



# **Globalisation & the Political Economy of Tourism**

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- **Background**
- **Globalisation**
- **Political Economy**
- **Tourism & Development**
- **Neo-Imperialism/ Colonialism**

# A World Economic System

- Emergence of a world economic system can be traced to 15<sup>th</sup> & 16<sup>th</sup> Centuries
- Move from national economies to world economic system
- Inter-continental trade is linked to European colonialism
- Age of Reconnaissance
- Developments through 1600s, 1700s, 1800s





## Links to Contemporary Distribution of Poverty

- **1. More people & places progressively reliant on world trade**
  - **Poverty increasingly related to world economy rather than linked to natural resources**
- **2. Adoption of Western approach to poverty**

# Colonisation & Empire

- Constant flow of raw materials
  - White settlers
  - 'Civilising' the 'other'
  - Creation of core – periphery relationship
  - Post 1945
- De-colonisation,



## Globalisation

- **Legacy of colonial era**
  - **economic inter-connectedness**
  - **Cultural/social inter-connectedness**
  - **Strengthening of Western-centric economic & political structures globally**
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- **To what extent can people retain control and direction over their own lives?**

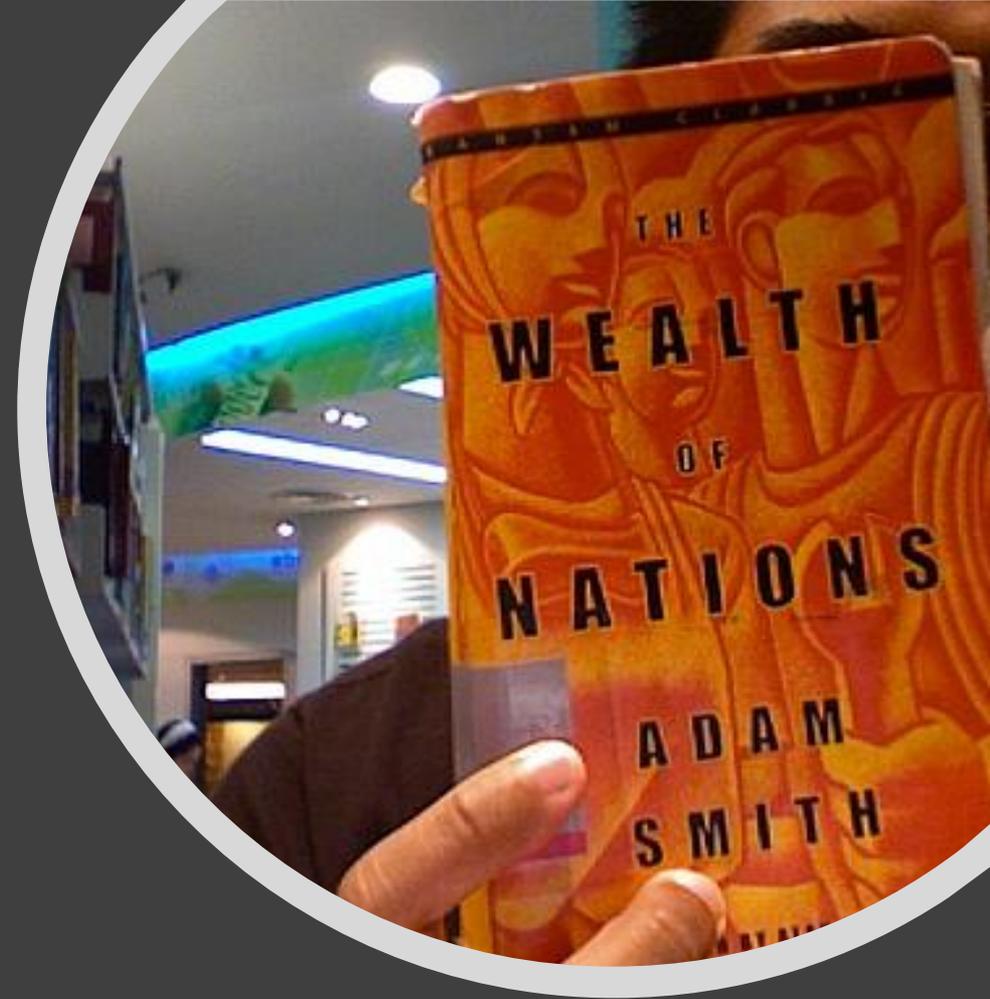
# Political economy

**\* 2 key points:**

- 1. How does politics affect economic outcomes?**
- 2. How does economy affect politics?**

# Political economy

- Early literature:
  - Adam Smith (1776): Wealth of Nations
  - John Stuart Mill (1848): Principles of Political Economy
- Political forces → influencing and determining economic outcomes



# Disciplinary Divisions

## Economics

- Analysis
  - Methodological progress
  - Constraints
  - Market developments
- = modern neoclassical economics

## Politics

- Institutional factors
- Government
- Governance
- Ideologies
- Power

→ Today: *New Political Economy*

# **New Political Economy**

- **Study of the interaction of politics and economics**
- **Domestic, comparative and global political economy**
- **Space, resources and environment**
- **Justice, inequality and development**
- **Global markets, institutions and regulation**

# Tourism as a Tool for Economic Development (Benefits)

- **Foreign exchange**
- **Domestic earnings**
  - **Direct**
  - **Indirect**
  - **Induced**
- **Job creation**
- **Potential for economic growth also in peripheral/rural areas and countries lacking natural resources**
- **Economic diversification**
- **Linkages to informal sector, e.g. handicrafts**

# Barriers to economic benefits (costs)

- **Leakages:**
  - **Caribbean: 80%**
  - **Thailand: 70%**
  - **High-skills jobs filled with expatriates**
- **Opportunity costs e.g. tourism vs. agriculture**
- **Unequal benefits in countries of ‘Global South’**
  - **Economic elites**
  - **The ‘poorest’ are excluded**
  - **unequal power relationships – elites**
- **Vulnerability through economic dependency on tourism, e.g. Cook Islands 50% of GDP**

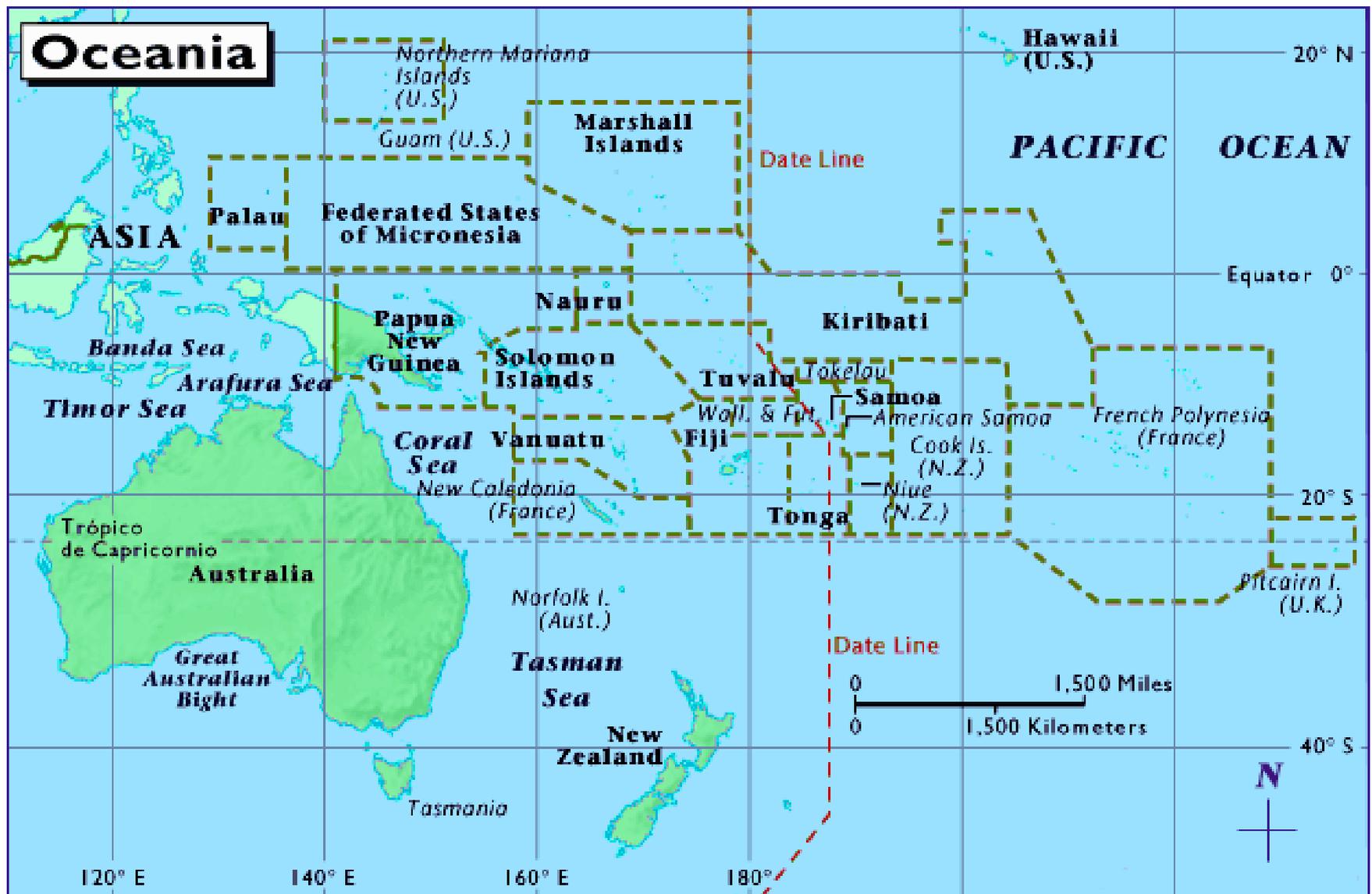
# Case study from the Periphery: Fiji

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- Fiji heavily reliant on foreign airlines
- 80% of tourists arriving on Air New Zealand/Quantas
- Regional carriers unable to compete



# Economic Dependence on Tourism: the Pacific

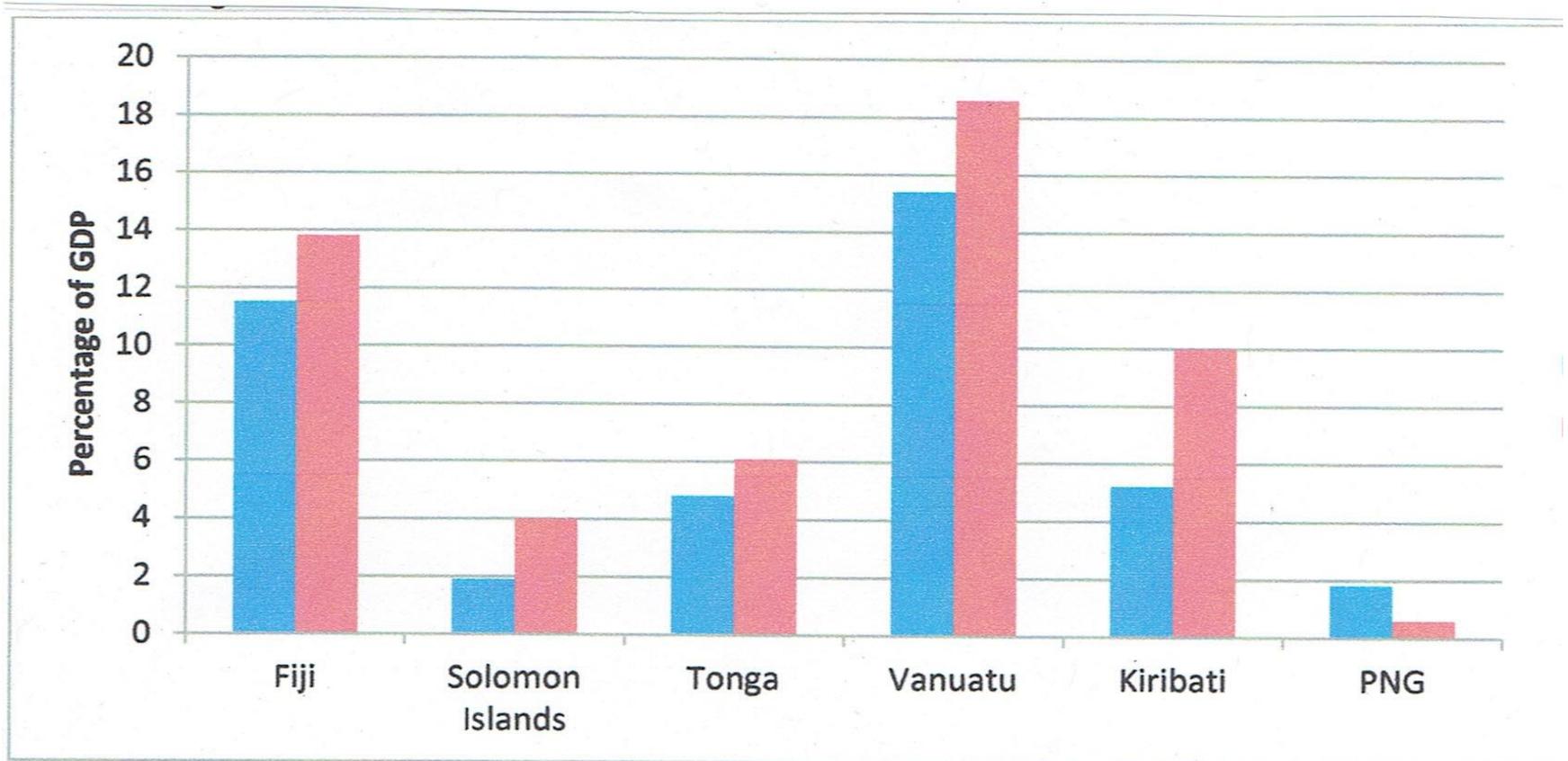


**Table 1: Economic Importance of Tourism in Countries Within the Region**

Country	Tourism GDP %	Tourism % Employment
Cook Islands	47.0%	-
Fiji	12.8%	9.5%
Kiribati	14.5%	1.7%
Niue	13.0%	-
Palau	49.0%	-
PNG	6.3%	3.2%
Samoa	9.5%	10.0%
Solomon Islands	2.9%	1.6%
Tonga	5.0%	3.2%
Tuvalu	3.0%	-
Vanuatu	16.6%	12.0%

Source: SPTO and individual country estimates

## The direct contribution of travel and tourism to GDP has increased in most PICs



Source: WTTC

Table 2. Tourism is an important source of employment

	Direct jobs	Percent of total employment	Direct jobs per visitor
Fiji	41,500	12.3	0.06
Kiribati	2,200	8.2	0.37
PNG	24,000	0.8	0.13
Solomon Islands	6,500	3.4	0.32
Tonga	2,000	6.1	0.04
Vanuatu	10,500	14.6	0.10

Source: WTTC and SPTO. 2014 figures.

Table 3. Oceania represents only 1.2 percent of the world's tourism market

	2005	2010	2013	2014	Market share 2014 (%)
World	809	949	1,087	1,133	100
Advanced economies	466	513	585	618	54.5
Emerging economies	343	436	502	515	45.5
<i>By region</i>					
Africa	34.8	49.5	54	55	4.9
Americas	133.3	150.1	167.5	181.6	16.0
Asia and the Pacific	154	205.4	249.7	264	23.3
North-east Asia	85.9	111.5	127	136.1	12.0
South-east Asia	49	70.5	94.5	97.3	8.6
Oceania	10.9	11.4	12.5	13.2	1.2
South Asia	8.1	12	15.8	17.4	1.5
Europe	453.2	489.4	566.9	580.6	51.2
Middle East	33.7	54.7	48.8	51.8	4.6

Source: UNWTO Barometer October 2015

# PIC's Development Challenges

## Issues

- Far from major markets
- Small populations
- Spatially dispersed
- Climate change
- Collaboration required
- Poverty Reduction not automatic

## Solutions?

- Employ Poor
- Poor as suppliers
- Community based initiatives
- Taxes
- Voluntary giving

# Case Study: Globalisation of Fear

- **Freedom of movement part of liberal free market politics**
- **Increasingly mediated by risk & security**
- **Eg: Kenya 2002 & Bali 2005**
- **National Government intervention**

- **Who suffers?**
- **Ideological constructions of risk**
- **Perceived wisdom**
- **Western media - othering**

# Neo-liberalism and Tourism

- **Free market environment pushed tourism**
- **General Agreement of Trade in Services (GATS): liberalisation (World Trade Organisation)**

# **Tourism as a form of Neo-colonialism**

- **Political dependency of colonial times replaced by economic dependency**
- **Cultural Imperialism**

# Cultural Imperialism

- **Global Village or Cultural Oppression?**
- **How is this Impacting Global Diversity, Sense of Place?**
  - **McDonaldisation**
  - **Cocacola-isation**
  - **Cultural Hegemony**
  - **Cultural Homogenisation**

# Tourism as the new plantation economy

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- **Caribbean: “plantation tourism landscape” (Weaver in Brohman 1996: 57).**
- **‘Development through tourism’ based on neo-colonial premise that South (periphery) needs to be ‘developed’ after model of North (core)**



# Different stakeholders

- **Locals**
- **Local Government**
- **Aid Givers**
- **Supranational Organisations**
- **Other nations**

## **Political Control Mechanisms for tourism – UK picture**

- **Set framework**
  - **International Organisations – set standards**
  - **Government Sets framework.**
  - **D. E. F. R.A (Department for Environment, Food and Rural Affairs)**
  - **Countryside Agency**
- **Implementation**
  - **Industry Bodies**
  - **Tourist Board/ Local Government**
- **Influence**
  - **Pressure Groups, NGOs, Sports organisations.**

# MANAGING STAKEHOLDERS

## Stakeholder Attributes

- **Power**
- **Legitimacy**
- **Urgency/Immediacy**

**Degree to which destination managers give priority to competing stakeholder demands**

## What is the input?

- **Each stakeholder's importance varies as the destination's circumstances vary**
- **Need for each stakeholder's input may vary depending on development theme**

# Questions:

- **Do you think the economic benefits of tourism outweigh the costs in developing countries?**
- **Should international organisations fund tourism projects in developing countries?**
- **Are tourists the new ‘colonial masters’?**
- **Are certain types of tourism (mass tourism, eco-tourism etc.) more pro-development (less dependency-producing) than others?**
- **Is a backpacker (who likes to be called ‘traveller’) less ‘neo-colonial’ than a mass tourist?**