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Research article

Stratified resilience in a small island tourism system: Evidence from Seychelles during the COVID-19 pandemic

Ingrid Michelle Villatoro Valladares*[1] and Laia Pié Dols[1]

[1] Markets and Financial Analysis Research Group, Department of Business Management, Faculty of Business and Economics, Universitat Rovira i Virgili, Reus, Spain

ABSTRACT

Small Island Developing States (SIDS) are highly exposed to external shocks because of tourism dependence, import intensity and limited economic diversification. This study examines how accommodation providers in Seychelles, an African small island tourism economy, coped with the COVID-19 pandemic and whether resilience was evenly distributed across the sector. An exploratory qualitative case study design was adopted. Organisation-level insights were collected through a semi-structured online qualitative questionnaire administered to accommodation managers in hotels, guesthouses and self-catering establishments, and triangulated with national tourism and economic indicators to contextualise disruption and early recovery. The findings show uneven resilience across accommodation profiles. Internationally branded and long-established establishments were generally better positioned to absorb disruption and reposition operations, while smaller locally owned businesses faced financial vulnerability associated with currency depreciation, liquidity constraints and limited access to credit. Coping strategies clustered around cost control, temporary operational adjustment, renovation during downtime and demand stimulation through discounting, with uneven uptake of digital tools. The paper contributes analytically transferable evidence from an African tourism-dependent small-island context by showing that crisis support measures and consultation processes should be differentiated by firm profile to avoid reinforcing structural inequality during recovery.

KEYWORDS

Small Island Developing States; coping strategies; resilience; accommodation sector; Seychelles

Introduction

Small islands are frequently characterised by economic openness, narrow production bases, limited domestic markets and pronounced exposure to external shocks (Briguglio, 1995; Gounder & Cox, 2021). These vulnerabilities are intensified in Small Island Developing States (SIDS) by reliance on international travel, foreign-exchange earnings and tourism-related employment (Li, 2016). Tourism therefore functions as both a core engine of growth and a key channel through which global disturbances are transmitted into island economies. As a result, crises that disrupt mobility, financial flows and perceptions of risk can generate disproportionately large economic and social impacts in island contexts. The COVID-19 pandemic constituted an unprecedented shock to international tourism. Border closures, flight suspensions and public health restrictions abruptly impeded travel and interrupted revenue streams across tourism-dependent economies. In small island states, the crisis acted as a systemic stress test that exposed structural fragilities while also revealing differences in adaptive capacity across tourism actors and institutions. Although an expanding body of research has documented macroeconomic impacts and government crisis management responses (Filho et al., 2020; Madhuvanti et al., 2020; Murphy et al., 2020), less attention has been devoted to how tourism firms—particularly accommodation providers—coped operationally with prolonged disruption and uncertainty. Existing studies on tourism resilience during COVID-19 have primarily focused on national recovery trajectories, policy responses and sector-wide indicators (Colmekcioglu et al., 2022;

CORRESPONDING AUTHOR'S CONTACT: Ingrid M. V. Valladares ingridmichelle.villatoro@estudiants.urv.cat
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Pham et al., 2021; Smart et al., 2021). These contributions provide valuable macro-level insights but offer limited understanding of how coping strategies vary across accommodation types, ownership structures and scales of operation in island economies. Such heterogeneity is central to resilience in small island tourism systems, where access to finance, institutional relationships and historical development pathways shape firms' capacity to absorb shocks and adapt under constraint.

Recent AJHTL scholarship has examined COVID-19 vulnerability, resilience and recovery across African tourism and hospitality contexts, including tourism spaces of vulnerability and changing tourism demand in South Africa (Rogerson & Rogerson, 2020, 2021), the hotel sector in South Africa (Sucheran, 2021), East Africa's tourism industry (Ezra et al., 2021), urban tourism destinations in South Africa (Rogerson & Rogerson, 2022), and recovery strategies in niche tourism and urban precincts (Magangqaza, 2025; Townes et al., 2025). These studies establish a relevant African tourism-resilience conversation; however, the Seychelles case extends this debate by focusing on a tourism-dependent SIDS and by showing how resilience is stratified within the accommodation sector itself. This paper addresses this gap by examining accommodation-sector responses to the COVID-19 pandemic in Seychelles, a tourism-dependent SIDS in the western Indian Ocean. Using an exploratory qualitative case study design, the study analyses how hotels, guesthouses and self-catering establishments experienced disruption and implemented coping strategies across pre-pandemic, crisis and early recovery phases. The analysis shows uneven resilience across accommodation profiles, closely linked to ownership structure, scale of operation, length of market presence and access to financial resources. The paper makes three contributions. First, it provides micro-level evidence on crisis coping within a tourism-dependent island economy, complementing largely macro-oriented analyses. Second, it demonstrates how adaptive capacity is structured within the accommodation sector, rather than assumed to be uniform. Third, it offers analytically transferable insights into the governance and financial conditions that shape uneven resilience across tourism actors in SIDS contexts.

Literature review and conceptual framing

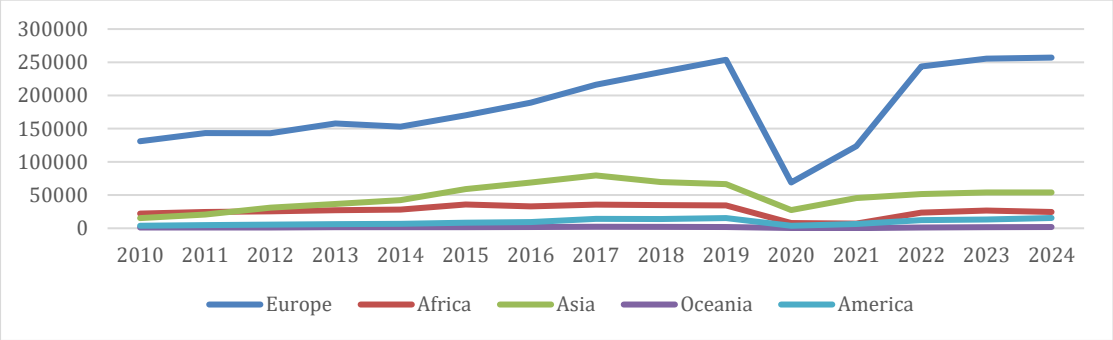
Island economies are widely recognised as structurally vulnerable due to limited economic diversification, small domestic markets, high import dependence and pronounced exposure to external shocks (Briguglio, 1995; Gounder & Cox, 2021). These characteristics are particularly severe in Small Island Developing States (SIDS), where economic activity is often concentrated in a narrow set of sectors and heavily dependent on international exchange. Tourism occupies a central position in this configuration, generating foreign exchange, employment and public revenue while simultaneously increasing exposure to fluctuations in global demand, mobility disruptions and perceived risk (Li, 2016). The COVID-19 pandemic highlighted the dual role of tourism in island economies as both a potential source of resilience and a channel of vulnerability. While tourism can contribute to post-crisis recovery and economic stabilisation (Kumar Narayan, 2004; Neef, 2021), heavy reliance on international travel renders island destinations highly sensitive to border closures, health emergencies and changes in traveller behaviour (Filho et al., 2020; Madhuvanti et al., 2020; Williams et al., 2022). Recent research on island and tourism resilience therefore emphasises the need to move beyond aggregate performance indicators and examine how crisis impacts and responses unfold within specific sectors and institutional settings (Bulchand-Gidumal, 2022; Figueroa et al., 2021). Within this literature, resilience is increasingly conceptualised not as a static attribute, but as a dynamic and relational process shaped by structural conditions, governance arrangements and access to resources (Cook & Jóhannsdóttir, 2021; Lewis-Cameron & Brown-Williams, 2022). From this perspective, the ability of tourism actors to cope with crisis conditions depends not only on managerial decision-making or innovation, but also on ownership structure, scale of operation, financial buffering, institutional relationships and historical development trajectories (Janssen & van der Voort, 2020; Sobaih et al., 2021). This study adopts a process-oriented and context-sensitive view of crisis coping that situates firm responses within the wider financial and governance conditions of a small island tourism economy. Coping strategies are conceptualised as constrained adaptations shaped by an actor's position within the tourism system, rather than as universally transferable best practices. This framing supports analysis of uneven resilience across accommodation types in Seychelles by focusing on how access to finance, size, ownership profile and length of market presence influence the capacity to absorb disruption, maintain operations and reposition during recovery.

Case context: Seychelles

Seychelles is a small island state in the western Indian Ocean comprising a dispersed archipelago of granitic and coralline islands, with a population of approximately 100,000. Tourism and fisheries constitute the main pillars of the national economy, with tourism representing a central source of employment, foreign-exchange earnings and public revenue. Prior to the COVID-19 shock, Seychelles was among the most tourism-

dependent economies globally: In 2019, travel and tourism directly contributed around a quarter of Seychelles' GDP (World Bank, 2023). Between 2010 and 2019, the country experienced sustained growth in visitor arrivals, reaching a historical peak of almost 385,000 arrivals in 2019 (Figure 1). This expansion was accompanied by rapid growth in accommodation capacity across hotels, guesthouses and self-catering establishments. Despite its positioning as a high-end destination, the accommodation sector in Seychelles is heterogeneous in ownership structure, scale of operation and market orientation, ranging from internationally branded resorts to locally owned guesthouses and small self-catering units. The onset of the COVID-19 pandemic in early 2020 abruptly interrupted this trajectory. Border closures and global travel restrictions led to a collapse in tourist arrivals and a sharp decline in foreign-exchange inflows. Tourism revenues fell by approximately 70 per cent in 2020, generating acute liquidity pressures and contributing to currency depreciation (Rassool et al., 2020). Given Seychelles' high import dependence, exchange-rate instability further amplified operating costs across the tourism sector. Government responses included nationwide lockdowns, phased border reopening, emergency wage-support measures and credit facilities administered through the Central Bank of Seychelles. These measures shaped the institutional environment within which accommodation providers sought to cope with prolonged disruption and uncertainty. The crisis therefore provides a particularly instructive context for examining how adaptive capacity is structured within a tourism-dependent island system.

Figure 1 Evolution of tourist arrivals in Seychelles before, during, and after the COVID-19 shock



Note. Data source: National Bureau of Statistics of Seychelles.

In addition to high aggregate dependence on tourism, Seychelles exhibits a segmented accommodation sector that reflects broader patterns of inequality within the island economy. Internationally branded resorts and large hotels are typically integrated into global value chains, benefit from access to foreign capital, and maintain long-standing relationships with international tour operators and commercial banks. In contrast, locally owned guesthouses and self-catering establishments are often family-run enterprises, more reliant on domestic financing and short-term cash flows, and more exposed to exchange-rate movements and import-price pressures. This segmentation has important implications for crisis exposure and adaptive capacity. Larger establishments tend to operate with more diversified revenue streams, formalised governance structures and established risk-management practices, while smaller operators often depend on personal savings, informal credit arrangements and direct owner management. Shocks transmitted through border closures, currency depreciation and credit tightening are therefore likely to affect accommodation segments unevenly. Labour market dynamics further shape vulnerability within the sector. The accommodation industry in Seychelles relies heavily on foreign labour under the Gainful Occupation Permit system, particularly in skilled and managerial positions. Travel restrictions and limitations on permit renewals during the pandemic disrupted not only tourist arrivals but also staffing capacity and operational continuity in parts of the sector. Together, these characteristics make Seychelles an analytically rich case for examining uneven resilience within a tourism-dependent small island context.

Methods

This study adopts an exploratory qualitative case study design to examine coping strategies within a tourism-dependent small island context. Seychelles was selected as a critical case due to high reliance on tourism for economic activity, employment and foreign-exchange earnings, and pronounced exposure to global shocks affecting mobility and financial flows. A case study approach is appropriate in small island settings where structural vulnerability and contextual specificity warrant in-depth, analytically focused investigation. Data sources and collection: Data were collected from multiple sources to capture both sectoral context and organisation-level perspectives. Secondary data were drawn from official statistics and policy documentation produced by the National Bureau of Statistics, the Central Bank of Seychelles and the Ministry of Health.

These sources provided contextual information on tourism performance, macroeconomic conditions, exchange-rate movements and crisis-related measures, and were used to reconstruct the trajectory of the shock and early recovery phases. Primary qualitative data were gathered from accommodation managers through a semi-structured online qualitative questionnaire distributed via the Seychelles Hospitality and Tourism Association. Data collection took place between July 2021 and July 2022, a period characterised by ongoing operational disruption and phased border reopening. Twelve completed responses were obtained from hotels, guesthouses and self-catering establishments. While the sample is small, the respondents represent key segments of the accommodation sector and provide detailed insights into firm-level experiences during the crisis. The questionnaire combined closed and open-ended questions. Closed questions captured indicators of disruption and recovery, including changes in occupancy levels, revenue trajectories, access to credit, wage adjustments and recovery expectations across pre-pandemic, crisis and early recovery phases. Open-ended questions invited respondents to describe the most significant challenges faced, coping strategies adopted, perceptions of government support and lessons for future crisis preparedness.

Qualitative responses were analysed using an inductive thematic approach. Initial coding identified recurring themes related to financial vulnerability, labour management, pricing strategies, institutional support and recovery dynamics. Themes were refined through iterative comparison across accommodation types and ownership profiles to identify patterned differences in adaptive capacity. Attention was paid to the interaction between firm-level strategies and broader financial and governance conditions. To enhance credibility, organisation-level responses were triangulated with national tourism and economic indicators. Analytical categories were developed through successive rounds of analysis via repeated reading and constant comparison across accommodation types and ownership profiles. Illustrative quotations are used to support interpretations and preserve respondent voice. All completed questionnaires were exported to a spreadsheet and then imported into a text file for analysis. Closed responses were summarised descriptively to identify broad patterns by accommodation type (hotel, guesthouse, self-catering) and ownership profile (local vs international). Open responses were coded manually in two cycles. In the first cycle, initial codes captured concrete operational responses (e.g., cost controls, pricing adjustments, loan renegotiation, staffing decisions) and perceived constraints (e.g., foreign-exchange pressure, supply disruption, policy uncertainty). In the second cycle, codes were grouped into higher-order themes reflecting (i) exposure and financial vulnerability, (ii) coping strategies under constraint, and (iii) recovery expectations and institutional support. To improve dependability, coding decisions were recorded in a short audit trail, and emerging interpretations were checked against the secondary indicators and against contrasting cases (for example, internationally branded vs locally owned establishments). Reflexive note: The researchers approached the case with prior familiarity with small-island tourism dependence and crisis literature, which informed the sensitising concepts (vulnerability, adaptive capacity, governance). To reduce confirmation bias, the analysis deliberately searched for disconfirming evidence (e.g., instances of locally owned establishments reporting relative stability, or larger operators reporting severe distress) and retained quotations that illustrate both convergence and divergence across profiles.

Participation was voluntary. Respondents were informed of the study purpose and that responses would be analysed anonymously and reported in aggregate. No identifying business information is disclosed. The study used non-identifiable organisational responses and followed university research ethics principles for voluntary participation, anonymity and responsible data handling. The small sample size reflects the practical constraints of data collection during an ongoing crisis and limits statistical generalisability. Response bias may also be present, as establishments experiencing either acute distress or relatively successful adaptation may have been more likely to participate. Nevertheless, triangulation with national-level tourism and economic data strengthens the credibility of the analysis, and the qualitative design supports analytic transferability rather than representativeness. The aim is not to estimate population parameters but to generate context-sensitive insights into how resilience and vulnerability are structured within tourism-dependent island economies.

Results

This section presents the empirical findings from the qualitative case study, focusing on three interrelated dimensions: (i) differentiated exposure to disruption across accommodation types, (ii) coping strategies implemented during the crisis, and (iii) early recovery dynamics and expectations. These findings illustrate how adaptive capacity within the Seychelles accommodation sector was unevenly distributed and structurally conditioned.

Differentiated exposure to disruption across accommodation types

All respondents reported severe disruption following border closures and the collapse of international arrivals in 2020. However, the magnitude and consequences of this disruption varied substantially across accommodation

types and ownership structures. Internationally branded and long-established hotels generally experienced sharp revenue losses but retained greater capacity to absorb short-term liquidity shocks. Several respondents in this category reported the ability to suspend operations temporarily, negotiate moratoria with banks, and continue servicing fixed costs using accumulated reserves or corporate support from parent companies. In contrast, smaller and locally owned establishments—particularly self-catering units and guesthouses—faced heightened exposure to financial vulnerability. These providers reported acute sensitivity to currency depreciation, rising import costs, and difficulties servicing existing loans. One respondent noted that although banks granted temporary moratoria, interest continued to accumulate, increasing overall indebtedness and raising concerns about long-term solvency. Limited cash reserves and weaker bargaining power with financial institutions narrowed the range of feasible responses and increased dependence on short-term survival strategies. One self-catering operator observed: "Banks have given moratoriums but keep adding interest. Today we owe more to the banks than in 2019. If the situation deteriorates again, we may lose the property." Occupancy trajectories further reflected this differentiation. During the first quarter of 2020, some establishments reported zero or near-zero occupancy, while a small number maintained moderate occupancy levels by accommodating long-stay or private-jet arrivals seeking isolation. These establishments tended to be older, better capitalised, and in some cases internationally branded. Through mid-2020, when border closures were fully implemented, most respondents reported occupancy below 30 per cent, with recovery only beginning gradually after phased reopening in 2021. As one guesthouse manager explained: "With very strong discounts, the devalued rupee only allowed us to cover running costs; we still could not pay our loans." These patterns indicate that exposure to the COVID-19 shock was not uniform across the accommodation sector but systematically structured by ownership, scale, and financial positioning. While larger and internationally connected establishments were better able to buffer temporary losses and stabilise operations, smaller and locally owned providers faced a far narrower margin of adjustment, with liquidity constraints and exchange-rate pressures translating rapidly into solvency risks. This differentiated exposure shaped both the range and effectiveness of subsequent coping strategies, setting the context for the adaptive responses examined in the following section.

Coping strategies implemented during the crisis

Across the sample, coping strategies converged around a limited set of operational responses shaped by necessity rather than discretionary innovation. In most cases, respondents described actions aimed at preserving cash flow, reducing fixed costs and maintaining operational continuity while demand remained uncertain (Table 1). Cost control measures were the most widely implemented strategy, including reductions in discretionary expenditure, renegotiation of supplier contracts and postponement of non-essential investments.

Table 1 Dominant coping strategies and key vulnerabilities across accommodation profiles

Establishment profile	Dominant coping strategies	Key vulnerabilities
International, long-established hotels	Cost absorption; renovation during downtime; market repositioning	Dependence on international mobility; exposure to global demand shocks
National guesthouses	Cost control; labour retention; increased reliance on local sourcing	Limited access to formal credit; narrow liquidity buffers
Self-catering (locally owned)	Price discounting; diversification attempts; flexible booking arrangements	Currency depreciation; loan exposure; high import dependence

Note. Table presents an analytical typology derived from qualitative responses from accommodation providers.

For many establishments, the priority was to reduce monthly outflows while keeping the business viable enough to reopen quickly when demand returned. Wage retention schemes and government salary support programmes were repeatedly referenced as critical in enabling establishments to avoid layoffs, although a substantial share of respondents reported temporary salary reductions. A hotel manager noted that: *"Without the salary support scheme, we would have had no option but to close and dismiss staff."* Renovation and maintenance constituted a second common strategy. Several establishments used periods of low or zero occupancy to undertake refurbishment and facility upgrades, often with the objective of repositioning products for post-crisis recovery. Respondents emphasised that such investments were frequently financed through reallocation of existing resources rather than new capital inflows, reflecting constrained investment capacity and, for smaller operators, limited access to credit. Price adjustments were a third widely adopted strategy. Discounting for specific markets and flexible pricing arrangements were used to stimulate demand as borders reopened. Many respondents noted that heavy discounting compressed margins and limited profitability, particularly in the context of rising operating costs linked to import dependence and exchange-rate movements. Several managers described discounting as unavoidable in the short term, even when it delayed financial recovery. Digital tools and communication platforms were adopted by a smaller subset of establishments. These initiatives aimed to maintain contact with clients, manage flexible bookings and facilitate direct marketing. While some respondents viewed digitalisation as a positive legacy of the crisis, uptake remained uneven and appeared concentrated among larger or better-resourced establishments.

Beyond operational adjustments, respondents emphasised the psychological and managerial dimensions of coping under prolonged uncertainty. Several managers described the crisis as a period of

continuous decision-making under conditions of incomplete information and shifting policy constraints, highlighting the cognitive burden associated with crisis management in small island contexts. For smaller operators, emotional stress and personal financial exposure were particularly salient, underscoring the close link between household welfare and firm survival in locally owned establishments. At the same time, a minority of respondents reported that the crisis encouraged reflection on business models and, in some cases, sustainability practices. Examples included increased reliance on local suppliers, experimentation with longer-stay markets and renewed attention to cost efficiency and environmental management. Although such initiatives were limited in scope, they suggest that crisis conditions can also create opportunities for incremental learning and adaptation within constrained island systems.

Early recovery dynamics and expectations

Perceptions of recovery prospects varied across respondents. Approximately two-thirds of establishments expected recovery to require between one and two years, while a smaller share expressed uncertainty regarding the timing and durability of recovery. Respondents consistently linked recovery trajectories to the resumption of international arrivals and the stabilisation of the exchange rate, underscoring the centrality of global mobility and foreign-exchange conditions to island tourism systems. Government support measures were generally viewed as necessary but uneven in their effectiveness and distribution. Wage support schemes and central bank credit facilities were widely acknowledged as important in preventing immediate business failure. However, a majority of respondents reported limited consultation during the design and implementation of crisis measures and perceived differential access to policy support across accommodation segments. Several smaller operators expressed concern that large hotels were better positioned to meet eligibility requirements and therefore benefit more from assistance. In summary, the results indicate that coping strategies during the COVID-19 shock were shaped by each establishment's structural position within the island tourism system. Rather than reflecting uniform "best practices", adaptive responses were conditioned by ownership structure, scale, financial buffering and institutional relationships. These patterns provide the basis for the discussion section that follows.

Discussion

The COVID-19 pandemic operated as a systemic stress test for Seychelles' tourism-dependent island economy, exposing deep structural vulnerabilities while revealing pronounced differences in adaptive capacity across accommodation types. Rather than producing uniform impacts, the crisis amplified pre-existing asymmetries rooted in ownership structure, scale of operation, financial buffering and institutional embeddedness. This reinforces perspectives that conceptualise vulnerability and resilience as relational properties mediated by political economy and governance arrangements, rather than as simple functions of shock magnitude. A central contribution of this case concerns uneven resilience within the accommodation sector. The results show that internationally branded and long-established hotels were generally better positioned to absorb revenue losses, negotiate credit moratoria and maintain organisational continuity during prolonged disruption. Access to accumulated reserves, corporate networks and established banking relationships provided a form of structural insurance against immediate insolvency. In contrast, smaller and locally owned establishments—particularly self-catering units and guesthouses—faced a far narrower margin of manoeuvre, with currency depreciation, import dependence and constrained access to credit translating quickly into liquidity stress and heightened insolvency risk. The qualitative accounts presented in Section 5.1 illustrate how these pressures were experienced not only as business disruption but also as threats to household income and asset security. In addition, the Seychelles case has broader relevance for African tourism systems where accommodation provision is often dominated by small and micro-enterprises alongside a smaller number of internationally connected hotels. Similar structural divides are present across island and coastal destinations in Africa, where foreign-exchange volatility, import dependence and unequal access to finance shape crisis exposure. The findings therefore speak to an African policy challenge: how to design recovery instruments that protect locally owned tourism livelihoods while maintaining destination capacity. In this sense, "resilience" becomes a distributional issue as much as an operational one. This unevenness challenges managerial narratives that frame resilience primarily as a function of entrepreneurial agility or innovation. While respondents reported multiple coping strategies, the scope and perceived effectiveness of these measures were tightly bounded by structural constraints. Cost reduction, renovation during downtime and price discounting were widely used, but these strategies functioned primarily as short-term stabilisation measures to preserve cash flow and maintain operational continuity, rather than as discretionary transformations. The evidence therefore suggests that "coping" in small island tourism settings often reflects constrained adaptation within tight financial and institutional limits, rather than the adoption of transferable best practices detached from context.

The findings also highlight the central role of financial systems in shaping crisis trajectories within tourism-dependent island economies. Exchange-rate depreciation amplified operating costs and debt burdens, particularly for import-dependent and locally financed establishments. Bank moratoria, although temporarily easing liquidity pressures, frequently postponed rather than resolved solvency risks, as accumulating interest increased long-term indebtedness. These mechanisms point to the importance of integrating financial vulnerability—currency exposure, debt dynamics and credit access—more explicitly into island and tourism resilience frameworks that have often emphasised governance capacity or sectoral diversification. These dynamics further illuminate the political economy of tourism dependency in Small Island Developing States. In Seychelles, the shock was transmitted not only through the collapse of arrivals but also through import dependence and foreign-exchange constraints. For smaller operators, exchange-rate movements translated directly into higher operating costs (including food, maintenance inputs and utilities) while revenues were simultaneously compressed by discounting strategies used to stimulate demand after reopening. In this context, liquidity emerged as a key mediator of resilience: establishments with reserves or external support could treat the crisis as temporary disruption, whereas establishments dependent on monthly cash flow experienced it as an immediate survival threat. This helps explain why strategies reported in Section 5.2 often centred on cost containment and price flexibility rather than investment-led repositioning. Governance dynamics further conditioned the distribution of resilience. Wage-support schemes and emergency credit facilities played a decisive role in preventing immediate employment collapse, demonstrating the capacity of the state to stabilise core economic sectors during systemic shocks. At the same time, perceptions of uneven consultation and differential access to policy instruments suggest that crisis management may reproduce structural inequalities if support mechanisms are not designed with sector heterogeneity in mind. In small island contexts, limited engagement with smaller accommodation providers can undermine the perceived legitimacy of response measures and weaken longer-term preparedness and trust.

Overall, the Seychelles case illustrates how crises can function as diagnostic moments that reveal structural dependencies and latent inequalities within tourism economies. The pandemic did not create vulnerability but rendered visible the financial and institutional architectures through which vulnerability is produced and reproduced over time. The next section translates these insights into practical implications for crisis support design and preparedness in tourism-dependent small island contexts. The case also strengthens the paper's positioning for AJHTL because it complements recent journal contributions on African tourism resilience and recovery. Whereas Rogerson & Rogerson (2020, 2021, 2022) examine tourism vulnerability, demand change and urban destination impacts in South Africa, Sucheran (2021) focuses specifically on hotel-sector impacts, Ezra et al. (2021) analyse East African policy responses, and Magangqaza (2025) and Townes et al. (2025) address resilience and recovery strategies in urban and niche tourism settings. This study extends that conversation by showing how accommodation-sector resilience in a small island economy is shaped by financial buffering, currency exposure, credit access and institutional consultation. The evidence therefore treats resilience as a distributional and financial issue, not only as a managerial or destination-marketing challenge.

Implications and conclusion

This study examined how accommodation providers in a tourism-dependent Small Island Developing State responded to a systemic external shock, using Seychelles as an exploratory case. The results demonstrate that resilience within small island tourism systems is unevenly distributed and closely shaped by ownership patterns, scale of operation, length of market presence and access to financial and institutional resources. The COVID-19 pandemic did not create these asymmetries; rather, it intensified and rendered visible pre-existing vulnerabilities embedded within the island tourism economy. Framing the pandemic as a stress test rather than a standalone event, the study contributes in three respects. First, it provides micro-level evidence on crisis coping within a tourism-dependent island system, complementing predominantly macro-oriented analyses of pandemic impacts. Second, it advances a process-oriented and relational conception of resilience by showing how adaptive capacity is embedded within financial systems, governance arrangements and historical development trajectories. Third, it demonstrates how uneven resilience within accommodation sectors can shape recovery pathways and potentially entrench inequality within tourism-dependent island economies.

The policy implications are threefold. First, crisis support should be differentiated by firm profile. Uniform assistance schemes can inadvertently favour larger and better-capitalised establishments that are more able to meet eligibility requirements or mobilise co-financing, while leaving smaller operators exposed to prolonged liquidity constraints and heightened insolvency risk. In practice, differentiated support could include tiered eligibility thresholds, simplified requirements for micro and small enterprises, temporary

interest relief mechanisms linked to demonstrated revenue collapse, and targeted support for locally owned establishments most exposed to exchange-rate pressures. Second, crisis governance should be more inclusive and consultative. Respondents reported that wage support and emergency finance were important, yet many perceived limited consultation and uneven access across accommodation segments. Institutionalised mechanisms for stakeholder engagement—such as structured consultations through accommodation associations, transparent communication on eligibility criteria, and feedback loops during implementation—can improve the calibration and legitimacy of response measures. In small island contexts, where trust and coordination are central to sector functioning, consultation is not only procedural but can directly influence compliance, effectiveness and speed of recovery. Third, financial resilience should be integrated explicitly into destination management and preparedness. The results highlight that shocks were amplified through currency depreciation, import dependence and debt dynamics. Strengthening coordination between tourism authorities, central banks and commercial lenders could reduce these amplification effects. Practical options include contingency credit facilities activated during mobility shocks, temporary interest-suspension instruments coupled with debt restructuring pathways, and risk-sharing mechanisms that reduce the burden on smaller operators. Embedding such safeguards within tourism governance frameworks may strengthen the capacity of small island economies to absorb future systemic shocks. Beyond immediate crisis response, the study highlights the need for longer-term resilience planning in tourism-dependent island states. Preparedness efforts should move beyond generic crisis plans towards strategies that explicitly recognise heterogeneity within the accommodation sector and the financial channels through which shocks are transmitted. Supporting locally grounded adaptation strategies, promoting realistic financial buffering, and improving policy coordination across tourism and financial authorities may help mitigate vulnerability to future disruptions affecting global mobility.

Several limitations should be acknowledged. The analysis is based on a small number of qualitative responses and a single national context, which constrains generalisability. The timing of data collection during an evolving crisis may also shape respondents' perceptions of impacts and recovery expectations. In addition, the study focuses on the accommodation sector and does not capture adaptive dynamics in other tourism segments (e.g., transport, tour operations or informal enterprises), which may exhibit different vulnerability profiles. Despite these limitations, the study's evidence remains valuable because it captures organisation-level responses during the shock period rather than relying on retrospective accounts collected after recovery. Data gathered under crisis conditions can reveal binding constraints, trade-offs and policy frictions that are often smoothed over once normal operations resume. In particular, the combination of contemporaneous managerial narratives and triangulated national indicators provides a credible window into how disruption was experienced and managed in real time, strengthening the paper's analytic contribution on uneven resilience and the financial channels through which shocks are transmitted in tourism-dependent small-island settings. These limitations point to promising directions for future research. Comparative studies across island regions could examine how different financial systems, labour regimes and governance arrangements shape the distribution of resilience within tourism economies. Longitudinal research tracking firm-level recovery trajectories would further illuminate whether uneven resilience persists beyond the immediate crisis phase or narrows over time. Future work could also integrate additional data sources (e.g., administrative business records, banking indicators or sector-wide surveys) to strengthen causal inference regarding how credit access, exchange-rate exposure and policy design influence survival and recovery. Overall, the Seychelles case underscores the importance of treating resilience not as a uniform attribute but as a differentiated and politically embedded process. Crises do not simply test the strength of island tourism systems; they reveal the institutional and financial architectures through which vulnerability and adaptation are produced. Recognising these structural dimensions is essential for designing more inclusive and sustainable resilience strategies in tourism-dependent Small Island Developing States.

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