



LIERARY Michigan State University

This is to certify that the

thesis entitled
THE EVALUATION OF TOURISM AS
A STRATEGY OF DEVELOPMENT
IN THE THIRD WORLD
presented by

NILOUFER ABEYSURIYA

has been accepted towards fulfillment of the requirements for

Master of Arts degree in <u>Sociology</u>

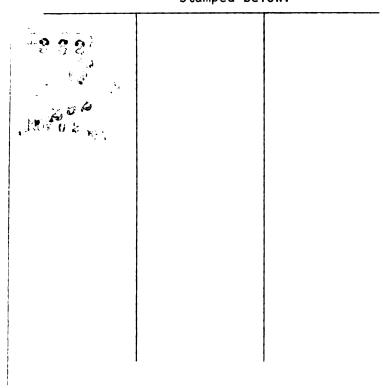
Date 14 June 1982

O-7639

MSU is an Affirmative Action/Equal Opportunity Institution



RETURNING MATERIALS:
Place in book drop to
remove this checkout from
your record. FINES will
be charged if book is
returned after the date
stamped below.



THE EVALUATION OF TOURISM AS A STRATEGY OF DEVELOPMENT IN THE THIRD WORLD

Ву

Niloufer Abeysuriya

A THESIS

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

MASTER OF ARTS

Department of Sociology

ABSTRACT

THE EVALUATION OF TOURISM AS A STRATEGY OF DEVELOPMENT IN THE THIRD WORLD

By

Niloufer Abeysuriya

This thesis examines the growth of international tourism in the Third World and evaluates the costs and benefits of the tourist industry in relation to main trends in development thinking and general aspirations for development expressed by Third World nations. tically appraising reasons for advocating tourism, this thesis assesses in particular the cultural effects of tourism and the capacity of the tourist industry in its present form for generating foreign exchange and employment and for expanding domestic economic activities. Special interest has been taken to highlight the often unanticipated and obscure costs of tourism. Primarily using documentary data, this study analyzes the impact of tourism only at a level of incipient research or formative conceptualization.

ACKNOWLEDGEMENTS

I wish to thank my advisor Professor James McKee of the Department of Sociology, Michigan State
University, for his unfailing encouragement and tactful assistance which gave me leeway to develop a somewhat original approach to the evaluation of tourism in the Third World. I am also grateful for the guidance provided by Professor J. Allan Beegle. I would also like to acknowledge faculty members of the Sociology Department, University of Peradeniya, Sri Lanka who stimulated in me an early interest in tourism.

TABLE OF CONTENTS

List of	Tables	
INTRODUC	TION	1
CHAPTER		
ONE	TOURISM AND DEVELOPMENTALISM	5
	• · · · · · · · · · · · · · · · · · · ·	5 8 14 24
TWO	TOURISM AND ECONOMIC DEVELOPMENT	28
	The Tourist Multiplier	28 42 50 53 56 67
THREE	THE CULTURAL IMPACT OF TOURISM	69
	Insiders and Outsiders: The Human Face	73 81
FOUR	SUMMARY AND SUGGESTIONS	90
REFERENC	ES1	00
BTBLTOGR	APHY 1	Λ 5

LIST OF TABLES

Table		
1	Trends in Disposable Incomes and Savings, Ec Total, 1975-80	10
2	Three Decades Against Poverty	15
3	Developing Countries: Gross Agricultural Exports and Imports 1970 and 1978 (Thousand million U.S. dollars)	30
4	Public and Private Debt of the Developing Countries (US \$ millions)	31
5	South Indices: What Commodities Can Buy	34
6	Tourism Receipts and World Exports	35
7	Comparison Between Tourism and Export Receipts, Mexico, 1960-1967	37
8	Estimated Travel Multipliers	46
9	Expenditure on Tourist Development in Kenya, 1970-1974 (in K 🗸 '000)	54
10	Sample PanelIndices of Income Growth and Distribution	57
11	Relationship Between Ethnic Origin and Distribution of Workers	63

INTRODUCTION

The objectives of this study is to assess the socio-economic impact of tourism in the Third World in the context of the growth dynamics of the industry on a global scale. Apart from being big business for multinational corporations and the compradore bourgeoisie and a host of small scale entrepreneurs in peripheral economies, the tourist industry receives the active support of national governments and is consequently a highly visible item in Third World development programs.

Chapter One of this thesis highlights salient structural features characterizing the tourist industry and analyzes some of the socio-economic and technological factors contributing toward the growth and momentum of modern travel, for this category of causal factors support the advocacy of tourism as a gainful industry.

This chapter goes on to describe current trends in "developmentalism," or development theory in the context of the evolution of development ideology and policy during the post-colonial era. This discussion of developmentalism is important since in most cases it is the particular meaning attributed to development which gives form and direction to national development policy measures. Policies rationalizing development programs become crucial

determinants of living standards in poor countries. Thus the impact of the tourist industry as a development strategy should be analyzed with reference to trends in "developmentalism." This thesis uses the most recent emphases in developmentalism, namely, the stress on "redistribution with growth", and "participation", as an important category of criteria for examining the appropriateness, the actual costs and benefits of the global tourist industry for host countries, in the light of Third World aspirations for development.

Chapter One also outlines discernible linkages between tourism and certain themes of developmentalism.

Chapter Two assesses the economic impact of tourism.

The sections deal specifically with controversies relating to the potentialities of tourism for earning foreign exchange, promoting multiplier effects, infrastructural growth and employment.

Chapter Three investigates the impact of tourism on Third World cultures. Special interest has been taken in highlighting how tourism manipulates culture and directs behavior, often to the detriment of both tourists and the population of the host country.

When critiquing tourism, modes of analysis associated with "dependancy theory", such as the concept of global metropolitan-satellite capitalist relations, help to analyze certain vertical linkages of the tourist

industry. However, it is not the intent here to "throw away the baby with the bath," but rather to heed Mirabeau's statement that "It takes giants to build but pygmies to destroy." In the final part of this thesis the need for official recognition of the costs of tourism is stressed and the need to match the current advocacy of tourism with countermeasures to avert or alleviate these harmful effects is noted. Several suggestions have been made and weight has been given to the importance of strengthening linkages between tourism and the themes of "redistribution with growth" and the "new international order."

My interest in tourism was awakened in an undergraduate course followed at the University of Peradeniya Sri Lanka, on the sociology of development. Among other topics, this course focused on the impact of the tourist industry, and many concepts used there have been applied in this thesis.

Before proceeding further, however, it is necessary to draw attention to the constraints in research faced when attempting to evaluate the tourist industry as a strategy of development in the Third World. Though tourism is subject to intensive advertisement, the socioeconomic impact of this industry has not yet been adequately researched, unlike certain other components of development programs, such as agricultural extension work and family planning. Owing to such limitations,

this assessment of tourism cannot be regarded as being wholly conclusive. It could be said that data available on tourism operations and impact have been used to analyze the consequences of the industry at the level of formative conceptualization. This is particularly so in the case of the cultural effects of tourism, which comprise a field of research only recently subject to inquiry and investigation.

CHAPTER ONE

TOURISM AND DEVELOPMENTALISM

<u>Perennial Quest:</u> The Lure of Travel

The traveller is often a fascinating personality! His manners exude an urbane and debonair charm: fresh winds seem to waft around him which excites the fancy of those confined to the drably familiar circumstances Travel imbues a special sort of magic; a glamour emerging from mysterious exotic vistas, a charisma tinged disquietly by the splendour of a phoenix-like experience of rejuvenation. Wanderlust, however, is much more than a chance paroxysm of the occasional intrepid soul. time immemorial the earth has been crisscrossed by mass migratory movements, driven onwards by the search for food, pasture, safety, or conversely, by the drive to plunder and dominate. The first men who landed on the moon were doubtlessly moved by the same spirit of adventure and restless curiosity which emboldened the early Polynesians,

> who according to the most widely held viewpoint, travelled from south east Asia, throughout the islands of Micronesia and Polynesia, finally reaching the Tuamotu archipelago and Society Isles. Some of these trips extended from Tahiti to Hawaii, a distance of over two thousand miles.

These early travels were accomplished in small dugout canoes with outriggers attached and with rather primitive sails. Navigation was accomplished by means of the stars and the sun. Considering the size of the vessel and the problems of fresh water and food supplies, these journeys were nothing short of incredible.

While retaining and adapting many of these attributes, travel today has assumed among other features a vastly different character--a modus operandi and ethos which could best be described as "internationalism."

Internationalism is characteristic of other components of the present world system and in the case of modern travel refers to two important dimensions which could be conceptualized as "Integration" and "Mass-Consumerism."

"Integration". Travel today has burgeoned into a giant industry which encompasses the globe. The random disorderly journeys of individuals and groups during preceding ages have now coalesced into a subsystem of the world economy. "Integration" represents the global scale of the tourist industry, the complex interlocking of diverse far flung sectors reaching in chainlike fashion from giant multinational firms controlling transport, advertising, and hotel businesses, to collaborative national governments, petty tour operators, local guest-house owners, shopkeepers, hawkers, pimps, prostitutes and beggars. Similar to any other profit-making ventures, the tourist industry demonstrates the fine tension between interdependence and competition, a contradiction which

contributes to its integrated character as a global socio-economic subsystem. Sectoral interdependence becomes evident, for example, in the case of the average tourist who has to obtain a passport, visas, a travel ticket, reserve accommodation and make arrangements for shopping, sightseeing and other forms of entertainment. Intra-structural competition in tourism is expressed, for example, in the case of different airlines, hotels of tour agencies which have to compete with each other for tourist clients.

"Mass Consumerism". Mass Consumerism refers to the unprecedented numbers of international travellers today.

As many as 244 million people moved across borders in 1977 and every year sees a rise in this figure, despite unfavourable economic circumstances. It is estimated that these movements will show a growth rate of 2 to 3 percent per annum over the years to come, between now and the year 2000 international tourist flows will have doubled.²

This mass character of travel today contrasts with the pre-twentieth century era. In the medieval period, for example, voluntary travel was a highly dangerous venture, usually undertaken by merchants, pilgrims and perhaps students, who were willing to brave the perils and hardships of the way in the interests of profit, piety or learning. From the eighteenth century to about the beginning of the First World War, the "grand tour" was popularized by Englishmen who toured Europe. The "grand

tour" symbolizing travel for pleasure eventually became the rage for a small, select elite comprising the aristocracy and the nouveau-riche bourgeoisie who had enough wealth and leisure at their disposal. Despite the phenomenal rise in numbers today, however, the elitism attached to tourism remains. The greater majority of tourists today originate in the rich Western countries with the exception of Japan. It is estimated that the Federal Republic of Germany leads this outflow "with about 36 million departures annually." 3

An important feature of mass consumerism in present day travel is that mass travel has become for the first time a major recreation activity, motivated by the availability of leisure and in search of leisure. Michael Dower elaborates on the leisure motive:

Three great waves have broken since 1800. First the sudden growth of dark industrial towns. Second, the thrusting movements along far flung railways. Third, the sprawl of the car based suburbs. Now, the surge of the fourth wave, leisure....4

Growth of Tourism

A tourist is generally defined by international standards as:

A temporary visitor staying at least 24 hours in the country visited; and the purpose of whose journey can be classified under the following headings:

- 1. Leisure (recreation, holiday, health, study, religion sport.)
- 2. Business--family, mission, meeting.

This definition, with slight variations, guides the computation of tourist statistics.

Apart from being an intriguing phenomenon, the spectacular growth of tourism merits closer scrutiny, since the momentum of the tourist industry is determined by the underlying motivation to travel abroad.

In all ages mankind has shown a nomadic instinct, it is a form of atavism. The longing to escape, the thirst for adventure, the desire to see new horizons, are links between the travellers of mythological times and the mass displacements today. Something of the wanderer or the adventurer exists in us all and seeks to find outlet.

Psychological attitudes such as fashions, deriving from the herd instinct, tend to canalize the desires of crowds and make them all want the same thing at the same time. Thus, tourist resorts became fashionable and acquire an international reputation thanks to visits from persons in the public eye; politicians, royalty, foreign potentates, millionaires, film stars, sports champions, etc. 6

The impulse for diversity and change has been greatly augmented today by certain socio-economic and technological compulsions of modern industrial civilization, which could be briefly described in general terms as follows:

- 1. The sharp rise in disposable income and the process of embourgeosification has facilitated a standard of living which far supercedes that of poor nations and is crucial to the increase in the volume of tourists.
- 2. Substantial improvements in certain other conditions of labour, such as shorter working hours, paid

TRENDS IN DISPOSABLE HOUSEHOLD INCOMES AND SAVINGS, EC TOTAL 1975-80

TABLE 1

	1975	1976	1977	1978	1979	1980 forecast
Compensation of employees	13.8	12.7	10.9	10.1	12.4	13.0
Compensation per employee	14.1	12.9	10.8	9.8	11.4	12.9
Other household incomes	11.5	13.3	15.0	11.4	13.6	12.3
Current transfers received	28.6	14.4	0.9	13.8	10.7	12.7
Direct taxes	14.2	18.0	9.1	10.6	10.6	12.5
Current transfers paid	17.5	16.6	11.0	7.6	12.6	12.0
Disposable household income ²	15.2	12.1	6.6	11.3	12.5	13.0
Real disposable household income	2.0	1.8	0.2	3.9	3.2	9.0
Real private consumption	2.6	3.8	2.1	3.7	3.4	1.5
Savings ratio ⁴	19.4	18.0	16.8	16.8	16.8	1.61

Except for saving ratio.

²Incomes ± transfers - direct taxes.

 $^3\mathrm{Disposable}$ household income deflated by implicit price of consumers' expenditure.

 $^4\mathrm{Disposable}$ household income - private consumption as X of disposable household income.

Note: 1979 exchange rates.

Source: European Economy (No. 6, July 1980).

vacations and a guaranteed periodic break from employment are other factors in the development of the travel industry. The horrors of early capitalism during the industrial revolution where men, women and children were forced to toil for as long as 14-16 hours a day for subsistence wages is a faint nightmare belonging to the past in most developed industrial nations.

What is most significant in labour consciousness today is the sharp dichotomy between work and leisure. Work usually becomes synonymous with drudgery, a kind of bread and butter bondage. The average working day unwinds with mechanical precision and regularity which captures and compresses into its deadening schedule even the most personal activities. Work becomes obligatory labour bound by contractual constraints. Most workers and middle range executives, in short, the bulk of the labour force, have negligible control over the work process or the products. These conditions of personal non-fulfillment are captured by the Marxist concept of alienation.

The worker's activity reduced to a mere abstraction of activity, is determined and regulated on all sides by the movements of machinery, and not the opposite....The production process has ceased to be a labour process in the sense of a process dominated by labour as its governing unity.

In contrast leisure is a hallowed state, completely in opposition to work. Leisure represents the pursuit

of fun--carefree liberation. More than any other form of leisure, travel provides an outlet for escapsim, of getting away from it all. Travel becomes a highly desirable form of recreation, moreover, because it is so strikingly symbolic of conspicuous leisure. In his theory of the "Leisure Class" Thornstein Veblen describes the social prestige associated with expensive, exclusive, exotic forms of recreation.

3. The high degree of industrialization and urbanization prevailing in Western Nations has greatly strengthened the urge for at least a temporary change in life style and surroundings. According to a 1980 World Bank report, the urban population of industrialized nations is over 77% of the total population, but only 21-51% of the population in low and middle income countries are urban dwellers. 9

In ancient and medieval times architecture was inspired by aesthetic ideals. The delicate wing tipped pagodas of the orient, the slender minerats and mosaic courtyards of Moorish architecture, the austere classical profile of Ionic and Doric columns, bespeak architectural visions of beauty. But the modern city with its square, towering blocks of steel and concrete practically shutting out the sky, has been designed primarily to serve utilitarian purposes. The claustrophobic effects of crowded buses, dingy subways, tiny apartments and offices sealed

off hermetically to keep out the natural elements, reinforce the need to escape, to redefine one's environmental relationships.

In analyzing motives for travel it is interesting to note that a survey conducted by Arthur D. Little Inc., a firm of consultants, reveals that factors such as income, education of household head, paid vacation, sex (males more active) and race (non-white less active) are positively related to travel. ¹⁰

The phenomenal development of transport and telecommunication services have also greatly facilitated travel. In the pre-industrial ages, transport was rough, uncomfortable and exhausting. Most travellers just walked, while the wealthier classes journeyed on horseback, in litters, or in stuffy carriages along narrow rutted roads often terrorized by brigands. Present day travel has been completely revolutionized by technological marvels in transport and telecommunication The first railway was inaugurated between Stockton and Darlington in England in 1825. ocean crossing by the steamship Savannah took place in 1819. These are two significant events which marked the beginning of a modern transport system, emphasizing speed, efficiency and safety. This transport system, particularly in the form of air travel, has greatly contributed towards the tourist boom.

In summary, this part has identified the significant socio-economic factors influencing the growth of international travel have been analyzed. These are the rise in disposable income, the greater availability of leisure, values encouraging travel abroad as a prestigious and pleasurable activity, and the vast improvements which have taken place in transport and telecommunication services.

Developmentalism and the Third World

It is now well over three decades since the conclusion of the Second World War, a period which witnessed the political independence of Asian and African colonies, which together with Latin American countries form a group of nations dubbed the "Third World." The term designates all those nations which are not part of the First World, the advanced industrialized nations (the Western European nations and Japan) nor the Second World (the Soviet Union and Eastern Europe). As illustrated in Table 2, these nations are characterized by low standards of living with a substantial section of the population verging on absolute poverty, or that level of dire subsistence in which the most basic human needs are inadequately met.

....We have today about two thirds of mankind living on less than 30 cents a day. We have today a situation where there is about one billion illiterate people around the world, although the world has both the

TABLE 2

Income				
GNP per person* 1193	dollars)	1950	1960	19
Industrialized cou	ıntries	3,841	5,197	9,6
Middle-income co	ountries	625	802	1,5
Low-income cour	ntries	164	174	:
Average unnual growt	h (percent)	19	50-60	1960
Industrialized cou	ıntries		3.1	3.
Middle-income co	ountries		2.5	3
Low-income cour	ntries		0.6	1.
a. Excludes all centr	ally planned	economic	:5	
Health				
Life expectancy at birth	(years)			
	1950 1960	1978	Increase. 1950–78	
Industrialized countries	66.0 69.4		7.5	
Middle-income countries	51.9 54.0	61.0	9.1	
Low-income countries	35.2 41.9	49.9	147	
Centrally planned economies	623 67.1	6 9 .9	7.6	
a. Includes Bulgaria, Poland, Romania, US b. Includes Albania, c. Excludes China	SR			ngary,
Education				
Adult literacy rate (per			_	
	1950	196	0 197	5
Industrialized countries	95	97	99	•
Middle-income countries	48	54	71	
Low-income countries	22	29	38	

Source: World Bank. World Development Report 1980. (August 1980).

means and technology to spread education. We have nearly 70 per cent of the children in the Third World suffering from malnutrition, although the world has the resources to feed them. We have maldistribution of the world's resources on a scale where the industrialized countries are consuming about twenty times more of the resources per capita than the poor countries...The present crisis, in the world economy and in the relations between nations, is a crisis of international structures. What both worlds must come to grips with basically is a sick (transnational capitalist) system which cannot be healed by expeditious economic first aid. Marginal changes will not be sufficient. What is required is a new international order in which all benefit from change. 11

In this respect a predominant trend in macro development analysis is to group these countries together on the basis of commonly shared national problems, and hence the rationale is that exogenous forces such as the tourist industry, for example, create broadly similar dilemmas. However, it is also acknowledged that variations of a typical Third World dilemma may exist at a micro-level or in a specific regional context regarding the finer, more complex details of the manner in which the local socio-economic system is ultimately affected.

Despite considerable diversity in folk culture and political organization, Third World countries presently face similar problems such as (with the exception of the oil exporting nations) a weak purchasing and bargaining power within the world market; high rates of illiteracy, malnutrition, mortality, morbidity, illiteracy,

unemployment and underemployment; and political instability and the rapid disintegration of traditional cultures. Development programs are designed ostensibly as remedial responses to these problems. However grandiose the expectations, the bleak statistics of agricultural and industrial productivity and the physical quality of life recorded throughout the post independence period attest to acute poverty. Deprivation sometimes glimpsed in awful apparitions of grotesquely disfigured kwashiokor victims makes it painfully apparent that there is something grossly inadequate in the "progress" made by the Third World.

In this context, development efforts comprise measures taken to improve levels of productivity and standards in poor countries. Thinking about development and formulating and activating plans for development has become the major preoccupation of diverse groups ranging from an elitist coterie of national and international planners, political parties, academic and technical personnel to community development workers. Heterogeneity among the "developers" in terms of nationality, cultural bias, political orientation and historical experience has given rise to great controversy about the meaning of development and current processes of programming.

During the late 40's and 50's Third World

governments were attracted by the glamour of modernization. Development was equated with Westernization. The ultimate goal of development was to catch up and become like the modern West by espousing the development model of advanced industrialized societies. The stage was set for a Rostow-like "Take-Off" into modernity. Michael Van den Bogaert, the Director of the Xavier Institute of Social Science, Ranchi, India, draws attention to this trend which predominated in the past:

The reference point and yardstick were the developed countries of the West. They decided what development and underdevelopment meant, and did so as can be expected in their own image. The strategy for development was the transfer of funds, technical know-how from developed to developing countries....¹²

The different, but yet successful patterns of growth demonstrated by the Soviet Union, China and Japan and the obvious impracticability of the envisioned unilinear route to development, gave rise to thinking that the same goals of material wellbeing, now modified to becoming simply the elimination of poverty, could be attained by different patterns of development. These patterns, though differentiated by the unique sociohistorical heritage of each country, can nevertheless be dichotomised into two broad approaches to economic growth, namely, the "Inward Looking Strategy of Economic Growth" and the "Outward Looking Strategy of Economic

Growth."

In the early 1960's, the Economic Commission for Latin America led by Raul Presbich 3 opened a new and radical perspective on the dynamics of the world capitalist system, by elucidating factors leading to the peripheralization of Third World nations. The recommended solution to the subordinate status of the Third World impoverished by exposure to metropolitan exploitation was to break off the ties of dependancy and embark on an independent course of internal development. Inspired by this current of radical thought, many Third World countries severely restricted transactions with Western industrial nations as a principle of national economic policy and concentrated on an "import substitution" type of advanced industrialization. But dependancy on imported raw materials, semi-fabricated parts, machinery and expertise continued, so much so that at times it would have been cheaper and a lot less bothersome if the finished commodity had been imported wholesale. The gap between the rich and poor nations thus continued to widen.

Although per capita income (at 1970 prices) in the developed market economies increased from about \$2,000 to \$3,000 during the period 1960-1975, in the development countries it rose from \$169-\$260. It has thus appeared that the international and regional development efforts (or rather, the mechanics of the international economic system) has failed to contain, let along eliminate absolute poverty. 14

The development intentions of international assemblies too, though begun with high hopes, have on the whole tended eventually to falter and fade away.

By the end of the 1960's, these hopes had been shattered. The first UN Development Decade, launched with high hopes in 1961, fell short of its objectives; its extension in 1970 was viewed with dampened expectations. The Alliance for Progress, also launched in 1961 with similar hopes, quietly faltered. Another regional effort, the first Yaounde Convention of 1963, was replaced by the second Yaounde Convention and the Arusha Convention (1969), but the expectations associated with them were not fulfilled (in spite of improved conditions negotiated in the latter two agreements). The UN Conference on Trade and Development (UNCTAD) had a promising start with its first meeting in 1964, but did not make considerable progress in its second (1968) and third (1972) sessions, thus only increasing the sense of frustration in developing countries. The same can be said for the Group of 77 (G77) which had constituted itself in 1964 during UNCTAD I.15

Disillusionment with previous attempts at development has given rise to the search for new approaches. The fiasco of the "trickle-down" effects anticipated by economic growth, as recorded by increasing levels of poverty, led to the re-examination of growth dynamics. The result was a strong movement in the 1970s towards achieving "Redistribution with Growth", a proposition which provided a broad umbrella for the formulation of sub-developmental themes. The most salient of these are:

<u>Participation</u>. The need for participation was

realized in the context of the failure of hitherto existing highly centralized, rigidly hierarchic and authoritarian "top-down" methods of development administration. Participation envisages the active involvement of all members of a given community in the decision-making and implementation processes of all development plans intended to benefit them. Participation requires that patterns adopted should be compliant with indigenous norms and values.

The basic needs-oriented approach. A basic needsoriented strategy of development is advocated as an
alternative to the extravagant and wasteful consumerism
encouraged by the model of Western industrial development.
According to this view development should concentrate
on the simple, austere goals of meeting the essential
needs of the poor masses.

Appropriate technology. Low cost, locally manufactured, widely applied, simple technologies are now being considered to be more appropriate for use in Third World countries, instead of adopting capital intensive, expensive, high energy-consuming, imported technologies.

Eco-development. Heeding the destructive, polluting effects industrialization has on the biosphere and the psychological problems of alienation, eco-development rationale insists that development efforts be guided by sound ecological principles in order to create a

harmonious, balanced, sustained relationship between the social, economic and physical components of a community life style.

With the exclusion of the systematic development programs of Cuba and China, most Third World countries have, on the whole, made haphazard, irregular, fragmented and largely unsuccessful attempts at achieving "redistribution with growth" through methods of taxation, land reform, food subsidies, subsidized services and special procedures such as compulsory savings. A certain degree of redistributive justice has been realized in a few countries like Sri Lanka and Tanzania at the cost of retarding economic productivity in order to improve the general quality of life.

The current developmental themes, calling for a more egalitarian style of life, have radical overtones, yet limited to mere rhetoric. How, it may be asked, is "participation" to become a reality? As demonstrated woefully by the Panchayat Raj of India, poor landless peasants and small landowners tend to be thoroughly intimidated in the presence of high caste landowners, who are usually allied to high ranking officials.

These vaguely defined development policies also suffer the limitation of focusing almost exclusively on internal or intra-national dynamics of progress. Not surprisingly therefore these strategies are at present

intensively propogated through "research findings",
"guidelines for development" and "aid" linkages by metropolitan agencies engaged in "development," like the World
Bank, International Monetary Fund, U.S. Agency for International Development, and a host of other organizations
which, despite seeming benevolence, are firmly committed
to uphold the present global status-quo. The antithesis
to this approach gathers stormy strength in international
forums today, when Third World nations press for the creation of a "New International Economic Order." More
specifically Mahbub Al Haq suggests:

- --revamping of the present international credit system by phasing out national reserve currencies and replacing them by an international currency;
- --gradual dismantling of restrictions
 in the rich nations on the movement
 of goods and services as well as labour
 from the poor nations;
- --enabling the developing countries to obtain more benefit from the exploitation of their own natural resources through a greater control over various stages of primary production, processing and distribution of their commodities.
- --introduction of an element of automaticity in international resource transfers by linking them to some form of international taxation royalties from the commercial exploitation of international commons or international reserve creation;
- --negotiation of agreed principles between the principal creditors and debtors for an orderly settlement of past external debts;

- --negotiation of agreed principles between the principal creditors and debtors for an orderly settlement of past external debts;
- --renegotiation of all past leases and contracts given by the developing countries to the multinational corporations under a new code of conduct to be established and enforced within the United Nations framework:
- --restructuring of the United Nations to give it greater operational powers for economic decisions and significant increase in the voting strength of the poor nations within the World Bank and the International Monetary Fund. 16

Agitation for a "New Economic Order" is, however, only the economic expression of an alternative approach to development which emphasizes the need for more egalitarian social relations based on the realization of human dignity and freedom for the world's down-trodden people.

The debate on "development" thus continues. In this respect the impact of tourism as a strategy of development shall be analyzed in the light of the rationale and the yet groping attempts to realize comparatively new themes in developmentalism which stress "appropriateness," "economic growth with distribution" and more egalitarian "North-South" relations.

Tourism Linkages With Developmentalism

Tourism in the Third World is not a random, sporadic phenomenon. On one hand the tourist industry is closely integrated by the global travel industry, and on the

other hand tourism is enthusiastically propagated by
Third World governments with such a strong sense of
commitment that tourist activities are often incorporated
into national plans and justified by linkages established
between tourism and development priorities. It therefore
becomes important to analyze the advocacy and growth of
Third World tourism in the context of the preceding discussion on development.

Three levels of linkages could be conceptualized between tourism and development:

- 1. Tourism and economic growth
- 2. Tourism and "Redistribution with Growth"
- Tourism and the "New International Economic Order."

Though "developer" circles have long discarded the original G.N.P.-centered approach to development, national governments in Third World countries are still intensely preoccupied with prospects for economic growth. As stressed in many government -sponsored feasibility reports and evaluation reports on tourism operations at a national level, the case for promoting tourism in particular rests on the perceived need for economic growth. Growth through tourism is anticipated for the following reasons:

1. Tourism as one of the fastest growing industries in the world could assuredly be capitalized upon

to augment urgently needed foreign exchange and thereby help solve national balance-of-payment problems which have now reached critical proportions;

- 2. Tourism as an industry belonging to the tertiary service sector of the economy or has the potential to diversify Third World economies stagnating in the primary extractive stage;
- 3. By exerting a "multiplier effect" tourism stimulates the growth of other sectors in the economy;
- 4. Tourism acts as an engine of growth in propelling infrastructural development in hitherto backward areas;
- 5. Tourism popularizes and increases demand for local craft products;
- 6. Tourism is also rationalized because this industry is seen to help preserve aspects of traditional culture in danger of losing functional value completely.

 Tourism is regarded as having the capacity of rendering commercial and political benefits by acting as a medium for promoting a nation's image favourably abroad and thereby enhancing international understanding and mutual friendship too.

The linkage tourism bears to the "Redistribution with Growth" theme is much weaker than the relationship with the theme of exclusive economic growth. The linkage with redistribution is most evident in the advocacy of

tourism for its employment and income-generating capacity, which would relieve the tension building up in most Third World countries owing to endemic unemployment and underemployment. It could be said that the tourist "multiplier" and "infrasturctural growth" arguments, too, are linked to the redistribution theme, though more marginally.

The third development linkage is more anticipated than actual. This linkage forsees elements of the new international order as emerging and strengthening through induced changes in the power structure of the tourist industry.

The arguments which hinge on validating tourism on the basis that it makes opportune the preservation of indigenous cultural traditions and arts which would otherwise have vanished and which looks upon tourism as a bridge to international understanding, tend to be of secondary importance and are subordinate to the economic interests vested in tourism.

In the ensuing chapters, the causes and effects of these developmental linkages with tourism are discussed in greater detail. The arguments for tourism are critically examined. Special effort has been taken to highlight the often unanticipated and largely obscure social and economic costs incurred by the host country population owing to tourist operations.

CHAPTER TWO

TOURISM AND ECONOMIC DEVELOPMENT

The Imperative of Earning Foreign Exchange

One of the main reasons for advocating tourism in the Third World is the strong belief that the tourist industry is a valuable source of foreign exchange.

> Tourism is a major economic activity. In 1975 over 200 million international visitors spent around US\$45 thousand million after reaching their destinations. Of these amounts, the lowerand middle-income countries secured approximately 30 million visitors and earned US\$10 thousand million from These earnings came to around them. 1 percent of the gross national product of the destination countries. Moreover, they were second only to foreign exchange earnings from petroleum exports and were almost double those from sugar, which was the next most important primary commodity exported from developing countries in that year. In many countries, domestic travel by residents of the country is also significant, so that tourism is economically more important than the figures on international travel alone would imply.

Before discussing this controversial issue it is relevant to briefly examine the prevalence of an acute foreign exchange crisis in non-oil exporting Third World nations. The lack of capital, especially in the form of foreign exchange, is considered to be a major

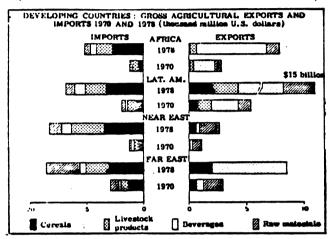
economic obstacle faced by the Third World. Foreign exchange is urgently needed by poor nations chiefly for the following reasons:

- 1. The massive importation of foodstuffs and othr basic consumer goods owing to:
 - a. The perpetuation of an economic system still rooted in a colonial structure of the past whereby the most fertile areas have been requisitioned for large-scale commercial crops geared towards export production;
 - b. Low productivity in the semi-subsistence agricultural sector, which is comprised of 70-80 percent of the total population;
 - c. The inadequate achievements of development strategies applied in the past to prevent the excessive outflow of foreign exchange. For example, though the "Green Revolution" has served to substantially increase crop yields, as illustrated in Table 3, this improvement has not yet made most poor nations self-sufficient in basic foodstuffs.
 - (d) Hunger in the Third World which has been considerably aggravated by the high rate of population growth--currently between 2.7 and 3.5 percent per annum--causing excessive land fragmentation and exacerbating overall national

unemployment and underemployment.

TABLE 3

DEVELOPING COUNTRIES: GROSS AGRICULTURAL, EXPORTS AND IMPORTS 1970 AND 1978 (thousand million U. S. dollars)



Source: "Commodity Review and Outlook: 1979-1980." Food and Agriculture Organization of the United Nations.

- 2. Foreign exchange is also essential for the importation of capital goods, foreign expertise and technology necessary for the construction of a modern economy. The intensive adoption of appropriate technology could only lessen but not totally eliminate this component of imports.
- 3. Debt reservicing (See Table 4). The situation in Tonga, for example, illustrates the economic dilemma typical of most Third World nations, especially the countries in the lower per capita income bracket.

TABLE 4 PUBLIC AND PRIVATE DEBT OF THE DEVELOPING COUNTRIES (US\$ millions.)

	End 1970	End 1975	End 1978`	End 1979	End 1980
Disbursed debt outstanding.					
by region					
More advanced Mediterranean					
countries	9,193	29 ,114	56,085	69,309	79,000
Africa south of the Sahara	7,028	14,989	27,164	32,326	38,000
North Africa and Middle East	4,263	13,884	35,677	42,202	46,000
East Asia and Pacific	8,836	24,623	45,711	51,920	58,000
South Asia	11,961	20,686	28,895	30,116	33,000
Latin America and the Caribbean	21,163	64,843	123,362	143,308	162,000
Total	62,444	168,139	316,894	369.180	416,000
Disburced debt outstanding		•			
Official sources	34,877	74,241	122,189	136,177	154,000
Private sources b	27,567	93,898	194,705	233,003	262,000
Total	62,444	168,139	316,894	<u>369,180</u>	416,000
	1970	1975	1978	1979	1980 *
Debt service					
Official sources	2,519	5,481	9.168	11,480	14,000
Private sources	5,329	18,712	42,723	55,704	62,000
Total	7,848	24,193	51,891	67,184	76,000
Net disbursements					
Official sources	3,862	12,208	14,711	15,152	18,000
Private sources	4,147	20,445	38,557	38,185	35,000
Total	8,009	32,653	53,268	53,337	53,000

Note: Details may not add to totals because of rounding.

Source: World Bank.

Estimate.
▶ Includes some lending by official sources that is not guaranteed by a public body in the borrowing country.

Tonga is primarily an agricultural nation of small landowners. Despite government efforts to modernize and increase food production, the natural resources of the islands are inadequate to feed the growing population. For greater cash-flow, primarily to meet Tongan consumer demands for Western products, Tonga has become an exporter of agricultural commodities. is germane to note, however, that foodstuffs (especially meat and chicken) account for almost a third of Tonga's annual imports. In 1973, for example, total exports amounted to almost U.S. \$5,000,000, with copra being the most important export (at U.S. \$3,347,000). Dietary inadequacies among Tongans, occasioned by high foods costs, are best assessed by the Minister of Health who stated in 1973 that protein-calorie malnutrition is prevalent among young Tonga children to a disturbing degree. In the same year seventeen cases of severe "nutritional deficiency" required hospitalization, two of which became fatalities.

Spiralling inflation has eroded Tongan buying power over the recent years, as indicated by the Consumer Price Index (CPI). Established in 1969 with a September base of 100.0, the CPI is earning less than U.S. \$37 a week. Heavily biases towards food items (64 percent of all items on the index) of the CPI has risen steadily to 172.4 in six years. Increases in food prices, both domestic and imported, have consistently contributed most to this upward trend. In one of the largest overall increases, 11.4 percent in the quarter of June-September 1973, the fruit and vegetable component of the CPI increased by 46.9 percent. In the second largest increase 11.2 percent from December 1972-March 1973, this same sub-group of basic staples increased by 33.1 percent while the cereal sub-group (bread flour and rice) increased by 31.6 percent. 18

Adverse terms of international trade constitutes the primary reason for the foreign exchange crisis

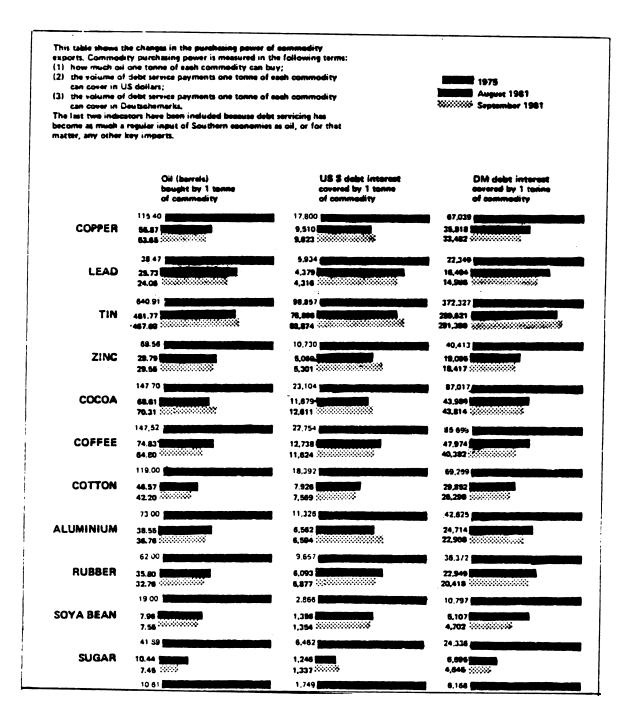
prevailing in most Third World countries, with the exception of oil exporting nations. Such unfavourable terms of trade bring in dwindling income from traditional exports while the cost of imports are soaring. Thus Michael Manley concisely explains Jamaica's dilemma:

In 1965, the average price of sugar realized by Jamaica was Jamaican \$73.7 compared with Jamaican \$1,536 (cif) for the Ford 5000 tractor--a ratio of one tractor to 20.84 tons of In 1979, the Ford 5000 tractor was no longer available. It has been replaced by a new model called the 66.00 which is slightly more powerful but is designed for exactly the same purposes. For 1979, the provisional average price per ton of sugar is Jamaican \$534 compared with Jamaican \$30,905 for the Ford 66000 tractor--a ratio of one tractor to 57.87 tons of sugar. far as sugar and tractors are concerned, the ratio has moved from 21 to 58 tons of sugar to provide the foreign exchange to bring one tractor to Jamaica. 19

Table 5 further illustrates the weakening commodity purchasing power of poor nations.

Despite post-colonial tinkering with economic diversification, Third World economies have not yet shown the capacity to break away from the colonially forged matrix of dependancy on primary extractive functions, such as producing rar ow semi-processed materials having a very low demand elasticity. Such primary extraction coupled with weak bargaining power has impelled the urgent search for alternative means of solving or at least alleviating the foreign exchange problem.

TABLE 5
SOUTH INDIES: WHAT COMMODITIES CAN BUY



Source: From <u>South</u>: The Third World Magazine, November, 1981.

Since the 1960's several Third World nations have eagerly pursued tourism as a most promising source of foreign exchange. As illustrated in Table 6, the special attraction of tourism in this respect is that it is one of the fastest growing industries in the world today. Tourism demonstrates a remarkably high degree of demand elasticity when compared to traditional exports.

TABLE 6
TOURISM RECEIPTS AND WORLD EXPORTS

Item	thou	ısand	billi milli	ions)		Percent increase	rate
	1950	1955	1960	1965	1966	1950)-1966
Value of world exports of pri- mary products		16.4	20.1	26.4	27.9	137%	5.5%
Value of world exports of manufactured goods	10.0	15.8	24.6	38.6	43.1	331%	9.5%
Total	21.8	32.2	44.7	65.0	71.0	226%	7.7%
Estimated value of world international tourist receipts	0.75	1.36	2.43	4.11	4.54	505%	11.9%
International tourist re-ceipts as percentage of world exports	3.4%	4.2%	5.4%	6.3%	6.3%		
WOLLG CAPOLES	J. 7/0	7.2%	J. 7/6	0.5%	0.0%		

Source: U.N. Balance of Payments statistics and I.U.O.T.O.

The majority of tourists, however, tend to gravitate towards countries in the northwestern belt of the globe, so that the so-called "developed" or rich western nations earn the major component of world tourist earnings.

The rich countries earned the lion's share of the \$36,000 million in income generated by tourism in 1976. The United States came first, with \$6,375 of this total, France second with \$3,613 million and the Federal Republic of Germany third with \$3,211. The Western countries are thus the greatest participants of these flows, even if their tourist balance is in deficit. 20

But Third World nations nonetheless proceed to invest heavily in tourism. These countries perceive themselves as having certain advantages over the economically developed nations, two favourable circumstances being that:

- 1. Tourists from rich countries, who form the bulk of travellers, benefit from an international rate of currency exchange which augments the value of their own money, thus enhancing their buying power and enabling them to take a comparatively low-cost luxury vacation; and
- 2. The exotic attractions afforded by traditional cultures and natural environments which are as yet relatively unswamped by the uniformities of modern Western civilization familiar to most tourists.

Countries which have invested in tourism often show

impressive records of substantial and rapidly increasing earnings. The Institute of Economic and Market Research in India estimates that

Receipts in India, from tourism, starting from a very low figure of Rs. 4 crores in 1950 have crossed Rs. 100 crores in 1975. Tourist receipts thus have recorded a compound growth rate of 13.7 percent per annum between 1951 and 1975. 21

Table 7 illustrates the growth of Mexico's export income through tourism.

TABLE 7

COMPARISON BETWEEN TOURISM AND EXPORT RECEIPTS, MEXICO, 1960-67

Year	Tourism Income (million	Export Income pesos)	Tourism Income as a Percent- age of Ex- port Income	Tourism Income as a Percent- age of Trade Bal- ance Deficit
1960	\$1,902.5	\$ 9,233.8	20.6	33.9
1961	2,050.6	10,043.3	20.4	48.9
1962	2,232.9	11,244.5	19.8	73.4
1963	2,632.1	11,699.9	22.5	69.3
1964	3,007.1	12,780.6	23.5	51.1
1965	3,435.5	13,923.7	24.7	61.7
1966	4,104.5	14,534.5	28.2	74.2
1967	4,538.8	13,797.5	32.9	56.3

Source: $\underline{\text{Mexico 1966}}$ (Mexico City: Banco de Comercio Exterior, $\underline{1966}$), pp. 173, 180; $\underline{\text{Mexico 1968}}$ (Mexico City: Banco de Comercio Exterior, 1968), pp. 291, 296, 332.

The expenditures of a tourist outside his own country involves foreign exchange transactions. "International tourism therefore appears basically as a mechanism of redistributing in the poor societies the resources of the rich ones."²²

Tourist receipts in the form of foreign exchange are entered in the credit side of a nation's travel account in its balance of payments statement. In this manner the foreign exchange receipts from tourism become comparable to receipts of foreign exchange earned by merchandise exports. However, the travel account of a nation registers only the gross value of tourist receipts and in no way indicates the substantial leakages caused by the internal dynamics of the tourist industry.

On closer examination the advocacy of tourism based on the rationale that the tourist industry is one of the most lucrative avenues of earning foreign exchange, is not as sound as professed. This is because there is a significant national outflow of foreign earnings which tends to be much greater in poor countries owing to general conditions of poverty, i.e., lack of capital, weak political power, and weak bargaining power, resulting in dependancy on external forces. Unlike the inflow of foreign exchange, however, this outflow tends to be indirect and not easily discernible.

Such leakages in foreign eschange usually occur

for the following reasons:

1. The lack of initial capital necessary to set the industry in motion has necessitated collaboration with foreign investors, usually powerful multinational corporations which cause the remittance of tourist earnings in the form of profits, salaries paid to high ranking hotel personnel, tour operators, itinerant foreign artists, etc.

Out of the total of 14 hotels (including guest houses) in the Gambia, 9 are local (mainly Lebanese) enterprises with a capacity of 435 beds. Five hotels are, for the main part, foreign enterprises with a total bed capacity of 1440. 23

In Kenya, native Africans see very little of the profits from the safari trade. Of more than the sixty safari firms in Nairobi only one is wholly African owned; the industry is entirely dominated by old school colonials--petty monsters of bigotry...²⁴

2. The increasingly oligopolic character of the tourist industry on a global scale which has resulted in the vertical integration of different operations such as transport, especially airline business, tours, and the handling of certain imports necessitated by tourism.

These syndicates and combines could well benefit tourists by offering package tours and charter flights at concessionary rates enabling low and middle income groups to travel. But this reduction in spending usually results in the deflation of profits for the host country.

Ŋ

Thus, the growth rate of tourist receipts is lagging behind the growth rate of tourist arrivals. This may be due to the fact that, as already explained, there is a wide gap between the total money spent by tourists on their excursions and the money actually received by the host country out of this expenditure...Unfortunately, this per capita expenditure is not rising, rather it had declined from Rs. 4780 spent in 1952 to a bottom low level of Rs. 1273 in 1961 and to Rs. 2239 in 1975.25

- 3. The growth of oligopolic control within the tourist industry also facilitates the remittance of money through "transfer-pricing" often resorted to by multinational firms, to avoid taxation. ("Transfer pricing" refers to practices of deliberate overpricing or underpricing, usually for purposes of avoiding taxation.)

 In tourism prior transactions in the "originating country" could considerably lessen expenditure in the host country.
- 4. The expenses incurred in promotion and publicity campaigns abroad.
- 5. Though tourists come in search of exotic experiences, it is assumed by the host country that they wish the amenities available "back home." This had resulted in the large scale importation of foreign delicacies, liquors and other fine consumer items, and services belonging to brands familiar to Western foreigners.

 Research in the Gambia reveals that

This import of goods, which the tourist is accustomed to from home, (ranging from type and make of furniture, to meals cooked with Swedish ingredients and garniture) is one

of the prerequisites for successful tourism. Direct demonstration effects caused by contacts with the tourists have also been shown to increase the demand of the local population for foreign commodities. 26

- 6. The importation of luxury vehicles for transportation and materials to construct and maintain luxury hotels.
- 7. Expensive spending on luxury imports by local elite groups engaged in the tourist industry is another strong contributory factor causing the outflow of foreign exchange earnings.

It could be postulated that as in other economic transactions, that the greater the degree of poverty and dearth of westernized native personnel, the more "backward" or "retarded" the country from the point of view of economic development and "modernity", the greater the degree of foreign control over its tourist earnings and concomitantly the greater the outflow of foreign exchange.

The 1964 East African survey revealed the following pattern/leakage

Imports for the maintenance of the sector alone - 40%
Profits/Wages and Dividends - 40%
Taxes - 20%

Working on the basis of these figures it would be seen that at anything above 50% of the earnings in this sector is de facto repatriated abroad. 27

To guarantee profits and the continuation of business, foreign agencies tend also to apply political

pressure to host countries.

They express their wishes through lobbies like IFTO (International Federation of Tour Operators), TOSG (Long-Haul Operators Study Group). These trade bodies think nothing of flying a delegation to a host country to compalin about the deterioriation of its airports, tax structure or general inefficiency. LOSG for instance, visited the Tanzanian tourist authorities to complain about the deterioration of that country's standards. 28

The Tourist Multiplier

A corollary to the phenomenon of economic growth is the tourist multiplier. The "multiplier" is a statistical device used to estimate the "spread effects" or chain of transactions triggered by intruding economic forces. The multiplier is also used to gauge the economic impact of tourism. In this respect the multiplier estimates the tourist's "expenditure profile" by calculating the flow of expenses generated by a tourist and how this experience seeps throughout the whole economy, promoting its overall growth.

Unlike mining operations or commercial crops, the traditional economic pursuits of Third World nations tend to be limited to specific regions depending on the availability of natural resources; tourism is more flexible. Therefore its "spread" effects are considered greater, benefiting shopowners, entertainers, transport agents, construction workers, craftsmen, etc. The initial expenditure of the tourist exerts a multiplier effect when

this money changes hands through successive transactions, augmenting the income of a particular business at each level, thus resulting in a cumulative process of growth. For example, when a tourist buys a souvenir, part of the money would be used by the craftsman to buy raw materials in order to continue his trade.

The suppliers of raw materials would in turn expend their earnings buying provisions in a neighbouring store, etc., and the value of the primary transaction would multiply several times over in this manner. Take, for example, the new found prosperity of Khajuraho in India.

The money spent by the tourist at a particular spot greatly helps the development of the areas surrounding it. It brings a lot or prosperity to that region. Khajuraho in India which now is an an internationally famous tourist spot, is an example. illustrate, Kharujaho, a remote and unknown village is recently as 15 years ago, is now on the world tourist map attracting thousands of tourists both domestic as well as international. Today, Indian Airlines (domestic carrier) flies a jet plane between New Delhi and Khajaraho and seats are not easy to come by. Thousands of tourists visit the place by air, rail and road transport every month. The place had provided employment to hundreds of local people. As a result of employment, local people have additional income to spend. There is already a thriving clay model industry devoted to making replicas of the famous temple sculptures. Number of shops dealing with items of presentation, handlooms and handicrafts have created jobs for many people. The subsequent development of areas around Khajuraho will provide additional employment opportunities resulting in general prosperity of the people. 29

The Checchi Report is a classic study on the tourist multiplier. Using data on income disbursement from the Hawaii Visitors Bureau and the Government of Singapore, this study subdivides tourist expenditure into five categories, and estimates that 5 rounds of spending would result each year, sprouting from the initial or primary expenditure relating to each category.

Adopting a different procedure, another study-the Zinder Report--determines four expenditure categories
and assumes four rounds of expenditure transaction transactions. The growth dynamics of the multiplier could
be explained as shown as follows:

(i) A notional \$1000 to be spent by a tourist is divided, on the basis of the dominant tourist spending pattern in the East Caribbean, into four categories so that:

Accomodation	\$315
Food and Beverages	\$385
Purchases	\$150
Local transportation	\$150
Total	\$1000

(ii) It is assumed that there will be four rounds of transactions. Thus the initial spending would result in three succeeding rounds. The rounds for "accommodation" are:

Round one	\$315.00
Round one	
Round two	\$248.37
Round three	\$151.91
Round four	\$ 61.00
Estimated total	
spending	\$ 776.00

(iii) The estimated annual turnover per dollar is arrived at by dividing the estimated total spending of \$315. The result is 2.46.

ty

Wh:

eco

eff

rel

effe

a fa

effe

"lea!

After following a similar procedure for "food and beverages" the result is 2.22.

- (iv) The accommodation co-efficient is also assigned to sight-seeing and local transportation. Similarly, the food co-efficient is assigned to purchases.
 - (v) Finally, as a result of the weighted average of the 4 rounds, the Zinder Tourist Multiplier of 2.3 is derived for the East Caribbean.

It may be added that according to the Zinder Report, the comparable multiplier effect of tourist spending is 8.4 in Yugoslavia and 3.2 in South East Asia. It was explained on p. 46 that a multiplier effect of 2.3 means "that \$1000 spent by tourists would add, on the average, about \$2300 to national income (or GDP) before the impact wears off through leakage. 30

It is observed that tourism effects three multiplier types, which are, however, linked complementarily:

- The output, sales or transactions multiplier, which assesses the impact of tourism on the general economic activities of a given area;
- 2. The income multiplier, which calculates the effects of tourism on personal incomes of the area; and
- 3. The employment multiplier, which traces the relationship between tourism and the growth of employment.

As evidenced in Table 8, however, the multiplier effect of tourism is exceedingly variable.

One factor which accounts for this variability-a factor which tends to considerably reduce the growth
effects attributed to the multiplier--is the problem of
"leakages." These leakages take place because of

TABLE 8
ESTIMATED TRAVEL MULTIPLIERS

Country	Multiplier Value	Source
Greece	1.2-1.4	Daniel B. Suits, An Econometric Model of the Greek Economy (Athens: Center of Economic Research, 1964) pp. 119-21
Ireland	2.7	"Study of the Economics of Tourism in Ireland" (1966)
Lebanon	1.2-1.4	Pierre Corra, "Nouvelle etude prospective sur l'apport du developpement economique du Liban" (1967)
Hawaii	0.9-1.3	Paul G. Craig, "The Future Growth of Hawaiian Tourism and Its Impact on the State and on the Neighbor Island" (Honolulu: University of Hawaii, 1963), pp. 105-07 (mimeographed)
New Hampshire, U. S. A.	1.6-1.7	Vacation Travel Business in New Hampshire (Concord: Division of Economic Development, State of New Hampshire, 1962)
Pakistan	3.3	Master Plan for Development of Tourism in Pakistan (Karachi: Directorate of Tourism, 1965)
Caribbean	2.3	H. Zinder and Associates, The Future of Tourism in the Eastern Caribbean (Washington, D. C., 1969)
Caribbean	0.58-0.88	John M. Bryden, <u>Tourism and</u> <u>Development</u> (Cambridge: Cambridge University Press, 1973
Anglesey, Wales	1.25	B. H. Archer and Christine B. Ower "Towards a Tourist Regional Multiplier," <u>Regional Studies</u> 5 (1971); 289-94

Source: John M. Bryden, <u>Tourism and Development</u>. (Cambridge: Cambridge University Press, 1973)., p. 75.

outflows and taking place across national boundaries from earnings temporarily accrued by different types and levels of local business associated with tourism. This occurs for the very same reasons discussed in relation to foreign remittances. With regard to the findings of the Checchi Report

The study estimated that the value of the multiplier for high leakage (poor) nations would be 3.2 within one year of the original expenditure incurred by a tourist. On the other hand, the low-leakage (rich) nations would have a multiplier of 4.3.31

According to these estimates the multiplier effect in rich countries is much higher. The lower import content of tourism, the significantly greater degree of ownership and control of tourist operations, and stronger terms of national currency provide armor against excessive loss of income gained through tourism. "The wider the region's economic base, the fewer the leakages and, consequently, the higher the multiplier." 32

Variability in multiplier estimates also occurs because of different procedures of calculation used. For example, the Zinder Report has been severely criticized by Levitt and Gulete, and also by John Bryden and Mike Faber. ³³ These researchers denied the high multiplier benefits indicated by the Zinder Report for the Caribbean by pointing out that the leakages occuring have been greatly underestimated, since only the exaggerated value and frequency of transactions have

been calculated.

What can be asserted strongly...is that the relevant multiplier is extremely unlikely to be as high as 1.0 in most East Caribbean Islands, and is certainly nowhere near the value claimed for it by the Zinder Report.³⁴

Another serious drawback is that this procedure does not indicate the social and economic costs suffered by the resident population owing to the superimposition of tourism upon the regional economy.

In most cases costs and benefits are not evenly distributed. What may be of benefit to one group, may be a cost to another group within the same country and community. Hotel and restaurant operators may benefit from tourism; but the permanent residents may suffer cost in terms of crowding, pollution, noise, and, in some cases, a changed way of life. 35

Moreover, the purchasing power of tourists, as well as big capital backing the tourist industry, by far exceeds the income-expenditure levels of a Third World nation population. Thus, apart from adverse terms of international trade and the inflationary pressures of the current energy crisis, at a more immediate level, tourism has become a strong contributory factor causing substantial increases in the cost of living.

Tourism definitely creates grossly unequal competition at a regional level for resources which used to afford at least a subsistence-level life-style for the local poor. These resources, now subject to price inflation, cover a wide range of goods and services, such as

foodstuffs, especially in the form of locally produced choice vegetables, fruits, meats; shrimp, lobsters, fish, mutton, chicken, etc.

In Bali for example, in the poorer uplands, such as Bangli malnutrition is increasing and with it attendant diseases. Bali is now in the throes of a major appraisal for massive tourist development. Anxious not to frighten investors away, both the government and the local press deny the problem. 36

The Gambia demonstrates the same problem.

There is not enough of certain foods for the local population during the tourist season since the hotels are supplied first of all. Due to the economic position of the hotels as well as the question of supply and demand there is an increase in prices.³⁷

There is also pressure on the availability and the price of land:

At Serengeti and Ngororo parks in Africa, there is a conflict between the needs of tourism and the needs of cattle and game. In Ethiopia, there is conflict between the creation of the major tourist attraction of Awash Park and the needs of the tribes living there. 38

In addition the availability and price of local housing may be adversely affected and there is increased pressure on already scarce and overtaxed basic utilities, such as electricity, pipeborne water, fuel, security and administrative services.

Economic Diversification and Infrastructural Growth

Apart from bringing in foreign exchange and having a multiplier effect on the economy, tourism is welcomed as a tertiary sector industry tending to diversity economies stagnating at the level of primary extractive operations. Tourism thereby relieves hazardous dependance on the export of a few staple raw materials or semiprocessed commodities fetching low prices in the world market, like, for example, tea, rubber, coconut, cocoa, ground nuts, coffee, sugar, sisal and jute.

While exports from developing nations (other than oil) rose by only 7.6% annually between 1969 and 1978, receipts from tourism increased at an annual rate of 11% during this period (which is higher than the annual rate of 9 percent for world receipts of tourism. 40

The singular advantage of tourism is that, carried onwards by the momentum of mass foreign demand, its chances of success are greater, its operationalization simpler, its capital outlay equivalent or less than the requirements of large-scale advanced industrialization for achieving economic diversification. However, the capital outlay necessary to establish and maintain the tourist industry is still considerable, especially since tourism requires a widescale, efficiently coordinated and sophisticated infrastructure, such as airports, harbours, railroads, highways, hotels, casinos, safaribungalows, archaelogical preservation, postal and

telecommunication services, etc. In Third World countries national governments have to make pathbreaking policy decisions and allocate the major capital outlay necessary for the growth of tourism. Except for sundry, scattered volunteer organizations motivated by humanitarian ideals, private initiative in development work is limited in most poor countries. The present process of private capital accumulation is also extremely sluggish, owing to mass poverty, which depresses most entreprenuerial activities to a miniscule scale. The small and wealthy elite groups drawing surplus mainly through semi-feudal relations of production or prestigious professions, tend to indulge in conspicuous expenditure. Excluding a few notable cases like the Tatas' and Bhirlas' of India, for example, the national bourgeoisie of Third World countries demonstrate a very poor capacity for economic innovation, choosing, rather, to collaborate with, or follow in the footsteps of, metropolitan economic power.

Neither financiers nor industrial magnates are to be found within this national middle class. The national bourgeoisie of underdeveloped countries is not engaged in production, nor in invention, nor building, nor labour; it is completely canalized into activities of the intermediary type. 41

Thus, the formidable burden of development lies with governments of Third World nations. This same rationale applies to the establishment of tourism in the Third World, especially since tourism, as mentioned

earlier, requires broad-based, efficiently coordinated infrastructural facilities. Though private entreprenuers, both local and foreign, may cooperate and benefit immensely from this venture, it is up to national governments to shoulder heavy infrastructural costs and also to establish the legal and administrative apparatus necessary to regulate the tourist industry.

As national governments begin to recognize the economic potentialities of tourism, the tourist industry gains increasing prominence in high powered plans for national development. Planning and investment priorities in India and Kenya, for example, amply illustrate this attention.

Planning in India.

Planning for tourism in India made a humble start in the Second Plan, with a provision of Rs. 3.33 crores, out of a total plan outlay of Rs. 4800 crores. In the Third Plan an allocation of Rs. 5 crores was provided for the development of tourism....

In the Fourth Plan, a provision of Rs. 36 crores had been made for the development of tourism in the plans of the Central as well as States and Union territories....

In the draft Fifth Plan, a provision of Rs. 113 crores was made for the development of tourism....⁴²

Similar to many other nations, special institutions have also been established by the government of India.

The exclusive functions of these departments, such as the Central Department of Tourism and the India Tourism

Development Corporation, are to regulate the tourist industry and to promote its growth. The responsibilities of these government organizations entail the following duties:

- 1. Supervision: the regulation of general tourist operations within the country;
- 2. Propogation: to encourage and support the advertisement of India both at home and abroad;
- 3. Stimulating the further expansion of tourism by providing incentives to investors and guarding their business interests:

In the Fourth Plan (1969-1974) of India the programmes of the India Tourism Development provided for the construction of hotels, motels and cottages, renovation and expansion of tourist bungalows, setting up of transport units and duty free shops at international airports...⁴³

- 4. To preserve and enhance the attractions of scenic locations and places of cultural and historical interest; and
- 5. To increase and improve the quality of facilities available for tourists.

Planning in Kenya

In Kenya, as in India, tourism occupies a prominent place in succeeding "five year" plans as illustrated in Table 9.

Investment in tourism, then, does require heavy capital outlay and careful planning. When investing in

TABLE 9

EXPENDITURE ON TOURIST DEVELOPMENT
IN KENYA, 1970-1974
(in K '000)

1. Public expenditure		K£7,250.5
A. Recurrent expenditure		1,308.0
Grant to KTDC for administrative exp.	237.5	
National Parks grants in aid	200.0	
Game department	645.5	
Travel promotion	225.0	
B. Investment expenditure		
Hotels, lodges and restaurants		2,242.5
New hotels and lodges	1,680.0	_,
Amelioration	500.0	
Small business loans	50.0	
Professional training	12.5	
Tourist Attractions		713.0
Traditional villages	85.0	713.0
National parks	516.0	
Game department	112.0	
Infrastructure		2,987.0
Coast infrastructure	120.0	2,707.0
Roads	2,867.0	
I. Private investment	-,	6,545.0
New hotels and lodges	3, 545.0	3,373.0
Other	3,000.0	
Total		13,795.5

Source: Development Plan 1970-1974.

tourism, governments have to make crucial policy decisions regarding the allocation of scarce resources. Tourism, therefore, competes with other development priorities in national resource allocation processes. Such priorities could be wholly economic in character, such as the establishment of a different industry. Alternative investment could also be the provision of basic welfare services, like health care delivery systems; schools; skills training centres; agricultural extension campaigns; support for cottage industries; credit schemes for small farmers, entreprenuers and craftsmen/craftswomen; and

improving irrigation facilities.

These projects are not as glamourous as tourism but may have greater overall benefits for disadvantaged groups forming the majority in Third World countries.

It must also be asked whether super highways, airports, luxury resorts, hotels, casinos, night clubs, dance halls, golf courses and tennis courts--the bulk of infrastructure occasioned by tourism--is indeed urgently required by poor countries. Doubtlessly, electricity, pipe-borne water, etc., would be of tremendous help to any disadvantaged community. But again, the rationale of such piecemeal service provisions must also be questioned. Patterns of uneven development relating to inequalities in economic opportunity and the availability of basic services between city and town, town and village, village and village strongly reinforce conditions of underdevelopment. If tourism does promote infrastructural development at all, it does so in a limited area immediately surrounding a tourist resort, and therefore serves only to stimulate an "enclave" type of infrastructural growth which tends to aggravate conditions of uneven development characterizing Third World countries.

Instead of being lauded as the incidental spinoff of tourism, or any other profit-oriented industry,
infrastructural development is a priority in its own
right by national planning criteria which perceive basic

utilities as prerequisites for ensuring public welfare.

Tourism and Employment

High rates of illiteracy, malnutrition, disease and morbidity bear strong correlation to mass poverty and concomitant conditions of deprivation prevailing in Third World countries. This has given rise to the widely held acknowledgement that redistribution is an indispensable dynamic of economic development. In a World Banksponsored study, Ahluwalia, Montek, Carter and Chenary note that

Although the output of the world economy has expanded at an unprecedented rate in the past quarter century, the benefits of growth have only reached the world's poor to a very limited degree. This is not due to any failure of developing of countries as a group to share in the general economic expansion. Their income per capita rose by almost 3 percent per year over this period--considerably faster than in the past. The failure lies in the distributional pattern of past growth, which has left the poorest groups largely outside the sphere of economic expansion and material improvements. 44

It becomes increasingly apparent that poverty can be combated effectively only if processes of induced economic development aim at stimulating the growth as well as the distribution of income. Problems of chronic underemployment and unemployment which beset most Third World countries constitute a crucial determinant of widespread poverty. Underemployment, especially, is

TABLE 10

SAMPLE PANEL: INDICES OF INCOME GROWTH AND DISTRIBUTION

	GNP growth rates		Population growth rates		Share of lowest 40 percent		Number of people in poverty (millions)	
	1960- 1975	1975– 2000	1960- 1975	1975- 2000	1975 estimate	Base Case projection 2000	1975 estimate	Base Case projection 2000
Group A (under \$350 ICP)								
(I) Bangladesh	2.4	4.6	2.7	2.5	20.1	17.4	52	56
(2) Ethiopia	4.3	4.1	2.1	2.6	16.8	15.0	19	25
(3) Burma	3.2	2.5	2.2	2.1	15.7	15.2	20	29
(4) Indonesia	5.2	5.5	2.1	1.7	16.1	12.7	76	30
(5) Uganda	4.0	3.2	2.9	2.8	14.4	14.0	6	12
(6) Zaire	4.3	4.8	2.6	2.7	14.6	12.7	11	13
(7) Sudan	3.0	6.0	2.8	2.8	14.5	12.0	10	8
(8) Tanzania	6.8	5.4	2.9	2.9	14.3	12.3	8	9
(9) Pakistan	5.6	5.2	3.2	2.7	16.5	14.5	32	26
(10) India	3.6	4.5	2.3	1.9	17.0	14.6	277	167
Subtotal	3.8	4.7	2.4	2.1	16.7	13.9	510	375
Group B (\$350-\$750)								
(11) Kenya	7.0	5.9	3.2	3.5	8.9	7.7	7	11
(12) Nigeria	7.1	5.2	2.6	2.9	13.0	11.8	27	30
(13) Philippines	5.6	7.3	3.0	2.4	11.6	10.3	14	6
(14) Sri Lanka	4.2	3.8	2.4	1.7	19.3	18.2	2	2 2
(15) Senegal	1.5	4.0	2.1	2.4	9.6	8.9	1	2
(16) Egypt	4.2	6.1	2.5	1.8	13.9	13.5	7	5
(17) Thailand	7.5	6.7	3.0	2.4	11.5	10.9	13 .	4
(18) Ghana	2.7	2.1	2.6	2.9	11.2	11.9	2	6
(19) Morocco	4.4	6.2	2.7	2.8	13.3	10.9	4	2
(20) Ivory Coas:	7.7	5.8	3.3	2.9	10.4	10.4	1	1
Subtotal	5.5	15.8	2.7	2.6	12.0	10.0	81	70

Source: World Bank.

ubiquitious, and is expressed in limited hours of paid work, the non-availability of employment alternatives, and the lack of opportunities for career advancement. The incidence of unemployment and underemployment could be attributed to the fact that in countries where 70 to 80 percent of the total population engages in near subsistence agricultural production, the growth of large-scale commercial agriculture has increased landlessness and drastically reduced opportunities for agricultural labour. Research on the consequences of the "Green-Revolution", a parallel development strategy reveals that

A tractor cuts to a fifth the number of workers needed to prepare the same field with a bullock-drawn plow. The same is true of a mechanical reaper compared to a hand scythe. 45

The introduction of mechanical harvesting will eventually result in an overall decrease of about 90 million man days in the Punjab--most of it for day labourers. 46

Mechanization as well as procuring inputs from a global market leads to profitability only through large scale agriculture. So the cumulative effects of the "Green Revolution" has been the increasing concentration of land-holdings by eliminating traditional forms of land tenure, sharecropping, as well as buying over the land-holdings of small-scale farmers who cannot compete. Thus, surveys show that the "Green Revolution" has led to the pauperization and proletarianization of the peasantry.

In India in 1969 there were 40,000 eviction suits against sharecroppers in Bihar alone... and, 80,000 in Karnatika (Mysore)⁴⁷

In Mexico between 1950 and 1960 the number of landless labourers increased much faster than the general population, from 2.3 to 3.3 million.48

Another factor is the inability of Third World economies to absorb the pressures of a rapidly increasing labour force (45 percent of the population is estimated to be under 15 years of age) owing to a underdeveloped industrial sector. Industrialization tends to be retarded because of the lack of capital, expertise, technology, energy and problems of marketing.

Thus, apart from potentialities of earning foreign exchange, promoting infrastructural development, and exerting a multiplier effect on the economy, another strong reason for advocating tourism is the assumption that tourism makes a significant contribution towards reducing unemployment and underemployment. Tourism has the potentiality to create jobs both directly and indirectly. Direct employment is made available in establishments which cater almost exclusively to tourist demands, such as hotels, motels, restaurants, tourist shops, and travel agencies. There are also jobs as guides, interpreters, tour operators, entertainers, etc. Indirect employment is more broad-based, variegated, and covers a wide range of occupations relating to entertainment, transport, cosmetics, sales, services, handicrafts, and employment

in the construction industry.

The detailed plan (1971-1973) formulated for developing tourism in the Gambia by a cluster of organizations both national and international, estimated that each additional 1000 "tourist beds" and concomitant infrastructural facilities would provide 5000 new jobs.

Tourism as a quick gestation industry has the special advantage of providing immediate relief in alleviating employment problems. Other advantages have been cited as follows:

Since the tourism industry is service oriented, it has the advantage (aside from infrastructure) of being labour intensive and capital-saving, a desirable situation in a country where capital is scarce and labour redundantly employed. Figures from an input-output study in Mexico show that for \$80,000 invested in tourism, forty one jobs are created. The same investment would create sixteen jobs in petroleum, fifteen jobs in metal products, or eight jobs in electricity.

Although the potentialities of tourism for generating employment quantitatively is acknowledged, the qualitative aspects of tourist employment have become subject to vehement criticism.

Though employment is undeniably important as a policy objective, there is danger in a policy which emphasizes only improvement in employment statistics--i.e. the quantity of employment. This could result in the creation of a host of low productivity dead end jobs in which individuals have little opportunity for advancement. 50

A similar rationale can be applied to employment

in the tourist industry.

Need tourist development necessarily make formerly self-sufficient rural people into waiters, bellhops, maids and others in menial positions who serve affluent visitors?⁵¹

This question hinges on other controversial issues relating to the genre of service functions required by tourism. These service functions are highly coloured by pejorative notions of personal dignity and racial prejudice.

Some critics accuse tourism in the Third World of reintroducing and reinforcing racial and labour relations intrinsic to colonialism. These relations are based on distinct connotations of domination/subordination, superiority/inferiority. "Neo-Colonialism" is seen to be manifest through tourism in two categories of relationships. Groupe Huit, a French consulting firm studying the effects of tourism in Tunisia, comments on this problem:

At issue is the fact that tourism, as opposed to other sectors, provides personal service in which the lower level employee is at the direct beck and call of the tourist. Compared with other types of work, there is a massive multiplication of bosses, of people who give orders in person-to-person contact and whose whims have to be indulged.

Furthermore, employee-tourist contacts may occur in a socio-psychological and socio-historical context that colors employees' perceptions. In certain ex-colonial societies, for example, the memories of the colonizers' expressions of superiority and disdain in personal relations, perhaps

in racial or ethnic terms, is still alive among the population. In such societies, the personal service encounter with tourists may evoke resentment based on feelings arising from those memories. Similar conditions may exist in societies with profound class divisions. Resentment may arise even if the tourists are radically different, in terms of language and class, from the colonizers, as is often the case....The conclusion, though, hardly simple, is certainly clear in broad lines. Whether the encounter with tourists, and especially the service relationship, is experienced as demeaning and an expression of servility, and thus whether it provokes hostility, depends at least in part on the sociohistorical context, especially on the elements of slavery and colonialism. 52

1. The relationship between the native employee and high ranking, usually "white" foreign personnel. The native employees are usually assigned menial and low-ranking work roles while foreign personnel tend to become figures of authority, almost monopolizing powers of decision-making and control of work operations. John Sany who studied labour relations prevailing in a luxury resort in Fiji draws attention to some of his findings:

This paper is based on my study of employment patterns in a luxurious, multi-million dollar resort hotel. It shows how mass tourism is likely to affect the division of labour in the host society. Local participation in hotel employment is not only minimal and of a menial nature, but it is also based on racial and ethnic criteria. Expatriate and local Europeans occupy top-paid managerial and executive positions involving far greater economic and social benefits. This racial pattern of job distribution in the hotel is institutionalised and is based largely on prejudice and stereotypes.

TABLE 11

RELATIONSHIP BETWEEN ETHNIC ORIGIN

AND DISTRIBUTION OF WORKERS
(percentage of total in each department)

DEPARTMENT	Administration (11)	Accounts (10)	Reservations (3)	Reception/Front Office (12)	Tour Desk (3)	Stores (10)	Band (5)	Laundry (12)	Maintenance/Industrial (34)	Switchboard (5)	Porter/Security (20)	Dining Room (69)	Bars (19)	Cardens (53)	Kitchen (58)	House (72)	Total (396)
Fijian Indian European 2/European Other	9 - 73 18	10 80 10 -	33 67 -	67 - 17 16 -	100	50 30 - - 20	80 20 -	50 50 - -	18 76 - 6	80 - 20 -	100	94 6 - -	100	19 77 - 4	36 59 3 2	86 10 1 3	59 33 4 3
Totals	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: "A New Kind of Sugar: Tourism in the Pacific", Ben R. Finney and Karen Ann Watson (eds.). Honolulu: East West Center and Santa Cruz: The Center for South Asian Studies.

In the hotel studied, specialisation was based on sex and ethnic origin rather than on skill. There was a wide range of jobs but most of them required little skill and training, except at the managerial and professional levels. The case study showed that unskilled and service personnel changed jobs fairly frequently and that changes between levels of skill were largely limited to those with formal qualifications or specialised skills. Expatriates and all Europeans held high-salaried senior positions while locals were predominant in the service and unskilled roles.53

2. The relationship between the native employee and the tourist clientele. The majority of tourists originate in rich, industrial nations, and more often than not are of European extraction. Thus, the picture is that of the menial native employee belonging to the black, brown, or yellow races waiting on the white tourist; the configuration of arrogance confronting servility; the renewal of the "Yes, Sah!", "Bwana", "Sahib", "Mem-sahib" syndrome!

Harry Matthews highlights economic forces which contribute toward relationships between native employees and tourists.

Yet, race becomes an obsessive dimension of tourism simply because black people continue to be the ones who are exploited by international commerce. Slavery in the Caribbean, for example, was at one time the essential base for colonialism. If one perceives that economic relations since colonialism have not changed fundamentally, then it must follow that modern mass tourism is propped up by cheap black labor in host countries. 54

Susantha Gunatilleke in his critique of tourism

classifies the majority of employees in luxury hotels of Sri-lanka as belonging to the middle and upper social classes. According to his sociological observation, under usual circumstances it would be thoroughly reprehensible for these persons, especially if they should be male, to "serve" others as paid employment. But this stigma is obliquely ignored when it comes to service in the tourist industry, so that these persons uninhibitedly assume roles of stewards, waiters, cooks, receptionists, bar-tenders, etc.; no doubt reassured by the modern luxury trappings exhibited by hotels and tacit acceptability of serving foreign tourists. The cultural context of this situation is that "foreign" is associated with superiority and power.

Another disadvantage of employment in tourism is the seasonal nature of the employment, since tourist inflows approximate to limited periods of the year.

> Extent of employment. The 1973/74 tourist season in the Gambia started around September-October 1973, with around 700 Gambian employees (total for all C.T. hotels). The tourist season generally reaches a peak during the months November-March during which time the number of hotel employees increases to some extent. (The number of Gambian employees amounted to 748 in mid-January 1974.) From around the middle of March the C.T. hotels start reducing their staff continually until the hotels close down for the season. The closing of the 1973/74 season occurred at the end of April. Out of the 748 Gambian employees approximately 640 individuals were employed for the whole season, i.e. 7-8 months. The rest were employed for about 4-5 months. 55

Apart from seasonality, further uncertainty is created by the strong "dependancy" elements intrinsic to the industry. The tourist industry is highly susceptible to the slightest fluctuations in the travel market, which again, is heavily dependant on conditions of economic prosperity, prices of air fare, the price of petroleum, etc.

A further disadvantage is that gravitation towards higher remunerative jobs tends to cause neglect of traditional occupations, such as agriculture and fishery, which, though less gainful and glamourous in terms of immediate benefits, have greater potentialities for promoting a more self-reliant pattern of economic growth.

Similar to other multinational enterprises, tourism is based on the exploitation of local labour. Employment in tourism may carry higher wages compared to other local jobs, but still causes a greater "rip off" because of the high profit margins of the industry. Matthews draws attention to dissent among local workers employed in the Caribbean tourist industry.

In the course of events surrounding this strike in early 1974, the political attitudes of union leaders towards mass tourism became clear. Foremost was the notion that luxury hotels reap handsome profits for their foreign owners because they pay local workers a bare subsistence wage. A hotel maid earning \$50 (Barbados) per week was likely cleaning rooms which rented for a high \$260

per day. Managers argued that the wage rates were compatible with the rest of the local economy and in some cases were higher for similar work in government or other industry. Union leaders viewed the situation differently. Their concern was that \$50 per week even in Barbados does not allow one to live above a subsistence level. (This is about \$25 U.S. or Canadian, per week.) On this issue the union had widespread support from various sections of the community and certainly from other populist groups.56

Summary

The sections contained in Part Two have focused on controversies regarding the economic contribution of tourism. Tourism does indeed have a gainful impact on national and intra-national economies, chiefly by earning much needed foreign exchange by inducing multiplier effects, infrastructural growth and through the expansion of employment opportunities. In its present form the tourist industry appears to be primarily a strategy for promoting national economic growth at a macro-level and to a lesser degree a development strategy for redistribution with growth.

This thesis also draws attention to some of the often obscure economic costs of tourism borne by the host country in terms of price inflation, commodity shortages, and heavy "leakages" taking place owing to the remittance of earnings and the substantial import content of the industry. Such costs tend to diminish and detract from tourism's contribution toward achieving a redistribution

with a growth type of development. The Third World tourist industry is becoming rapidly encapsulated by a oligopolic structure of global dimensions, which, though offering some advantages, also tends to contradict aspirations of present day developmentalism which emphasizes the need for economic decision-making and control at a more localized level.

CHAPTER THREE

THE CULTURAL IMPACT OF TOURISM

The Third World possesses unique advantages in profiting from "cultural" or "anthromorphic" tourism.

Despite substantial differences in geographic location, language, and concomitant sub-cultures, the countries of the "North" and "West" basically share the same historical and cultural tradition. Excluding northmost extremities, this predominantly European band has been completely engulfed by industrialization and urbanization, socio-economic processes most typical of the modern era. This has produced a way of life, conditioned by growing uniformities in ethos, environment and styles of living.

In contrast the Third World is dramatic in its presentation of a contrasting culture. The Third World assumes the guise of some anthromorphic zoo in its exhibition of quaint customs and artifacts; the attributes of traditional cultures relatively untouched and unspoiled by the stamp of modernity. The differing culture of the Third World is built of simple dichotomies in cognition; its syndrome rests on the contradiction of the "self" and the "other"--the thatched wattle and daub hut versus

the skyscraper; the bikini or unisex pant suit versus the unfathomable mysteries of purdah; the jet plane versus the bullock cart, etc. As portrayed by the tourist industry, the culture of the Third World attracts through the shock of contrast. This cataclysmic, catalytic force maintains the momentum of the tourist industry. Thus, to the average tourist, physical realities become metamorphosed into a thrilling journey into the exotic and unknown.

Tourism and touristic attitudes are closely allied to the pursuit of the "exotic" and its obverse, the cultivation of the simple. Both are highly artificial--necessarily the products of a long-established urban culture of wide extent. In such a culture people will become interested in the "barbarians" and "monsters" to be found beyond the borders of what they consider to be the civilised world. What might have been terrifying and monstrous to a more archaic society will now produce a pleasurable excitement--precisely because it is outside normal experience. If the means of transporting large numbers of people, safely and cheaply, over long distances are lacking then the "exotic" Thousands of wild will be imported. beasts were imported to die in Roman amphitheatres--the rarer and stranger the better.57

Recent developments in modern western culture have also contributed greatly to the travel lure of the Third World. Since the 1920's, naturalism and individualism have been the keynotes of attitudinal and behavioral trends. The prudery, even sexual hypocrisy of former times, has given way to much more open-minded, freer and

easier ways of searching for and idealizing the bizarre and the erotic.

...as Barthes suggests, "even sun tan" has a message -- the message is essentially that the sunbather is a child of nature. The bourgeois on their Mediterranean beaches can entertain the illusion of learning to love their bodies again as they did in childhood. The body not only becomes more visible, as the sun tan progresses, but in the process of being exposed to it is made more desirable. At the end of the holiday the sun tan is carried back to the city as a fading trophy that can be restored next summer. The sun tan becomes a mark of class distinction just as the aristocratic "milk and roses" had been. The metropolitan bourgeoisie did not need to emphasise its separateness from the rural working class; the countryman was sufficiently remote to be idealised. Not so with the urban proletariat: a deep sun tan was the visible proof that the bourgeois had the money and leisure to escape from the north-west European metropolises to the South.58

Proponents of tourism claim that cultural tourism has mutually reinforcing benefits. They point out that while tourism thrives on the consumption of local culture, this delectation by foreigners serves to ensure the perpetuity of traditional cultural forms in danger of perishing otherwise. A Tanzanian publication debating the consequences of tourism in Tanzania highlights this perspective:

Under cultural benefits, it is argued that tourism helps to develop indigenous folklore, that it facilitates interchange of cultures and understanding of foreign ways and habits. It is also argued that though we may be

underdeveloped economically, yet we may have a lot to give culture-wise to those developed countries.⁵⁹

Analyzing the revitalizing cultural effects attributed to tourism, Lother Nettekoven states that:

One of the few attempts of the tourism industry to present the traditional values. objects, and behavior patterns of a foreign culture revolves around the display of arts and crafts, folklore, and cultural monuments of the past. These may once have been characteristic of the visited culture, but often they have been neglected, primarily because of the Westernizing process of acculturation during the colonial period. Frequently these almost lost relics are transformed into consumable form and presented as characteristic of the contemporary culture. Not only does this practice further distort the tourists' view of the realities of the country, but it also deepens existing misunderstandings. The renewed interest in past cultural greatness may, however, compensate somewhat for the lack of authenticity observed in the modern forms.

The interest of foreign tourists in cultural artifacts has in many instances led directly to the revival of handicrafts or a cultural tradition or produced an often extraordinary combination of modernity and tradition. This cultural renewal is accepted only after the fact by the indigenous society and requires the prior approval of the foreigner from abroad. Nevertheless, this revitalization of traditional culture can help support the movement toward selfidentity of many developing countries. 60

However, this rationale is hotly contested by most nationalist groups who view tourism as a medium of blatant cultural exploitation and as an abomination threatening the purity and sanctity of indigenous life-styles. Henry Matthews summarizes Third World perceptions relating to

these allegations:

Third World perceptions.--It is in the underdeveloped countries that the greatest ideological debate about tourism is taking place. In many Third World nations the intrusion of mass tourism from metropolitan centers has generated critical thoughts about the nature of international relations and about the effects of tourism upon host societies. In the Caribbean the ideological aspects of these observations tend to reflect four general views of tourism: (1) that the industry amounts to a new form of colonialism and imperialism; (2) that tourism is part of a new plantation economy; (3) that international mass tourism is rapidly selling much of the Third World as a playground for the industrial metropolitan populations, hence creating a synthetic playground culture; and (4) that much world tourism is an intrusion of white institutions and values into the non-white world. 61

The Allegation of Cultural Distortion

Tourism tends to increase the marginalization of the Third World now converted into a "pleasure periphery" in addition to being the economic periphery of the global capitalist system. This is particularly apparent in nations enjoying a sunny, salubrious climate like the Latin American and the Caribbean countries which are situated geographically on the fringe of metropolitan centres. Advertisements of these "pleasure peripheries" demonstrate a rampant adventurism capitalizing on the 4 S's of tourist trade propaganda: Sun, Sea, Sands, and Sex. Cleverly exploiting themes of escapism, leisure, and forbidden pleasure, tourism advertisements conjure

a vision of arcadia; the unsuspecting tourist is lured by promising entry to some tropical wonderland or Shangri-Lai. Christian Saglio, for example, describes the effects of advertising in Tunisia as follows:

...like other host countries, Tunisia leaves the tasks of recruiting, transporting, educating, and distracting its visitors in the hands of travel agencies. The caricatures and stereotypes used by their advertising departments--pictures of the sea, the blue sky, the fine sand, and tanned bodies -- do nothing to educate tourists about their destination and leave them with narrowly limited expectations that offer the key to the understanding of their behavior. Tourists expect their visit to confirm, in concrete form, the mental images and daydreams they had prior to departure, which of course vary according to social class, nationality, cultural and educational level, and motivation. 62

Thus, the continuing prosperity of the tourist industry rests on the palpable realization of the tourist's search for the "exotic." The goods must be delivered at all costs to ensure profitability. This expectation is therefore actualized by either accentuating disproportionately the "grotesque," the "primitive," the "bizarre," and the "spectacular" attributes of existing forms of art; or if these qualities are absent, by daubing culture through the introduction of these elements anew. Indiscriminate extrapolation is one manifestation of cultural distortion. Indiscriminate extrapolation takes place when bits and pieces are gouged out of authentic tableaux, reshaped and re-enacted in fantastic

shapes totally out of keeping with the original meaning and functions. For example in Sri Lanka, a great tourist draw is the spectacular "Ves" dancing, traditionally associated with the Kohomba Kankariya, an elaborate, lengthy fertility rite. Another popular attraction is masked "devil-dancing," forming the core of "Bali" and "Thovil" exorcist ceremonies held to drive away malignant forces causing death and misfortune. Walking," another spectacle never failing to thrill tourists, is supposed to take place in fulfillment of sacred vows, as proof of physical purity and spiritual unity with god. These rituals have been performed for centuries with great spiritual fervour, religious devotion, in a spirit of communal unity and fellowship. But when appropriated by tourism, however, these very same ceremonies, chopped and hacked to give the desired effect, performed on the patios of five-star hotels where the sense of unreality is heightened by strobe lighting, music, and props, are converted into nothing more than spectacular cabaret acts.

The "collage" effect is another manifestation of cultural distortion. This is most evident in types of decor purporting to give a "local" touch. The final result is usually the bizarre juxtaposition of native artifacts, the assemblage of which has no other meaning, except to create a profane sense of the "exotic" and

the "primitive." For example, the foyer of a Sri Lankan hotel could well be decorated with clay urns, brass lamps and ceremonial banners. The clay urns are normally used to fetch and store water; the brass lamps are lit only on very special or auspicious occasions such as bethrothal, marriage and new year celebration. The "sesath" or banners are revered objects displayed during religious processions. Turner and Ash draw attention to the arbitrary manner in which "African effects" are created in Nairobi. Kenay:

Charles Jenks describes these hotels as "self-contained cities which have so many amenities and historical frills that the tourist needn't leave to see London at all." This is a tourist break-through and Hilton International have been among the most energetic exponents. Wherever the Hilton is likely to resemble "a Los Angeles Insurance office" from the outside, but inside "interior decorators have gone to appalling pains to incorporate local motifs." Perhaps Hilton International are a little nervous of the possible indelicacy of Conrad Hilton's exuberant patriotism. They describe the Nairobi Hilton as "a uniquely circular, 17-storey guest-room tower, inspired by tribal legends that life is a perpetual circle." Its interior is adorned with "Dramatic murals of majestic warriors... imaginative, Afro-modern sculpture, ancient tribal symbols on wood, splashes of safari colors and zebra skins. Everywhere brilliant masses of exotic flowers accentuate the beauty." The folkloristic climax to this diverse ensemble is the Amboseli Grill, "stunningly designed to represent the interior of a huge native hut. 63

An important dynamic of cultural evolution is the process of selective survival, whereby traditions meet

the challenge of modernity, by assuming new meanings and new functions. As in the case of classical Chinese opera, for example, now dramatizing communist ideology, many art forms have been adapted to meet the requisites of modern theatre, or to give expression to contemporary social and political movements by encapsulating and articulating contemporary themes and controversies. Traditional forms of art combine authenticity with the realities of survival by literally "speaking out," than by trite repetition as when manipulated by tourism. Thus, tourism had reduced aestheticism to the level of sensationalism and vulgar exhibitionism. Within its ever-widening arc, the tourist industry, supported by foreign and local entrepreneurs, leaves no link other than a cash nexus between creativity and expression, between inspiration and performance. Tourism converts culture into a mass-produced marketable commodity. fracturing cultural traditions and using artifacts only for decorative purposes, tourism subjects indigenous cultures to eclipse by the opulent western life-styles maintained in tourist establishments and the technological extravaganza of modern infrastructure.

On the final level though, one can simply argue that international tourism is like King Midas in reverse; a device for the systematic destruction of everything that is beautiful in the world. 64

The reaction against cultural debasement caused

by tourism is not merely a cry for cultural purity, it is also an explicit political statement opposing the more corrosive aspects of Western cultural domination and expansion.

This opposition is related to the anti-imperialist movement rooted in colonial times. Asserting the allencompassing superiority and might of the colonizing power was an absolute pre-requisite to empire building. Ridicule and contempt for native cultures of the colonized became essential materials in forming the psyche of domination. By looking down with scorn upon native customs as being "barbaric," "retarded," "archaic," as being inferior in all respects, the civilization of the colonial power was glorified; its civilizing mission working through prozelytization and education was sanctified.

In reaction, movements for political liberation took up cudgels against western culture with crusading zeal. On one hand, the dominant alien culture of the colonizers became a target for attack and repudiation. On the other hand, the indigenous culture was resusticated and used as a medium of attack. Refurbishing and resuscitating native culture to its former glory was tantamount to political assertion and equality, to saying, "I'm as good or better than you are" to the colonizer. This movement for cultural revival was and is crucial in forging and consolidating a sense of national identity

which is vital, not in the context of narrow chauvinism, but because national identity is the source of a new concept of personhood in terms of regained human dignity, equity and independence.

It therefore becomes apparent that indigenous culture as the mainspring of national inspiration is an essential resource for development especially regarding the current, more democratic approach to development which stresses "appropriateness," "sensitivity to local values" and "peoples participation." For example, this line of thinking predominated at the Scheveningen symposium held in 1979, for top ranking government officials, leading development thinkers and practitioners drawn from both the Third World and the industrialized countries. The Scheveningen report states that,

No less important is the cultural context of the development process. Development is not merely an economic and political concept; it is more fundamentally a process of culture and civilization. This insight has dawned on development thinkers and planners in recent years, especially in the Third World. The search for modernization and a homogeneous process of development over the last two decades has been accompanied by an erosion of cultural identities-a process which is in some ways much more corrosive of political integrity and independence, as well as of confidence and self-regard, than either political colonialism or economic neo-colonialism. However, this is not just a question of a confrontation of values between the North and the South; it is rather that the world

needs cultural alternatives to the dominant Western paradigm of development. This need has acquired added force from the incipient erosion of the cultural backdrop and integrity of the North itself. The sweep and momentum generated by a highly technocratic and technology-oriented model of development is undermining the individual, undermining group identities, and undermining the wholeness of self-definition of entire civilizations -hence the reassertion of the religious, spiritual and aesthetic components of being, in all parts of the world, and the widely felt need for providing the concept of development with new and different cultural roots by drawing upon alternative civilizational modes. 64

This conceptual current is given expression by the Dag Hammarskjold Institute which supports the movement for "Another Development". Reappraising the basic features of the concept of "Another Development," Marc Nerfin describes the emphasis put on self reliance:

Self-reliant, that is, implying that each society relies primarily on its own strength and resources in terms of its members' energies and its natural and cultural environment. Self-reliance clearly needs to be exercised at national and international (collective self-reliance) levels but it acquires its full meaning only if rooted at local level, in the praxis of each community.65

In this respect tourism, by placing culture within the narrow calculus of immediate material gain and thereby distorting its meaning, is totally at variance with the development functions anticipated of national culture.

However, while recognizing the potentialities of national culture for forging a more indigenous, appropriate style of progressive living, it must be also acknowledged

that similar to tourism, cultural resurgence, too, manifests the spurious character of reification. The technological benefits of a modern production system cannot be divorced from a spirit of rationalism. This process of demystification, with or without the presence of tourism, is fast eroding the belief-structure of traditional cultures. Again, the wave of cultural resurgence has often been carried forward by currents of populist hysteria, the guilty consciences of an alienated national elite seeking to make amends, a phenomenon leading to the salvaging and reinstatement of national culture only at the level of pretentious symbolism.

The pernicious back to people movement gained momentum after independence, each community soliciting the electoral blessings of the masses by whipping up their basest sentiments. The psychological basis of populist communalism--that importunate desire on the part of both the intelligentsia and political leaders to achieve oneness with the masses--has been explained as a throwback of atavistic religious sentiments. ⁶⁷

Insiders and Outsiders: The Human Face of Tourism

It is sometimes assumed that international tourism builds a bridge of mutual understanding and appreciation between different ethnic groups and different nations.

The additional advantage anticipated for Third World nations is that intensive tourism advertising and

popularity would enhance international recognition, making a poor country more conspicuous on the world map, as if it were, and thereby strengthening political ties and opening opportunities for commercial gain.

However, upon closer analysis, it becomes apparent that these assumptions are somewhat naive and sentimental, and that in fact, the reverse situation is more likely to occur, since the present modus operandi and ethos of tourism makes its own pernicious contribution towards the non-realization of one big happy human family.

Tourist transactions are defined first by the condition of strangerhood. The tourist is almost an ideal-typical example of what Simmel (1950, pp. 102-7) had in mind when he formulated his conception of the stranger. Simmel saw the stranger as a temporary sojourner who does not share the essential qualities of the host group life. As a result, interaction between him and the hosts tends to take place on a more general, impersonal level. Simmel (p. 104) says, "Strangers are not really conceived as individuals, but as strangers of a specific type." The tendency to generalize or categorize, which also characterizes strangers' conceptions of their hosts, suggests the type of relationship common in the modern world.

Not only do strangers and their hosts treat each other as types but also as objects. Where disparities of power are great, as in the early stages of colonialism, this can lead to prejudice and discrimination by the colonizers and a wide variety of familiar responses among the colonized (Fanon 1968). People who treat each other as objects are less likely to be controlled by the constraints of personal involvement and will feel freer to act in terms of their own self-interest.

The category of human relationships generated by tourism could best be described as being symptomatic of the "strangerhood syndrome." The tourist usually visits for a very short period; even during this period he is either closeted in some hotel or propelled from one "tourist spot" to another by busy tour operators. He is almost always totally ignorant of the native language, the latent meanings and functions of local customs, which precludes him from interacting with the local population as with "real" people. Thus, the tourist has no option other than falling back on ethnic stereotyping. The average tourist's conceptual frame of reference is his fantasy about the "primitive," the "savage," and the "exotic." Consequently, the natives and customs encountered are defined and fitted into this fantasy. Tourism advertisements greatly facilitate this process by accentuating the mythological attributes of Thus, Blacks are earthy, sensuous, hyperethnic groups. sexed;Polynesian women are fantastic lovers;.... the Thais are depicted as an ever smiling race; the Balinese become the epitome of oriental grace and artistic refinement; etc. It is observed, for example, that

> Barbados has earned a reputation in the Caribbean of having a well developed industry of male prostitution. The industry has a racial dimension in that it thrives on the alleged desire of white female tourists to

have sex with black males. Attitudes have formed in the Caribbean and in metropolitan countries that racial curiosity among the visitors accounts for most of this behavior. An article by Robert Turnbull in a Canadian paper stated:

Without exaggerating the situation, an amazingly large number of Canadian and American women, married and single, do travel to the Caribbean with black sex more their goal than a suntan. They get both. The women frequently arrive with introductions to specific beach boys from satisfied customers. 69

Racial stereotypes projected by the tourist industry have the potentiality to influence the behavior of the local population, as attested by the situation in Barbados.

There perhaps was a time when black male prostitution in Barbados tourism was confined to the beach boys, young males who hang out near luxury hotels displaying their bodies in view of white female tour-But as the demand for service has increased with growing mass tourism, other occupational groups have sought a "piece of the action." Taxi drivers, waiters, bartenders and bus-boys have utilized their positions in the industry to make contact with arriving potential customers. An attractive English girl reported in an interview that "I was propositioned five times between Seawell airport and my hotel room. What shocked me was that two of them had professionally printed business cards. But they were all rather polite!"70

The local populations, too, have stereotyped concepts of tourists. Almost always an exaggerated figure, the Western tourist exudes a peculiar charisma as the prototype of the colonialist. Whatever be his position in his own country, the Western tourist is elevated in status

when travelling abroad in poor countries. As the possessor of ready cash and by the flashy display of expensive cameras, binoculars, dark glasses, transistor radios, blue jeans, cigarettes, etc.--cherished symbols of modernity largely out of reach for most people in the Third World--the tourist bears living testimony to that fabled cornucopia--the modern West.

Despite this elevation in status, however, the tourist is fast becoming the victim of predatory impulses bred by burgeoning commercialism. Commercialism encourages the development of a more vicious propensity intrinsic to the "strangerhood syndrome," namely, the absolute depersonalization of relationships. Thus, the tourist is viewed as being legitimate prey, to be scented out, tracked down, accosted and exploited through beguiling charm or violence by beggars, pickpockets, commission-hungry taxi-drivers, salesmen, prostitutes, etc.

While some tourists are open-minded, knowledgeable, and sensitive to local norms there is yet another category of European tourists who tend to excercise accustomed rights of individualistic behavior with naive and uninhibited gusto occasioned by the pursuit and enjoyment of leisure. This hedonism is seldom curbed by sensitivity to local customs or the desire to show courtesy to the host population. The result is that the respect originally commanded by the tourist is rapidly giving

way to contempt and disgust on the part of the local population. This is particularly so in the case of "fast" white women, hippie types in ragged clothing and matted hair. Even the average, low budget tourist generally has a sloppy appearance and is, by some local standards, loud and uncouth. Most offensive of all is the naked sum bather who literally "pollutes" tropical beaches, by presenting the grossly unappealing sight of red, roasting flesh, much to the surprise, embarrassment and anger of most local residents. The lax behavior of tourists is becoming increasingly obnoxious to both rustic and intellectual in Third World society. The former are taken aback and offended by the tourist's lack of "decency," "dignity," and "shame." The latter are affronted by the feeling of being doubly cheated by the tourist's lack of respect for the local way of life. Comments a Tanzanian,

After all when you go to Europe you are supposed to talk, drink, walk, dress, eat, and laugh like them. When they come here, we treat them like little gods..."71

Another example is Christian Saglio's observations on the tense relations between tourists and locals in Casamance, Senegal:

For the local people, the repetitive nature of mass tourism means a high degree of saturation and a degradation of human relationships. In Senegal, Cayar and Fadiout are among the most popular destinations sold by travel agencies during the last

fifteen years. There has been a great deal of tension between visitors and local residents in these two towns, the tourist not wishing to be seen as a mere spender of money and the villager refusing to be treated as another object to be photographed. The magazine of the Touring Club of France tells of the brief stay in Casamance of a journalist "disguised as a tourist" who observed such deplorable things as candy littering the sand, a few coins given to a little girl to take off her loincloth and dance for the camera, an old man who was asked to climb up and tap palm wine for a photograph, and ceremonies performed on request. 72

As mentioned before, the average tourist is shunted hurriedly from one scenic spot to another in conformity with the tight schedule of a package tour, seldom having the opportunity or the verbal facility to interact normally with the ordinary people of the country visited. Instead he is more likely to fall victim to the underworld, or organized groups engaged in petty theft and crime.

Within the present structure of tourism, the tourist confronts natives mostly in the roles of waiters, stewards, receptionists, hostesses, cab-drivers, confidence tricksters, beggars, pimps, and prostitutes, who are hardly ideal ambassadors for any nation. Encountering and dealing with locals in these roles, the average tourist is often left with the disconcerting impression that the native is naturally dishonest, insincere, predatory, dirty, amoral or immoral. The tourist may recoil with dismay and disgust, or may be tempted to

succumb to a sense of ethnic superiority. Tourism advertisements which strain every nerve and fibre imaginable to conjure a vision of arcadia, completely ignores the manichaean world of poor countries. Hardly any explanation is given regarding the appalling conditions of poverty and disease. On the contrary, deliberate efforts are made to shield tourists from such eyesores by providing them with palatial hotels often barricaded against the surrounding population by high walls, barbed wire fences and screens of verdant foliage, patrolled by security guards.

The tourist hotel towering above the surrounding bazaars, slum areas and huts of villagers, nourishes an "enclave" culture, a wonderland of discotheques, supper clubs, dance halls, tennis courts, swimming pools, saunas, and golf-courses. As an oasis of luxurious living the tourist resort becomes the epitome of inequalities which divide the world's rich and poor.

The tourist displaying his wealth, sampling expensive local and foreign food and drink while being waited on hand and foot, is not surprisingly regarded with envy by some members of the local population who are too poor to afford even one substantial meal daily. While the Western tourist becomes the self-conscious representative of the metropolis, the hotels and pleasure resorts become the distant outposts of metropolitan culture.

The dance halls, bars, discotheques, grills, gaming parlours, chic dress boutiques tend to set the pace for local "swingers." To this glittering orb come flocking the local elite groups. To be seen at expensive dances, trendy exhibitions, concerts and exclusive club meetings usually held at these hotels, is the cherished ambition of the avant-garde in pursuit of fashion. It is not surprising therefore that wealthy families and business and political groups hire the most glamourous hotels to illumine the magnificance of their bethrothal, marriage ceremonies, conferences, meetings and other ceremonial gatherings. Thus, apart from accentuating inequalities between rich and poor nations, rich and poor classes, tourism greatly swells the tide of materialism. Its cultural flow is great with expectation, but totally lacks the capacity to realize cherished wishes of the local populace, a situation which has the potentiality to be politically very explosive.

CHAPTER FOUR

SUMMARY AND SUGGESTIONS

This thesis has analyzed the impact of tourism in Third World nations only at a level of incipient research or formative conceptualization, and therefore avoids making any conclusive statements. In doing so, it is contributing toward breaking new ground in a relatively new field of inquiry. There exists the need for more intensive and rigorous research on the effects of tourism, especially in formulating more appropriate indices to facilitate monitoring and evaluating the tourist industry and in analyzing the impact of tourism on specific cultures and regional economies, as well as the much broader impact on the Third World situation. What follows are several tentative suggestions based on the available data, as reviewed in this thesis.

Tourism has tremendous potentialities for improving the poor economic performance and prospects of the Third World nations through its dynamic capacity to ease the balance of payments by earning foreign exchange, providing employment, stimulating infrastructural growth and providing avenues of new entreprenurial activity. This proposition holds good especially in the case of smaller

nations such as, for example, the Bahamas and other

Caribbean countries, endowed with great natural beauty
though lacking in marketable resources.

However, Third World nations should guard against plunging headlong into heavy investment and commitments in foreign collaboration regarding the tourist industry without carefully assessing the implications involved. Adopting a cautious and critical approach is necessary to maximize returns, minimize costs, and to link tourism more effectively to the realization of development goals benefiting the masses. Unfortunately, today there is the tendency to gloss over the benefits and to ignore the costs. The tourist industry could be justified as a development strategy only if tourist planning adopts a more balanced rationale, consciously oriented towards maximizing benefits and minimizing costs, a process possible only through careful research and stringent monitoring of tourist operations. The following measures are particularly important.

1. Increasing regional and local control of the industry. In view of the substantial leakages in gross tourist earnings at present, it becomes imperative that local control over all types of tourist operations should be increased as much as possible.

Apart from lessening leakages, greater local control would help Third World nations to accrue a larger share

in world tourism earnings. Critiquing the present situation Migot-Adholla notes that it is

evident that a high proportion of the money paid by tourists to Third World destinations accrues in the countries of tourist origin. This is largely explained by the monopoly of air travel to tourist destinations by airlines from the metropolitan countries for, as the distance to the host country increases, the cost of air travel becomes an increasingly larger part (50-60 percent) of the final cost of the package. To illustrate, out of about 18,600 seats per week available in airlines operating in Kenya, only 2,000 (or about 11 percent) belong to Kenya Airways, while more than 60 percent belong to airlines from Europe. 73

There are two crucial dimensions to such local control: national, as regards the control exercised by a particular host country; and macro-regional, as regards the collaboration of a number of Third World nations to control as well as foster the growth of the Third World tourist trade. Given the difficulties faced by a single poor country attempting to manipulate the demand and supply forces of the tourist trade to advantage, it would be far more effective if a number of poor countries belonging to the same geographic area combined to pool resources regarding the management of tourism advertisements abroad as well as the provision of reservation and transport services. It is only through macro-regional collaboration that the might of multinational companies could be diminished.

At a national level, governments should effect greater ownership of establishment catering to tourists. This necessitates stricter measures of taxation, officially stipulated quotas of foreign shareholding, minimum quotas regarding the employment of native executives, and greater incentives for local entrepreneurs in the tourist trade.

Apart from ownership, local control could be exercised by curtailing imports presently requisitioned by the tourist industry. This necessitates the greater use of local foodstuffs and recourse to local architectural designs facilitating the use of locally available construction materials, etc. The curtailment of imports would be increased if the scale of investment in tourism was reduced by building small and medium sized hotels encouraging the renting of rooms in homes without resorting to the construction of enormous five star hotels carrying the most up-to-date modern service facilities which are, more often than not, part of multinational hotel chains such as Holiday Inn, Intercontinental, Hilton, Oberoi, and the like.

In order that the income benefits of tourism be more widely distributed, another measure of local control is to encourage grass-roots administrative units and community organizations like town councils, village councils, religious groups, women's clubs, production

committees, etc., to run small guest houses for toursits, and sponsor the training of craftpersons and artists, thus linking local production with sales outlets opened by the tourist industry.

Reformulating Indices. The contradictory and often exaggerated estimates yielded by the tourist multiplier, and other models of cost-benefit analyses, highlight the need for questioning the accuracy of conventional indices, especially since important policy decisions are made on the basis of findings yielded by such measures. Regarding the tourist industry as well as all other adopted development strategies, it becomes essential to formulate indices which indicate not only the feasibility of investment, but also possess the capacity to measure progress in relation to goal realization by the particular industry reviewed. Instead of conforming to conventional standards laid down by Western paradigms, these indices should be formulated with explicit reference to the special development problems and priorities faced by a Third World nation. For example, if the nation in question wishes to increase its foreign exchange earnings, then the particular method of evaluation should not only be to estimate gross earnings, but also to account for all possible types of leakages taking place. Again, if income distribution is to be a goal of tourism, then indices should be

designed to enable the periodic assessment of employment and entreprenuerial activity generated by tourism. This information would facilitate the further broadening of the base of redistributive channels.

It becomes obvious that such a rationale requires the substantial modification of present models of evaluation, as well as taking innovative steps in formulating new models of multipliers, cost-benefit analyses and input-output analyses.

The exuberant rate of growth demonstrated by the tourist industry over the last two decades, however, does not downplay the fact that the demand elasticity of the tourist industry is hypersensitive to all factors affecting international travel. The present economic recession in industrialized countries and the spiralling costs of fuel which inflates the cost of travel does not auger well for the tourist industry. Among other reasons, this salient consideration also highlights the need for evaluating tourism in the context of opportunity costs.

A nation contemplating investment in tourism without being bedazzled by the prospect of large profits, should carefully figure out the cost/benefits of investing in economic ventures which, though much less glamorous than tourism, may be more viable in terms of long-range returns, low capital outlay of scarce resources, modest but more widespread benefits, and less possibilities of unpleasant side effects.

3. Reducing the Economic Costs of Tourism. In the preceding chapter, the unanticipated, often obscure impact of tourism has been discussed with reference to the pressures caused for a nation's regional economy by increases in the cost of living. Innovative steps could be taken, however, to reduce this detrimental impact by establishing cooperatives and state-managed retail impact by establishing cooperatives and state-managed retail stores making essential consumer goods available at cheap prices. Hotels may be encouraged to maintain fairly self-contained food production systems and thereby withdraw from competing with the local population for locally produced foodstuffs. Tanzania presents the example of such an innovation.

You may be interested to know what this particular hotel has gone very far in import substitution in so far as food is concerned. Lake Manyara has one of the most complete and self reliant vegetable gardens in Tanzania. The venture is so successful that Lake Manyara is now able to supply vegetables to her sister hotels in Ngorongoroabd Serengeti. The example of Lake Manyara is now being followed by other hotels wherever feasible. 74

4. Redeeming Culture. It is in the area of culture that tourism has had the most negative impact. Despite the complexity of these cultural issues, sensitive planning could minimize social costs. Some preventive measures

suggested are:

- a. Doing away with massive hotel complexes and opting instead for hotels and motels of a much smaller scale requiring simpler infrastructure. This would not only come within the scope of local ownership and management, but would also encourage the adoption of a more congruent style of living and architectural design for hotels which would easily merge with the local social and physical environmental setting. In terms of personal relationships and experiences, this type of small scale, low-profile hotel would have greater capacity to offer to tourists a genuine exposure to local life, thereby increasing the possibilities of mutual understanding and appreciation.
- b. Down-playing work ethics encouraging servility in hotel employees, an attitude which is at present drilled into these employees with assiduity through official managerial injunctions and formal training procedures. To stress fellowship, interaction with equity and dignity, instead of insisting on a mode of absolute deference and servility.
- c. Combating the pernicious side effects of commercialism, to which tourism contributes in no small degree, by sponsoring national institutes of culture to which are largely entrusted the tasks of preserving or artistically readapting indigenous cultural forms. Balinese

artists in this respect, have almost uniquely remained impervious to the lure of excessive material personal profit by very often ploughing back returns to further enrich their artistry.

Modern Balinese, however, have not become exclusively "capitalistic" persons, in antithesis to the "pre-capitalistic" persons posited by Boeke....Through a selective process, the Balinese have found ways to increase their cash flows without becoming "capitalists"....Many hamlet cooperatives have worked strenously to acquire the capital to upgrade their orchestras, to obtain costumes, and rebuilt the meeting halls used as performing centers--based on the risky expectation that they would be able to attract paying tourists on a regular basis. have, in effect, invested in their cultural traditions and planned for repayment, with accrued interest that could be both monetarily and culturally. 75

5. Community Participation in Tourism Decision-

Making. Installing a five star hotel in the midst of a remote, slumbering fishing village, for example, could have traumatic effect on the fisher community. Very often the result is the rapid transformation of the village community into tourist guides, gigolos, prostitutes, drug traffickers, and child-beggars playing truant from school, in short, the total dislocation of regular occupations and regular life styles. Instead of arbitrarily deciding, therefore, to build a hotel, it is important to make the community aware of the possible costs and benefits impending and elicit the opinion of possible costs and benefits impending and elicit the opinion of the

community on this controversial venture. It is also important that grass-roots community organizations be consulted on matters of policy-making likely to affect the community concerned.

The above suggestions, nonetheless, are only a first effort to explore the potentialities and risks of tourism for Third World nations. A more systematic and continuing research will be needed if the benefits of tourism are to outweigh the losses. It is hoped that this thesis is a first step in that direction.

REFERENCES

- ¹R. W. Macintosh. <u>Tourism</u>, <u>Principles</u>, <u>Practices</u>, <u>Philosophies</u>. Columbus, Ohio: <u>Grid Inc.</u>, 1972, p. 9.
- ²Marie-Francoise Lanfant. "Introduction: Tourism in the Process of Internationalization," <u>International Social Science Journal</u>. <u>32</u>, No. 1, 1980.
 - 3_{Ibid}.
- 4Michael Dower. "The Challenge of Leisure," <u>Civil</u>
 <u>Trust</u> 1965 in <u>International Social Science Journal</u>, <u>32</u>,
 No. 1, 1980.
- 5Readings Book Examination Part 4: International Travel and Tourism. Washington: Institute of Certified Travel Agents, 1967, p. 9.
- Kurt Kraph. "Tourism as a Factor in Economic Development, Role and Importance of International Tourism," in Readings Book Examination Part 4: International Travel and Tourism, op. cit., p. 9.
- ⁷Karl Marx. <u>Grundrisse</u> <u>Introduction to the Critique</u> of <u>Political Economy</u>. <u>Translated with a foreward by</u> Martin Nicholaus. Vintage Books, 1973, p. 693.
- 8Thornstein Veblen. The Theory of the Leisure Class: An Economic Study of Institutions. New York: MacMillan Co., 1899; reprinted, Viking Press, 1931).
- ⁹The World Bank. <u>World Development Report, 1980</u>. Washington, August 1980.
- 10 Tourism and Recreation, Arthur J. Little, Inc., October 1967. Tables 5-2, p. 64.
- 11 J. Tinbergen. Reshaping the International Order: A Report to the Club of Rome. New York: E. P. Dutton, 1976, p. 21.
- 12 Michael Van den Bogaert. Basic Issues in Development. AFPRO Publication. No. 77/3. New Delhi: Action for Food Production Community Center, p. 5.

- 13Raul Presbich. The Economic Development of Latin America and its Principal Problems. New York: United Nations Economic Commission for Latin America. Reprinted in Economic Bulletin for Latin America, 7 February 1962, pp. 1-22.
- 14Karl P. Sauvant. "From Economic to Socio Cultural Emancipation: The Historical Context of the New International Economic Order and the New Socio-Cultural Order," Third World Quarterly, 3, No. 1, January.
 - 15_{Ibid}.
- 16 Mahbub Al Haq. The Poverty Curtain: Choices for The Third World. New York: Columbia University Press, 1976, pp. 165-166.
- 17 Emmanual De Kadt. <u>Tourism: Passport to Development?</u> A Joint World Bank, UNESCO Study. New York: Oxford University Press, 1979, p. 3.
- 18V. L. Smith, (ed.). Hosts and Guests: The Anthropology of Tourism. University of Pennsylvania Press, 1977, p. 84.
- ¹⁹Michael Manley. "Third World Under Challenge: The Politics of Affirmation," <u>Third World Quarterly</u>, <u>2</u> No. 1, January 1980, p. 32.
- 20 United Nations Educational Cultural Scientific Organization. International Social Science Journal, 32, No. 1, 1980, p. $\overline{1.}$
- 21_S. P. Ahuja and S. R. Sarna (eds.). <u>Tourism in India: A Perspective to 1990</u>. New Delhi: <u>Institute of Economic and Market Research</u>, n.d., p. 117.
- ²²UNESCO. <u>International Social Science Journal</u>, <u>32</u> No. 1, 1980.
- ²³Tina Esh and Illith Rosenblum. <u>Tourism in Developing Countries: Trick or Treat? A Report from Gambia.</u>
 Research Report No. 31, Uppasala: The Scandinavian Institute for African Studies, 1975, p. 18.
- 24 Louis Turner and John Ash. The Golden Hordes International Tourism and the Pleasure Periphery. London: Constable, 1975, p. 175.

- 25 S. P. Ahuja and S. R. Sarna (eds.)., op. cit., p. 117.
- 26 Tina Esh and Illith Rosenblum, op. cit., p. 22.
- ²⁷I. G. Shivji (ed.). <u>Tourism and Socialist Development</u>. Tanzania Studies, No. 3, Dar Es Salaam: Tanzania Publishing House, 1973, p. 37.
 - ²⁸Louis Turner and John Ash, op. cit., p. 21.
- ²⁹A. K. Bhatia. <u>Tourism in India: History and Development</u>. New Delhi: Sterling Publishers, PVT. Ltd., 1978, pp. 141-142.
- 30H. Zinder and Associates, Inc. The Future of Tourism in the Eastern Caribbean. Washington, May 1969.
 - ³¹S. P. Ahuja and S. R. Sarna (eds.). op. cit., p. 121.
 - 32 Ibid.
- ³³John Bryden and Mike Faber. "Multiplying the Tourist Multiplier," <u>Social and Economic Studies</u>, <u>20</u>, No. 1, March 1979, pp. 61-82.
- 34 Levitt and I. Gulati. "Income Effects of Tourist Spending, Mystification Multiplied: A Critical Comment on the Zinder Report," <u>Social and Economic Studies</u>, September, 1970.
- 35Charles W. Gearing, William W. Swart, and Var Turgut. Planning for Tourism Development: Qualitative Approaches. London, New York, Washington: Praeger Publishers, 1976, p. 23.
- ³⁶Patrick Rivers. "Tourist Troubles," New Society, February 1, 1973, p. 539.
 - $^{
 m 37}$ Tina Esh, and Illith Rosenblum, op. cit., p. 158.
- 38 George Young. <u>Tourism: Blessing or Blight?</u> Ayelesbury, Bucks: Hazell Watson & Viney Ltd., 1973, p. 30.
 - 39_{Ibid}.
 - 40 Charles W. Gearing, et al., op. cit., p. 30.
- 41 Frantz Fanon. The Wretched of the Earth. Preface by Jean-Paul Satre. Translated by Constance Farrington. New York: Grove Press, 1968, pp. 18-19, 150.

- 42 S. P. Ahuja and S. R. Sarna (eds.). op. cit., p. 8.
- ⁴³A. K. Bhatia, op. cit., p. 75.
- 44Montek S. Ahluwalia , Nicholas G. Carter and Hollis B. Chenary. Growth and Poverty in Developing Countries. World Bank Reprint Series, No. 118, 1979, p. 1.
- Frances Moore Lappe. Food First: The Myth of Scarcity. Boston: Houghton Mifflin, 1977, p. 130.
 - 46 Ibid.
- 47 Susan George. How the Other Half Dies. London: Penguin, 1976.
 - 48 Frances Moore Lappe, op. cit., p. 129.
 - ⁴⁹Charles W. Gearing, et al., op. cit., p. 54.
- 50Clarence Zuvekas, Jr. <u>Economic Development: An</u> <u>Introduction - 1979</u>. New York: St. Martins Press, p. 314.
- 51Ben R. Finney and Karen Ann Watson (eds.). A New Kind of Sugar: Tourism in the Pacific. Hawaii: The East West Center, Honolulu and California: The Center for South Pacific Studies, Santa Cruz, 1977, p. vi.
 - ⁵²Emmanual De Kadt, op. cit., pp. 60-61.
- 53 John Samy. "Crumbs from the Table, The Workers Share in Tourism," in Ben R. Finney and Karen Ann Watson (eds.), op. cit., p. 111.
- 54Harry G. Matthews. <u>International Tourism: A</u>
 Political and Social Analysis. Cambridge, Massachusetts:
 Schenkman Publishing Company, 1978, p. 64.
 - ⁵⁵Tina Esh and Illith Rosenblum, op. cit., p. 31.
 - ⁵⁶Harry G. Matthews, op. cit., p. 64.
 - 57 Louis Turner and John Ash, op. cit., p. 1.
 - ⁵⁸Ibid., p. 80.
 - 59 I. G. Shivji (ed.), op. cit., p. 9.

- $^{60} Lothar$ Nettekoven. "Mechanisms of Intercultural Interaction," in Emmanual De Kadt, op. cit., p. 145.
 - 61Harry G. Matthews, op. cit., p. 67.
- 62 Christian Saglio. "Tourism for Discovery; A Project in Lower Casamance, Senegal," <u>in</u> Emmanual De Kadt, op. cit., p. 322.
 - 63 Louis Turner and John Ash, op. cit., p. 147.
- 64"Towards a New International Development Strategy: The Scheveningen Report," <u>Development Dialogue</u> 1, Uppsala: Dag Hammarskjold Foundation, 1980, p. 59.
- 65Marc Nerfin (ed.). Another Development: Development and Strategies. Uppsala: Dag Hammarskjold Foundation, 1977, p. 5.
 - 66 Ibid.
- 67Ralph Pieris. Social Development and Planning in Asia. New Delhi: Abhinav Publications, 1976, p. 53.
 - ⁶⁸V. L. Smith (ed.)., op. cit., p. 40.
 - 69 Harry G. Matthews, op. cit., p. 67.
 - 70 Ibid.
 - ⁷¹I. G. Shivji (ed.)., op. cit., p. 74.
 - ⁷²Christian Saglio, op. cit., p. 322.
- ⁷³Migot-S.E. Adhollah. "Toward Alternative Tourism in Kenya," <u>IFDA Dossier</u>, <u>19</u>, September/October, 1980, p. 2(68).
 - ⁷⁴I. G. Shivji (ed.)., op. cit., p. 81.
 - ⁷⁵V. L. Smith (ed.)., op. cit., pp. 95-96.

BIBLIOGRAPHY

- Ahuluwalia, Montek S., Nicholas G. Carter et al.
 1979 Growth and Poverty in Developing Countries.
 World Bank Reprint Series, No. 118.
 Washington: The World Bank.
- Ahuja, S. P. and S. R. Sarna (eds.).
 n.d. Tourism in India: A Perspective to 1990.
 New Delhi: Institute of Economic and Market Research.
- Anand, M. M.

 1976

 Tourism and Motel Industry in India: A Study
 in Management. New Delhi: Prentice Hall of
 India, Private Limited.
- Barnet, Richard and Ronald E. Muller
 1974 Global Reach: The Power of Multinational
 Corporations. New York: Simon and Schuster.

- Dernoi, L. A.
 1981 "Towards a New Style in North-South Relations:
 The Example of Alternative Tourism," IFDA
 Dossier, No. 25 (September/October)
- Esh, Tina and Illith Rosenblum.

 1975

 Tourism in Developing Countries: rick or Treat?

 A Report from the Gambia Research Report No. 31.

 Uppsala: The Scandinavian Institute for African Studies.

Fanon, Frantz.

1968 The Wretched of the Earth. Preface by Jean-Paul Satre. Translated by Constance Farrington. New York: Grove Press.

Finney, Ben R. and Karen Ann Watson (eds.). A New Kind of Sugar: Tourism in the Pacific. Hawaii: The East West Center, Honolulu and California: The Center for South Pacific Studies, Santa Cruz.

Gearing, Charles W., William W. Swart and Turgut Var. Planning for Tourism Development: Qualitative Approaches. London, New York, Washington: Praegar Publishers.

George, Susan.

1976 How the Other Half Dies. London: Penguin.

Krause, Walter and Donald Jud with Hyman Joseph. International Tourism and Latin American

<u>Development</u>. Bureau of Business Research, 1973 Graduate School of Business, the University of Texas at Austin.

Lappe, Frances Moore. 1977 Food First: The Myth of Scarcity. Boston: Houghton Mifflin.

Levitt and Gulati.

1970 "Income Effects of Tourist Spending, Mystification Multiplied: A Critical Comment on the Zinder Report," Social and Economic Studies, September.

Macintosh, Robert W.

Tourism Principles, Practices, Philosophies. 1972 Columbus, Ohio: Grid Inc.

Mandel, Ernest and George Novack. 1970

The Marxist Theory of Alienation: Three Essays. New York: Pathfinder Press.

Manley, Michael "Third World Under Challenge: The Politics 1980 of Affirmation," Third World Quarterly. Vol. 2, No. 1 (January) 28-43. Matthews, Harry G.

1978 International Tourism, A Political and Social Analysis. Massachusetts, Cambridge: Schenkman Publishing Company.

Migot-Adhollah, S. E.

1980 "Toward Alternative Tourism in Kenya," <u>IFDA</u>
<u>Dossier</u>. No. 19 (September/October).

Nerfin, Marc (ed.).

1977 Another Approach: Development and Strategies.
Uppsala: Dag Hammarskjold Foundation.

Popovic, Vojislav.

1972 <u>Tourism in Eastern Africa</u>. Munchen: Weltforum, Verlag.

Pieris, Ralph.

1976 Social Development and Planning in Asia. New Delhi: Abhinav Publishers.

Readings Book, Examination - Part IV: International Travel 1967 and Tourism. Washington: Institute of Certified Travel Agents.

Sauvant, Karl P.

1981 "From Economic to Socio-Cultural Emancipation:
The Historical Context of the New International
Economic Order and the New International SocioCultural Order," Third World Quarterly, Vol. 3,
No. 1 (January) 48-61.

Shivji, I. G. (ed.).

1973 Tourism and Socialist Development. Tanzania Studies. No. 3, Dar es Salaam: Tanzania Publishing House.

Singh, Tejvir.

1975 Tourism and Tourist Industry (In U.P. India).
New Delhi: New Heights Publishers.

Smith, V. L.

1977 Hosts and Guests: The Anthropology of Tourism. University of Pennsylvania Press.

Tag Magazine. The Magazine of the Taj-Mahal Intercontinental. Bombay.

Turner, Louis and John Ash.

The Golden Hordes: International Tourism and the Pleasure Periphery. London: Constable.

United Nations Educational, Scientific and Cultural Organization.

1980 "The Anatomy of Tourism," <u>International Social Science Journal</u>. Vol. XXXII, No. 1.

Williams, Nelson.

1970 Tourism: Goal of the Seventies. Liberia.

World Bank.

1980 World Development Report, 1980. Washington: The World Bank.

Young, George.

Tourism Blessing or Blight? Aylesbury Bucks: Hazell Watson and Viney, Ltd.

Zuvekas, Clarence, Jr.

1979 <u>Economic Development: An Introduction</u>. New York: St. Martin's Press.

