

1-1-1997

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Recommended Citation

King, Richard R. (1997) "The Tourism Paradox," *Grand Valley Review*: Vol. 17: Iss. 1, Article 17.
Available at: <http://scholarworks.gvsu.edu/gvr/vol17/iss1/17>

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The Tourism Paradox

by *Richard R. King*



It is hardly possible to overrate the value, in the present low state of human improvement, of placing human beings in contact with persons dissimilar to themselves, and with modes of thought and action unlike those with which they are familiar. . . . Such communication has always been, and is peculiarly in the present age, one of the primary sources of progress.

John Stuart Mill
Principles of Political Economy

International travel — going to exotic places, exploring the diversity of nature, experiencing the cuisine of a foreign land, or visiting a historic site — provides a stimulating and valuable learning experience. It is also an increasingly important part of the United States' balance of payments account — generally referred to as America's "trade deficit." U. S. citizens traveling outside the country are an invisible import. This travel is considered an import because the dollars leave the U. S., albeit in the pockets of the travelers, to secure a good or service from a foreign supplier. Conversely, an international traveler to the United States is considered an export. This somewhat discordant juxtaposition of two very different sides of the tourism coin typifies the paradox that is international tourism in today's world.

By most accounts, tourism is the world's largest industry. In the United States, tourism is the third largest retail industry, exceeded only by automotive dealerships and food stores. It ranks second behind health care as the largest source of jobs in the United States and creates an overall economic impact far greater than most people realize. Tourism is the nation's largest business services export. More than 46 million international visitors contributed \$74 billion to the U. S.

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economy in 1993, expenditures generating a trade surplus of \$22 billion, as spending by inbound travelers to the U. S. surpassed spending by Americans traveling abroad. Tourism is also a significant tax revenue builder generating over \$56 billion in federal, state, and local taxes in 1993 (White House Conference on Travel and Tourism, 1995).

Yet, despite its size and importance and the tremendous worldwide growth over the past twenty-five years, to many, tourism is lightly dismissed as those activities pursued with one's leisure time (Edgell, 1990). Tourism is seldom accorded status as a single, important industry, such as agriculture or manufacturing.

The steady development and expansion of tourism throughout the world, particularly across international borders, raises important issues of public policy. These issues are of increasing concern for both local and national governments as well as the subject of international governmental cooperation.

John Naisbitt points to this curious oversight:

As a contributor to the global economy, tourism has no equal Tourism is the world's leading economic contributor, producing an incredible 10.2 percent of the world gross national product. . . . If tourism is such a major contributor to the world's economic well-being, then the question arises: Why has tourism received so little attention from domestic policy makers and crafters of international trade agreements? There is no obvious answer. (John Naisbitt, *Global Paradox*, qtd. in *Tourism: Putting the Pieces Together*)

Tourism generates both positive and negative effects. On the positive side, there is little question of the economic significance of tourism in the world economy. This economic importance carries with it implications for employment, transportation, infrastructure, and regional development policy. Ironically, it may be because of its importance as an economic contributor that the political and social aspects of tourism have been largely ignored. It has been left to the economists to study tourism and as a result, "economic considerations — short-term ones at that — have dominated policy making" (Richter, 1989). Quantitative economic impact studies focusing on direct gross economic benefits have been the principal decision-making model for tourism policy formation.

Here is perhaps the inherent danger for tourism policy: given that models are simplifications of reality, they do not incorporate all the variables and dynamics of a situation. There has been a tendency for policy makers to be lulled into an overreliance on the impressive numbers cranked out using basic economic models applied to tourism. All too often the resulting figures have been accepted on blind faith without considering the ramifications beyond mere numbers. The dynamics of tourism do not lend themselves readily to such oversimplification.

The cost side of tourism is problematic since it requires estimating the costs of "tourism activities," many of which can be nonmonetary, incurred by the government as well as the residents of the area. Negative effects can arise in quality of life issues such as congestion, overcrowding, and environmental damage. If these negative effects are not reflected in the prices paid by tourists, they represent externalities that must be addressed by the public sector.

Keith Harley and Nicholas Hooper give this view of the larger picture:

To its supporters tourism creates jobs, maintains and improves the environment, and promotes regional economic development. For a nation, tourism is supposed to contribute to the balance of payments and enhance international understanding, mutual respect and toleration. Critics disagree. They point to large influxes of foreigners causing traffic congestion, damaging the environment, destroying a nation's cultural heritage and creating international tension. Indeed, some critics view tourism policy both locally and nationally as designed to benefit producer interest groups. (Hartley and Hooper, 1993)

Consequently, tourism can no longer be viewed merely as a "marketing and promotion" issue. Increasingly, tourism looks like other major public policy areas. As Linda K. Richter points out, "Environmental, social, demographic and increasingly political issues are dominating tourism policies at the local, regional, national, and global levels" (Richter, 1991).

The issue of externalities created by market failures is also a serious concern. While market forces seem to adequately increase the demand for and the supply of tourism products and services, the dis-

tribution as driven by market forces can create externalities such as overcrowding, destruction or degradation of the environment, over-taxing of public services and the like. In the absence of sound tourism policy, the negative effects of tourism can outweigh the benefits.

Tourism policy, as it has been implemented historically, focused on the market demand side through government marketing and promotion efforts. Policy making, in the future, needs to focus on the overall effects of tourism. The integration of tourism as an economic, social and political factor in public policy areas affecting and, in turn, affected by tourism has been neglected in favor of a “zero-sum” approach to the economics of tourism. Competition for foreign visitors — a simple numbers race — has driven the policy-making process. Tourism is compatible with both public and private interests, but to achieve its potential tourism policy needs to shift its focus.

The preoccupation with promotion and the economic rewards needs to give way to a recognition that tourism is more than an industry and has profound effects — both positive and negative — across a wide spectrum of local, regional, national and global issues and concerns. As such, tourism is best seen as a convergence point where many different policy issues need to be addressed.

Surprisingly, despite the magnitude of the industry, very little attention has been given to tourism as an academic discipline. Most current tourism programs at the bachelor’s and master’s degree levels tend to be options attached to the more established and traditional hospitality programs. Thus, through a curriculum designed for hotel and restaurant management, parks and recreation programs, or geography, students have the opportunity to select a small number of courses designed to “broaden” the core curriculum with a tourism orientation. This is reflective of the industry itself. Individual tourism businesses or special interest groups, such as hotels, airlines, attractions, or travel agencies, each have specific, narrow goals based on their respective operational needs.

Clearly the extensive range of the exogenous variables that confront international tourism development today requires a fundamentally different approach to tourism education. The types of variables that need to be considered include demographic and social changes, economic and financial developments, political/legislative/regulatory changes, technological innovations and improvements, trading developments, transport infrastructure, and the safety of travel (*World Travel & Tourism Review* — 1992).

Tourism is an extremely complex phenomenon that requires more than a handful of “tourism” courses. As Adrian Bull aptly describes it, “tourism is neither a phenomenon nor a simple set of industries. It is a human activity which encompasses human behavior, uses of resources, and interaction with other people, economies and environments” (Bull, 1991). To develop well-educated and skilled professionals to meet the changing nature of the tourism industry requires a conceptual framework that recognizes that the industry is made up of numerous parts, components, and functions that are all interrelated in the larger global context.

The authors of *Tourism in Contemporary Society* suggest precisely that:

Tourism should be analyzed in terms of its global scope, relative to its stage of development in terms of tourism demand and supply in developed, newly-industrialized, and developing countries. (Hudman and Hawkins, 1989)

It should be evident that the study of tourism requires a multi- and interdisciplinary approach. While business, economics, law, management, and marketing are necessary foundations for the fundamental activities of tourism, other disciplines need to be drawn upon to understand and deal with the visitor and industry relationships to environments — socio-cultural, economic, political, and physical. Disciplines ranging from psychology and sociology, ecology and geography, political science, public administration and planning to foreign languages need inclusion in curriculum.

As Graburn and Jafari wisely point out:

No single discipline alone can accommodate, treat, or understand tourism; it can be studied only if disciplinary boundaries are crossed and if multidisciplinary perspectives are sought and formed. (Graburn and Jafari, 1991)

The study of tourism needs to find its place securely in the tradition of a liberal education. Only then will the subject be studied in a fashion fitting both its importance and its complexity. ❖

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