

ECONOMIZATION OF TOURISM: RESEARCH DISCOURSE

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Abstract. The aim of the paper was to present a research discourse of theoretical literature studies on problems related with economization of tourism industry. Authors' considerations focus on the discussion of multidisciplinary and interdisciplinary research on tourism. A critical analysis of the contribution of both of these approaches in the development of theoretical bases of tourism as a science was made. The authors of the paper have revealed the importance of the economics of tourism and special attention was drawn on facts that tourism has become one of the most important sectors of the global economy. The new paradigms of economization of tourism arise owing to the economic impact of services on the development of global economy, which determines the need for revision of the former tourism basic postulates and research focuses.

Key words: tourism, economy, sustainable development.

JEL code: E02, H23, Q18

Introduction, the genesis of the problem

Troisi, who published *Teoria economica del turismo e della rendita turistica* (The Economic Theory of Tourism and Tourism Rent) (Lazarek, 2002) in 1955, can be considered the author of the basics of tourism economics. As a scientific discipline, in the opinion of numerous researchers (Dwyer, Forsyth, Dwyer 2010; Stabler, Papatheodorou, Sinclair 2010; Tribe 2011; Tribe, Xiao 2011), in the 21st century, the economics of tourism became an interdisciplinary subject, including the theoretical bases and knowledge of tourism. The development of this discipline was determined both by the need for scientific research, didactics, and economic practice in tourism itself, as well as the strong connections between the tourism sector and nearly every other sector of the economy (Panasiuk, 2006).

Due to a large variety, it is questioned whether the agricultural resource conditions in particular EU regions constitute a determinant of the share of subsidies for public goods in the total amount of subsidies in the EU. It was decided to study this phenomenon through a paper with the following hypothesis: the resource conditions in the EU constitute a quality predictor for the share of subsidies for public goods in the total amount of subsidies from the Common Agricultural Policy.

According to The World Tourism Organisation, Tourism is considered a multidimensional phenomenon and in this sense, its scope covers both various areas and various disciplines of sciences. Former studies of this issue performed by representatives of different areas of science representing various research centres such as W. Kurek, W. Alejziak, W. Alejziak, G. Golembki, L. Butowski, J. Cooper, E. Elgar, Cheltenham, C.R. Goeldner, J.R. Brent, N.J., Hoboken, C. Cooper, J. Fletcher, A. Fyall, D. Gilbert, S. Wanhill indicate the huge variety of research issues and findings related to this research area¹.

Tourism became a subject of interest for economists towards the end of the 19th century and before the World War I (Lazarek, 2001). This is reflected by the arrangements made during the first international study conference on the state and economic life, organised under the aegis of the League of Nations in Milan in 1923. In spite of the fact that various research approaches can be used for the research of economic phenomena (theoretical, which dominates in so-called academic economics, institutional, historical or historical-institutional, and geographic or geographical-natural), the authors of this publication focused on the economic aspects of tourism. These can be perceived in many ways, given the role that

¹ Research on tourism is carried out primarily by the Central Statistical Office of Poland, the Polish Tourist Organisation, the Institute of Tourism, and higher education institutions.

tourism plays in the economy, both in individual regions and countries and globally. It should be emphasised that the concepts for the development of tourism are not autonomous. They find their theoretical basis in universal concepts of socioeconomic growth and development (this concerns in particular the regional and local level), based on the paradigms of modernisation, dependence, neoliberalism, and alternative development (Kozak, 2008), which is the subject of this considerations.

The aim of the authors' study was to present an overview of the importance of the economics of tourism and its research discourse.

The specific research tasks to reach the aim were:

- 1) to describe tourism as an interdisciplinary subject;
- 2) to reveal tourism in the economics theories.

The research is based on literature studies, the method of analysis as well as synthesis were used in the current study.

Research results and discussion

The place of tourism in the economic theories

The diversification of the contemporary global economy makes it impossible to point to a single economic theory which would constitute an exhaustive paradigm of economics. Various research approaches have to be used to examine economic phenomena (Bartkowiak, 2010). The concepts of development of the tourism economy are usually not autonomous, but find their theoretical basis in universal concepts of development (Nawrocka 2010). As observed by Kozak (Kozak, 2008), four main contemporary theoretical trends can be distinguished in development sciences: modernisation, dependence, alternative development, and neoliberal development.

The paradigm of modernisation includes Rostow's stages of economic growth model, Toffler's three waves concept, and Smelser's convergence theory and structural differentiation

theory. The theory concerning modernisation refers to switching from a non-modernised society to modern society. Tourism as a sub-discipline occupies an important place in socioeconomic transformations. The economic content of the phenomenon of tourism manifests itself in economic activity aimed at preparing a region of tourist traffic reception to receive tourists, and in the creation of sources of income in the service sphere. The open nature of a tourist region is connected with transforming expenditure into goods and services in order to achieve the final results. The system is characterised by the repeatability of the cycle of transforming expenditure into results of activity through feedback. In a tourist region, individual stakeholders use the resources at their disposal in order to provide tourists with various goods and services as part of the activities they are engaged in. Tourists are therefore recipients of the system, and their satisfaction with the offer allows them to achieve individual goals. Tourism leads to the creation of new service fields and the manufacturing of new products, and so it stimulates economic activity. It changes the size and structure of the population's expenses, brings the transfer of people and the transfer of means of payment, which takes place not in the place where they work and earn a living, but in the place where the tourists stay. Thanks to economic processes, it is possible to meet the tourists' needs, so that they are satisfied with their stay. The results of the transformation of expenditure into effects may be of economic or non-economic nature (Nir, 1990). Moreover, the effects of changes in the system may be both positive and negative. It needs to be remembered that the development of tourism also involves: environmental pollution, exceeding tourist capacity, social pathologies, etc.

The particularly important theories in shaping the concept of the development of tourism include the location theories, deriving from work undertaken in the 19th century by Thunen and

introducing the concept of location rent (Domanski, 2002) and the central place theory (Christaller, 1993). Domanski (1989) described the spatial arrangement of interactions in territorial socioeconomic systems, defining it as a physical field, and describing it with the use of the negative distance function. Spatial barriers affect the deviations of the actual network from the regular, optimal or most probable network. Christaller (1993) emphasised the hierarchical nature of the settlement network, in which a small number of the largest centres provide services (perform a function) of the largest spatial range, whereby they are dominating centres, controlling the flow streams in the direction of "non-central" areas. Christaller was one of the first researchers to transfer economic concepts to the sphere of tourism research, concluding that the following elements: tourist places, type of visitors, tourists' experiences and the tourism product, impact on the place, and the involvement of the local population changes over time (Kozak, 2008). According to Christaller (1963), areas suitable for leisure tourism are usually created in peripheral regions and form the core of the tourist space.

Concepts drawing on the already classical growth pole theory of Perroux make up a broad group of development concepts (Kozak, 2008). The significance of the development of tourism for the global economy makes it possible to consider it as a growth pole within the meaning of the above-mentioned theory. On a global scale, it is characterised by considerable size (both in terms of the number of tourists and the income from tourism), it achieves rapid, above-average growth, it is characterised by strongly developed links with other types of economic activity, and has a clearly distinctive position in the market.

Modernisation, structuralism, and neoliberalism promote the development of tourism, treating it solely as a field of the economy, a source of income, and an important

component of consumption. The first dysfunctions of the development of tourism resulting from basing the country's economic growth solely on tourism were observed already at the end of the 1960s and the beginning of the 1970s. The impact of tourism on spatial order may be an effect of development, or lead to the degradation of the spatial environment. There is a risk of negative externalities occurring, concerning both the natural and the socioeconomic environment (Kachniewska, 2011). These phenomena also affected the orientation of research towards the theory of sustainable development. The source literature does not offer exhaustive answers to questions concerning the possibility of stimulating the desired sustainable development through tourism. On the one hand, this field of social activity is turning into an isolated field, while on the other, attempts are being made to integrate an approach in which development concerns all the activities taking place in a given territory, and tourism – if the determinants of its development are diagnosed properly – can constitute one of those determinants (functions) of the development processes. However, practical application of the principle of sustainable development in tourism presents many challenges (Zegar, 2002, Czyzewski, Czyzewski 2013), for which there are two reasons. Firstly, the reception areas differ from each other in terms of the characteristics of the environment and the degree of development of tourism phenomena. Secondly, the nature of tourism's impact in tourist regions is usually complex and overlaps with internal social and economic issues which are difficult to eliminate in the short term. A clearly defined way of implementing these principles and the criteria for measuring its effects is also lacking.

Market determinants of tourism development

As an independent science involving economic processes in the area of production, distribution,

exchange, and consumption of the means of satisfying human needs, economics deals with people's economic activity. It specifies the possibilities of using resources at their disposal, which are nearly always limited, by individuals and societies. And so it also deals with the issue of the tourist resources necessary for the development of tourism.

As a sphere of consumption and production of goods and services, tourism develops within certain structures of the international economy, which means it is possible to examine it from the mega-economic perspective as an element of global management processes. It has become a powerful tool of globalisation processes, which results both from the reasons for the occurrence of this phenomenon and its effects (Nawrocka, Oparka, 2007). From the macroeconomic point of view, the position of tourism is connected with the contribution of the tourism sector to GDP and with the rate of employment in the tourism sector. Thus, the position of tourism as a field in the entire national economy of a given country is highlighted, at the same time taking into consideration the uniform rules of functioning in the market in the European Union (Panasiuk, 2006).

There is, however, a need to examine the individual fields of the economic process theoretically and in the form of a review – from the meso-economic perspective (Lazarek, 2001). This is done, from the sectoral point of view, by branches of detailed economics, within which functional economics, including the economics of tourism, can be distinguished.

Hence the economics of tourism is an interdisciplinary science on account of the complexity of tourism as a socioeconomic phenomenon. It deals with tourism-related needs, goods and services, and the tourism product. It studies the regularity of price changes in the tourism market, demand, supply, and tourism rent, as well as the share of tourism in the economy and the links and relationships with

the generation and distribution of gross domestic product (Lazarek, 2002). The economics of tourism acts as a kind of catalyst, combining theory with practice and practice with theory. It makes it possible to make assessments, but also forecasts processes occurring in the tourism economy (local, regional, national or international). The close links between the economics of tourism and other functional economics (subeconomics) cause their detailed development (the microeconomic level). This division can be related to individual elements of the tourism market. And so we distinguish between: the economics of the hotel industry, the catering industry or tourism and hospitality management. Individual functional economics correspond to tourism submarkets. Analysing the processes taking place in these markets, one may formulate certain regularities and generalisations relevant to each area of research. Studies in tourism economics focus primarily on the position of tourism in the national economy, issues connected with the tourism economy, the tourism market, the tourism policy, regional aspects of tourism development, and international tourism.

Tourism may be one of the aims of economic activity and one of the means of boosting an economy. As a sector of the national economy – in spite of the spatial diversification of activity – it is linked to almost all of its branches, it supports, even stimulates a country's economic growth. It is also a sector of the economy characterised by high labour intensity. Apart from its direct impact on the economy, it is the indirect effects resulting from activating branches not directly connected with tourism that are important, and this part of the share of GDP and employment which would not exist if it were not for the link between these branches and tourism. Thus, for many regions, the tourism economy is becoming an important factor of development, and its share in Poland has remained at quite a sustainable level of 5-6 % of GDP for many years

now. The developing tourism industry¹ in Europe directly generates more than 5 % of Europe's GDP. About 1.8 million companies in this sector employ nearly 9.7 million people, which constitutes almost 5.2 % of the total number of people employed in all of the European countries. The countries with the largest share of income from tourism in GDP are primarily island countries and islands which are dependent territories. Their economies are described as tourism-oriented monofunctional economies, i.e. strictly economically dependent on foreign tourist traffic.

In accordance with the principles of classical economics, the basic and most effective mechanism regulating the functioning of the economy is the market. In the case of the tourism market, determining its scope is connected with the adopted definition of the phenomenon of tourism. In subjective terms, the tourism market is made up of: tourism demand, tourism supply, price, and the terms of sale of tourism offers.

The entities creating demand reveal their tourism-related needs. The need to satisfy these needs triggers processes adapting the activity of entities in the sphere of supply of tourism-related goods and services to the tourists' expectations. The diversity of goods and services purchased in connection with travel, the nature of tourism consumption, affects the need to define tourism demand separately (Dziedzic, Skalska, 2012). According to Hunziker and Krapf (1942), tourism demand is the tourists' readiness to purchase specific numbers of tourism-related goods for a specific amount of money. The regularities concerning tourism demand examined in the economic categories will be of a different nature

than the demand for tangible goods. This results primarily from the fact that the subject of consumption, i.e. the tourism product, consists of devices and services, and its structure is determined by factors which are not measurable (subjective assessment of the product by the consumer). The complexity of the tourism product points to its unique nature (Wiatrak, 1998), i.e. intangibility, impermanence, and uniqueness, among others. The consumption of the tourism product cannot be delayed in time. Here, just like in the case of other services, production and consumption occur simultaneously. Wanting to stay on the market, travel agencies offer a wide array of products, constantly monitor customers' expectations and measure the level of their satisfaction. The battle for customers with the use of prices turns out to be unprofitable in the long term (Balinska, 2009). This draws attention to the need for coordination and cooperation, i.e. management of all the activities in the place of tourist reception in order to achieve the desired quality of the product offered (Rapacz, 2003). It is important to introduce innovative solutions by creating original, unique tourism products from scratch, as well as a professional marketing environment for the natural and cultural qualities of a given area (Krzyzanowska, 2014). This is why the megafactors shaping tourism demand are people's needs on the one hand, and on the other, the possibilities of satisfying them, expressed both through consumer purchasing power and the development of supply. The mutual dependence of demand and supply as variables which determine each other is worth noting here. Needs constitute the driving force behind the development of supply, the aim of which is their satisfaction. On the other hand, the size of demand is also a derivative of the size and structure of supply, because without its existence, demand would not be stimulated. A gap in demand (unmet demand) appears, which constitutes the difference between the effective

¹ A discussion on the interpretation and scope of the tourism economy and tourism industry has been present in the Polish literature on the economic issues of tourism for many years now. With reference to the tourism economy, Gaworecki's definition (2003, p. 161) is usually cited. According to him, the tourism economy is a set of various economic and social functions developed directly or indirectly in order to satisfy people's growing demand for tourism-related goods and services. Bosiacki (Bosiacki 1994) uses both terms interchangeably, treating them as synonyms. Alejziak (Alejziak 1999) uses the term "tourism industry". Both terms are collective terms, which include both the tangible goods production sectors and the sphere of services.

demand and potential demand (Dziedzic, Skalska 2012). The distinctive characteristics of demand, i.e. complementarity, substitutability, heterogeneity, and mobility, among others, point to its diversification. The occurrence of demand for various products on the market which are mutually complementary and/or substitutable, determined by their prices can therefore be perceived. This phenomenon hinders (often prevents) analysis of the factors affecting the size of demand due to the fact that the purchase of individual partial services can be subject to the impact of other factors, sometimes contradictory, characterised by opposing effects (e.g. a decrease in the prices of hotel services with a simultaneous increase in the costs of transport) (Sinclair, Stabler 1998). Combining individual products into packages and examining the factors of their impact becomes problematic. In an economic analysis, the assessment of the response of demand to individual elements of tourism packages, changes in economic factors (e.g. price and/or income) in particular, becomes debatable.

In market conditions, balance is established between demand and supply, identified by the intensity of tourist traffic. This aspect also usually constitutes the basic scope of activity of the tourism policy, i.e. the state's impact on inbound tourism. The need to implement tourism policies – both on the level of individual countries and regions, and on an international scale – results from the fact that the development of tourism carries with it many consequences, both positive and negative (Alejziak, 2003). Entities responsible for these policies may use a number of tools of an economic, legal, and organisational and administrative nature. They usually affect both tourism demand and supply (through mutual stimulation), hence the difficulty in separating one from the other (Wodejko, 1998). Tourism policy is quite a complicated process of controlling development, in which the coordination of the activity of various institutions

active in different sectors of the economy is particularly important. The function of the coordinator of all the sectors affecting the development of tourism is performed by the state, which – as part of the policy it implements – has to take into account not only the multiple functions of tourism and the interests of various entities of the tourism market, but also the fact that it is currently an important element of international relations (Alejziak, 2000). Irrespective of the effects of the economisation of tourism, a remark on the influence of the theories and schools existing outside the so-called economics of the main trend in studies on tourism and the fundamental directions of these studies, becomes essential.

Conclusions

- 1) Today, tourism has become a powerful tool of the globalization process, both in terms of causes and effects of this process.
- 2) The basic premise of the economization of tourism is that it is a catalyst combining theory with practice and practice theory.
- 3) The specificity of tourism consumption requires a separate definition of tourism demand and supply of tourism products, which determines, through price elasticity of tourist services.
- 4) Tourism policy must take into account the state of the current market imbalances resulting due to tourists' caused specific needs, which reflect on the demand and supply-side.
- 5) Indispensable impact on the economization of tourism is caused by the development of theories and schools taking into account the economic impact of services on the development of the economy.
- 6) The new paradigms of economization of tourism arise owing to the economic impact of services on the development of global economy, which determines the need for revision of the former tourism basic postulates and research focuses.

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