral” countries has grown faster relative to the share of arrivals to “core” countries. As Table 1 shows, while only 83 million people visited developing economies in 1980, this reached 498 million by 2010. By 2030, furthermore, more than one billion tourists will likely visit “emerging economies” (UNWTO 2011: 15). Also, whereas 8 percent of tourists in

the mid-1970s were from core countries visiting periphery countries, by the mid-1980s, this figure had grown to 17 percent, reaching 20 percent by the mid-1990s, and then 25 percent by the new century (Robinson 2003: 131).

Table 1

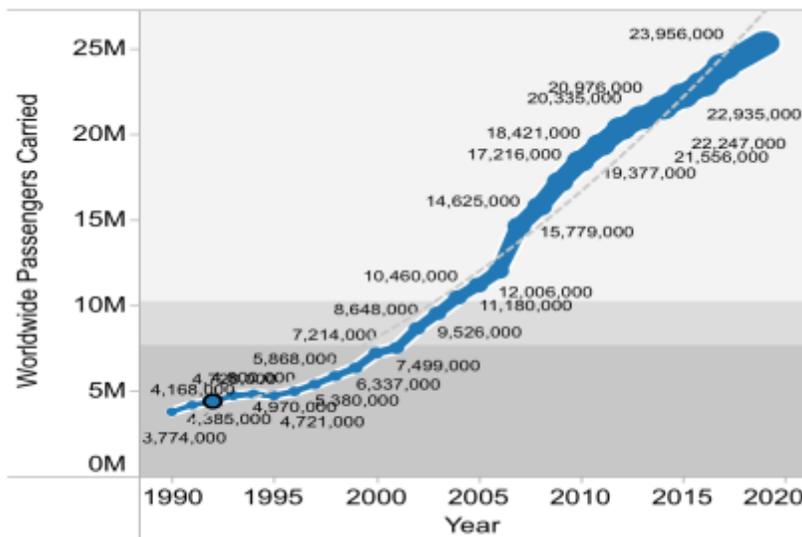
	<u>Overall Tourism Arrivals (millions)</u>				
	1970	1980	1990	2000	2010
World	165.8	278.2	441	680	940
To Developed Countries		194	296	417	498
To Developing Countries		83	139	257	442
Caribbean	4.2	6.9	12.8	20.3	23.1
*Over surface		0.7	0.4	1	1.4
*By Air		6	10.9	16.1	18.6

Source: UNWTO

Table 2

	<u>Overall Expenditures by Tourists (US\$ billions)</u>			
	1980	1990	2000	2010
World	106.5	269.5	495.6	960
Caribbean	3.5	9.8	19.9	

Source:UNWTO

Figure 1

Source: Cruise Market Watch 2016

In turn, the development of the global cruise ship business has occurred in the context of the rise of transnational production and financial systems in the world economy. The business underwent a transformation during the late twentieth and early twenty-first centuries, as the maximization of profits and streamlining of the passenger experience occurred alongside a centralization of the businesses' capitalist interests. The cruise ship business has become oligopolized by two companies: Royal Caribbean and Carnival Cruise Lines, which together control around 70 percent of the cruise sector. Both companies have become involved in a large number of corporate synergies, interacting with a broad range of businesses (Rodriguez 2013). According to Forbes, Royal Caribbean is valued at 9.4 billion USD (Castillo-Mussot, Sprague, and Lama Garcia 2013). The two companies also own numerous subsidiaries and have purchased or eliminated many of their former competitors. A magnet for investor confidence, a number of transnational capitalists and large global investment firms have increased their stakes in these companies.

Meanwhile, the cruise business has increasingly sought to squeeze labor, limit regulatory oversight, and micro-manage the passenger experience. In regards to the impact on local populations in region's such as the Caribbean: only a very small strata of the Caribbean population gains long-term benefits from the business, and local tax revenues are small, whereas the industry's environmental damage has been significant and well documented (Klein 2009).

The major cruise companies and their owners have come to embody "transnational capital"—that part of capital that traverses borders through transnational circuits of accumulation.

By influencing and benefiting from the new transnational orientation of many state policymakers, circumventing regulatory regimes, and penetrating local economies, cruise companies sell “exotic” experiences to high consuming sectors while simultaneously exploiting workers and locals. Through the expansion of the cruise ship and other global businesses, nations in the Caribbean and other regions have become more organically linked into the global economy. Local elites and officials compete to entice global investment, which they rely upon for their own social reproduction.

Shifting social relations are at the core of the restructuring process. For example, while wealthy and middle strata passengers experience pleasurable vacations, they are subsumed within a highly advanced and segmented capitalist society that socially alienates them through the reality they experience and the ability to conceive of or determine the true character of what they temporarily interact with and inhabit (Marx 1992: 163-177). Even while enjoying pleasurable experiences, passengers are disconnected from understanding the social, economic, political, and ecological nature of the phenomena in which they partake. We can consider, for example, recent changes in the business that guarantee passengers are channeled into cruise company-controlled or connected service sector zones. In the past, cruise ship passengers could more easily interact with locals and small-scale merchants, but in recent decades, passengers have increasingly been channeled into company-controlled markets. This reflects an intensified social alienation, where passengers believe they are shopping or taking part in local markets, when in fact they are operating through chains of accumulation controlled by a transnational cruise ship company. As scholars have begun to examine, the commodity relations and consumerist culture of tourism and travel, with its new “hypermobilities”, have helped to shape modern social life, including many imaginations and aspirations (Cwerner, Kesselring, and Urry, Eds., 2009).

The Historical Formation of the Cruise Ship Business

With the European imperialistic conquest of the Caribbean region and the ethnic cleansing of its indigenous inhabitants, African chattel slaves and a smaller number of impoverished European migrants comprised the initial labor imported into the region (Williams 1994; Wolf 2010; Linebaugh and Rediker 2013). Beginning in the 1830s, the use of steamships significantly reduced the time of the journey to the Western Hemisphere, eliminating the reliance upon sailing vessels. By the later part of the century, a trickle of tourists from privileged strata in North America and Europe began to visit Caribbean destinations. Where they visited usually reflected their nationality, as English tourists predominantly visited the British colonies of Nevis, Barbados, and Jamaica, while French tourists went to Martinique, the Dutch to Curaçao, and North Americans mostly to Cuba and the Bahamas, islands in close proximity to South Florida (Gmelch 2003).

By the early twentieth century, modern oceanic liner designs debuted, which immediately introduced a rigid class system on board the vessels. As the luxurious first-class experience above decks improved, the cramped unventilated spaces below deck housed the rest of the ship's passengers and crew. The 1997 Hollywood film *Titanic* illustrates this dichotomy quite vividly. Yet, as migration slowed, shipping liners sought to provide cheap tickets to people in the United States who wanted to return to visit Europe. "If the westbound traffic had dried up, the thinking went, perhaps the new prosperity in the U.S. might give rise to a new flow in the other direction" (Garin 2006: 17).

Transatlantic merchant shipping capital went through tough times, especially as luxury travel and mass migration came to a halt during the First World War. As they tried to salvage their investments following the war and during the pre-depression economic boom of the 1920s, some companies began to seek new customers among the U.S. middle and upper strata by offering improved accommodations, or "affordable luxury."

During the winter months of this period, early cruises to the Caribbean became essential to the viability and profitability of many ship companies. These early visitors, for instance, from Europe and North America visited Jamaica aboard steamers of the United Fruit Company or onboard the Hamburg-American West Indian cruises (Tortello 2006). Yet a number of factors continued to impede a full-scale cruise ship business, from the particular geography and climate conditions of the Caribbean, to the passenger ships at the time not being built for tropical climates, with limited deck space, small windows, no air-conditioning, and recreational facilities deep in the hulls of ships (Garin 2006: 19).

Transatlantic passenger shipping slowly declined during the first half of the twentieth century and, by the 1950s, had collapsed. This decline was linked to the advent of large passenger jet aircraft in the decades following the Second World War, when intercontinental travel largely shifted from oceanic liners to planes. The antiquated and uncomfortable liners had been designed to maximize passenger numbers, with stifling cabins that often lacked windows. In addition, the ships suffered from high fuel consumption and had deep hulls that prevented them from entering shallow ports.

Into this scene entered a capitalist entrepreneur, Frank Fraser, who sought to build the first year-round cruise-only business, which would operate out of south Florida. Miami's proximity to the warm climate and islands of the Caribbean made it an ideal choice. It also signaled the shift in the role of the maritime passenger ship from transatlantic transportation to cruise tourism. During the 1960s, a handful of cruise businesses had formed in Miami, most often operating excursions into the Bahamas utilizing pre-war U.S. coastal passenger ships. In fact, the rise of an international cruise ship tourist business in the region grew in part due to the U.S. state's facilitation. After the Second World War, new U.S. government policies seeking to open up international markets helped

instigate the flow of U.S. capital and tourists into the Caribbean. Some Caribbean elites profited from new construction projects, marketing, and the management of modern resorts.

Similarly, with the transition away from British colonial rule, many West Indian governments and businesses adjusted their practices, seeking out foreign investment. U.S.-domiciled international cruise ship companies became an important new source of foreign capital. Caribbean states began to reduce tariffs and other barriers to travelers entering Caribbean countries, eliminating taxes on arriving and departing tourists, and providing waivers for visa requirements. The growth of tourism, as Chase (2002) argues, also helped shift a more significant segment of West Indian labor into the service sector. Scholars have also argued that the expansion of the tourism industry impacted the social structure of the Caribbean, such as in the English-speaking islands, where the rising hegemony of the United States and new interactions associated with tourism impacted locals by “reinforcing or rearticulating conceptions of national, historical, racial, and economic difference” (Hogue 2013).

The first major international cruise corporation was Royal Caribbean Cruise Lines, which was owned in large part by wealthy Scandinavian shipping families, the Skaugens and Wilhelmsens, and operated by businessmen in Miami who had experience in the business. One of these businessmen, Ted Arison, founded Carnival Cruise Lines in 1972. From a long-established Jewish shipping family, Arison had invested in *Nili*, one of the Fraser family’s cruise ships in the mid-1960s. While a number of cruise lines began during the 1960s and 1970s, by the latter decades of the twentieth century, the business was turning out growing profits, able to hire from a large pool of poor working people in regions such as the Caribbean and Oceania (Klein 2005). As cruise vacations were promoted throughout the later decades of the twentieth century, the fledgling business gained popularity among middle-strata vacationers and retirees, especially in North America and Europe. It achieved notoriety through media, for instance, with visits by movie stars covered through private radio and television broadcasts.

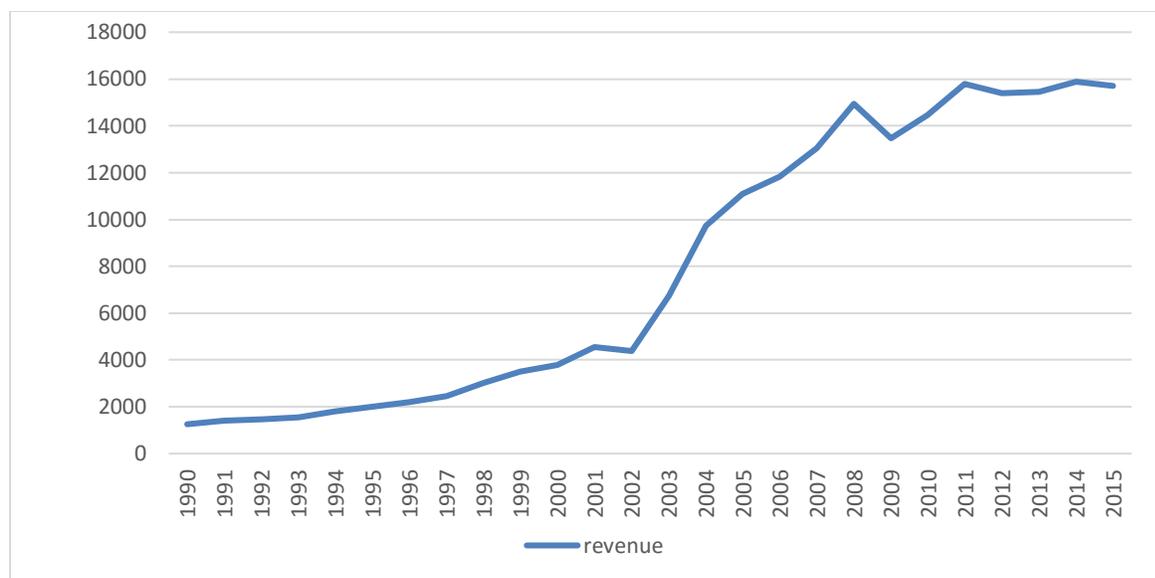
Transnational Capital in the Globalizing Cruise Ship Business

The last decades of the twentieth century were a period of growth for cruise lines companies as they became ubiquitous in popular culture. Cruise ship companies became entwined with global capital flows by opening up to stock markets and outside capital investments. One ship manufacturer explains that there has been a “shift in the ship financing sector” that “uncovers how fast the traditional financiers to the cruise shipping industry fade away” as a new globalized financial system takes hold (Kuehmayer 2013: 2). With deep pockets and financial buffer in difficult times, the largest TNCs in the business have become deeply linked with the hi-tech global financial system rather than the more nationally rooted financial sectors of the past. Carnival went public in 1987 and Royal Caribbean went public in 1993. This reflected in the 1990s and 2000s

the business boom that occurred alongside major organizational and technological advancements, as well as shifting capital-labor relations. A ship building “frenzy” occurred with larger and larger ships produced (Klein 2005: 14). New regions such as in East Asia also started to become major sites of cruise tourism.

Cruise ship companies have initiated IPOs or have partnered with venture capitalists and other investors in order to raise needed capital, in turn allowing for more financial liquidity and growth. Transnational capitalist Leon Black (Apollo Management) established Prestige Cruise Holding, which now controls Norwegian Cruise Line, Regent Seven Seas, and Oceania. Meanwhile when Carnival went public in 1987 it offered to corporate investors 20 percent of its stocks, which was used for new ships and expansion beyond cruises (as with Carnival Airlines, which took over and merged with Pan Am, and expanded into the hotel business as well). It has since opened up to many more investors. Royal Caribbean’s annual revenues of 3.4 billion in 2002 grew to nearly 7.7 billion in 2012. Carnival Cruise Lines revenues of 1.25 billion in 1990 swelled to nearly 15.5 billion by 2013. Far from an anomaly, the cruise ship business’s integration into the global financial system continues unabated.

Figure 2. Revenue (millions), Carnival Cruise Lines, 1990-2015

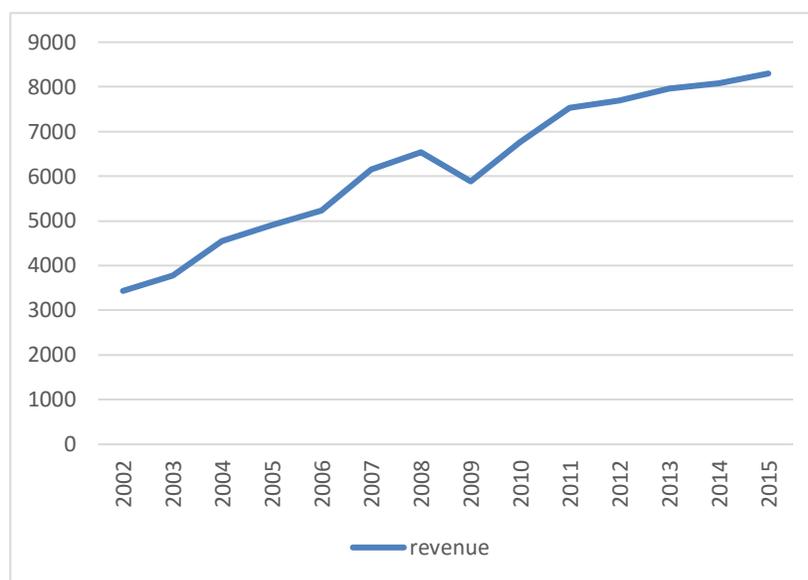


Source: Company tax records obtained by the author through the U.S. Securities and Exchange Commission

The owners and major stockholders of the cruise ship companies became tied to myriad other companies and industries worldwide. As transnational capitalists, they have taken advantage of the scale and financial resources at their disposal to invest in numerous companies and markets. In 2013, major global investment management firms controlled more than a third of Carnival’s

stocks, including Thornburg, BlackRock, Schroder, Legal & General, M&G, Artemis Investment, and the global asset managers TIAA-CREF, UBS Global Asset, and JPMorgan (Kuehmayer 2013: 16).⁴ Capitalists invested in the cruise business are in turn integrated with global markets around the world. As Andrew Gavin Marshall (2013) observes: “A geopolitical force unto itself, and a conglomerate embedded within a transnational network of elite institutions and individuals, JPMorgan Chase goes beyond the financial indicators. Put simply, it is one of the most powerful banks in the world.” Transnational capitalists, operating through companies headquartered in the United States (such as with JPMorgan) and in other countries, are geared toward global competitiveness through their holdings in these investment and asset firms, and are involved, for instance, in cross-border mergers and acquisitions in many parts of the world. Furthermore, TNCs, such as in the cruise business, have increasingly sought out cost-efficient synergies, forming relations with a variety of other companies (Travel Weekly 2003; Trade Winds 2014).

Figure 3. Revenue (millions), Royal Caribbean, 2002-2015



Source: Company tax records obtained by the author through the U.S. Securities and Exchange Commission.

Cruise ship magnates, few in number, have become some of the wealthiest people on the planet, holding investments in numerous globalized industries through a web of transnational finance. In 1992, decades after founding the Carnival Cruise Lines, Ted Arison appeared on the

⁴ For more on this deepening relation, view the “Ownership & Insiders” page on the website for the financial services TNC, fidelity.com, where one can see details on the major institutional and Mutual Fund stock holders.

Forbes list of America's hundred wealthiest, worth an estimated \$2.8 billion (Garin 2006: 38). After stepping aside and leaving the company to his son Micky in 1990, Ted went on to own Israel's largest construction company as well as massive real estate, technology, and financial holdings. In 1997, he led a corporate buyout of the government of Israel's largest state bank while he also turned down an offer to become Israel's finance minister. At the time of his death, his holdings went to his daughter, instantly making her the wealthiest Israeli citizen. Micky Arison, current chief executive of Carnival (and owner of the Miami Heat basketball team), was said to be the 32nd richest person in the United States in 2004. As of 2013, was said to be worth a total of \$5.9 billion, the 211st wealthiest billionaire in the world (Forbes 2013). His investment holdings include companies and stocks that span the globe. Meanwhile his reported tax filings have been only around \$7 million, which included a base salary of \$880,000, a cash bonus of \$2,206,116, stocks granted of \$3,618,481, and other compensation totaling \$496,513 (Forbes 2009).

As capitalist owners of the cruise ship corporations have organized to secure massive profits, labor has organized and struggled for improved working conditions. Workers on board cruise ships have in some instances gone on strike (Oyogoa 2015a). Ross Klein has written extensively on the conditions that labor, especially women workers, face from sexual exploitation, to restrictions on the ability to organize, to deportation of workers who engage in union activities, to various means of social control and surveillance on board cruise ships. He observes how cruise lines have typically hired workers from multiple countries, with different languages and ethnic backgrounds, as a strategy for undermining their ability to engage in collective action (Klein 2001/2002). "In those few cases where workers have joined together, they have met with harsh resistance from the companies. In 1981, 240 Central American workers went on strike aboard a Carnival Cruise Line ship in Miami to protest the firings of two co-workers. The company ended the strike by calling the U.S. Immigration and Naturalization Service. The strikers were declared illegal immigrants, bussed to the airport and flown home, unemployed" (Ibid). In another instance, a cruise company solved a labor dispute by placing South Korean, Jamaican, and Haitian room stewards on buses at the Port of Miami and sent them immediately back to their countries (Ibid). Klein adds that supervisors onboard the ships hold tremendous power over labor, as they are able to dock pay, which is a real threat to many workers on board the vessels who have already paid for their return trips. Klein gives the example of a 27-year-old janitor from Saint Vincent. The worker had his "pay reduced from US\$452 a month to US\$37 while working for Carnival Cruise Line." Even after "five years with the company, he feared his supervisors would brand him a troublemaker if he complained. He endured the reduction in pay without question, rather than risk his job" (Klein 2001/2002).

Fundamental Changes to the Cruise Business Under Global Capitalism

Throughout this unprecedented growth and centralization of the business, it has undergone deep changes in a variety of areas. These include the companies becoming highly adept at managing public opinion, the experience of passengers, and the activities of the labor force. Carnival cruise lines, for example, first developed highly focused onboard revenue strategies, where low ticket prices attracted customers who then became consumers at casinos, bars, stores, and spa services. The former head of the Dominican Republic's Chamber of Commerce, who helped to usher the cruise business into her country, observed: "The industry has changed completely since the 1970s, when I first became involved with it. It functions totally differently now, growing in volume but also overhauled with everything working so fast, calculated on board, and immediate with the Internet. The customer experience is now an all-inclusive package and everything is tightly customized, with every avenue of profit tapped into" (Rosalinda Thomas, personal communication, 2015).

The cruise businesses' links with other economic sectors and the strength of its influence upon state officials has become fundamental to its business model. As part of this process, its on board workforce has become flexibilized with its time commoditized and intensely managed.⁵ By "flexibilization," I refer to how the components of a process are altered to meet the needs of a more advanced form of reproduction, which increases or diminishes, and redeploys and reassigns with more ease. At the same time like many other sectors of global tourism, the cruise ship business has repatriated more and more value from passenger spending, while maintaining a web of local and regional alliances and relations that benefit from the business (Clancy 2008). In the context of this phenomenon, I want to highlight five particular restructuring processes that are taking place:

1) *A variety of organizational advancements have been utilized to restructure the manner in which labor is exploited. For the cruise business, one of the most important elements of this is the "flags of convenience," a practice that allows companies to flag their ships from countries that do not (or are unable to) enforce labor protections.*

The "flags of convenience" serves as a mechanism allowing for companies to employ cheap labor and avoid many state regulations and pressures from labor unions, as well as gain from lower registration fees, regulations, and taxes, all of which serves to strengthen their position against labor and gives them significant competitive advantages (van Fossen 2016). As Chavdar Chanev (2015) writes, in regards to cruise ships registered in the Bahamas, Panama, and Liberia,

⁵ Another increasingly flexibilized workforce linking into the business is in the call-centers. Like many other large TNCs, cruise companies exploit offshore telephone center labor to answer its customers' reservation calls. Royal Caribbean is currently in the process of moving its British call center to Guatemala (McNeil 2013). Carnival, on the other hand, now has its call center labor work from home, where their activities can be easily monitored through new Internet marketing technology (Heilman 2012).

“there are no codes about the number of hours a seafarer may work or his/her days off, no minimum wages, staff can be punished by the captain in case of complaining about issues (such as safety or food quality...)” As an example of this: Royal Caribbean maintains its official corporate headquarters in Miami, while officially being incorporated in Liberia. Some trade unions, such as the International Transport Workers’ Federation (ITF), have attempted to challenge this practice with campaigns against flags of convenience, such as the 2002 “Sweatships” campaign (ITF 2006; War on Want and ITF 2002). However, as Figure 4 shows, the share of foreign-flagged ships has continued to increase massively in recent decades.

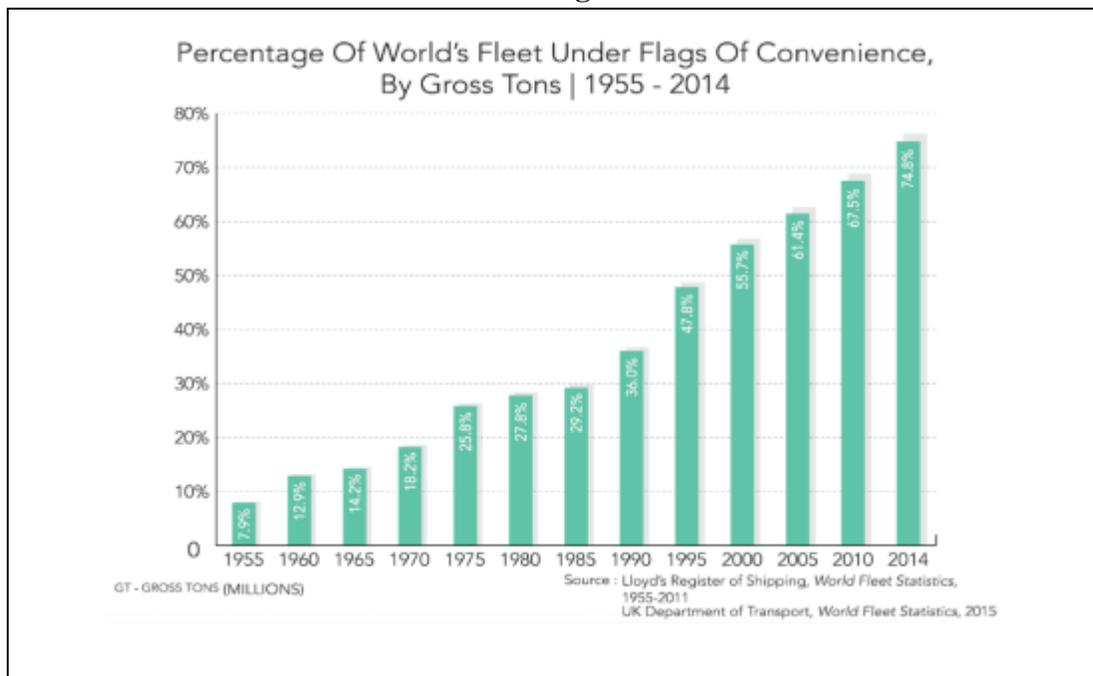
In the 1960s and 1970s cruise ships and their flags represented national lines, such as the Greek Line, the Italian Line, or the Cunard (Anglo-American) Line. This was reflected in the fact that, often, the largest proportion of the workers were actually from those respective domiciles, and some from nearby countries, as explained to me by a former cruise ship employee who worked in cruise liners in the 1970s and 1980s (Mario Paz, personal communication, 2011). However, we now see an erosion of that relation, as the hiring practices of today’s cruise businesses appear to have no significant national orientation, but, rather, pull from a global supply of labor (Chin 2008; Oyogoa 2016a, 2016b; van Fossen 2016). The shifting labor-capital relations on board the cruise ships really became visible in the late-1970s and 1980s, coinciding with the growth of companies such as Carnival. Initially, some companies such as Royal Caribbean and Norwegian Cruise Line (NCL) retained some of their national character in terms of officers, but even that practice has diminished in recent years. “Flags of convenience” then have served as an important mechanism through which capitalists in the cruise business can exploit a global division of labor.

2) *Major technological advancements have been utilized for restructuring the business.* Industrial innovations have, for example, allowed for larger and larger ships. For comparison, large cruise ships in the 1970s weighed 20,000 to 30,000 tons; in the 1980s, 50,000 to 70,000 tons; in the 1990s, 100,000 to 140,000 tons; while by the first decade of the twenty-first century, they reached 220,000 tons. This has provided further impetus to the creation of new port facilities able to accommodate the new ships. Expanding capacities (from less than 1,000 passengers in the 1970s to more than 6,000 in the early twenty-first century) have also meant that fewer vessels are required for the same number of tourists. Table 3, for example, shows how 907,611 passengers visited Jamaica in 2000 on board 504 different cruise ship visits, also known as “calls.” In contrast, in 2010, a similar number of passengers visited during just 325 trips.

3) *A shifting industry-state relation is taking place. Cruise ship companies have gained unprecedented rights and powers, especially in regions such as the Caribbean, where state officials compete with one another to attract TNCs active in global tourism.* According to Carnival chairperson Micky Arison, appreciation for the impact of cruise tourism in the region is “far more so than 10 or 20 years ago. But it varies government to government obviously, and country to

country. But I think, generally speaking, yes, it is far more recognized today than it was 10 years ago” (Britell 2013). While this process has occurred unevenly, to attract TNCs active in global tourism, state officials across the Caribbean have lowered taxes and regulations and allowed the industry to operate relatively unhindered. Yet, in turn, cruise ship tourism has come to provide only minimal tax income to states in the region, with on average \$15 per passenger spent per port of call (Rodrigue 2013). To understand then why this process continues to deepen we need to recognize how business and state elites benefit and connect with one another. Some state policymakers, increasingly oriented toward the global economy, now coordinate closely with organizations that the global tourism industry has set up to help facilitate its activities, such as the Florida-Caribbean Cruise Association.

Figure 4



Source: van Fossen, 2016.

This transition in the tourist industry's relationship with states, and particularly with regard to the cruise business, has accompanied moves away from traditional ports and their old state-run local port authorities, instead embracing privatized port operations with new enclaves in traditional ports or altogether new installations outside the traditional ports.

A related trend has led to an increasing number of company-run or highly influenced port authorities. While often leased, some ports have actually become the property of cruise ship

companies. Carnival owns ports in the Turks and Caicos, Cancún, Honduras, and has plans for a port in Belize. Royal Caribbean Cruises Limited owns the Roatán, a port in Belize City, as well as Falmouth in Jamaica. A parallel phenomenon has occurred in the Mediterranean, where cruise companies own a number of ports.

Even where the companies do not directly own ports, they have considerable influence over port commissions, such as through campaign contributions to local politicians (Dr. Ross Klein, personal communication, 2013). Cruise companies also play countries and ports off one another, demanding better incentives and waterfront overhauls (Klein 2005: 116-117). This in turn has meant that the companies can more easily capture passenger spending at manufactured tourist sites, revenue that in the past would have more directly benefitted the region's local economy. The structure of new company-owned ports or enclaves in older ports (with fences and gates) also keep passengers inside "the port," leaving only on company-controlled bus tours or with approved taxi companies. This is very different from twenty or thirty years ago, when cruise ship passengers had far less controlled experiences (Rosalinda Thomas, personal communication, 2015). "Passengers traditionally wandered around towns more than they do now. However, when they do and spend money, the cruise line still gets its cut (commission). As well, many of the stores in ports are owned by offshore entities that have cozy relationships with the cruise lines" (Dr. Ross Klein, personal communication, 2013).

4) *We also see an expanding TNC-subcontractor relation playing out through the cruise business. Cruise lines to maximize their profits use a growing number of subcontractors, such as local shore excursion providers, crew management services, and taxi companies.* While there are different marketing strategies on board the ships, all of the cruise companies have devised ways to separate passengers from their cash. Where a local company (sometimes affiliated with the port agent) might coordinate the shore excursions of visiting cruise passengers, some companies hired by the cruise lines operate in multiple ports (usually within the same country, state, or province), whereas other subcontractors such as concessionaires operate regionally and on board the ships (Dr. Ross Klein, personal communication, 2013). Concessionaires manage operations that are less profitable or require an expertise (shops, casinos, photography, spa services, etc.), and these companies in turn pay sizable fees to the cruise ship companies. Importantly, locally based subcontractors and small businesses that have come to link into the globalizing cruise business and depend on it economically have also advocated on its behalf in the Caribbean, with tour excursion providers and taxi operators, for example, mobilizing to lobby in support of the business (Ibid).

Table 3. Number of Passengers and Calls by Cruise Ships per Year for Dominican Republic (D.R.), Haiti, and Jamaica.

	1998	2000	2003	2004	2005
D.R./Calls		283,414	397,993	456,321/ 519	289,805
Haiti/ Calls	246,221	304,516	423,693	282,192	368,021
Jamaica/ Calls		907,611/ 504	1,132,596/ 502	1,099,773/ 482	1,135,843/ 508
	2006	2007	2008	2009	2010
D.R./Calls	303,489	384,878/ 380	475,206	496,729/ 411	352,539/ 264
Haiti/Calls	449,921	482,077	n/a	n/a	n/a
Jamaica/ Calls	1,336,994/ 563	1,179,504/ 435	1,092,263/ 398	922,349/ 334	909,619/ 325

Sources: Caribbean Tourism Organization, Banco Central de la República Dominicana, and the Secreairerie d'Etat au Tourisme, Haiti.⁶ When data on both the number of passengers and number of calls are available, they are separated by a forward slash.

5) *Mass marketing strategies have also become a key part of the business in the globalization era, latching onto the culture-ideology of consumerism* (Sklair, 2002). *Increasingly finely tuned public relations strategies further polish corporate brands, such as in the cruise business.* Through advertisement campaigns with slogans such as “untouched, unmatched, unforgettable” or “let your dreams set sail”, the business has become adept at public relations and managing perceptions. As Klein observes, “They coin the right words and have the ‘right’ labels for what they do, even if these labels are at variance with what they actually do” (Dr. Ross Klein, personal communication, 2013).

Public perception is very important for the business. For example, widespread media coverage engulfed the Carnival-operated vessel that sank off the Isola del Gilio in Italy in 2012 that cost the lives of 32 people. While the costs from the accident were likely to be relatively low, as the company is insured, negative media coverage catalyzed by such accidents is threatening to the company’s reputation. Public relations campaigns thus have proven vital for shaping consumer views.

⁶ While this figure does not include some of the more highly tourist trafficked islands in the region, the data does focus our attention on lower-income and major population centers of the Caribbean basin.

The Caribbean's Insertion into the Global Cruise Market

Cruise ships have long frequented many Caribbean islands, including some of the lower-income population centers of the region, such as the Dominican Republic, Haiti, and Jamaica. In the 1960s and 1970s, cruise ships traveled between traditional larger ports of call. In recent decades, there has been a rapid development of cruise infrastructure in both traditional and new private ports. Companies have gained more space to operate and exert heightened control under less scrutiny by local authorities. This has occurred as part of a general shift away from indicative models of national economic development and toward a developmental model that hinges upon global competitiveness and broader market trends. As Carnival's transnational capitalist chairman Micky Arison elaborates, the Caribbean region's economic prospects and the profitability of cruise ship companies have become more broadly "related to the general economic situation around the world" (Britell 2013). He adds: "...20 years ago, it was a North American-centric industry, and now it's a global industry. So the Caribbean has to compete in a global marketplace, and I think that's a challenge that's relatively new recently" (Ibid).

Caribbean state policymakers have meanwhile struggled to take a unified regional position towards the business so that they might obtain a larger share of tourism-generated revenue. They attempted but failed to cooperate in agreeing on a common head tax in the 1990s and early 2000s (Klein 2005: 192). Pattullo has explained the way in which the powerful lobbying arm of the cruise companies defeated this effort, illustrating how corporate interests heavily impact the decisions of Caribbean policymakers (Patullo 2005: 197-199).

State elites oriented toward the TCC compete in a global battlefield for investors, helping to keep business costs low. In recent years we can see this playing out regionally, as market shares in the cruise ship business have shifted as more price-competitive areas of the Spanish-speaking Caribbean outpace in growth the traditional English-speaking destinations. In fact, around the world other warm and tropical locations are opening up to the cruise business. As the North American, Mediterranean, and Caribbean markets become saturated, cruise companies are expanding to new markets in Asia (especially in China, Vietnam, and Thailand), Australia and New Zealand, the Middle East (such as in Dubai), and to parts of West Africa.⁷

One clear phenomenon across these regions, and in the Caribbean in particular, has been the shift away from traditional ports toward privatized ports. This has evolved, as previously discussed, through a kind of vertical integration as cruise companies seek to directly or indirectly control the ports of embarkation. In the Dominican Republic, cruise ships previously went to the old ports of La Romana in the country's south and, more importantly, Samaná in the north. In

⁷ A map, updated in real-time, of the position of most major cruise ships around the world can be viewed at: <http://www.cruisemapper.com>.

recent years, cruise companies have shifted towards new non-traditional private ports of call or new more privately controlled installations within the old ports. Costa Cruises, for example, visits Casa de Camp, a tropical seaside resort with golf courses in the Dominican province of La Romana. Cruise ship companies that visit the Dominican Republic today include Royal Caribbean (RCL), Norwegian Cruise Line, Seabourn, Holland America (HAL), and Silversea. Not surprisingly, top officials within the Dominican state have close ties with the business and have promoted its development continually over the years (Rosalinda Thomas, personal communication, 2015). Dominican President Daniel Medina, soon after coming into office, pledged to attract ten million tourists a year to the country and promptly met with executives from Royal Caribbean on one of their ships anchored in Bay of Samaná (Royal Caribbean 2013). Marking the first time a Dominican president addressed a cruise ship operator in a press-covered event for Dominican audiences, this meeting showcased the importance of the cruise ship business (Royal Caribbean 2013).

In 2011, in the Dominican Republic, tourism generated 4.3 billion in revenues, while 3.7 million foreign visitors traveled through the country's airports and 430,000 visited the island on board cruise vessels (Accessdr 2012a, 2012b). Tourists visiting the country had grown to 4.56 million in 2012, becoming the region's most highly visited country (Luxner 2013). Yet as a local tourism specialist, based in Puerto Plata in the Dominican Republic, explains, Amber Cove, the new private Carnival Cruise built port has caused problems locally: "Taxi cab drivers are complaining because many tourists are no longer coming into Puerto Plata (the nearby town). They can't afford their monthly car payments even. Carnival operations, running through its newly constructed [privatized] port, keep nearly all the passengers money [within their own corporate channels]." Protesting the lack of inputs for the local economy, some taxi drivers and local small business owners have begun meeting with government and business officials (Tourism industry worker in the Dominican Republic who requested anonymity, personal communication, 2014).

Whereas most visitors to Caribbean countries arrive by plane, new mega-projects look set to heavily expand the number of cruise visitors annually to many countries in the region (Luxner 2013). Yet tourists arriving both by air or cruise ships are increasingly channeled "within the company controlled bubbles," as explained a Jamaican entrepreneur in the tourist industry that I interviewed (Business entrepreneur from Ocho Rios, Jamaica, who requested anonymity, personal communication, 2014). This makes it necessary for local business people to form close relations with transnational cruise companies and other TNCs.

Global tourism has become a reality even in the poorest nations of the region. Haiti has served as a laboratory for the privatized cruise port. During the final stages of the Duvalier regime in 1986, Royal Caribbean International began cruises to Labadee, a heavily guarded and fenced-off private resort installation in the north of the country. Cruise operations to Haiti have run

smoothly, except for some brief shut downs during “emergency periods” in the country (Sprague, 2012b). Into the 2010s, Royal Caribbean ramped up its operations at the port, running a high volume of cruises (Booth 2010). The company leases five beaches and a forested peninsula from the Haitian state. After engaging in watersports, barbecues, and souvenir shopping within the premises, cruise passengers return at night to sleep on board their cruise vessel (Booth 2010). Approximately 300 locals work low-wage jobs at Labadee and a few hundred more are employed indirectly (Booth, 2010). Despite this idyllic and premium setting, Royal Caribbean pays the Haitian state a miserly \$6 per visitor. Since 2009, Labadee has been able to receive Oasis class ships, the world’s largest class of cruise ships with a maximum passenger occupancy of 5,400. Including staff, this raises the capacity of the new vessel to 6,296 (Royal Caribbean 2009).

Jamaica, another major population center in the region, is one of the most highly visited cruise ship destinations in the Caribbean. Ocho Rios, its most active cruise port, hosts more than 800,000 cruise visitors annually, followed by Montego Bay, which sees between 300,000 and 400,000 (Tortello 2006). Port Antonio has a much smaller cruise presence. Traditional ports of Kingston and Port Antonio are for the most part no longer utilized by the cruise ship business. Also, whereas the traditional ports can accommodate most ships, new ports and installations have and continue to be developed to accommodate the newer, much heavier ships. This has occurred alongside a trend of cruise lines taking over control of cruise terminals. Presently, cruise companies owe the Jamaican state tens of millions in unpaid taxes, although Jamaica’s government has not moved to collect (Dr. Ross Klein, personal communication, 2013).

New non-traditional private port installations have been set up in Jamaica, either as new enclaves within the traditional ports or within new company-owned ports. For instance, allowing for its new “mega-ships” to dock in the country, Royal Caribbean has developed Falmouth, a private terminal near Montego Bay. The cruise line has promoted the port as unique because of its close access to local city life, allowing passengers to have a “genuine” Jamaican experience. One press outlet describes, “during a Western Caribbean one-week cruise, Falmouth is the only opportunity for passengers to get a look at a real Caribbean island port city. Royal Caribbean and Jamaica have built a modern port facility, with docks and some local shops. Just two blocks away is a real city where residents seem to live much as they did 10 or 20 years ago” (Molyneaux 2012).

Wealth generated from the cruise ship business goes to a small handful of major capitalist investors, who in turn have allies in state apparatuses and among the local business community. Cruise ship companies, it can be argued, hold enormous sway in the region. State elites have become major promoters of the business, with state-sponsored tourism advertisement campaigns targeting wealthy and middle strata consumers abroad, as well as populations at home, to convince locals of the importance of the business. These government managers in the region under study are clearly under many pressures and are being compelled to integrate their nations into the

globalizing capitalist economy, with effects that extend to the broader society.⁸ In other words, looking at the cruise ship business as strictly foreign and therefore alien (through a nation-state centric perspective), incongruously juxtaposes place against space. Instead, we need to understand first and foremost how the changes taking place in the cruise business (and global tourism more broadly) are linked to the rise of a TCC, which gathers around it a host of allied social forces.

Cruise companies headed by transnational capitalists are deepening their strategies of accumulation in how they deal with states, labor, and passengers. Cruise ship business are digging deeper and deeper roots in many parts of the Caribbean to further control the activities of passengers: to limit or control local exposure and keep revenues in their hands which amounts partly to increasing the extraction of surplus value. This shows how capitalist expansion is not directed at national economic development. These processes also intensify the fragmentation, splintering, and undermining of the “national,” with the help of transnationally oriented forces (some locally based), in effect deepening the integration of the national into the global production/accumulation process (and inserting national power blocs into an emerging global power bloc (Robinson, 2014)). The point here is that the state is never neutral, nor does the working class necessarily have an ally in the national state, which has a direct interest in the exploitation of labor—hence the importance of elite’s waging class struggle to keep the popular classes at arm’s length from exercising state power with a view to changing structural conditions.

Ecological Disaster

A mounting crisis over recent decades has been the cruise business’s impact on the environment. Cruise ships unleash enormous amounts of waste and trash, and have been a contributing factor to the rapid decline of the Caribbean’s corral reefs (with more than half of its corral reefs eliminated since the 1970’s) (Klein 2009; Vidal 2016).

The few actions by some stronger states to enforce regional and environmental regulations have been stymied in recent decades as the cruise companies—adept at public relations and lobbying and with high-priced law firms—remain largely unaccountable. Klein (2015) documents how between 1997-2014 the cruise ship companies spent over 52 million USD on lobbying the U.S. congress. Caribbean state officials, also targeted by lobbyists, have hesitated to implement or enforce stronger environmental regulations for fear of their destinations losing revenue by becoming less globally competitive. Despite this, cruise companies, as Klein concludes, “would lead us to believe that cruise ships are environmentally neutral. The cruise business projects this image through its lobbyists, public relations campaigns, infiltration of environmental

⁸ Even in the particular case of Cuba, as it adapts and faces new contradictions, and as it integrates to some degree with the global capitalist economy, a major overhaul of the port of Habana is being undertaken so as to bring in transnational cruise ship and tourism.

organizations, and advertising...” (2005: 170). Amidst criticism, legal actions, and fines over its environmental impact, cruise companies have sought to mitigate or downplay their environmental impact and risk therein.

Caribbean government elites disposed toward the mass-tourism development projects of TNCs often point to immediate economic benefits, whereas the environmental damage can take a long time to accumulate and be assessed. Even Cuba, the site of the region’s most unspoiled corral reefs, has recently become a destination for cruise ships. How this will impact the surrounding reefs and how it will be managed remains to be seen, but over past decades and across the region the cruise business has left a trail of destruction. When we consider the environmental and ecological contradictions, it becomes evident that the cruise ship business contributes to intensifying ecological disasters.

While cruise companies have put into place new waste treatment mechanisms, the business is still believed to release into the world’s oceans daily between 40 and 120 tons of concentrated sewage sludge that includes beryllium, lead, mercury, and other harmful emissions. While there are various “memoranda of understandings” between the cruise industry and the United States over these environmental impacts, these rely only on voluntary compliance (Friends of the Earth 2014; Walker 2010). Key for cruise ship companies is managing public opinion so that criticism of these types of activities does not grow (Klein, 2009).

Conclusion: Cruise Ships, Transnational Capital, Labor, and the State

The cruise ship business increasingly functions as an oligopoly controlled by groups from the TCC, driving smaller competitors out of business or acquiring them. It controls and influences chains of accumulation into which so many other business groups and subcontractors have sought to insert themselves. Exploiting labor and poor communities, transnational capitalists profit from the holiday escapes of high consuming strata in global society. The changing social relations and productive activities that undergird the business have meant massive profits for transnational capitalists, as well as small gains for some managerial, subcontractor, and professional groups. Local markets interacting with cruise passengers have largely come under direct company control or contract as the cruise companies have become proficient in repatriating the onshore spending of passengers.

On the other hand, laborers and lower-income communities connected with the cruise ship business are highly exploited, with many *super-exploited* (as negatively racialized workers, many of whom are easily deportable due to their citizenship status). As previously pointed out there are also many gendered dynamics in regards to how labor is exploited in the business. As capital transnationalizes, workers face new flexibilized regimes as they sell their labor power to TNCs and their affiliated businesses (Chin 2008; Mason 2010; Oyogoa 2015a, 2015b; van Fossen 2016).

Labor in the business needs to develop its own transnational infrastructure, mechanisms through which workers from diverse backgrounds can organize and coordinate their struggle.

Governments in the Caribbean region have largely handed over control of port authorities or reformed them so as to operate in tandem with the business. Reflected in the policies they have promoted, local state officials and elites in the Caribbean actively encourage transnational capitalist investment, due in part to their social reproduction now depending upon this type of capital accumulation (Robinson 2012; Sprague 2012a; Sprague-Silgado, 2017). At the same time, officials and managerial strata operating through more powerful state apparatuses, most importantly the United States, with the spectacular resources at its disposal, are vital for facilitating networks of global capitalist accumulation (Robinson, 2014). We can see that state managers increasingly behave in ways that extend the rights and power of transnational capital, while diminishing their own ability to act in particular circumstances and with all manner of implications for what it means to be national. State apparatuses never seem as sovereign as when their officials deploy state power in the global arena to defend and protect the rights of transnational capital, which extends to the right to exploit labor, that involves, for instance, local state managers in the Caribbean leasing land or privatizing ports (Labadie, Falmouth, etc.).

I have attempted to demonstrate that the cruise ship business is organized in keeping with the concentration and centralization of capital under capitalist globalization with the transnational features noted. As earlier national and inter-national circuits of accumulation fragment and undergo an insertion into chains of accumulation that are functionally integrated across borders, many social and material relations are undergoing novel changes. We see this within the cruise ship business, where its globalization not only contributes to ecological crises but also leads to unimaginable wealth for some and to new exploitative and contradictory social relations for many more.

About the Author

Jeb Sprague-Silgado is in the Department of Sociology at the University of California, Santa Barbara and is a founding member of the Network for Critical Studies of Global Capitalism. View his academic website at: <https://sites.google.com/site/jebSprague/>.

Disclosure Statement

Any conflicts of interest are reported in the acknowledgments section of the article's text. Otherwise, authors have indicated that they have no conflict of interests upon submission of their article to the journal.

References

- Accessdr. 2012a. "New Dominican president will encourage more investment in Tourism industry." Retrieved May, 5 2016 (<http://www.accessdr.com/2012/08/new-dominican-president-will-encourage-more-investment-in-tourism-industry/>).
- Accessdr. 2012b. "430,000 cruise ship tourists visit the Dominican Republic." Retrieved May 6, 2016 (<http://www.accessdr.com/2012/04/430000-cruise-ship-tourists-visit-the-dominican-republic/>).
- Agnew, John. 2009. *Globalization and Sovereignty*. Lanham, MD: Rowman and Littlefield Publishers.
- Amin, Samir. 2011. "Transnational Capitalism or Collective Imperialism." *Pambazuka News*, March 23. Retrieved April 26, 2015 (<http://www.pambazuka.org/global-south/transnational-capitalism-or-collective-imperialism>).
- Baker, Yousef. 2014. "Global capitalism and Iraq: The Making of a Neoliberal State." *International Review of Modern Sociology* 4(2): 121-148.
- Booth, Robert. 2010. "Cruise ships still find a Haitian berth." *The Guardian*, January 17. Retrieved February 10, 2015 (<http://www.theguardian.com/world/2010/jan/17/cruise-ships-haiti-earthquake>).
- Boyce, Hayden. 2003. "Cruise liners seeking to divide and rule the Caribbean." *Nassau Guardian*, 23 October.
- Britell, Alexander. 2013. "Interview with Micky Arison, Chairman of Carnival Corporation." *Caribbean Journal*. Retrieved December 3, 2015 (<http://www.caribjournal.com/2013/12/17/interview-with-micky-arison-chairman-of-carnival-corporation/>).
- Budget Travel. 2012. "Cruise Port Secrets I wish I'd Known Before My Last Vacation." Retrieved March 18, 2015 (<http://www.budgettravel.com/feature/most-popular-cruise-ports,8319/>).

- Cabezas, Amalia L. 2009. *Economies of Desire: Sex and Tourism in Cuba and the Dominican Republic*. Philadelphia, PA: Temple University Press.
- Castillo-Mussot, Marcelo del., Jeb Sprague, and Alfredo de la Lama García. 2013. "Global capitalism and "north-south" unevenness: In light of ranking, statistical correlations, and profits of Forbes world list of top 2000 firms." *Perspectives on Global Development and Technology* 12: 219-245.
- Chanev, Chavdar. 2015. "Cruise Ship Registry, Flag State Control, Flag of Convenience." *CruiseMapper*. Retrieved June 20, 2016 (<http://www.cruisemapper.com/wiki/758-cruise-ship-registry-flags-of-convenience-flag-state-control>).
- Chase, Gregory Lee. 2002. *The economic impact of cruise ships in the 1990s: Some evidence from the Caribbean*. Kent, OH: Kent State University Graduate School of Management, Doctoral Dissertation.
- Chin, Christine B. N. 2008. "Labor flexibilization at sea." *International Feminist Journal of Politics* 10(1): 1-18.
- Clancy, Michael. 2008. "Cruisin' to exclusion: Commodity Chains, the Cruise Industry, and Development in the Caribbean." *Globalizations* 5(3): 405-418.
- Cwerner, Saulo., Sven Kesselring, and John Urry, Eds. 2009. *Aeromobilities*. Oxford: Routledge.
- Daye, Marcella. 2011. *New perspectives in Caribbean tourism*. Oxford: Routledge.
- Cruise Market Watch. 2016. "Growth in the Cruise Line Industry". Retrieved February 11, 2017 (<http://www.cruisemarketwatch.com/growth/>).
- Dicken, Peter. 2007. *Global Shift: Mapping the Changing Contours of the World Economy*. NY, New York: The Guilford Press.
- Dowling, Ross K. 2006. *Cruise ship tourism*. Boston, MA: CABI.
- Forbes. 2009. "The 400 richest Americans: #56 Micky Arison." Retrieved April 10, 2015 (http://www.forbes.com/lists/2009/54/rich-list-09_Micky-Arison_OAU8.html).
- Forbes. 2013. "Micky Arison net worth \$5.9 B as of September 2013." Retrieved April 8, 2015 (<http://www.forbes.com/profile/micky-arison/>).
- Friends of the Earth. 2014. "2014 Cruise Ship Report Card." Retrieved March 10, 2016 (<http://www.foe.org/cruise-report-card>).
- Garin, Kristoffer A. 2006. *Devils in the blue sea: The dreams, schemes and showdowns that built America's cruise-ship empires*. NY, New York: Penguin Group.
- Gmelch, George. 2003. *Behind the Smile: The working lives of Caribbean Tourism*. Bloomington, IN: Indiana University Press.
- Hanieh, Adam. 2011. "The Internationalization of Gulf Capital and Palestinian Class Formation." *Capital and Class* 35(1):81-106.

- Harris, Jerry. 2008. *The dialectics of globalization: Economic and political conflict in a transnational world*. Newcastle upon Tyne: Cambridge Scholars Publishing.
- Harris, Jerry. 2016. *Global capitalism and the crisis of democracy*. Atlanta, GA: Clarity Press.
- Heilman, Wayne. 2012. "Carnival moving Springs call center workers to homes." *The Gazette*. Retrieved January 10, 2016 (<http://gazette.com/article/138073/>).
- Hogue, John S. 2013. *Cruise Ship Diplomacy: Making U.S. leisure and power in the Anglophone Caribbean, 1900-1973*. Ann Arbor, MI: ProQuest LLC.
- Hoogvelt, Ankie. 2001. *Globalization and the postcolonial world: The new political economy of development*. Baltimore, MD: John Hopkins University Press.
- ITF (International Transport Workers' Federation). (2006). "What are flags of convenience?" *itfglobal.org*. Retrieved March 10, 2015 (<http://www.itfglobal.org/flags-convenience/sub-page.cfm>).
- Kempadoo, Kamala. 2004. *Sexing the Caribbean: Gender, race, and sexual labor*. Routledge.
- Klein, Ross. 2001/2002. "High seas, low pay: working on cruise ships," *Our Times: Canada's Independent Labour Magazine*. Available online at: <http://www.cruisejunkie.com/ot.html>.
- Klein, Ross. 2005. *Cruise ship squeeze: The new pirates of the seven seas*. Gabriola, BC, Canada: New Society Publishers.
- Klein, Ross. 2009. "Environmental impacts of cruise tourism." *Prows edge cruise magazine and guide to cruising*. Retrieved April 8, 2015 (<http://www.prowsedge.com/views-ross-klein.html>).
- Klein, Ross. 2015. "Reported cruise industry spending on lobbying the US congress, 1997-2014." Retrieved February 11, 2017 (<http://www.cruisejunkie.com/lobbying.pdf>).
- Kuehmayer, J.R. 2013. "Cruise ship owners/operators and passenger ship financing & management companies." *Austrian Marine Equipment Manufacturers*. Retrieved December 18, 2015 (http://www.amem.at/pdf/AMEM_Cruise-Ship-Owners-And-Operators.pdf).
- Liechty, Mark. 2003. *Suitably modern: Making middle-class culture in a new consumer society*. Princeton, New Jersey: Princeton University Press.
- Linebaugh, Peter and Marcus Rediker. 2013. *The Many-Headed Hydra: Sailors, Slaves, Commoners, and the Hidden History of the Revolutionary Atlantic*. Boston, MA: Beacon Press.
- Liodakis, George. 1990. "International Division of Labor and Uneven Development: A Review of the Theory and Evidence", *Review of Radical Political Economics* 22(2-3).
- Liodakis, George. 2013. *Totalitarian capitalism and beyond*. London: Ashgate.

- Lumsdon, Les M., & Stephen J. Page (Eds.). 2003. *Tourism and transport: Advances in tourism research*. NY, NY: Routledge.
- Luxner, Larry. 2013. "Dominican Republic leads Caribbean in tourist arrivals." Retrieved January 20, 2016 (<http://newsismybusiness.com/dominican-republic-leads-caribbean-in-tourist-arrivals/>).
- MacCannell, Dean. 1976. *The tourist: A new theory of the leisure class*. New York: Schocken Books. Occupy.com
- Marshal, Andrew Gavin. 2013. "Global Power Project, Part 4: Banking on Influence with JPMorgan Chase." Retrieved April 20, 2015 (<http://www.occupy.com/article/global-power-project-part-4-banking-influence-jpmorgan-chase#sthash.gHRW3QY1.dpbs>).
- Mason, Paul. 2010. *Live working or die fighting: How the working class went global*. Chicago, IL: Haymarket Books.
- Marx, Karl. 1992. *Capital: Volume I: A critique of political economy*. London: Penguin Books.
- McNeil, Linsey. 2013. "Royal Caribbean to move its call centre to Guatemala." *TravelMole*. Retrieved February 18, 2016 (http://www.travelmole.com/news_feature.php?news_id=2008068).
- Mies, Maria. 1986. *Patriarchy and accumulation on a world scale: Women in the international division of labour*. London: Zed Books.
- Molyneaux, David G. 2012. "Cruise lines: Developing destinations." *Miami Herald*. Retrieved October 3, 2015 (<http://www.miamiherald.com/2012/10/20/3057708/developing-destinations.html>).
- Mowforth, Martin and Ian Munt. 2008. *Tourism and sustainability: Development, globalisation and new tourism in the Third World*. London: Routledge.
- Murray, Georgina. and John Scott, Eds. 2012. *Financial Elite and Transnational Business: Who Rules the World?* Edward Elgar Publishers.
- Oyogoa, Francisca. 2016a. "Cruise Ships: A Triumph of Global Capitalism and Exemplar of Racialized Servility." Paper presented at the annual meeting of the *American Sociological Association Annual Meeting, Chicago, Illinois, August 20*.
- Oyogoa, Francisca. 2016b. "Cruise Ships: Continuity and change in the world-system." *Journal of World-Systems Research* 22(1) 32-37.
- Pattullo, Poly. 2005. *Last Resorts: The Cost of Tourism in the Caribbean*. New York, NY: Monthly Review Press.
- Poulantzas, Nicos. 1978. *State, Power, Socialism*. London: New Left Books.
- Rohde, David. 2012. "The swelling middle." *Reuters*. Retrieved September 22, 2015 (<http://www.reuters.com/middle-class-infographic>).

- Robinson, William. I. 2003. *Transnational conflicts: Central America, social change, and globalization*. London: Verso.
- Robinson, William. I. 2004. *A theory of global capitalism: Production, class, and state in a transnational world*. Baltimore, MD: John Hopkins University Press.
- Robinson, William. I. 2007. "Beyond the theory of imperialism: global capitalism and the transnational state." *Societies without borders 2*: 5-26.
- Robinson, William. I. 2014. *Global capitalism and the crisis of humanity*. Cambridge: Cambridge University Press.
- Robinson, William. I. and Jeb Sprague-Silgado. 2018. "The Transnational Capitalist Class: Origin and Evolution of a Concept" in Mark Juergensmeyer, Manfred Steger, Saskia Sassen, and Victor Faesse, Eds., *The Oxford Handbook of Global Studies* (Oxford: Oxford University Press). In Press.
- Rodrigue, Jean-Paul., Claude Comtois, and Brian Slack. 2013. *The geography of transport systems*. NY, New York: Routledge.
- Royal Caribbean. 2009. "Oasis of the Seas." Retrieved September 19, 2015 (http://www.oasisoftheseas.com/presskit/Oasis_of_the_Seas.pdf).
- Royal Caribbean. 2013. "Royal Caribbean to base Explorer of the Seas out of Port Canaveral." Retrieved September 19, 2015 (<http://www.royalcaribbeanblog.com/2013/05/24/royal-caribbean-base-explorer-seas-out-port-canaveral>).
- Sheller, Mimi. 2003. *Consuming the Caribbean: From Arawaks to Zombies*. London: Routledge.
- Sklair, Leslie. 2001. *The transnational capitalist class*. Hoboken, NJ: Wiley-Blackwell.
- Sklair, Leslie. 2002. *Globalization: capitalism and its alternatives*. Oxford: Oxford University Press.
- Sklair, Leslie. 2012. "Culture-Ideology of consumerism." In George Ritzer (ed.), *The Wiley-Blackwell Encyclopedia of Globalization*. Malden, MA and Oxford: Blackwell Publishing Ltd).
- Sprague, Jeb. 2012a. "Transnational state." Pp. 2031-2037 in *The Wiley-Blackwell Encyclopedia of Globalization*, edited by G. Ritzer. Malden, MA: Blackwell Publishing Ltd.
- Sprague, Jeb. 2012b. *Paramilitarism and the Assault on Democracy in Haiti*. New York, NY: Monthly Review Press.
- Sprague, Jeb. 2014a. "Review of Leo Panitch and Sam Gindin, *The Making of Global Capitalism: The Political Economy of American Empire*, London: Verso (2012)." *Critical Sociology* 40(5): 803-807.

- Sprague, Jeb. 2014b. "Transnational Corporations in Twenty-first Century Capitalism: An Interview with Grazia Ietto-Gillies." *Critical Perspectives on International Business* 10(1): 35-50.
- Sprague, Jeb. 2015. "From international to transnational mining: The industry's shifting political economy and the Caribbean." *Caribbean Studies* 43(1): 71-110.
- Sprague, Jeb. 2016. *Globalization and Transnational Capitalism in Asia and Oceania*. Abingdon, Oxon; New York, NY: Routledge.
- Sprague-Silgado, Jeb. 2017. "Toward an Understanding of Transnational Capitalism in the Caribbean: A Book Review of Hilbourne Watson, Eds., *Globalization, Sovereignty and Citizenship in the Caribbean*. Mona, Jamaica: University of the West Indies Press (2015)." *Latin American Perspectives*. In Press.
- Sprague-Silgado, Jeb. 2018. *The Caribbean and Global Capitalism*. Forthcoming.
- Struna, Jason. 2009. "Toward a theory of global proletarian fractions." *Perspectives on Global Development and Technology* 8: 230-260.
- Terry, William C. 2013. "The perfect worker: discursive makings of Filipinos in the workplace hierarchy of the globalized cruise industry." *Social & Cultural Geography* 15(1): 73-93.
- Theobald, William. F. 2004. *Global tourism*. NY, New York: Routledge
- Tortello, Rebecca. 2006. "Somewhere beyond the sea: Jamaica's role in the history of the cruise line industry." *Jamaica Gleaner*. Retrieved August 8, 2015 (<http://jamaica-gleaner.com/pages/history/story0076.html>).
- Trade Winds. 2014. "Carnival synergies hunt could extend to new buildings." Retrieved August 8, 2015 (<http://www.tradewindsnews.com/weekly/333994/carnival-synergies-hunt-could-extend-to-newbuildings>).
- Travel Weekly. 2003. "Carnival, P&O Princess tackle synergies." Retrieved May 3, 2016 (<http://www.travelweekly.com/Cruise-Travel/Carnival-P-O-Princess-tackle-synergies>).
- Uebersax, Mary B. 1996. "Indecent proposal: Cruise ship pollution in the Caribbean." *Planeta.com*, Retrieved November 17, 2015 (<http://www.planeta.com/planeta/96/0896cruise.html>).
- UNWTO. 2011. "Tourism towards 2030 global overview." *United Nations world tourism organization*. Retrieved January 20, 2016. (<http://www.e-unwto.org/content/w45127/?p=189899a5998f428f99f66ca0e17d2218>).
- UNWTO. 2012. "International tourism hits one billion." *United Nations World Tourism Organization*. Retrieved December 1, 2015 (<http://media.unwto.org/press-release/2012-12-12/international-tourism-hits-one-billion>).
- Urry, John. 1990. *The Tourist Gaze: Leisure and Travel in Contemporary Societies*. Thousand Oaks, CA: SAGE Publications.

- van Fossen, Anthony. 2016. "Flags of Convenience and Global Capitalism." *International Critical Thought* 6(3): 359-377.
- Walker, Jim. 2010. "Reason No. 9 Not To Cruise: Bunker Fuel-Nasty Tar Sludge!" Retrieved August 18, 2015 (<http://www.cruiselawnews.com/2010/05/articles/pollution-1/reason-no-9-not-to-cruise-bunker-fuel-nasty-tar-sludge/>).
- Wallerstein, Immanuel. 2004. *World-Systems Analysis: An Introduction*. Duke University Press.
- War on Want and ITF. 2002. "Sweatships." Retrieved September 2015 (<http://www.waronwant.org/attachments/Sweatships.pdf>).
- Watson, Hilbourne. 2015. *Globalization, Sovereignty and Citizenship in the Caribbean*. Mona, Jamaica: The University of the West Indies Press.
- Weaver, David Bruce. 2001. "Mass tourism and alternative tourism in the Caribbean." In David Harrison (Ed.), Wallingford: *Tourism and the less developed world*. CABI.
- Williams, Eric. 1994. *Capitalism and Slavery*. Chapel Hill, NC: The University of North Carolina Press.
- Wolf, Eric. R. 2010. *Europe and the People Without History*. Berkeley, CA: University of California Press.
- Wonders, Nancy A. and Raymond Michalowski. 2001. "Bodies, borders, and sex tourism in a globalized world: a tale of two cities-Amsterdam and Havana." *Social Problems*, 48(4): 545-571.
- Wood, Ellen Meiksins. 2007. "A Reply to My Critics," *Historical Materialism*, 15:143- 170.
- World Travel & Tourism Council. 2013. "Economic impact 2012." Retrieved December 8, 2016 (http://www.wttc.org/site_media/uploads/downloads/world2012.pdf).
- Yelvington, Kevin. 1995. *Producing Power: Ethnicity, Gender, and Class in a Caribbean Workplace*. Temple University Press.
- Vidal, John. 2016. "The world's largest cruise ship and its supersized pollution problem." *The Guardian*. Retrieved January 3, 2017_ (<https://www.theguardian.com/environment/2016/may/21/the-worlds-largest-cruise-ship-and-its-supersized-pollution-problem>).