

# TOURISM IN THIRD WORLD DEVELOPMENT - FACT OR FICTION?

By **Carson L. Jenkins**

The purpose of this paper is to consider three aspects of international tourism. First, to examine the contribution that tourism has made to the development process in third world countries. Secondly, to consider to what extent this contribution has been real rather than nominal and thirdly, to examine some of the criticisms of tourism in this process and to ask whether or not the criticisms have substance.

However, before we can look at tourism in this context, we should have some indication of what constitutes the tourism sector or as it is more usually known, the tourism industry. To describe tourism, which is essentially a multi-sectoral service activity, as an industry would cause most economists some pain. There is no single production function as we would normally understand it. However, the term industry is commonly used because it represents a body of activity which is now well defined and certainly well recognised.

It is true that Mickey Mouse is associated with our industry. We have only to look across to France to see the latest blossoming of the creature into what is almost a four billion dollar investment. One of the complexities of tourism is that it embraces huge developments such as EuroDisney and yet it can also include a very modest scale guesthouse or a pony trekking centre. It is a difficult sector to delineate but one which we require some introduction to if we are to understand its significance.

In 1988 Wharton Econometrics<sup>(1)</sup> undertook a study of the global impact of tourism and travel and they described it as the world's largest in-

dustry; it is a major contributor to the global economy. The sheer scale of its impact is quite staggering. For example:

1. Travel and tourism generates more than US \$ 2.5 trillion in gross output. This represents 5.5% of world gross net product.
2. Travel and tourism employs more than 1.2 billion people world wide which is 1 in 15 employees.
3. Travel and tourism invests more than \$350 billion in direct, indirect and personal taxes each year. More than 6% of total global tax payments.

These figures are almost too large to comprehend. The World Tourism Organisation expects that in 1991 international tourist arrivals will total 450 million trips which will generate approximately US\$ 278 billion in international tourism receipts. These figures need to be put into a perspective.

For example, under the recognised international statistical definition, international tourism refers to visitors who cross international frontiers and whose purpose of journey is either business or leisure. There are specific sub-categories within these definitions which need not concern us at the moment. However, what is important is that our best estimate indicates that international tourism represents perhaps only 17% of all global tourism movements. It is the proverbial tip of the iceberg. There is a huge domestic market which will substantially enhance the figures I have quoted to you.

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Within Scotland in 1990 there were 9.2 million trips with an expenditure of 1,441 million pound-sterling, or around 5% of estimated Scottish Gross Domestic Product.

In 1990, for the UK tourism contributed an estimated 25.2 billion poundsterling to the economy. This represented about 5% of Gross Domestic Product. In June 1990, direct employment in tourism was estimated at 1.5 million; overseas residents made a record 18 million visits to the United Kingdom in the same year.

Given these statistics, there is very little reason to doubt the World Tourism Organisation's estimates that by the year 2000 tourism will be the biggest international economic activity. It is certainly no Mickey Mouse activity.

In my paper title I have referred to the Third World. This title emanated from attempts by the United Nations to try and classify levels of development and relate these levels to types of market structures. The first world always referred to developed market economies, countries which normally were associated with membership of the Organisation of European Cooperation and Development. The so-called second world included the countries of Eastern Europe, members of Comecon, and those whose markets were characterised by centralised planning and socialist principles. The residual, the so-called third world, were those developing countries mainly in Africa, Asia and Latin America who have a wide range of levels of development and share if anything, rather centralised planning techniques. Some would argue that within the third world there was room for a fourth group, that is those developing countries which are oil exporters.

Since the cataclysmic events in Eastern Europe, whether the term third world has any immediacy or any relevance is a matter now for some debate. However, in using the title I have used the historical, geographic and developmental reference to refer to the developing countries which, as I have noted, are mostly to be found in Asia, Africa and Latin America. These countries tend to have particular characteristics. In identifying some of these characteristics one would make the usual caveat that not all countries suffer to the same degree from the difficulties I will describe, but most of them are fairly representative of the developing world. These characteristics are as follows.<sup>(2)</sup>

**Firstly**, most of the developing countries have narrow resource based economies. This means

that their ability to sustain economic development, and particularly through exports, is limited. We would have to recognise that in some countries the potential resource bases are very wide, countries like Zaire and Namibia, obviously have minerals which will be in demand and can be exported but for political, technological and usually financial reasons, this potential has yet to be realised.

**Secondly**, many of the developing countries are dependent on the export of primary products for the generation of foreign exchange. Primary products, of course, are essentially homogenous, and most buyers of these products in developed Europe and North America will usually have some type of quota or tariff barrier which limit the import possibilities for developing countries.

**Thirdly**, over the years the so-called Terms of Trade have moved against the developing countries. Put in non-economic language this means that the quantum of exports required to buy a quantum of imports has moved against Third World countries. An example of this is the need in many developing countries to import oil when oil prices have risen very substantially on the international market. Many of the export prices received by the developing countries have stagnated or declined.

These economic conditions are reinforced by other pressures. In most, but not all, of the developing countries there are very severe population pressures. For example, in Kenya with a rate of population increase now approaching 3% per year, the population will double every 20 years. India has recorded a population of 860 million people, China 1.2 billion. These pressures of population are obviously major constraints on development efforts. We should also note that most Third World countries have to import many of the developmental goods, particularly capital equipment and expertise, at world market prices. Therefore, although their own exports are declining in value and earnings potential, they are forced to pay inflated world prices in order to maintain any development impetus.

Another event which has affected many developing countries has been the freeing of colonial links. With political independence has not come the expected trade freedom and many countries have found it very difficult to meet rising economic expectations. Against this background of economic, social and political change the developing countries have had to look very carefully at how to maintain their development initiatives. It is against such considerations that we should exa-

mine what role tourism might have in the development process.

Robert Erbes<sup>(3)</sup> as long ago as 1973 made the following statement: *"Everything seems to suggest that developing countries look upon tourism consumption as manna from heaven that can provide a solution to all their foreign settlement difficulties".*

What has now passed into tourism history is the phrase "manna from heaven". To many people this statement is a naive and perhaps simplistic presumption. However, it is also a useful introduction to our understanding of tourism in the development process.

If you were an economic planner, or a politician in a developing country, why would you consider that tourism had the potential to contribute to development?

Historically, tourism has been, and largely remains a by-product of developed and relatively affluent societies. In 1991, approximately 80% of international tourist arrivals were in the developed regions of Western Europe and North America; this percentage has only marginally diminished over the past 40 years<sup>4</sup>. Although predominantly an activity of developed countries, more tourists from these countries are now travelling to Third World destinations. The newly industrialised countries of Hong Kong, Taiwan and South Korea are increasingly contributing to international tourist arrival figures, and above all other examples, Japan has become an important generator of international tourists over the last decade.

In these Asian countries, as economic development has improved, it has released more discretionary income to purchase foreign travel and holidays amongst other consumption possibilities. This increasing level of discretionary income is generating a class of leisure travellers in addition to the existing, and important, business travel market.

It is the dramatic impact of tourism in the developed world which has provided the example for developing countries to follow. With tourism now a major international economic activity it has advantages as a contributor to economic development which other industries might not have. What is important is the concept of comparative advantage; does the concentration of investment and resources into tourism generate more net economic benefit than if similar amounts of resources had been invested elsewhere, eg in agriculture or industry?

The evaluation is, of course, complex and is outside the scope of this lecture. However, the issue is important because resources are scarce and need to be allocated amongst competing demands. Tourism has no a priori claim for advantageous treatment, but should be regarded as one sector of an economy competing for available resources with others. Despite this caution, tourism has, particularly in developing countries, received substantial and continuing support from governments: why should this have happened?

These are perhaps 7 main reasons why governments have supported tourism as part of their development strategies:

**First** of all, tourism is historically a growth sector. If you look at the development of modern tourism which we date from the 1950s, you will see that tourism has had a higher growth rate than world trade in general<sup>5</sup>. For the developing world faced with problems of quota and tariff barriers, a growth sector must be a very attractive area to include in development strategy.

**Secondly**, the major consumers of international tourism are the residents of the developed countries of the world, and it is the developed countries which have hard currencies. Hard currencies are needed to buy development goods and expertise.

**Thirdly**, unlike manufactured goods and other forms of exports there is a relative absence of tariff barriers relating to international tourism. In the UK we last had travel allowances in 1967 and in France in 1982. Very few developed countries would now attempt to limit either where residents travelled overseas or secondly how much money they took with them. So in this sense then international tourism is an industry which faces no quotas and or tariff barriers.

**Fourthly**, tourism is a service industry and service depends upon people. Tourism is relatively labour-intensive. This is of particular importance in the developing world where employment needs are paramount. With growing populations heavily skewed towards the young, we find that one of the major political as well as economic problems, is to absorb people into the workforce. We also know that tourism has a relatively low skills threshold, so we can often employ people who require very limited training and have limited skills. This argument does not prevail as you look at different levels of the industry but the entry threshold in many developing countries is low.

**Fifthly**, in many such countries the attractions for international tourists relates to the natural infrastructure, climate, beach, wildlife and the rest. In this case, we often see tourism developing at fairly low economic costs. It has been argued, for example, in one sense that a beach has a zero marginal opportunity cost but this is a difficult argument to sustain because as people use a beach then related facilities are required. But there is no doubt that the quality of climate, the quality of natural appeal and often the social characteristics of the developing world are major attractions in their own right. As we find more and more of the developed countries becoming highly polluted and more overcrowded, many of the developing countries do have priceless environmental assets which they can sell on the international market.

**The sixth point** refers to something which we call the technology gap. This means that in many developing countries, hotels particularly, but other forms of services also, can be provided in labour-intensive ways where we substitute labour for capital. So expensive labour in the UK might mean we put a kettle in each tourists' room, in developing countries we make sure that there is labour available to provide the tea on a room service basis.

**The seventh point**, and I think the most influential of all, is that I did say tourism is historically a growth sector. If we look at the way in which tourism has, and is developing in most of the major generating countries of the world, we see that people are moving away from the old idea of tourism as simply an output of economic wealth. It still is, but evidence suggests that more and more people are seeing the ability to take holidays and travel internationally as part of a life style. Research indicates that people will protect holiday expenditure even in deteriorating economic climates.

This is a very important factor because even after such a major event as the Gulf War, tourism has recovered very quickly. The initial fear and shock has gone and we find people are travelling again.

Another factor here, of course, is the available air transport facilities which has shrunk distance in terms of time and in terms of comfort, and relatively has been one of the best buys in international services. We now look upon tourism in the developed countries as being very much a social activity with economic consequences, whereas in the developing countries we regard tourism as

being an economic activity with social consequences.

In looking at the role of tourism in development, we should note that there are also disadvantages which should be evaluated. For example, although tourism is historically a growth sector, this has not been the situation in every tourist-receiving country. Secondly, although developing countries earn hard currency, much of it leaks back to the country of origin. Thirdly, although there are no tariff and quota barriers preventing international tourists from travelling, it is a very competitive industry and often prices are imposed by the tour operators based in the generating countries. These prices can limit the numbers of tourists travelling, particularly to certain countries.

Tourism does have a low entry skills threshold. However, this can cause economic and certainly political problems in the long term unless indigenous people are promoted and developed to the highest levels of industry.

One statement by a Prime Minister of a Caribbean country—"tourism has turned us into a nation of bar-keepers and waitresses", is indicative of the need for a manpower development plan.

Countries do use their natural infrastructure but examples of very bad planning, eg Pattaya Beach in Thailand where the type of development, the discharge of effluence and the lack of concern for the environment has created a case-study in how not to develop a resort<sup>6</sup>.

Within Europe, we can think of the build up of areas of Spain, Turkey and Yugoslavia which do not enhance the preservation of the many things which attract tourists initially. Intermediate technology does have tremendous importance to change the way in which services and buildings can be provided for tourists. However, to develop intermediate technology requires initiative, and determination, and often the types of buildings are products of international design rather than of indigenous materials and traditional style.

Despite these disadvantages, I think there is no doubt that tourism has made a substantial contribution to the development process in most tourist receiving countries. This contribution is usually listed under 5 headings.

**First**, the contribution to foreign exchange earnings. This is possibly the most critical development factor where, with limited reserves of foreign exchange and limited ability to generate foreign exchange earnings, tourism becomes a very at-

tructive option. You find in countries like India and Thailand that tourism is now the most important net earner of foreign exchange. In Indonesia, despite its oil and timber wealth, tourism is now expected to be the second earner of foreign exchange. In the highly tourism developed economies of the Caribbean<sup>7</sup>, tourism is usually, the major source of foreign exchange earnings. There are many countries in the third world where tourism has occupied this particular niche and it is the main reason why tourism is supported by governments in the developing world.

**Second**, mention has already been made of the capacity of the tourism sector to create employment.

This need is, of course, intensified by the fact that most developed countries now have strict immigration policies which allow only limited opportunities for citizens of developing countries to seek jobs.

The **third** aspect of tourism relates to its ability to generate regional economic development. In some countries, one can cite here parts of Nigeria<sup>8</sup>, Indonesia<sup>9</sup>, Brazil, you will find that tourism by using natural resources is able to create employment and economic activity where other resources do not exist.

If we consider the era of modern tourism to be characterised by huge movements of people for leisure purposes, then this can be said to date from the decade of the 1950s. In that decade, recovery from the ravages of World War II provided opportunities for people to enjoy higher levels of income and paid holidays which, in combination with other factors, boosted international travel. As international tourism grew, it received more attention from governments, specialist organisations and analysts. The analytical studies on tourism can be categorised into three periods. The first period up to about the mid-1970s, saw much concentration on the economic impacts of tourism. Early studies by Bryden<sup>10</sup>, Checci<sup>11</sup>, Zinder<sup>12</sup> and Archer<sup>13</sup> were essentially economic analyses of tourism. The second period from about mid-1970s, saw the development of studies which were more critical of tourism's impact, particularly relating to its effects on people and societies. Studies by de Kadt<sup>14</sup>, Smith<sup>15</sup>, Turner and Ash<sup>16</sup> are examples. From the early 1980s onward much more attention has been given to the question of environmental issues in tourism. The Madrid Conference<sup>17</sup> is an example.

The position in the 1990s is that tourism has achieved recognition as a major economic activity

not only on a global basis, but also at regional and at country levels. This recognition is not uncritical; investors in tourism, in both the public and private sectors, realise that risk is inherent in the investment decision, and that short-term economic gains might be submerged by long-term social and environmental problems arising from investment in tourism. For tourism is a 'people industry' and people travel with their preferences, prejudices and behavioural patterns. Cross-cultural conflicts, if not inevitable, are possible. Environmental degradation can arise from poor planning or over-crowding. For these, and many other reasons, the potential benefits and costs of investing in the tourist sector should be considered at the planning stage and not after the facility becomes operational. Fortunately, there are well-documented cases of good and poor tourism development from which we can learn<sup>18</sup>.

Many countries in the developing world are slowly but surely recognising one of their major attractions is the quality of their natural environment. Planners are attempting to ensure that this is protected<sup>19</sup>.

Only yesterday, the Chancellor of the Exchequer announced at the IMF Conference that the UK had already committed 40 million poundsterling (fourty million poundsterling) to the Global Environment Facility, a fund to reduce toxic pollution in the developing world.

However, tourism continues to attract much criticism as a vehicle for development. Many writers perhaps starting with de Kadt in the 1970s posed the question "Tourism-Passport to Development?" The whole emphasis here was on the non-economic impacts of tourism and the way in which societies were changed, sometimes radically, by the nature of the tourism phenomena. Critics of tourism raised some very serious objections. Among the most critical of these the following can be noted:

The first argument is that tourism is a highly dependent activity<sup>20</sup>. It is dependent on economic circumstances in the main tourist generating countries, and also on the major travel and tour operating companies which greatly influence where people take holidays.

It is often felt that this degree of dependency is dangerous as tour operators have it in their power to switch country destinations according to how they see the international market. As with most arguments this tends to be overstated.

Most tour operators who send tourists to particular countries often do so over a long period of time and build up a relationship with these countries and often invest in joint marketing. It is not a relationship which is broken easily but it can be changed because of the exogenous circumstances which affect tourism. For example, due to political uncertainties in regions and countries.

Dependency is not a new concept; in international trade it is well recognised. The problem for tourism is that as tourists require particular standards, particular foodstuffs and particular services, he travels in what Cohen<sup>21</sup> calls "an ecological bubble". To provide these Western-style facilities and services is expensive, and normally demands quite a high proportion of imports which then increases the foreign exchange leakage.

In addition to the dependency argument, there is a second criticism of tourism and that of course relates to seasonality. Most, but not all, countries have a seasonal flow pattern of tourist arrivals. Seasonality can be caused by institutional factors within the main tourist generating countries, for example, fixed school holidays and works holidays, so we see an enhanced concentration of holiday taking.

Seasonality can also take place because of conditions in the tourist receiving countries. These reasons are usually climatic, for example the coming of the monsoon or the melting of the snow for winter sports. There is no doubt that seasonality is an important consideration affecting investment in tourism and it tends to have cyclical effects on the economy and income generation. However, the renowned West Indian Economist, Sir Arthur Lewis, posed the question almost 25 years ago, whether or not a seasonal job was better than no job at all?

Thirdly, in terms of economic benefits of tourism, there is no doubt that most countries will have to import capital, expertise, and goods and services to support development in the tourism sector. Some economists have questioned whether the leakage factor is greater than any benefit accruing to the country. Most studies would show that there is a benefit, one which sometimes is of substantial importance<sup>22</sup>. For many countries who do not have alternative export potential, tourism might be the only means of generating foreign exchange to support development.

A fourth argument against tourism relates to the very nature of tourism itself. Tourism is a pleasurable activity. It is a form of relaxation from

one's normal life and work style. It is also a form of conspicuous consumption as most of us save for a good part of the year in order to enjoy our holiday. Many people believe and, many sociologists have argued, that with international tourism we are daily contrasting visitor affluence with residents' squalor, which is the situation in many developing countries.<sup>23</sup>

It would appear to me that many of the critics of tourism have tended to be misled by the emotionalism of this argument. However, it would be wrong to underestimate these views. There is a growing opinion within tourism that, in developing countries, tourism needs to be reappraised. Much of the support for a re-appraisal of tourism's role in development is focused on its perceived negative impacts on the social and cultural norms in tourist-receiving developing countries.<sup>24</sup>

There is now a well developed literature on social and cultural impacts of tourism. Many research studies are highly specific, and may therefore be of more academic interest rather than of relevance to policymakers. However, experience in many different countries can be said to constitute a general phenomena relating to tourism. In many cases, the regularity with which these phenomena are reported, allow policymakers to anticipate certain future impacts from current developments in tourism.

It is easy to exaggerate impacts arising from tourism. For example, certain areas of a country may never be visited by tourists; tourist visits to very large countries, such as India, tend to be concentrated in certain areas or circuits. Therefore, to refer to 'the social and cultural impacts of tourism on India' must be an absurdity. Tourism tends to be localised and, therefore, impacts tend to be localised initially. Whether these impacts cause changes, and whether these changes spread through society, will be influenced by a wide range of factors, eg size of country, general spread of tourism activity, basic cultural and religious strengths, etc.

It is unfortunate that many of the writers on social and cultural impacts have tended to react negatively to tourism development. These negative reactions should be viewed in the same way that economic disbenefits are - they are problems which require management solutions. They will not go away and might intensify. As tourism is a great international exchange of people, it is an important to plan for human reaction as it is for economic needs.

Despite these difficulties, governments have ultimately to find means of managing, if not completely eradicating, these problems. This is particularly the case where tourism-related problems impact on the socio-cultural values of the society or on the environment. These wider concerns are the responsibility of government, and it may be that government is the only agent able to introduce required changes.<sup>23,a,b</sup>

De Kadt and O'Grady have both detailed cases where tourism has made very serious changes in the structure, values and traditions of societies. There is continuing debate as to whether these changes are beneficial or not; the interests of society and the individual are not necessarily similar. There is little doubt, however, where international tourism is of any significance in a country, it does become a major 'change-agent'.

The exposure of resident populations to other cultures, due to tourism, would appear to be an irreversible process. It is often accompanied by an evolution in attitudes of mind, in tastes, in the judgement of values and may even lead to a certain decline in conservative attitudes - an example of the 'demonstration effect'. On a social level, planned tourism can favour contacts between holidaymakers and the local population, can encourage cultural exchanges, and will lead to friendly and responsible enjoyment and, finally, may strengthen links between countries.

In terms of an appraisal, what does seem to be of priority is to identify not just the problems which are associated with tourism but to undertake management solutions. Management solutions in tourism requires detailed policy considerations which can then be related to a plan of action.

The planning process is now well established in developing countries. Most of these countries have 5 year development plans. In countries with significant tourism sectors, specific tourism plans are prepared. Emphasis is being given to the sustainability of resources with phrases such as eco-tourism, green tourism and sensitive tourism prevalent in the literature.

Environmental issues are now central to planning; very few projects are developed without an Environmental Impact Analysis being made. More attention is being given at the planning stage to preventing bad design rather than having to undertake remedial actions when the project is operational. The quality of the environment is a major issue on a global basis, and for tourism which depends critically on this input, it is of para-

mount importance. There is a long catalogue of environmental damage caused by poor design, location or scale of projects; tourism developments are not the only offenders.

Environmental damage caused to, and sometimes by, tourism developments are to be found all over the world:

- i) Water pollution: discharge of sewerage effluent into beach and bay at Pattaya, Thailand.
- ii) Visual pollution: high-rise hotel developments at Waikiki Beach, Hawaii.
- iii) Congestion: Kuta Beach and town area, Bali, Indonesia.
- iv) Land use pollution: ribbon development along Spanish coastal areas.
- v) Ecological disruption: to animal breeding by uncontrolled access to game parks, Africa.

To these common examples can be added the problems of litter, traffic fumes and over-crowding which afflict many tourists sites both rural and urban. To a large degree these problems have been caused by the too rapid increase in tourist arrivals which puts pressure on infrastructure and the environment. In most developed countries there is extensive planning legislation and controls to curb the worst excesses of developers, but some projects do proceed.

In the developing countries which often do not have a coherent and comprehensive planning framework, the problems are more acute.

Tourism, however, can make positive contributions to environmental improvement; four examples exemplify this point.

- i) First, the interest which tourists have in the natural and built environment often allows these areas to be protected and managed. There are many examples in developed countries of areas being designated as 'national parks' or 'areas of outstanding natural beauty'. These areas are so designated to control access and use and to ensure that they are sustainable in the future. Similar reasoning applies to the conservation of animal species and to the built environment. The designation of sea garden reserves in Western Samoa, and animal sanctuaries in Sumatra are other examples.
- ii) The improvement in environmental quality benefits both visitor and resident. Pedestrianisation of many urban attractions has benefitted access to visitors and increased the amenity of the resident.

- iii) Improvements in infrastructure for tourists often 'spills-over' to residents. The Adriatic Highway in Yugoslavia improved tourist access to the South but also improved transport links for residents and industry. Montego Bay Airport in Jamaica is another example.
- iv) Revenue generated by tourism allows funding of conservation and maintenance of facilities and amenities which otherwise might deteriorate, eg Borobudur Temple Complex in Central Java, and Dimbulla in Sri Lanka.

In all cases, prevention is cheaper than cure! As part of tourism development planning, environmental considerations must be given a high level of priority. In some environmentally sensitive and fragile areas, development may be prohibited. A central consideration is the carrying-capacity of a destination in relation to visitor use and the development of facilities. Tourism may be an important means to achieve conservation, for without a good quality environment, tourists may choose to visit alternative destinations.

The politics and economics of environmental development and protection are a major subject. Sufficient to note here that in examining the impacts of tourism on a destination or project, the aspects of economic, socio-cultural and environmental impacts should be regarded as components of a larger concern. The Manila Declaration of the World Tourism Organisation, formulated in 1980 notes the link between national and cultural resources in developing tourism, and the need to conserve these resources for the benefit of tourists and residents of the tourism area. The Joint Declaration of the World Tourism Organisation and the United Nations Environment Programme<sup>26</sup> stated 'The protection, enhancement and improvement of the various components of man's environment are amongst the fundamental conditions for the harmonious development of tourism. Similarly, rational management of tourism may contribute to a large extent to protecting and developing the physical environment and cultural heritage as well as improving the quality of life...'.

The quotation implies the need for a comprehensive approach to the development and management of tourism at the destination. Without this approach, environmental degradation will occur and sustaining tourism resources in the long term may not be possible.

There has also been a major change in view about the role of the market. Traditionally, in the developing countries we see that planning takes

place as part of a centralised decision-making process. We find that government has a central role to play, if only because it often is the only source of funding, the only body available to raise foreign loans and to guarantee repayments. It sometimes has to undertake not just a pioneer role initiating capital development, but also in operating facilities. In India, for example, the Indian Tourist Development Corporation runs tour buses, travel agencies, formerly ran airlines and also is a major hotel owner. These pioneering activities were essential, particularly in areas where investors were not prepared to put money into the tourism sector.

There might be an argument now that it could divest itself of at least some of its investments to the private sector. This debate is on-going, but the type of activity which we see in Eastern Europe, that is the rapid imposition of a market economy, cannot take place in most of the developing countries, certainly not in African countries and probably not in some of the poorer Asian countries. The market simply is not there to provide the investment and development impetus.

Also tourism, unlike many other industries such as manufacturing, is a peoples'industry. Tourists tend not to merge into societies but often unwittingly confront societies. In this sense, government has a role to play in deciding what type, what level and what style of tourism it wishes to encourage. These wishes, of course, will always be constrained by market demand. As I have said before, tourists can be persuaded to visit a country, they cannot be coerced and this is a reality which I think is slowly dawning on many tourism planners.

Despite this caveat, tourism planners have developed their art. We learn from other country's strength and other country's mistakes. We are sensitive to the market and we are above all, I hope, sensitive to the need to recognise the ultimate goal of the development process; that is the indigenisation of jobs, and particularly of senior jobs and, wherever possible, a growing volume of indigenous investment, management and control.

I think we could argue convincingly that tourism has made a major economic contribution to third world countries and that this contribution will continue in the future. There are certainly problems and these problems are easy to identify but perhaps more difficult to manage. This is our future challenge.

In relation to this, it is interesting to note the growing number of scholars now involved in the study of tourism. In this university tourism studies began as early as 1966 and at postgraduate level in 1972. We have always been interested in policy matters and particularly in the public sector approach to tourism.

We note that in Europe particularly, there is now a wide range of academic institutions studying different aspects of tourism. This interest has spread to North America, Australia and to many of the developing countries. As educators we have a responsibility to look critically at the role of tourism in development, to provide our students with the concepts, the knowledge base and the analytical tools which will allow them to address the salient and important questions.

Arguably the problems we debate now are the problems which we had with us 20 years ago, but our maturity and our increasing knowledge helps us to better understand this complex phenomena. It is interesting to note the new Lome IV Convention which covers development assistance to the African, Caribbean and Pacific countries who are associated with the EEC, now concentrates, for the very first time, on policy development in tourism. That is a move away from ad hoc requests for assistance, to actually look at tourism as an on-going process and one which requires clear guidelines and clear choices to be made relating to development goals.<sup>27,28</sup>

It is encouraging to see that the major lending institutions are regarding tourism as a viable means of aiding development. In this sense, I think we could conclude that tourism is recognised as having made a substantial contribution to the development process in many third world countries. Its benefits have been real and are increasingly sought by many such countries.<sup>29</sup> There are problems and areas of concern, but it would be a fiction to deny the reality of tourism's contribution.

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