

Tourism business owners want the number of tourists traveling to their area to increase so that their investments generate more income and profits. Employees of these businesses want secure employment with fair wages and safe working conditions. Business owners, managers, and employees in other industries want the continued growth and success of their businesses. Government officials want strong economies and to be reelected, whereas government employees want job security and good wages. Taxpayers want a wide variety of government services and a bearable tax burden. Local residents want a clean, safe community with a high quality of life. Tourists want enjoyable and safe places to visit that offer a full range of services to meet their travel needs.

Unfortunately, with all of these differing objectives, it is difficult for decision makers to please all constituents. Frequently, a decision for the benefit of one group is often seen as negative by another group. Local taxpayers may welcome the tax revenues generated by visitors to the area but then fight additional tourism development because it would change the landscape of the region and add to the industrialization of the community. Tourism business owners strongly support the promotion of their industry by governments, but owners of businesses in other industries often believe that their industry should receive equal government support. Rarely is there enough tax revenue to promote all industries, so priorities must be established. Determining priorities is where the political tug of war among constituent groups occurs.

You may live now (or have lived) in an area that has experienced a tourism development political battle. We hope you now have a better understanding of the economic and political impacts of tourism development and promotion and how different perspectives can lead to debate. The words of tourism writer Uel Blank may give some food for thought concerning tourism development: “Citizens’ rights to enjoy amenities of lakes, cities, and facilities away from home carry with them the responsibility to also share local amenities with travelers from elsewhere.”³⁰

Summary

Economics and politics are forever linked, and the economics and politics of tourism are no exception to that rule. The use of scarce resources by the tourism industry can lead to a variety of positive economic impacts, as well as some not-so-positive effects. Virtually everyone has an opinion about tourism, and the process of deciding the role tourism will play in the economic development of an area gives rise to a great deal of political debate.

As you learned in this chapter, the tourism industry is often used to bring added economic vitality to an area and frequently has a comparative advantage over other development alternatives. A primary reason for tourism’s popularity as an industry is its ability to generate new money for a region, especially in the form of exports.

Tourism revenues enter an economy and then are re-spent creating additional revenues until the added money finally leaves the economy through leakage—money spent on imports to the area. This increased economic activity is called the “multiplier concept,” and its size depends on the amount of imports a region needs to utilize to provide goods and services for visitors and residents alike.

Even though tourism adds diversity and stability to an economy and provides a wide variety of employment, busi-

ness opportunities, and increased tax revenues, it is not without its costs. Large numbers of visitors strain utilities, public services, and natural resources. Often, these tourists also put upward pressure on prices, which increases the cost of living for local citizens. Researchers use cost-benefit analysis to try to determine whether, all things considered, tourism brings substantial economic gain to an area.

Given the importance of the tourism industry to most countries, states/provinces, and cities governments often become involved in tourism development. The most common role for government is collection of data on tourist activity and promotion of the area as a destination. A recent trend is for government and private tourism associations to join together to help sustain and increase the tourism industry. Building and promotion of convention centers are just one function of these public/private organizations.

A continuing challenge for government officials and tourism industry members will be to balance the special interests of constituent groups who have conflicting opinions concerning the development of tourism that lead to political tugs of war. Tourism, like any industry, has benefits and costs, and these impacts will always be viewed and prioritized differently by different members of communities.