

6. Why develop tourism?

Learning objectives

At the end of this chapter the reader will be able to:

- Identify the distinguishing economic characteristics of tourism.
- Compare and contrast the direct and indirect or multiplier effects of tourism.
- Identify the factors that influence the extent to which a destination will benefit economically from tourism.
- Identify the social, cultural and environmental impacts that tourism has on a destination.
- Define and correctly use the following terms: price elastic, income multiplier, employment multiplier, marginal propensity to consume, propensity to import, opportunity costs, acculturation, income elastic, sales multiplier, payroll multiplier, balance of payments, backward linkages, demonstration effect, cultural involution.

Goals of tourism development

Properly developed, tourism can provide benefits for both tourist and the host community. Tourism can help raise the living standards of the host people through the economic benefits it can bring to an area. In addition, by developing an infrastructure and providing recreation facilities, both tourist and local people benefit. Ideally, tourism should be developed that is appropriate to the destination. It should take the culture, history and stage of economic development of the destination into account. For the tourist, the result will be an experience that is unique to the destination.

At the same time there are costs involved in the development of tourism. Properly handled, the development of tourism can maximize the advantages of tourism while minimizing the problems.

Economic impacts of tourism

The economic characteristics of tourism explain the types of impact that tourism has on a community. There are five distinguishing characteristics. First, the tourist product cannot be stored; second, demand is highly seasonal. This means that in some months there is great activity while in other months there is little in the way of business. Pressure is put on businesses to make sufficient income during the season to sustain the business during the off season. Businesses can attempt one of two strategies:

Strategy 1: Alter supply to meet demand. This might mean meeting peak demand by reducing the quality of services provided or cutting off supply at a level lower than peak. For example, a restaurant might add tables during the peak season. More people could be served but customers would be cramped. Alternatively, service could be maintained but fewer customers served.

Strategy 2: Modify demand to meet supply. The supply of facilities is constant year-round. This strategy involves offering such things as cheaper prices in order to induce demand in the off-season to fill up places.

Third, demand is influenced by outside and unpredictable influences. Changes in currency exchange rates, political unrest, even changes in the weather can affect demand.

6. Why develop tourism?

Demand is, fourthly, a function of many complex motivations. Tourists travel for more than one reason. There is also little brand loyalty on the part of most tourists. That is, most tourists are inclined to visit a different spot each year rather than return to the same place every vacation. This puts great pressure on the destination to select carefully the segments of the market it is going after.

Finally, tourism is price and income elastic. Demand will be greatly influenced by relatively small changes in price and income. Price elasticity refers to the relationship between the price charged and the amount demanded. When demand is price elastic it means that a small change in the price will result in a larger amount demanded and that total revenue generated will increase. The same is true for a demand that is income elastic; changes in demand are linked to changes in income.

Direct and indirect economic impact

The economic impact of tourism is both direct and indirect. The direct effect comes from the actual money spent by tourists at a destination. When a tourist pays a motel owner USD 100 for a two-night stay, the USD 100 has a direct economic impact.

Indirect effects occur as the impact of the original USD 100 is felt on the economy. The motel owner might take the USD 100 and use some of it to pay for food for the restaurant and some of it to pay the wages of the motel's employees. The food supplier, in turn, will pay the farmer for the crops while the employee might buy a pair of shoes. The impact of the original USD 100 is increased.

The money will continue to be spent and re-spent until one of two things happen: The money is saved instead of spent or the money is spent outside the community. In both cases "leakage" occurs. When money is saved it is taken out of circulation as far as the generation of income is concerned. Similarly, when a hotel in the Bahamas pays for steaks imported from the United States, the economic impact is felt in the United States and not in the Bahamas. The more that a community can cut down on imports resulting from tourism, the greater will be the economic impact of tourism on that community. The USD 100 spent by the original tourist is re-spent by the motel owner, the employee and the farmer to generate income in the local economy of more than USD 100. Conversely, money spent on imports or money that is saved is removed from the local economy.

Income multiplier. The direct and indirect effects of an infusion of income into an area is termed the "multiplier". Multipliers can be generated in terms of sales, income, employment or payroll.

We have seen that the initial spending of money by a tourist will generate more than that in income to the community. In order to know how much more, it is necessary to know something about what happens to money in the community. As noted above, the motel owner can do several things with the income brought in by tourists. First, money can be either saved or spent. And it can be spent locally or spent outside the community. As far as the community is concerned, saving the money is similar to spending it outside the community. The effect is the same, the income-producing potential is lost. The extent to which someone spends part of an extra dollar of income is termed the marginal propensity to consume (MPC). The extent to which an individual will save part of extra income is termed the marginal propensity to save (MPS). The more self-sufficient the community, the less will be the imports and the more the MPC.

The income multiplier is $1/\text{MPS}$. If, in the above example, the motel owner saved USD 60, the income multiplier would be $1/0.6$ or 1.67. If this effect was the same throughout the community it would mean that every USD 100 spent by tourists would generate USD 167 of income for the community.

Multipliers vary greatly by country. Most island economies have income multipliers between 0.6 and 1.2, whereas developed economies have a range between 1.7 and 2.0. The income multiplier for the Cayman Islands, for example, is 0.650, and that for the United Kingdom anywhere from 1.7 to 1.8. The output or sales multiplier for the United States is 2.96.

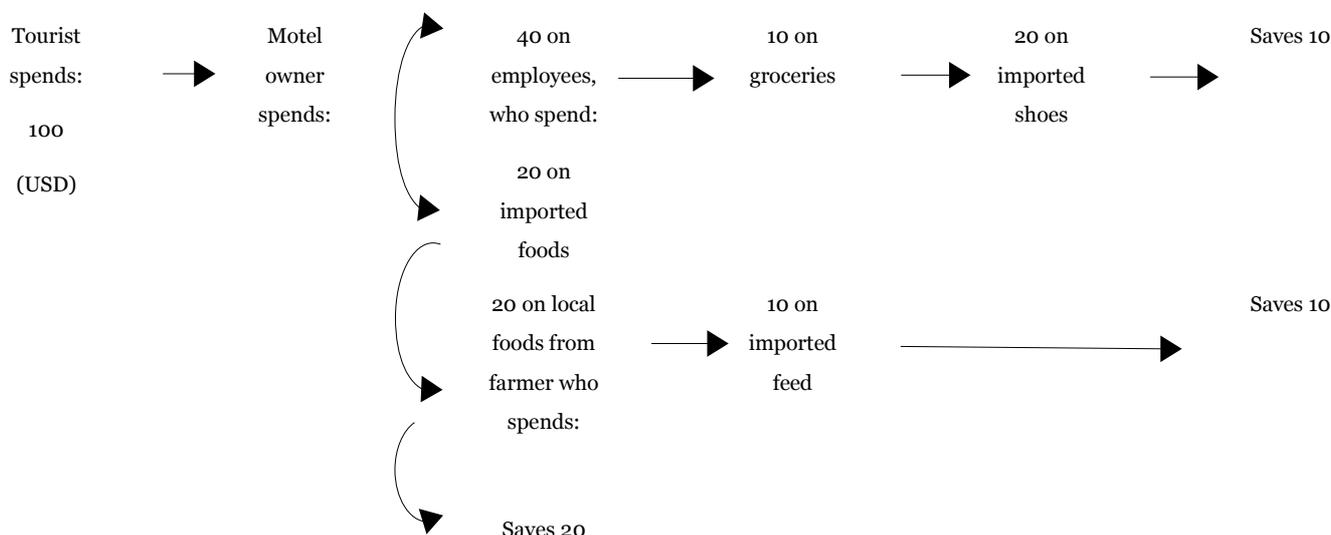


Exhibit 37: Multiplier effect of tourism

Employment multiplier. Increased spending as a result of tourist spending creates jobs. This results in an *employment multiplier*. The employment multiplier for the United States is 2.23. This means that, for every person directly involved in a tourism job (hotel receptionist, tour guide, etc) an additional 1.23 jobs are created in other industries.

Payroll multiplier. This results in another multiplier, the *payroll multiplier*. The payroll multiplier is the wages generated by these additional jobs. Again, for the United States, it is estimated that the payroll multiplier is 3.4. This is higher than the employment multiplier because, while many tourism jobs are low paying, tourism generates other jobs in higher-paying industries.

Economic benefits

Tourism contributes to foreign-exchange earnings, generates income and jobs, can improve economic structures and encourages small business development.

Foreign-exchange earnings

The balance of payments for a country is the relationship between its payments to the rest of the world and the money received from the rest of the world. When one country buys something from another country it is an import; when one country sells something to another country it is an export. Countries strive to achieve a positive balance of payments. Because most have trouble doing this, attracting tourists (who are regarded as "exports") is encouraged as a way of helping the balance of payments. On the other hand, when residents of a country vacation abroad, that is regarded as an import (because money leaves the home country). Some countries work to attract foreign tourists while keeping their own. For example, in 1969 the British government would allow people to take a maximum of only GBP 50 spending money out of Great Britain.

Effects on the economy are either direct or indirect. The direct effect is the actual expenditure by the tourists. Indirect, or secondary, impact is what happens as the money flows through the economy. Tourist spending creates

6. Why develop tourism?

such things as spending on marketing overseas, the paying of commissions to travel agents, purchases of goods and services by the original recipient of the tourist's payment and the wages paid to the employees of these goods and service companies.



Exhibit 38: Agrodome, Rotorua, New Zealand. Sheepskin rug sales help New Zealand's foreign-exchange earnings. (Courtesy New Zealand Tourist & Publicity Office.)

Propensity to import. Several factors determine the extent to which a destination benefits from an infusion of foreign tourist money. These are the difference between the gross income (the money brought in) and the net income (the money kept). The factors are the extent to which the country imports, the amount of foreign labor used and the type of capital investment.

When tourists from, say, the United States are attracted to a destination they bring with them not only their money but also a demand for items of which they are accustomed. They may want steaks, for example, for dinner. If the destination does not have beef of a suitable quantity or quality, it must import the beef to satisfy the tourist. The result is that some of the money spent by the tourist on the steak is used to pay a supplier outside the country for it. The steak is imported and the payment for it reduces the economic benefit of tourism to the destination.

Developing countries are less self-sufficient than are developed economies and are more liable to have to import such things as foodstuffs, beverages, construction materials and supplies. Developed countries have backward linkages; economic links between the sectors of the economy such that the domestic economy provides the grain to make the buns and the beef to make the hamburgers to sell to the tourist.

The propensity to import is the amount of each additional unit of tourist expenditure that is used to buy imports. It is estimated, for example, that the import propensity for the US state of Hawaii is 45 per cent. This means that, for every dollar spent in Hawaii by tourists, USD 45 cents is used to import goods and services to serve these tourists. The more a country can have the tourist buy souvenirs made locally, eat food grown locally, and stay in hotels constructed of local materials, the more the tourist money will stay in the country.

Foreign labor. Many countries use foreign labor in serving the tourist. The hotel industry in England, for example, employs many Spaniards and Portuguese. In some cases it is because the locals will not do the work; in other situations it is because the locals do not have the skills. It was learned, for example, that almost two-thirds of

employees in managerial and administrative positions in the Cayman Islands were expatriates. The result is that money paid in wages to the employee is spent not in the destination but in the employee's home country. The hotel employee from Portugal sends money home each week, lives on very little and returns to Portugal at the end of the season with his or her co-workers from Portugal. A number of countries are now requiring that, after a certain period of time, most managers of foreign-owned properties should be locals. They encourage the company to develop local people for managerial positions.

Capital investment. In the initial stages of tourism development a great deal of money is required for infrastructure and facilities. Most lesser-developed countries cannot afford to finance construction internally and must turn to foreign countries and corporations for assistance. The foreign companies come in, build the facilities, attract the tourists and send the profits out of the country. The destination needs the influx of foreign money to develop the tourism potential; it loses control (and profits) from the venture.

Because of these factors, leakage from the local economy can be high. For developing countries, tourism has not brought the foreign-exchange benefits once thought possible.

Income generation

The income from tourism contributes to the gross national product of a country. The tourism contribution is the money spent by tourists minus the purchases by the tourism sector to service these tourists. In most developed and many lesser-developed countries the percentage share of international tourist receipts in the gross national product is low, typically between 0.3 and 7 per cent. Adding in the effects of domestic tourism increases the percentage significantly because domestic tourism is usually much more extensive than foreign tourism.



Exhibit 39: Sheraton Hotel, Auckland. Hotels require substantial capital investment. (Courtesy New Zealand Tourist & Publicity Office.)

The total income generated depends on the multiplier effect noted above. Different sectors of the industry produce more income than others. Income generated is a reflection of the total amount spent and the amount of leakage within that sector. It has been found, for example, that bed-and-breakfast places have relatively low leakage because of their ability to buy what they need locally. However, they produce much less revenue initially compared

6. Why develop tourism?

to a large hotel, which will have a smaller multiplier effect because of its need to purchase goods and services outside the destination.

Certain sectors of the economy benefit from tourism more than others. The primary industry beneficiaries of tourist spending are food and beverage, lodging, transportation and retailing. A strong secondary effect is felt in real estate, auto services and repair and trucking.

Government revenues. Tourism income accrues to the government in three ways: from direct taxation on employees as well as goods and services; from indirect taxation such as customs duties; and from revenue generated by government-owned businesses. The Bahamian government, for example, estimates tourist revenue from the following sources:

- customs duties
- excise duties
- real property tax
- motor vehicle tax
- gaming taxes
- stamp tax
- services of a commercial nature
- fees and service charges
- revenue from government property
- interest
- reimbursement and loan repayment

Employment

It is estimated that over 60 million jobs worldwide are generated both directly and indirectly by foreign visitors and domestic travelers journeying to places 64 kilometers or more from home. 33,000 jobs are created for every USD 1 billion of spending in OECD countries, while the same amount generates 50,000 jobs in the rest of the world.

Several points can be made. First, there is a close, though not perfect, relationship between employment and income. There is both a direct and an indirect effect for both. Direct employment would be for jobs that directly result from tourist expenditures. Indirect employment is generated from jobs resulting from the effects of the tourist expenditures. Trinidad and Tobago, for example, estimates that three jobs are generated by the creation of every two hotel rooms. Multiplier effects are not identical, however.

Second, it can be noted that the type of tourist activity affects the type and number of jobs generated. Accommodation facilities, for example, tend to be more labor intensive than other tourism businesses. They are also highly capital intensive; large amounts of capital are required to create a job.

Third, the type of skills available locally affects employment generated. Most tourism jobs require little skill. The number of managerial positions are relatively small and, as mentioned earlier, are often occupied by non-locals. Tourism industries also rely heavily on females. There is, thus, great demand for unskilled workers who are often female. Critics have argued that tourism offers low-paying jobs that are seasonal in nature. There is limited opportunity to increase productivity because of the service nature of the positions. Because of this, it is argued that tourism can have a depressing effect on economic growth.

Others argue that the employment benefits of tourism are disguised.

Tourism, they say, takes people from other sectors of the economy, especially rural people, or those not normally considered part of the available work force, such as married mothers, the retired or those outside the national economy. The question then arises: does tourism generate new jobs or merely shuffle jobs around?

Finally, the seasonal nature of tourism should be stressed. While seasonal jobs are attractive to students and some teachers, they can discourage people from year-round, more productive work.

Small business development

Many tourism businesses are small, family-owned concerns. It might be a taxi service, a souvenir shop or a small restaurant. The extent to which the direct employers such as hotels and transportation companies can develop links to other sectors of the economy will determine how many jobs and how much income tourism can generate. Too often, when massive development of tourism occurs in developing countries, local suppliers cannot supply the quantity or quality of goods desired. As a result, goods are imported, leakage occurs and potential income and jobs are lost.

The extent to which tourism can establish ties with local businesses depends upon the following factors:

- the types of supplies and producers with which the industry's demands are linked;
- the capacity of local suppliers to meet these demands;
- the historical development of tourism in the destination area;
- the type of tourism development.¹³

More and more tourists seek authenticity as they travel. If this can be translated into buying locally produced souvenirs and eating locally produced food and staying in rooms furnished with local artifacts, then tourism will have generated the backward linkages necessary to contribute to the economy.



Exhibit 40: Aborigine bark painting. Tourism can help the establishment of local small businesses.

(Courtesy Australian Tourist Commission.)

Economic structure. Tourism alters the economic structure of destinations. There is no agreement, however, as to how positive the alterations might be. A major change when tourism is developed is the change in jobs of rural

¹³ Alister Mathieson and Geoffrey Wall, *Tourism: Economic, Physical, and Social Impacts* (London: Longman Group Limited, 1982), p. 82.

6. Why develop tourism?

people. There is a tendency for farmers to leave the land to pursue what are, for them, better jobs in tourism. This can put rural lands in jeopardy. Changes in land use are also common. Often less developed areas have only two things on which to build an economy: agriculture and tourism. As tourism develops, competition for the land occurs. The price of land increases; people sell. While a few benefit, it is difficult for locals to buy their own piece of land.

On the other hand, tourism can help reverse the depopulation of rural areas. In the Scottish Highlands, for example, the woman who takes in bed-and-breakfast guests may be married to the local postmaster. If tourism were to falter, the community might lose not only a bed-and-breakfast establishment, but also the postmaster.

Economic costs

There are a number of economic concerns about tourism.

Inflation and land values. As noted above, tourism development raises both the price of land and the prices of other goods and services. Even if a local resident does not sell, his or her costs increase as property taxes rise. In the five years following the acquisition of land in the US state of Florida for Disney World, land values surrounding the attraction increased significantly. The land was originally purchased under assumed names for USD 350 an acre (0.4 hectares). Five years later the surrounding land brought upwards of USD 150,000 an acre!

Seasonality. Most tourism destinations are seasonal; many hospitality facilities close down during the off season. However, large amounts of capital are necessary to build these facilities. Interest costs are high on the capital needed for construction. Interest costs are also fixed; they must be paid irrespective of the amount of business generated. As a result of high fixed costs and seasonal demand, there is constant pressure to produce a profit in what some call "the hundred-day season". As a result of underutilization of the investment on a year-round basis, the return on investment is often less than that generated in other industries.

Often financial incentives from the public sector are necessary to get tourist facilities built.

Public services. Tourism is touted as a "smokeless industry" that requires few public services. Schools do not have to be built for the children of tourists, whereas they must be constructed for the children of workers brought in to work full time in other industries.

However, an increase in tourism tends to increase the costs for residents in such areas as garbage collection, police and fire protection.

Opportunity costs. When governments invest scarce resources in encouraging the development of tourism they forego the opportunity to invest that money in other, perhaps more productive, ways. This is known as *opportunity cost*. It does appear that investments in tourism yield returns comparable to returns in other industries. Both the private and public sectors, however, should be aware that an investment in tourism facilities may be made at the expense of other sectors of the economy.

Over-dependence on tourism. It is generally agreed that it is unwise to base an economy on tourism. Tourism growth is affected by changes both internal (price increases and changes in fashion) and external (political problems, energy availability and currency fluctuations). Just as an individual property can rely too heavily on one segment of the market, so too a destination can rely too heavily on tourism. The key is to develop a balanced economy.

In a "traditional" development, a country's economy shifts from the primary sector (farming, mining, fishing, etc.) to the manufacturing or secondary sector to the service sector. For destinations that have only agriculture and

tourism, the economy "misses" the middle stage of development. It is as if there is the lack of a foundation on which to build a strong service sector. This is the danger of an over-dependence on tourism.

Social impacts

In addition to the many economic impacts that tourism has on a destination, there are impacts on people, the effect of the interaction between host and guest.

Tourist density

For numerous events a large number of tourists congregate at one time. Additionally, the seasonal aspect of tourism means that, for most destinations, tourists are concentrated at the destination during a relatively few months. There are two approaches to dealing with the problem of tourist density. One approach is to spread the tourists geographically or over time throughout the destination. Off-season rates can attract tourists away from the major tourist season. Development of trips and packages to other parts of the country may spread the economic benefits of tourism while minimizing the negative social impacts.

The second approach is to develop "tourist ghettos", areas that are built specifically for tourists. In this way, contact between host and guest is kept to a minimum.

Demonstration effects

The demonstration effect is the term given to the notion of local people seeking to emulate the ways of their visitors. Foreigners bring with them different ways of behaving and an exposure to different standards of living. When the demonstration effect encourages locals to work and strive for the things they lack it may be regarded as "good". However, most of the time the result is that for most of the people what they see is not what they can ever expect to get. The result is discontent among the local residents.

Tourists behave differently on vacation from how they behave at home. To the locals, however, all they see is the vacation behavior. This can lead to the creation of stereotypes on both sides. It has been reported, for example, that young Spaniards were convinced that all unattached female tourists had rather loose morals. This stereotype induces certain behavior on the part of the locals that, in turn, develops into a stereotype of locals on the part of the tourist.

Migration

Economically, in an attempt to share in the economic advantages of the tourist, local people in many lesser-developed destinations have moved off the land and into service jobs. This may lead to problems for the nation in keeping enough people on the farms to harvest the crops. Migration of workers from rural to urban areas, and even from one country to another, is one impact of tourism.

Part of the movement of workers into tourism industries is undoubtedly the entrance of women and younger people into the work force. While this is readily accepted in Western societies it is not so apparent in other regions of the world. In many countries, the structure of society is very rigid; there is great respect for the elderly and for the male. As a result of jobs in tourism, youngsters may leave home and immediately begin earning more than their parents or grandparents. The same is true for women who may be earning more than their husbands. Opinion is divided as to whether this is harmful or not. Studies have indicated that such a situation can lead to a lack of self-respect and an increase of jealousy on the part of the husbands and increased stress on the part of their wives. Others point to the opportunities for women to feel better about themselves as they contribute more income to the

6. Why develop tourism?

family. The result certainly is a feeling of greater independence on the part of both women and youngsters. In Tunisia, on the other hand, employers used to pay the girls' wages to their fathers rather than to the employee.



Exhibit 41: Ackee fruit vendor. In some areas people have moved from farms into service jobs. (Courtesy Jamaica Tourist Board.)

Consumption behavior

As tourism increases, local businesses import goods to appeal to the tourist. Locals may see that the imported goods are superior to their own local items. As the local workers earn more money they begin to demand imported goods also. Some people call this "progress". The fact is, however, that such exposure increases imports, thereby increasing leakage, and diminishing the economic impact of tourism.

Sense of identity

In marketing we are taught to identify the needs and wants of the tourists and to develop goods and services to satisfy these needs and wants. For a community the task is to do so while still maintaining its own sense of identity. British tourists are notorious for wanting "chips (french fries) with everything", cups of tea, and British ale. American tourists are reluctant to speak any language other than English and must have iced water. In an attempt to adopt a marketing orientation, locals can lose sight of their own unique culture. If we end up with a series of similar destinations then where is the incentive to travel?

Moral conduct

It has been suggested that tourism brings prostitution, crime and gambling to the destination. However, no demonstrated link exists between tourism and prostitution. It must be admitted, though, that a number of destinations sell the four S's: sun, sand, sea and sex. Residents of the Seychelles, for example, have been described as "happily amoral". Appealing to the vacationer's hedonistic tastes encourages a certain frame of mind prior to the visit.

Crime. A relationship does exist between tourism and crime. The existence of large numbers of people with lots of money to spend attracts criminal elements. The main effects seem to be in the areas of robbery, larceny, burglary, vandalism, drug abuse and alcohol-related disorderly behavior.

Gambling. While many destination areas (Las Vegas and Atlantic City in the US, Monte Carlo and Tijuana in Mexico) owe their existence to gambling, no link has been established between tourism and gambling. However, while the economic advantages to a destination of gambling have been identified, less work has been done on the potentially negative effects on the residents of the destination such as the effect on the value system and whether or not there has been an increase in prostitution, crime and violence.

Measuring social impact

It has been suggested that an "index of tourist irritation" exists.¹⁴ By identifying where a destination is on the index it is possible to "measure" the social impact of tourism. If the process of tourism development is left unchecked, the social impact of tourism is felt at five levels.

Euphoria. In this first stage of social impact the local people are excited about the development of tourism in their community. Tourists are welcomed and locals have a certain satisfaction and pride in knowing that someone wants to visit "their community". It appears that there will be opportunities for local people to profit from the attraction of tourists.

Apathy. As tourism grows, the visitors are taken for granted. The focus is on making as much money as possible. Host-guest contacts are limited to those where purchases are made.

Irritation. At some point tourism grows to where, in the opinion of the locals, the destination cannot handle the numbers. Streets become clogged; restaurants and bars are crowded. At this point, the mood turns to one of irritation.

Antagonism. When locals begin to feel that the problems of the community (pollution, crime, rising taxes) are the fault of the growing numbers of tourists, they turn openly antagonistic to the tourist. The result is often that tourists are cheated.

Final level. At this fifth and final level those in the community have forgotten that the tourist was attracted to their community initially for some physical or cultural reason. Development has changed the community, perhaps forever. The type of tourist who comes is different now, and the realization for the locals is that the destination will never be the same again. The question arises: Can it adapt to the new tourist types?

The point at which locals move from one stage to another varies from one destination to another. It depends, first, on the distance, both culturally and economically, between host and guest. The greater the distances, the greater the social impact and the greater the likelihood of movement through the stages. Second, it is a function of the destination's ability to physically and psychologically absorb the growing numbers of tourists. The key is in the ratio of visitors to residents. Thus, a major city can absorb more tourists than can a small island community. The third criterion is the speed and amount of tourism development. The faster and the more intense the level of development, the greater will be the tendency for social impacts to occur.

It is wrong to say that tourism alone causes any or all of these changes. When people are exposed to magazines, newspapers, or films about other countries, change can occur. Tourism, however, accelerates this change by

14 G.V. Doxey, "When Enough's Enough: The Natives Are Restless in Old Niagara," *Heritage Canada*, Vol. 2, No. 2, 1976, pp. 26-27.

6. Why develop tourism?

bringing host and guest into contact. Neither can we say that the change is "good" or "bad". When traditional societies become Westernized some people will be hurt while others will benefit. Tourism also accelerates this change.

Cultural impact

The culture of a people consists of the beliefs, values, attitudes and behaviors that are shared by a society and which are passed on from one generation to another. Culture finds expression in such things as the work, dress, architecture, handicrafts, history, language, religion, education, traditions, leisure activities, art, music and gastronomy of a people. Tourism impacts the culture of a country in a number of ways.

Cultural change

Cultures evolve and change naturally as the host culture adapts to a changing world. Tourism accelerates that process because it introduces contact between two societies with different cultures. In the process both societies change. Visitors to a country may enjoy the local food and, upon returning home, prepare the same foods they had on vacation. The locals, on the other hand, may acquire a desire for fashions they have seen the tourists wear. The process by which cultures borrow from each other when they come into contact is called acculturation. It is generally accepted that, when a "strong" culture comes into contact with a "weak" culture, it is the weaker culture that is likely to borrow from the stronger. Much of tourism involves tourists from strong, Westernized countries visiting poorer, less-developed countries. The culture of the latter is the one that will change.

Arts and crafts. One major way in which the impact of tourism can be seen on a culture is in the area of arts and crafts. Typically, the process of change goes through three stages. In the first stage traditional artistic designs and forms of art, especially those with deep religious meaning, disappear into the souvenir market. This is followed by the growth, in the second stage, of mass-produced replacements, often imported. In response to the decline in meaning of the traditional arts, there may be a growing interest (third stage) on the part of the local community to resurrect their artifacts through the development of distinctive styles and skilled work.



Exhibit 42: Tourism can help bring different cultures together. (Courtesy Jamaica Tourist Board.)

Tourism has worked both to encourage and discourage traditional art forms. In a number of cases traditional arts have been revived to sell to the tourist. This is true of the Aaraya women of Cuna, Panama, who had to be taught to make the traditional “mola” or blouse. It is also true of the Canadian Inuit or Eskimos who began to carve soapstone only in response to demands by Europeans. In the first case, a traditional art form was kept alive through tourism; in the second, tourism encouraged the development of another art form. Many of the theaters in London stay open (and available to the locals) because of the business brought by tourists.

On the other hand, tourism has given rise to what some call “airport art”. These mass-produced, often imported souvenirs give the tourist something that is inexpensive, durable, and easily portable as a memento of the trip. In the process, part of the culture has been debased if not lost.

Events. Every culture has a number of festivals or events that might have a meaning that is historic or religious. When the event is changed for the sake of the tourist, the meaning behind the event is lost. The result is that part of the culture is lost. A good example is the Spanish Tourism Industry's Alarde, which we will examine here in detail.

Fuenterrabia is a village in the Basque region between France and Spain. During the many battles between the two countries the town was besieged several times. The most famous was the siege of 1638, by the French, which lasted 69 days. However, the town held and the French were defeated. The Spanish crown honored the villagers in a number of ways, and today this tradition continues in the form of the annual festival that brings the townspeople together.

Fuenterrabia consists of a walled citadel, a fisherman's ward, and five local wards, each with its own identity. Each ward sends to the annual parade youngsters who play flutes and drums and men who carry shotguns. Each

6. Why develop tourism?

ward also selects its loveliest young woman to be a water carrier; she is dressed in a military uniform. There is also a group of non-local occupations represented in the parade, which is led by town council members who wear military uniforms and ride on horseback.

The festival has many symbolic aspects to it. During the siege the rich and the poor stood together against the enemy. This is symbolized by having all groups involved. Also, the men stop at the town hall and fire their shotguns in unison. The idea is to fire as if only one gun had gone off. At the end of the parade, all groups fire together with the same objective, all symbolic of the coming together. The entire town takes part in one way or another, and the festival is for the townspeople and by the townspeople.

With the increase in Spanish tourism the Alarde became an attraction to the point that the municipal government declared in 1969 that the festival should be performed twice a day so that all who wanted to see it could do so. Although the festival only occurs once a day (the proposal for two festivals was dropped) it is difficult to get the volunteers necessary to put it on. Many people dropped out because the spirit and meaning were taken out of it as it became a commodity to be sold. There is talk today of paying people to perform.

This same situation is true with many of the holidays in the United States. Anniversaries commemorating various historical events and birthdays of presidents have been moved from the true anniversary to the closest Monday in order to provide three-day weekends. This has increased opportunities for weekend trips; however, any meaning behind the holiday has been lost.



Exhibit 43: Sevilla (Seville), Spain. Festivals are a major tourist attraction. (Courtesy National Tourist Office of Spain.)

Tourism has also been accused of encouraging cultural involution. The development of an area can be halted because of the tourist's demand for the "old ways". This is the other side of the coin. Does tourism "force" people to remain artisans at the expense of attempts to achieve economic growth and independence?

It does appear that tourism acts as a medium for social change because it involves contact between host and guest. The change that occurs is usually on the host culture rather than on the tourist, and the change is often negative. It is not suggested that tourists must be scholars in order to visit a foreign country. However, one of the

reasons that tourists visit a foreign country is to experience the different culture. If all cultures begin to look alike, there will be no reason to leave home. To the extent that tourism debases a host culture, the locals can be expected to react negatively to tourists and tourism. Visitors will not be welcome. The key is to present the culture of an area to the visitor in a way that is attractive to the tourist and in a way that the locals can be proud of.

Environmental impact

Tourism development, like any kind of development, has an impact upon the environment. The impact can be positive or negative. In the case of less-developed areas, tourism development can improve the environment for tourists and locals alike through improvements in sanitation, sewage, and housing. In developed areas tourism development is more likely to be thought of in negative terms such as pollution and congestion.

The natural environment is a major attraction for tourists. Visitors tend to be attracted to areas that are scenic, offer a pleasant climate, and have distinctive landscapes. However, in order to cater to tourists, a certain amount of development is necessary. Roads must be built to make the area accessible; lodging to house tourists and restaurants to feed them must be available.

In the best of all possible relationships, the distinctive features of the environment would be left as natural as possible while still providing benefits to the tourists who see and experience it. In most cases, however, tourism is in conflict with the environment.

Impact on conservation

Tourism has undoubtedly had a positive impact on the conservation of the environment.¹⁵ Tourism has stimulated the rehabilitation of historic sites, buildings and monuments. In the US city of Cape Cod, small villages, the area's major tourist resource, have been maintained and local lighthouses and harbors refurbished to attract tourists. The same is true in many other areas including the US city of Williamsburg, which has been completely restored to its eighteenth century glory because of tourism.

A second positive impact is the way that tourism has provided the impetus for developing old buildings into new tourist facilities. In the US city of Savannah, Georgia, the waterfront area consisted of old, decaying warehouses that were important in the cotton trade. Retaining the original structure, the buildings have been turned into shops and restaurants. The same is true in Larimer Square in the US city of Denver where a rather seedy red-light district is now an attractive area for shops, restaurants and festivals.

Moreover, tourism has provided the push for the conservation of natural resources. National parks in Africa have increased in number because of the desire not only to protect the wildlife but also to offer areas that would appeal to tourists. By adding an economic incentive to the preservation of wildlife, it becomes more attractive. More than 207,200 kilometers of national parks have been set aside in eastern and southern Africa alone.

15 Mathieson and Wall, *Tourism*, pp.98-100.

6. Why develop tourism?



Exhibit 44: Powerscourt, County Wicklow, Ireland. Tourism can assist in preserving the environment. (Courtesy Irish Tourist Board.)

Finally, the pursuit of tourism has resulted in controls on the destination that are designed to protect the environment. Unfortunately, in many cases, these controls have taken effect after the negative ramifications of too many tourists have been felt. Such controls can take the form of eliminating access to a particular site, as is the case at Stonehenge where tourists must view the stones from about 10 yards away (approx. 8 meters). Previously, tourists could walk among and touch the standing ruins. Similar restrictions are in place at the Parthenon in Greece. In other cases, traffic has been eliminated in many historic areas in Europe.

While some argue that tourism has served to encourage an appreciation for nature and history, others say that the pressure of tourism on the environment has led to conflict.

Conflicts with the environment

Use of a destination will have an impact on the environment, and the more the area is used, the greater will be the impact. There comes a point when more people use the area than can be supported by it. The result is a spoiling of the environment.

The effect can be seen in the following ways:

- increased levels of generalized congestion and pollution
- alterations to the natural landscape and changes in the ecological balance of living things
- costs of preventing localized congestion and pollution
- costs of the loss of wilderness areas or inevitable degree of lessening of the natural attraction
- costs of creating conservation areas on resort lands
- costs of undertaking enhancement projects

- costs of undertaking historical or cultural preservation¹⁶

When a previously undeveloped destination becomes a tourist attraction, development can offer benefits to the area and to the residents of the area. Land may be protected for the enjoyment of locals and tourists; basic infrastructure may be added that improves the quality of life for locals. Without careful planning, however, the destination may develop much too quickly. As a result, there is a danger that both the natural and cultural environment may deteriorate. The local environment may be destroyed and the quality of life of the locals adversely affected. If the destination is allowed to deteriorate, tourists may well be turned off, for the very thing that attracted them in the first place (the environment) is no longer attractive. The key is for a well-planned program of tourism development.

Study questions

- What are the five distinguishing economic characteristics of tourism?
- When a tourist pays a motel bill, the money can be "spent" in three ways. What are they and what is the impact on the community?
- List the major economic benefits of tourism to a destination.
- What factors determine the extent to which a destination will benefit from an infusion of foreign tourist dollars?
- How does the government raise revenue from tourism?
- Identify the major economic costs of tourism.
- What are the social impacts of tourism?
- List the five stages of the "index of tourist irritation". What factors are present when a destination moves from one stage to another?
- How can tourism affect the local culture?
- How has tourism development positively impacted the environment?

Discussion questions

- Tourism has a number of economic characteristics. Discuss their effect on tourism.
- Identify the direct and indirect effects of tourist dollars spent at a destination.
- How does tourism benefit a destination economically? What can a destination do to maximize tourism's economic impact?
- In what ways can tourism be "bad" for a destination socially, culturally, and environmentally? Discuss what a destination can do to minimize tourism's negative effects.

¹⁶ Chuck Y. Gee, Dexter J.L. Choy, and James C. Makens, *The Travel Industry*, (Westport, Conn: The AVI Publishing Company, Inc., 1984), p. 119.