

TOURISM AS ALTERNATIVE ECONOMY

Looking for paradigm of sustainable development between new and old economies



Tourism economy is alternative paradigm of development

Debate concerning the transition from and the differences between old and new economy, hides or smooths the real knot to be solved: finding an **alternative paradigm**.

The old economy as much as the new one, actually contain an impressive affinity as usual: the domination of the strong people and the power concentration.

No one of the two forms has solved in satisfying way the problem of the distribution of wealth produced after the value creation.

No one of the two aims and purposes, clearly and without ambiguity, the question on scarce resources use in the world and their waste. Even the statement, assigned to Bill Gates, about the new economy as an “economy without attrition“, appears more a wishful thinking than actual reality, above all for the most part of mankind: Jeremy Rifkin and Naomi Klein have recently proved it without pity and with irony¹.

The most intelligent and critical voice which emerges, in this transitional period, for its energy to look for a honest way out from the usual chorus, is Amartya Sen, coming from India². My debt to him for many of my statements in this essay is total.

At principles level, the more and more increasing and general statement in favour of the development sustainability reveals the search of new meanings and new scopes in the political and social choices: however, suspicion is coming up that we are using a false consciousness. Great clearness and fascination in the language, in the documents, in the proclaims (lexis), but obscurity and opportunism in the praxis.

And a trend or cool hunting therein. Who does not add today the adjective “sustainable“ every time one introduces development? Even people under suspicion.

¹ Jeremy Rifkin and Naomi Klein are two of the most representative voices that argue with sharpness the negative side of the globalized capitalism. This group include also other intellectuals and scientists like Noam Chomsk, and, Eduardo Galeano. Jeremy Rifkin and Naomi Klein, on the occasion of the Summit of no global people at Porto Alegre (February 2001) published together a book-manifesto *“New Global“* (quoted in the Italian Review Internazionale, January 2002). This position has a profound background in the studies of the Frankfurt (Horkheimer, Adorno, Habermas, Fromm). However, Rifkin and Klein adopt a more accessible language, with many daily references, inspired not only by the concept of the *“Ethic of the conviction“* (on ideological basis), but also by the concept of the *“Ethic of responsibility“*, not refusing absolutely the capitalism, They use irony and draw our attention to the paradoxes of the capitalisms, in the name of those principles that capitalism declare to practice while actually it treads on. They catch these capitalists red-handed. Like perfect detectives. The basic texts for such an analysis are: Adorno, T. W., with Max Horkheimer. (2002). *Dialectic of Enlightenment*. Trans. Edmund Jephcott. Stanford: Stanford University Press; Adorno, Th.W Albert, H., Habermas, J. (1976), *The Positivist Dispute in German Sociology*, Heinemann London and Harper Torchbook; M. Horkheimer, M., (1947), *Eclipse of Reason*, Oxford University Press.; reprint Continuum International Publishing Group, 2004. The most known texts of Jeremy Rifkin are: Rifkin, J.(2000), *The Age Of Access: The New Culture of Hypercapitalism, Where All of Life is a Paid-For Experience*, Putnam Publishing Group, and (1995), *The End of Work: The Decline of the Global Labor Force and the Dawn of the Post-Market Era*, Putnam Publishing Group

² Amartya K.Sen, Nobel Prize in Economy 1998, wrote two important work relevant for the topic of my essay: Sen, A.K.(1999), *Development as freedom*, Oxford, Oxford University Press. From the same social context of Amartya Kuram Sen, there is also Roy, A.(1998), *The End of Imagination*. Kottayam: D.C. Books, and Yunus, M. (1994), *Grameen Bank, as I See it; Grameen Bank*. Another great thinkers about the paradoxical behavior of the capitalism is Joseph E.Stiglitz in: Stiglitz, J.(2002), *Globalization and its Discontents*, W.W. Norton & Company,

All forms of usual winning economy are intimately reluctant to embrace the sustainability path: it is so for industry, agriculture and many advanced technology economies (biotech, nuclear, so called “fine” chemistry...), even fishing and hunting “industries”, though wrongly considered underrated forms of economy: the data concerning the use of wasting techniques both in fishing and hunting activities everywhere in the world are impressive and beyond any reversibility edge. So it is for policy, which followed for too long time concepts and plans very collusive with these industry and agriculture economies, until almost irremediable points, like mad cow and illegal building developments.

In what may we see, then, the capacity of the tourist economy to become candidate to play a role as alternative **paradigm**, to impress a new way, certified by choices and features equally convincing both in the value creation and in the inner coherence with the sustainability principle?

Moreover, how may it show its logical solidity, from project to product, to consumption, just to be defined test and benchmark for a turnabout in the development achievement?

Tourism economy is able to propagate and spread out its wings with more evident benefits and its own almost natural vocation to sustainability in three main crucial themes:

- The use and value of the natural and environmental resources
- The employment and participation of people and local communities in the production processes and created value distribution
- The achievement of intangible experiences with a better satisfaction than the possession of the tangible goods and properties

In each theme exposed, tourism economy stands in irresolvable conflict with the capacity of the hegemonic economy to give real and integrated answers or solutions. About each theme, tourism economy is up to articulate a deep debate with other forms of economy.

The foundations of the market hegemonic economy are normally dismissed: e.g. the ethic of responsibility is not part of a dream, but it is or should be till now the legitimate base of the market economy, the most important and vital base, for market economy was slowly and laboriously generated therein, against the dominion logic and its lack of alternatives (or lack of freedom) in the former economies, which were founded on the status income, assigned through god will (and therefore without merits) or by royal grant, like in the mercantilism’s monopolies, that’s in form of favour for someone : these practices are not yet so rare nowadays as well !

Max Weber died in 1920, only 56 years old, after an obstinate research to bring back the economy and economic policy to their roots: he found out in the essence of the capitalism a foundation even within the moral theology. The ethic of responsibility, that’s the capacity to do choices and to take the responsibilities of their consequences, is the hearth of his trial and his claim : this ethic is opposite to the conviction ethic, which is more or less what we experience normally in the political approaches in the past and not rarely now. According to this ideological prospect and scope, the hinge of this approach is mainly to achieve and keep the power³.

Actually, the market economy is not yet plain realized: in the most parts of the world, western countries included (although they are proud to have adopted it as social and individual life style) we have many feudal residues in its “ functioning “, even if in less evident traces than in the past, like in the following behaviours of the actors :

- Private (personal) patrimonial exploitation of the companies (feuds) profits

³ Weber, M.(1978), *Economy and Society*, University of California Press.

- tenacious and continuous trials of monopole creation
- manipulating practices of the economic powers on the political powers and vice versa
- waste of the natural and cultural resources
- profit priority even against happiness
- extortion and volatile destiny of the manpower in the value creation processes
- and so on.

Enron could be a case history of this type capitalism today: it is only the most recent; just to make known the contradictory and incoherent forms which capitalism denies its own roots with: many other cases are proved by Rifkin and Klein in the above mentioned work.

Ten years later of Max Weber death, another economist, Maynard Keynes, tried, in the thirties, to break in pragmatic way the intimate tendencies of the market economy against social sustainability. However he stated, very clearly, that “at least for other hundred years, the ugly is beautiful and the beautiful is ugly, for the ugly is useful, while the beautiful not... The time of the beautifulness is not yet come”.⁴

In spite of the merits of the Keynesian economic issues, until now, to pursue and reinforce an economic policy of compatibility, it seems evident the out-of-date vision of such a political and economic strategy.

In the case of the tourist destinations, this “waiting and delaying “philosophy about the harmonization between the usefulness of the resources and the conservation of natural and cultural heritage quality, is unacceptable even at economic level, if ethic was not enough: we sadly know very well that some activities could be considered economic even if they kill the environment and we recognize every day that some others could be considered uneconomic when they respect and protect it. Yet it can be true for any other economic sector but tourism. Luckily tourism economy satisfies expectations which go towards perspectives not related to Keynes prophecies.

Just to face these and other contradictions of the market economy, by the force of the moral theology or by the welfare measures could introduce marginal arrangements, or some unsteady and provisional turnabouts, but it is not enough to convince forever the capitalism main actors and players, for they perceive those actions and choices as external constraints to their freedom and decision making.

Policy is available, in some cases, especially in its most democratic forms, to give force to those actions in favour of compatibility: it can be effective in national or local contexts. The New Deal of Roosevelt (just to quote an example well known in the history) in spite of some sensational errors, taken in its complex, was an action of that type. To be honest, we have to add that a real solution to the unemployment situation in United States in the thirties met a solution by the entry into the Second World War. So the “productive context “was not precisely conforming to our principles here exposed.

In a global economy those actions risk to become more difficult. To attack the mentioned tendencies with the ethic is like to put a fine glass against the gravity force of a falling stone. Even the semiotic guerrilla suggested by Naomi Klein against the over-power of advertising and super-trademarks, is an intelligent and sharp form hoping to bury the irreducible paranoia of the winner capitalists and their overpaid managers under a mountain of sneers.

⁴Quotation of the Economist Ernst F. Schumacher, pioneer of any type of criticism of the actual capitalism, in his work: *Small is beautiful. A Study of Economics As If People Mattered* (1973). Keynes was member of the Bloomsbury Circle, together with Virginia Woolf, Vanessa Bell, Morgan Forster, Lytton Strachey, with a political and economic vision where economy, ethic and policy should be harmonized: they were inspired by George Edward Moore, *Principia Ethica*, Cambridge, Cambridge University Press, 1903.

At contrary, we need somebody or something that penetrates into the stone and transforms it in light material, able to swim and to keep afloat our common boat where we all are living. We need an exemplar prototype of such a change, to prove it works and transfers into tangible (and intangible) effects the success in all the three unresolved questions above mentioned.

At first, we need to maintain the principle that world and mankind could regress and lose, even in a while, what they consider an effective and endless model.

Secondly, we need to modify the relationship between the perception we have from the moral concept of finite and from the gravity laws of the market: their opposition is neither non esthetic nor ethic. It is metaphysic.

Tourism economy is a leading and convincing sector in this regard: it is able to suture this separation in actual, not only imaginative, or emotional or purely moral way.

If we reflect carefully, there is in tourism economy a convergence (not yet existing so clearly elsewhere) between **policy, ethic and esthetic**, to give birth to a paradigm characterized by clearness, evidence, liability and continuity, not in the principles, rather in the choices, not in the values, rather in the value creation, not in the development causes, rather in its effects, not in the wishes of happiness rather in its practical diffusion and share.

Economic methodology inspiring this approach in setting businesses and promoting players programmes, does not foresees a pure reference to statistical growth of tourist flows or monetary exchanges only, but a striving towards systematic and spreading production of integrated welfare and quality of life factors for residents, on the rebound for visitors and guests.

Actually, the existence of such factors represents in embryo stage a more and more appreciable value even at monetary plane, taking into account the relatively rarity of territories which are in the position to keep their own integrity and supply satisfying and well managed offers to increasing demand or expectation of genuine produces, sites, landscapes, living standards in the present scenario.

“The marginalization that some areas (e.g. in the developing countries) have in the tourist both regional and international flows, does not exempt to put at back stage, however paradoxical it seems, an effectiveness measurement according to monetary point of view. Those areas cannot have neither now nor ever a competitive positioning, but under condition of not imitable specificity, that is with approaches and methodologies of sustainable tourism“⁵.

Such a political attitude generates a significant consequence for the investments quality decisions: at short term, it could require more investments (e.g. the costs of the environmental impact evaluation) than those of usual policy. But at the medium and long term, usual policy erodes the very bases of specificity, which are the only resource really available for the growth in the globalization.

To look for a broad, real characterization of what a destination offers, in agriculture, food, building, craft, tourism, heritage (signs of memory and identity), performing arts (music, folk, events), is a way our economy perceives perfectly conform to its unique profitability at long term.

⁵ R. Toppan, *Piano di promozione turistica 1997*, Azienda Regionale di Promozione Turistica di Basilicata 1997. *This Strategic Plan on Tourism has been prepared and approved by the Regional Government of Basilicata, with all the purposed actions concerning the sustainable development of the Region as a whole. I was in that time Chief Executive Officer of the Regional Agency for Territorial Marketing and Tourism Promotion..*

The post-industrial era is full of paradoxes: it is time of satiety, alternatives interchangeability and homologation. At the same time, it needs to invert the relationship between the independent and dependents factors of production: policy and private investors continue to consider the economic outcomes as independent variable. All the rest (green areas, water, architectural heritage of the past, landscape etc.) must be submitted to it⁶.

We exhaust fatally the very specific resources.

At contrary, we need to assume these as independent variable: the economic outcomes will be:

- not reproducible elsewhere
- nor easily imitable
- more steady and durable
- intimately connected to resident population, to its roots, social and cultural perceptions, active management even commercial and communication styles.

This is the reason why The EU Green Book on Tourism, proposes without any doubts at 3rd title: "Tourism is an important sector for the realization of sustainable development"⁷.

Capabilities of such a strategy are well known by the European institutions, undertaken to shape the development both at national level and local: "Rare are the activities whose success is so clearly dependent from the commitment to link different policies"⁸.

Tourism is adopted and pointed out for its inner capacity to shape the local authorities decisions in coherent way with sustainable development strategy, also in "all other sectors", by virtue of the integrated quality of destination and the concept of the product as "system product".

The Green Book on Tourism seems to exclude the fact that tourism could be considered by the local and national governments like a way beside the other possible ways, but rather a matrix generating an innovative and exemplar approach, almost a reliability test (in the sense used by ISO 9000 norms) of the entire planning set of policy in a country, region or municipality.

"The necessity to let come together different policies to the same goal, makes then tourism an ideal action ground for the sustainable development implementation. Moreover, the predictable growth of the tourist flows and pressures exercised therein, together with an increasing demand of quality from consumers side, do not allow longer to delay such an integrated approach... This could guarantee the perpetuity of activities involved, ensure tourist satisfaction and contribute to natural and cultural heritage conservation. Moreover, such an approach could serve for an example to other activities, whose future depends equally, but perhaps less directly perceivable, from the implementation of sustainable development"⁹.

These EU statements represent and prefigure an urgent and not "dilatable" choice for the next future of populations and induce the institutions, which are responsible to define that future, to give up a self-referential style in planning, investing and budgeting, but to be able to make innovative and original turnabouts

In the centre of this new way of planning, we put the citizen and his local community, so much as we put at the centre of the tourist product, not an abstract presentation of secret treasures, but the satisfaction of implied and stated customer expectations.

6 The alternative feature of the sustainable tourism is also deepened in the essay: Toppan, R.(1998), *Qualità globale di una destinazione turistica*, in: *Cantiere cultura: beni culturali e turismo come risorsa di sviluppo locale*, Ed. Il Sole24 Ore/Federculture.

7 European Communities Commission (1995), *The role of the Union about Tourism, Green Book, COM (95) 97, Brussels*.

8 *Ibidem*, p.14.

9 *Ibidem*, p.15.

Only with such an approach, reverting the usual terms of the question, we can obtain steady economic outcomes, thanks to the client fidelisation, provided planning and marketing process are able to address the offer to appropriate segments of the market.

This is valid also for the peripheral or niche destinations : “ The support to the experimentation of new tourist products, like those connected to the rural and cultural tourism, comes up to the need to contribute to the improvement of the global competitiveness of tourist economy “¹⁰.

In the light of these EU guide-lines, the opposition between the working rules of the traditional and classic economy, leaded by industry, both old and new, and the working tourist economy rules, we can draw some very curious and even amusing considerations:

RULES OF THE MARKET ECONOMY UNDER INDUSTRIAL EGEMONY	RULES OF THE MARKET ECONOMY IN TOURISM
<p>With regard to the environment: it is perceived as a constraint. A permanent conflict is set up between the profitability aimed by investors and the profitability as an outcome of the value creation. In the case of a necessary conciliation, the meeting point is looked for at the lowest possible level.</p>	<p>With regard to the environment: it is perceived as an opportunity. Tourism knows very well that both profitability outcomes are achieved only through their conciliation at the highest possible level.</p>
<p>Tendency to monopolies: it is an unnatural tendency according to the genetic principles of the market economy, however obstinate and hard. Contendibility and the concurrence risks are steadily smoothed by manipulating means, above all towards politics, which is bought in many different ways to “arrange “the most disagreeable aspects of the concurrence.</p>	<p>Tendency to monopolies: impossible, not achievable. Tourism is a volatile, unforeseeable product, connected in most part to factors and elements not reducible to monopoly (air, waters, beaches, sea, monuments, songs, dreams...). Its structure and genetic does not allow rentable positions and causes continuous evolutions of contendibility, even at imagination level.</p>
<p>Satisfaction of the needs: the tangible components prevail on the intangible ones. The production is made far from the customers and the truffles and manipulations of the produces are possible.</p>	<p>The intangible components prevail on the tangible ones The production is made just in time, in front of the customer and at its presence.</p>
<p>Innovation is high tech</p>	<p>Innovation is high touch.</p>
<p>Property and possession: once a product is acquired, customer can make what he wants, even throw it way</p>	<p>In tourism almost everything is hired and everyone is expected to respect the goods he enjoys.</p>
<p>The distribution of the economic benefits tend to be concentrated</p>	<p>The distribution of the economic benefit tend to be shared with many</p>

Tourism contains so in itself (and not out of itself) a convincing reference to undertake steadily the sustainability way.

The European Union, though late on this sector, made a huge progress in the last decade, from the launch of the European Year of Tourism (1990) and , in the same year, the declaration of the Decalogue for sustainable tourism by European Parliament, made a great progress and gave a

¹⁰ *Ibidem*, p. 16

substantial contribution to the decision making and policy quality more suitable than in the past, both in the member states, together with their local and regional authorities, and the enterprises of the private economy. EU played a very important role through its impulse for the sustainable development, conditioning the assignment of the financial aid to the corresponding requirements. Money is a very powerful lever, according to the Mandeville metaphor¹¹: to rule people by means of their aspiration for the benefits and their vices more than their virtues.

Foundations of the tourism economy as gay science of a voluntary communism without friction
Finding the specificity of the tourism economy and its Copernican vocation compared with the dismal science of classical and traditional economy is quite easy: the tourism economy is a very young economy, not more than forty years old: in Italy tourism economy had no scientific reference at Academic level until the seventies.

The alternative nature of the tourism economy appears evident just in the main economic principles of the classic economy and its rules focused on the demand and offer and the functioning of its relation. Moreover, the “possession” of the goods is absolutely incongruous: millions of people enjoy the same beach, the same bed, the same bath and rooms, without causing any repugnance or deception. Anyhow, millions people enjoy the sun, the monuments, the exhibitions of arts, the landscape and nobody of them pretends to possess these goods.

di Romano Toppan¹²

¹¹ Mandeville B. (1705), *The Grumbling Hive : or, Knaves turn'd honest*.

¹² Born in Treviso (Veneto Region, Italy) in 1946, I graduated in Classical Studies from High School, in Philosophy and Theology at the Pontifical University (Rome), and successfully completed two post-doc Master's courses, of which one in Educational Psychology at Padua University and one in Economy of Tourism at the Bocconi University (Milan). I have two post-graduate specializations in Sociology of work and in Quality Systems & Auditing and was awarded educational exchange scholarships in Educational Sciences in England (1975) and Germany (1986). He was Professor of Tourism Economy at the University of Perugia, Business School of the University LUISS in Rome, and in various other Universities in Italy and Abroad. Senior Adviser on Tourism and Culture Economy for the Regions Sicily, Apulia, Umbria, Veneto, Trentino, Marche and Abruzzo. Keynote speaker in many national and international Conferences on Tourism and Culture in Spain, Brazil, Germany, Tunisia, Morocco. The most part of this essay corresponds to the speech I held on 17th march 2001, in Assisi, at Faculty of Tourism Economy (University of Perugia) and CST (Centre for Studies on Tourism), invited by the Director Prof. Cleofe Guardigli, to celebrate the birth of the Alumni Association of graduate and post-graduate courses in Tourism. The speech actually was on tourism as factor of sustainable development. In this essay I emphasize rather its feature of *alternative development*. My pessimism depends upon the vulnerability of the *winning capitalism* that appears more and more evident.