CHAPTER III

TOURISM INDUSTRY IN DEVELOPING COUNTRIES
It is generally not appreciated that tourism problems in developing countries are really those involving a wide range of national life, entrenched in economics, sociological, cultural and technical domains and that these are but a part of conspectus of under-development. To place the problems in the correct perspective, we must take into account the whole gamut of activities involved in national development and it is in this light alone that the difficulties can appropriately be examined, and not in isolation. In the context of economic development, it is also futile to expect the developing countries to emulate the exact stages of economic growth passed through by developed countries. The experience of capitalist, socialist or neutral countries cannot, as such, be blindly accepted and adopted. The situation in each developing country calls for indigenously appropriate solutions to its individual and specific problems.

Development is a process of improving the capability of a country's institutions and systems to meet increasing and different demands of a social, cultural, political as well as economic character. Essentially, development is a process of institutional changes involving both economic and social activities and these changes have to be brought about by carefully conceived and properly implemented programmes. Planning is indispensable for under-developed countries and there can be
no short-cuts to planned growth. Instant and ad hoc solutions cannot assure long-time and sustained benefits and these, if attempted, may become counter-productive.

Tourism, like other economic activities, flourishes best when it fits into the context of general economic policies and programmes designed to lead to the optimum growth of the economy of a country as a whole. Not only is general national planning essential for a developing country but a coherent national programme for a tourist industry is necessary as well.

In economic terms, tourism is a major source of foreign exchange earnings for many countries. It can help to correct adverse trade balances and regional imbalances, create employment opportunities and give a direct stimulus, to the socio-economic development of backward areas in a country.

IS TOURISM GOOD OR BAD FOR THE DEVELOPING COUNTRIES?

Many developing countries with rich natural resources eagerly embraced tourism as the panacea to all their economic problems, only to find out that net foreign exchange earnings were far lower than anticipated and numerous socio-cultural problems occurred, others have become so economically dependent upon tourism that these problems are regarded as no more than minor irritations and a necessary cost of development.

A planned, controlled and coordinated, tourism can be a useful tool to assist economic development but, if allowed to
develop in a haphazard fashion, tourism's negative features swiftly assume supremacy, resulting in minimal economic benefits and great social costs.

Developing countries tourism effort is currently being thwarted by the lack of comprehensive accurate and comparable data (both first and second generation) and the ignorance of tourism's administrators. Many key questions are not so much unanswered as unasked.

Tourism can be an effective foreign exchange earner and generator of employment as well as a means of reducing balance of payment problems, diversifying the structure of the host country's economy and curing regional imbalances in the Developing Countries. The developing countries with great but largely unexploited tourism resources (such as South America, Africa and Asian Countries) can increase their tourism earnings several fold before dependence becomes a cause for concern.

The social, cultural and environmental effects of tourism have been seriously studied only in recent years and no widely applicable methodologies have yet been devised to assess them. It is the development of mass, institutionalised tourism, where control of decision making and ownership of tourism facilities passes out of the hands of the host population, which creates the circumstances where a rift occurs between tourist and local resident.
Where there is active or potential competition for a country's resources and factors, the best framework currently feasible for evaluating the income effects of tourism is probably the cost benefit approach. The failing of multiplier analysis is that it ignores the alternative use of resources and much more research looking at patterns of development of an intercountry basis is necessary before the usefulness of structural analysis of tourism can be properly evaluated.

Unless Tourism is represented in government at the same level as other development sectors, it will inevitably receive secondary priority in allocation of resources. The key to improved understanding of, and results from, tourism in developing countries is an appropriately structured and staffed tourism administration and an adequate supply of trained indigenous in all skills (including management) in the tourism sector. Whilst on paper, developing countries seem to be well on the way to coping with the vocational training requirements of their tourism sector, there is an insufficient supply of qualified management personnel, particularly to work in government administration, development and marketing of tourism.

The Ministry should undertake a programme of operation to fulfill the three basic tasks as detailed below:

1. Assessing the nation's tourism resource potential and establishing what the nation wants from Tourism (policy, planning, strategy and accurate forecasting through an
improved first generation tourism statistic base).

2. Setting up procedures to ensure that the nation can reasonably expect to get the most needed benefits from Tourism (through land zoning, training, import controls and local industry incentives aimed at increasing self reliance, review of foreign investors incentives, closer liaison with, and control over, the foreign travel trade, foreign exchange abuse controls and a increased direct state involvement in the ownership and operation of important tourism facilities).

3. Setting up a system for constantly reviewing, on a comparative basis with other sectors and countries, the nations performance in the tourism stakes (social cost benefit analysis drawing on improved second generation statistical base).

There are three essential elements for the balanced growth of Tourism free of deleterious social and cultural effects:

1. The number of tourists must not grow at a rate beyond the capacities of the local population to manage and cater for them.

2. The country's tourist attractions (natural and man-made) should already exist to meet local needs so that tourism supplements local demand.

3. Planning must be taken in cooperation with the local population. Such an approach to planning will allow the
tourism sector to be developed in close alignment with other sectors and in close harmony with local culture, it will facilitate the protection of physical resources, the organisation of training and research programmes and the gauging of the correct pace of development, i.e. the optimal level of tourist flows.

There are three main steps in the planning of man power needs:

1. Drawing up of forecasts of tourist flows.

2. Examination of basic inventory of tourism sector man power and calculation of additional requirements by type, year and region.

3. Establishment of the requisite training schemes tailored to the phase and nature of the country's tourism sector. Self-sufficiency in training staff in all sectors should be the aim of all developing countries.

How are low developing countries to fare in the coming decades

Because the per capita income in the countries that border upon them tends to be low, and the main tourist-generating countries are distant from them. Most developing countries are not in a good position for setting up a major tourist industry in the future.

The balance of evidence, however, suggests that low
developing countries will at least hold their current shares of world tourism. The natural development of vacation tourism has often been linked to the outward spread of the ripples created by a stone being dropped into a pond. As the consumers of North America and Western Europe look to new destinations, the low developing countries of South America, Africa and Asia are well positioned to become important receiving countries.

Basically there are two kinds of tourisms, *sunlust tourism*, (primarily oriented towards climate, beach and amenities which do not significantly differ in culture or kind from those available nearby, and *wanderlust tourism*, where the emphasis is on change, different culture, cuisine and a larger, ostensibly educational element.

Developing countries have always attracted the non-institutionalised wanderlust tourists for whom a developed tourist infrastructure is unnecessary, if not a positive deterrent. However, it was to take advantage of the growth in institutionalised tourism. Sunlust tourism that developing countries have, over the last decade and a half, encouraged extensive investment in tourism development. Developing countries may, therefore, reasonably expect, being located in the main in the outer ripples to experience a growth at least in line with that of total international tourism demand over the next decade. This expectation is increased by the probability of greater developing countries involvement in world trade, thereby ensuring a rise in business travel. As
shown by the experience of the last few years, it would be unexpected to anticipate any significant expansion of developing countries' marked share since the increased personal disposable incomes which will increasingly allow the middle classes to travel to long haul destinations for their vacations will also bring on to the short haul vacation market those lower income groups for whom previously a foreign holiday was not economically feasible. Developed and developing countries are thus likely to share the "natural" growth of international tourism broadly and evenly.

The points should be stressed in connection with a forecast of any significant growth in international tourism to low developing countries. First, growth will be centered on institutionalised tourism which will entail low developing countries being in closer involvement with the agents responsible for organising travel. The fact that these organisations are nearly all based in the source countries has clear implications for the degree and method of control exercised over their operations by low developing countries governments.

Secondly, the nature of tourism demand and the influences upon it are so complex that low developing countries cannot expect a blanket growth rate. Some will fare exceptionally well, others may suffer periods of little growth, dependent upon their performance across the factors influencing demand.
Structure of the tourism industry

Chain of distribution: Tourists travel as individuals or in groups. Tourists can either travel independently, purchasing the means of transport and accommodation either directly from the suppliers or via their agents, or they can take an inclusive tour (or package tour), purchasing a variety of services where they are unable to distinguish between the cost of the ingredients. Inclusive tours may be on an individual or group basis.

All tourists, except those individuals travelling totally independently, have recourse to some form of travel organiser. The main economic agents in the tourism industry are:

1. Passenger transport carriers, i.e. international airlines, chiefly operated by transnational corporations, rail, coach, ship and local transport carriers.

2. Accommodation, catering and entertainment establishments.

3. Travel agents, i.e. retailers who act on behalf of hotel companies, airlines, tour operators, shipping lines, etc., taking the part of intermediaries between the tourist and those who supply tourism services, and receiving a commission from the latter.

4. Tour operators, i.e. wholesalers who purchase the individual ingredients of a package of tourist related activities and combine them into a composite product.
These sectors, together with those concerned with the provision of financial services, retailing and information, constitute tourist related activities.

The role government plays in Tourism Industry in developing countries

Expenses that can be incurred by governments: Governments are financially involved in the tourism sector in a variety of ways, some only partly recognised and rarely catalogued in full. Revenue comes principally in the form of taxation, e.g. direct taxes on tourists levied generally airports or accommodation establishments and indirect taxes levied on goods and services consumed by tourists or on profits achieved by the suppliers of those goods and services.

The main categories of expenditure incurred by government in the tourism sector are:

1. Development, administration and control, e.g. research, advertising and promotion, training schemes, administrative staff.

2. Operating certain tourism facilities, i.e. national airline, state hotels, game parks, local tour operating agencies.

3. Infrastructural costs (including utilities).

4. Grants and incentives to attract tourism development in specific regions, times of year, etc.

There can also be a wide range of costs arising from the indirect effects of expansion in the tourism sector.
EXPENDITURE AND REVENUE IN TOURISM DEVELOPMENT

EXPENDITURE

Public sector
- Master planning
- Land acquisition
- Development of markets
- Infrastructure development
- Monitoring private sector development
- Maintenance

Private sector
- *Feasibility analysis
- Planning
- Construction
- Operation

REVENUE

Public sector
- Property taxes
- Import duty
- Sales taxes
- Income tax

Private sector
- Hotel revenue
- Shops
- Transport
- Entertainment

*Lead time.
The amount which governments spend on developing and running their tourism sectors is a matter for individual assessment taking account of the aims they establish. The same principle applies to direct government operation of specific tourism facilities. If a government identifies weakness in the development of the tourism sector (for example, inadequate trained staff or overseas promotional activity) it may choose to step in, similarly if private sector investment is inhibiting the growth of tourism, the government may elect to fill the gap. Governments also operate facilities which involve the exploitation of the country's wildlife or culture.

**Infrastructural costs**

The low cost areas to governments which involve most debate are infrastructural costs and the provision of grants and incentives. Infrastructural costs bear most heavily on the State. To be able to cater for tourists from the major generating markets of western Europe and North America, a Low Developing Country needs to provide infrastructural services that are comparable with those of the home country. Yet precisely one of the principal characteristics of low developing countries is their lack of such infrastructure.

Consequently, investment on infrastructure specially for the tourism sector is much more likely to be needed in low developing countries than in developed countries.
We can distinguish between general infrastructure and specific infrastructure.

General infrastructure (basic public utilities such as water, transport power, sewage etc., which may not be available prior to the development of tourism) and specific infrastructure (the connection to, and expansion and improvement of, the general infrastructure necessitated specially by the growth in tourism). Whilst it is easy to separate out and cost the latter, a judgement is necessary to estimate the amount of general infrastructure which a country would provide in the absence of an active tourism sector. It is, however, true to record that the poorer the country concerned the greater will be the amount and hence cost directly attributable to tourism. Even for the infrastructure specially provided for tourism, in economic terms it would not be right to apportion the whole of the costs to the tourism sector since the infrastructure is also available to local residents, i.e. improved roads to serve tourism resorts in previously remote areas will benefit local farmers.

It appears that the real cost of developing new tourism regions or complexes away from existing infrastructural facilities is sometimes not fully appreciated.

The costs of grants and incentives

Once the decision is made that tourism is desirable for national economic development, it is necessary to attract the
expertise, capital and access to markets that are required to foster the sector for low developing countries, this has often meant looking overseas. In order to attract the desired foreign skills and finance, low developing countries governments have, in many cases, adjusted the investment climate and conditions to attract investment.

The main categories of concession are:

(i) Tax exemptions/reductions on imported equipment, machinery, materials, etc.

(ii) Reduction in company taxation by means of favourable depreciation allowances on investment or special treatment in relation to excise, sales, income, turnover, profits or property taxes.

(iii) Tax holidays (limited period).

(iv) Guarantee of stabilisation of tax conditions (for upto 20 years).

(v) Grants (upto 30% of total capital costs).

(vi) Subsidies (generating minimum level of profit, occupancy, etc.).

(vii) Loans at low rate of interest.

(viii) Provision of land free hold at nominal or little cost or at low or peppercorn rents.

(ix) Free and unrestricted repatriation of all or part of investment capital, profits, dividends and interest, subject to tax provisions.
(x) Guarantees against nationalisation or expropriation.

There are many problems inherent in giving incentives or grants but these are no greater (and in one or two cases are actually lower) than those for manufacturing industries. One of the basic difficulties is that investment allowances tend to encourage capital intensive activities, while most low developing countries suffer from a surplus of labour. In the tourism sector, this problem is less marked than in manufacturing because there is less scope to replace labour with capital. A danger of open ended commitments to allow duty free or easy import of materials and equipment is that they may act as a barrier in subsequent attempts to establish domestic production facilities for such goods. Government must, therefore, take care to gear such concessions in accord with longer term policies.

INFLATIONARY ASPECTS

The expansion of international tourism in low developing countries and its seasonal nature create an increased demand both for imported goods (e.g. foreign brands of basic items for the holiday makers) and for local products (e.g. handicrafts) and factors of production (e.g. land and labour). Shop prices rise and the cost of factors of production, particularly land, is likely to be bid up. To the extent that the resident population is adversely affected by the resultant inflation, this can be considered an additional cost of tourism development.
Economic dependence on tourism

Low developing countries with little industrial development potential are most dependent on tourism.

Tourism is income and price elastic and so responds more than proportionally to changes in these variables. At the same time, subjects not only to regular seasonal fluctuations but also to irregular swings brought about, changes in consumer tastes, uncertainty of a sector in which there is a dominance of foreign capital.

Assured economic growth for a country which is dependent upon tourism can, therefore, be extremely problematical. On the other hand, tourism is an export industry which complements other exporting sectors and so adds a greater stability to foreign exchange earnings. Although "fashionability" will continue to afflict tourism, the probable continued long-term growth in tourism will result in almost all countries increasing their tourism receipts.

Though it is clearly desirable for low developing countries to avoid dependence on foreign capital "these disadvantages apply to any industry developed on the basis of foreign capital and...tourism may be at less of a disadvantage here than other industries in view of the fact that technological limitations to local ownership would appear to be less significant.

In most of the low developing countries which are currently
heavily dependent on tourism revenue, there is also a heavy reliance on primary exports (for example, sugar) and a high degree of foreign participation in the modern sector. It is argued, therefore, that the structure of production is not evolving in a way that will lead to greater self-sufficiency because production is geared to primary products (and tourism) for exports to developed countries. The economic development of low developing countries in this situation is, therefore, subject to commodity price fluctuations and the incomes of developed countries. Further, the foreign influence leads to increased demand for imports (from the local population) and can reinforce and inequitable distribution of income.

The commercial practices of foreign enterprises

Low developing countries need foreign knowhow rather than foreign capital. Low developing countries are heavily reliant upon foreign capital and expertise in their tourism sector development. The commercial practices adopted by foreign organisations in respect of their operations in, and dealings with, low developing countries create both economic and social effects.

Before tackling the arguments for and against foreign participation in low developing countries, there are some preliminary questions which should be answered.

Do low developing countries need foreign partners at all in the development of their tourism sector? Why has the
situation developed where foreign organisations play such an important role in low developing countries tourism sector?

The answer is not because of a shortage of investment funds (which are available from government local private sector and international agencies). It is the proprietary knowledge and expertise possessed by the foreign based hotel groups, tour operators, etc., which make low developing countries dependent on them. The tourism product (which embraces the provision of facilities, coordinating them, designing and selling attractive holiday packages, transporting tourists between their sources and destinations and ensuring the local performance is to the standard required by tourists) is, in many ways, more difficult to supply than exported commodities or goods because of its perishability. If a consignment of cocoa or textiles is delayed a day or two, there is generally little concern, if a plane load of tourists is similarly delayed, the repercussions may be substantial social and political disturbances do not make much difference to the export of goods, but such events may serve virtually to eliminate tourism for quite a period.

There is no doubt that the foreign based hotel groups, airlines and tour operators can do much to help low developing countries get over these problems, through coordination of travel arrangements, confidence boosting publicity.
The role of foreign owned or operated hotel groups
in low developing countries

International hotel chains prefer to exercise control
over resources allocation in host countries through Franchise
or management agreements rather than through ownership. In
low developing countries, the management contract is more
common simply because the level and quantity of expertise to
operate hotels of international standard is not available
within the low developing countries.

International hotel chains bring a number of benefits to
low developing countries which most low developing countries
are unable to provide from internal resources. These include -

(1) the provision of trained staff, experienced in
working in differing economic, political and social
environments and accustomed to dealing with tourists;

(ii) access to an international computer reservations
system; and

(iii) centralised purchasing (leading to guaranteed supplies
and higher quality and lower price than could be
obtained by a local hotel.

Do international hotel groups affect low
developing countries sovereignty?

The charges levelled against international hotel groups
are numerous but the evidence available is too confusing to
enable definite conclusions to be made for or against their participation in low developing countries. At the most extreme level is the charge that international hotel chains affect the sovereignty of low developing countries, certainly hotel groups (and international airlines) are in a position where they can choose whether or not to integrate their operations with national plans and there have undoubtedly been examples where strategies have been pursued contrary to such plans. The circumstances under which such undermining actions are most possible occur when the Transnational Corporation has no direct financial stake in the low developing countries.

**Is there technology inappropriate?**

This argument involves consideration of whether or not the tourism plant of a low developing countries should be designed in a style familiar to its potential customers and furnished and equipped to provide the level of creature comforts believed to be required by the majority of tourists from the generating centres. The issue is far wider than initially appears to be the case and embraces consideration of what type of tourism product the low developing countries should provide, i.e., whether the maximisation of foreign exchange, provision of employment, etc. is the principal aim, in which case the flexibility to move outside the requirements of the tourist generating market is fairly small, or whether tourism development is seen as being essentially compatible with the social and
economic aims of the low developing countries, in which case a tourism product relying heavily on indigenous designs, materials and staff may be more suitable, albeit with a far reduced level of custom finding the answer to this problem is currently taxing many low developing countries. They need to know how many fewer tourists and, more important, jobs and reduced foreign exchange earnings, will be generated given the latter policy, and do these outweigh the social benefits of lessening the dilution of the country's traditional society, culture, and so on.

There is a problem of inadequate skilled staff available in low developing countries tourism administrations. There is insufficient knowledge of generating market requirements and preferences and a lack of the requisite skills both to assess the value and cost of technology and to identify better alternative sources and methods of transfer. These shortcomings, combined with the fact that data may be difficult to obtain, make it extremely difficult for low developing countries to resolve this issue.

Do they import too much?

A third complaint made by low developing countries about foreign owned or operated hotel groups is their excessive reliance on imports. Low developing countries consider that there were a number of instances where foreign owned or operated hotels imported excessive amount of food, hotel furniture and
furnishings. Hotel chains pursuing a standardisation policy were particularly criticised. Central Purchasing Department, situated outside the low developing countries, are also viewed with suspicion, the feeling amongst low developing countries administrations being that "whilst such arrangements may lower costs to the purchasing hotel in the short run, they may also inhibit the development of local industries, particularly in the agricultural sector, as well as increasing the import content of tourism.

Are their employment and training programmes adequate?

Failure to employ sufficient local management and inadequate or inappropriate training programmes is the charge made against international hotel chains. Despite legislation designed to oblige foreign hotel groups to expedite the transfer of skills and management posts to local personnel, low developing countries believe there is considerable evasion of this responsibility by the foreign owned or operated hotel groups.

The international hotel chains all pursue a publicity stated policy of training local staff. The complaint of low developing countries is that the schemes for training local personnel for management posts are inadequate and inappropriate. One way of circumventing the former problem has been for low developing countries to stipulate as part of a management contract with an international hotel chain running for, say, ten years that within three or five years the whole of the
management (or all except the general manager) must be local citizens.

The accusation of the inappropriateness of training programmes is founded on the centralised policy-making of the international hotel chains. The training programmes undertaken by the hotel groups are designed to induce the local managers and employees to behave consistently with parent company policy, rather than considering the individual country's interest.

Accusation of profiteering are unproven?

A fifth area of suspicion about the practices of international hotel chains relates to profits and transfer prices. There is almost no evidence to support any low developing countries accusations of excessive profiteering through over specifying equipment, furniture, etc., for units in low developing countries supplied from the group's central stores, or as regards the manipulation of the prices of goods and services transferred between subsidiaries. Again, the deficiency of skilled personnel in low developing countries to undertake this type of analysis and the fact that the requisite data have to be obtained from "the accused" make such evaluation extremely difficult.

Wages too high?

The sixth charge made against international hotel chains is that they pay their local staff too highly, immediately bringing about social tensions and disrupting the local labour market by
creating large wage inequalities compared with other sectors. This will eventually erode any comparative advantage, a specific low developing countries might have had in terms of cheaper labour as the process of wage bargaining spreads the "imported" wage levels to other sectors of the economy.

The reason the international hotel chains pay relatively high wages is that they want to attract the best quality staff to enable a service to be provided to the foreign tourist which will enhance the low developing countries reputation and image in his eyes. The hotel groups also claim that their payment of good wages serve to improve standards in training, education, health etc. Furthermore, the only way in which the accommodation sector will become increasingly self-sufficient is if more citizens of low developing countries set up their own hotels, prerequisites for which are adequate skills and funds. The surest way of obtaining these is by working for a period with an international hotel chain.

It's imperative for some (probably substantial) involvement with international hotel chains if a low developing country wishes the tourism sector to play a significant role in its economic development both China and Cuba have recognised this and are consequently negotiating with foreign hotel groups to assist in the development of their hotel sectors.

Clearly and considerably more research is essential before firm conclusions can be made, but two points do emerge:
(i) In the cases where the operations of international hotel chain have been least satisfactory to the most low developing country, the great majority have involved cooperations without any financial investment in the hotel. This is significant (and perturbing) to operate hotels under management contracts and franchises.

(ii) The negotiating position of low developing host countries is stronger in the hotel sector than in industrial sectors, because the design, building, equipping, furnishing and operating phases can be disaggregated into a number of contractual arrangements, while the "package deal" approach is more normal for Transnational Corporation in the processing and manufacturing sectors.

Airlines pertaining to the developing countries

Air tariffs are agreed in traffic conferences of IATA subject to the approval of the government concerned. The fares agreed are then incorporated into bilateral agreements, which take one of the two forms.

The most common is where the airlines are left largely free to decide, on commercial grounds, the frequency and capacity of the services they offer. The other type of agreement is one in which a particular government (in order to protect its own small national airline) controls the number of flights and
passengers which foreign airlines may fly to/from its country.

Probably because the airlines are extremely selective about the precise terms of pools, suggestions have been made that the terms discriminate against the low developing countries airline (relative to its costs of operating the route) when an agreement is made with an airline of a developed country. It is difficult to make a judgement at this point because the two countries are unequal partners - most of the traffic on routes between developed countries and developing countries will be generated in the former and tourists will prefer to travel by the developed countries airline (as a result of its greater promotion and prestige). Given totally unrestricted competition, the developing countries airline would obtain only a very small share of the market on most routes between developed and developing countries.

A pooling agreement offers a somewhat higher share but, unless it is a full revenue and costs pool, it may still be the case that the developing countries airline is in a disadvantageous position in relation to its operating costs.

Revenue from a foreign airline operations

Two aspects of foreign scheduled airline operations (servicing and expatriate staff) result in a drain on the economies of the countries in which they operate, "few developing countries have the servicing plants necessary for the current generation of passenger aircraft and so potential foreign exchange earnings
from servicing a foreign airline's planes are lost."

Tour operators

Developing countries are apprehensive about the power foreign tour operators have because of their knowledge of consumer requirements and control of the distribution system.

Developing countries lack of control over tour operators

Developing countries criticise tour operators on the following scores:

(i) Drawing up tour programmes without consultation with the NTO of the developing countries.

(ii) Encouraging travel agent retailers not to distinguish between destinations through paying commission as a set amount (rather than a % of retail price) per booking.

(iii) Lacking any responsibility for promoting particular destinations but instead using destinations to sell package tours.

(iv) Presenting an inaccurate image of destinations in their brochures.

(v) Employment tour guides of their own country and threatening to drop the destination from their programme if the host country government insists on local guides.

All of these reflects the nature of the tour operating
business, which is indeed selling tours rather than specific destinations, and are a function of supply/demand. It should be noted that there is little specific discrimination against developing countries - the same points are made by all destination countries.

Revenue from package tourists accruing to developing countries

The proportion of tourist's gross expenditure which adds local value to the tourist receiving country depends, amongst others, on the following:

(i) Geographical location.
(ii) Type of airfare and locus of ownership of airline.
(iii) Type of locus of ownership of accommodation used.
(iv) Socio-economic characteristics of tourists.
(v) Catering arrangements.

Social and cultural factors of tourism in developing countries

Tourism in developing countries inevitably involves the introduction and spread of western social and cultural values until the development of sophisticated communications methods enabled the spread of the mass media throughout the world, different societies lived in more or less closed circles with their own civilisations and value systems. Increased knowledge of other societies (particularly in developing countries about
western Europe, North America, etc.) leads to adoption of some of their values and a growing uniformity of the different societies. Tourism, it is argued, works in a similar way (through more direct since there can be physical contact) with the development of low cost, fast air transportation, these agents of change can be easily introduced into previously isolated societies.

Tourism's advocates do not accept the diagnosis that tourism breaks down social and cultural differences, believing instead that individual cultures can withstand increasing exposure to each other, within its statement of "fundamental aim", the WTO sees tourism as a means of contributing to "international understanding, peace, prosperity and universal respect for, and observance of, human rights and fundamental freedom for all without distinction as to race, sex, language or religion". The opposing viewpoint is that tourism is responsible not only for creating a uniform society but also for all sorts of social and cultural problems, grouped under the umbrella accusation of neocolonisation.

Tourist creates -

(i) exposure to new experiences.
(ii) increasing independence vis-a-vis the religious and family environment.
(iii) confidence in technology.
(iv) an awareness of the advantages of leading a life of one's own choosing.
(v) a craving for training and the acquisition of vocational skills.
(vi) active participation in various groups.
(vii) the need for information.

**Socio-economic impacts: Tourism changes the structure of developing societies**

Whether or not the development of a sector to handle institutionalised tourists serves to change a society's value (or means of attaining them) and whether or not any changes are good or bad for the society, there can be no argument that the socio-economic impact of tourism can serve to bring about profound changes in the structure of the host country society. In regions with an active and well diversified economy tourism has no special socio-economic effects, but major changes are inherent in the introduction of tourism into developing countries.

When this happens it can result in developed and backward regions existing side by side, modern production technique alongside traditional techniques, and behaviours normal to an industrial society juxtaposed with behaviour normal to a traditional society. This causes major changes and stresses within the socio-economic fabric.

**Movement away from traditional forms of employment**

Employment in the tourism sector also has a major social impact. In most developing countries subsistence agriculture
is the main means of livelihood with the introduction of tourism
the local population becomes wage earning and the social status,
for example of a farmworker who becomes a hotel worker, changes
completely.

The major concern of an increasing dependence on tourism
as a form of employment in low developing countries is the
unemployment implications (which would most hurt those who have
little in the way of alternative employment possibilities)
brought about by a sudden shift in demand.

The seasonality of tourism affects employment

The seasonality of tourism can have important social
effects. It can mean either that employment must be supplemented
by other work or that the tourism worker is unemployed in the
off-season with social problems.

Economic independence of young people and women

Most tourism jobs will be filled by the younger people of
the host nation. This gives them a financial independence which
they would not otherwise have had, economic power is transferred
from the older to the younger generations and a generation
conflict is often created with the young looking at the traditional
occupations of their parents as inferiors.

Tourism can have a particular effect in the role of women
in a society for a start it often gives them a chance to be paid
for work which was traditionally considered to have no economic value, such as cleaning and washing. More dramatically it can bring about economic independence and changes in life style which can have far reaching effects socially, for instance, the ability of women to buy their own clothes, jewellery, etc.

Tourism alters land values and ownership

The consequences of using land for tourism development is that its value rises and ownership generally passes into the hands of the most economically powerful nationals and foreigners. At the early stage of tourism development, the local owners profit by selling land previously considered to be of little value. The principal concern for government is not that the value escalation does not benefit the local community but that local owners are deprived of their land through short sightedness encouraged by misleading representations on the part of the prospective purchasers.

Socio-cultural impact on developing countries of tourism: A double-edged effect

Many developing countries would have no basis for the development of a tourism sector without their indigenous culture. Most tourists want to experience, albeit at a safe distance and in a packaged form, the culture of the countries they visit. Tourism has a two-fold effect on culture, on one hand, it can help to preserve cultural values, i.e. the ones that have a specific value to the tourist as well as the host such as
religious buildings, archaeological sites, and tribal dances, on the other hand culture can be released by tourism as in the development of the "plastic arts", cheap copies of indigenous architectures, etc. (also known as airport art).

Art and handicrafts

There is consensus that tourism has assisted in the revival of the art and handicrafts sector, resulting in the preservation and diversification items produced and a growth in jobs. The first type are those works which are made by the society for religious or secular use within the society or for traditional trade.

The second category, which includes airport art, is usually mass produced by people with no knowledge of the traditional culture.

The third category, which grows up in response to tourists demands is the work of individual creative artists. The role of the tourist vis-a-vis art and handicrafts probably lies somewhere between depriving that nation of its treasures and encouraging art preservation.

Tourism has helped to preserve and promote art forms that may otherwise have died.

Archaeology and architecture

On the whole, there is evidence that tourism, when introduced into developing countries, has a beneficial effect
or archaeology. The cultural heritage that determines the attractiveness of a country to tourists encourages the authorities to protect it. In this way, tourism has been responsible for stimulating numerous cultural operations. An additional benefit is that the local residents are made aware of their cultural originality.

Commercialisation of culture

Commercialisation or "commoditisation" of culture applies to a phenomenon that takes place with the institutionalisation of tourism when aspects of local culture (such as ceremonial dances) are monetised. What the local population formerly did as a matter of spontaneous obligation, or ritual, is now performed for reward, and often results in the revival of ceremonies which may have been forgotten or abandoned. Even mock weddings are arranged in Tunisia to cater for tourist demand.

Reproduction of lifestyle and culture

Ethnic models or reconstructions of aboriginal life styles may be a useful way to satisfy tourists desire to "see how the natives live" without direct invasion of their privacy.

CONCLUSIONS

Tourism in developing countries is an appropriately structured and staffed tourism administration and an adequate supply of trained indigenous personnel in all skills (including
management) in the tourism sector.

1. Hotels and restaurant catering staff: employees in the hotel and restaurant sector require a more intensive training than those involved in material processes because they are in contact with a varied clientele and have to understand their requirements.

At the time when hotel capacity is rising fast, training schools for hotel staff are generally non-existent, or only just being built.

Apart from local schools and universities, training for this sector can be achieved through (1) international hotel chains, (2) workers being sent abroad to an institution or in hotels and (3) ad hoc training programmes organised by international agencies.

2. One of the most important problems which developing countries must try to avoid in structuring their training programmes is that of staff trained to be, say, waiter or barman finding that their jobs are dead and rather than a platform for promotion. There is a little evidence of staff starting as waiters or in jobs of similar standing and working their way up to a management position.

3. Tourism services staff: Staff is needed for the selling of tourist services (travel agencies, tour operators, reservation services, etc.), information and assistance to tourists (guides, hostesses, tour group leaders, etc.), wildlife parks and
reserves and the public or semi-public tourism authorities (national and regional tourist offices, etc.), training for this sector is obviously more difficult than for hotels or restaurants. There is a much greater variety of skills to be taught, the numbers involved are much smaller and training institutes are, therefore, less likely to be operated on an economic basis.

It seems that developing countries are well on the way to coping with the vocational training requirements of their tourism sectors.

Developing countries tourism administrations approach the challenge of sufficient, well-qualified, staff for their tourism sectors in varied ways. Some look for aid from international agencies to sponsor overseas students, others seek to be self-sufficient by establishing local training schools, yet another enter into bilateral agreement, and many adopt a combination of the two or more of these approaches.

Three points which apply to all developing countries are:

1. It is necessary for a developing country to forecast accurately its trained staff requirements and establish forms of training capable of producing this level of qualified output.

2. Individual countries must tailor their training approaches to their requirements rather than adopt blanket suggestions from international bodies.
3. The training of tourism sector staff requires large scale financial backing to be successful, the more so in developing countries because of the socio-cultural gulf between tourist and tourism worker.