as an instrument to revitalize the life of indigenous populations. One can realize that underneath this sentiment of yearning remains the darker side of hegemony and financial domination. Post-modernity blurs the boundaries of liability to the extent that actors for real-world problems can expiate their guilt. The recent earthquakes in Haiti and Chile remind us two things: first is our insignificance before the forces of nature; second is the power of industrial-capitalist aristocracies that, ironically, give assistance to the victims they certainly contributed to create. In such a context, one might speculate that the ongoing needs for developing strategies to meet challenges posed either by natural or manmade crises are only cynical endeavors to maintain the status quo of privileged groups enrooted in late-capitalism.

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REFERENCE


The Economics of Tourism,
Second Edition


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This is the first revision of a popular text on the economics of tourism originally published twelve years ago. It is twice as large as the original and features a new co-author following the unexpected demise of M. Thea Sinclair in 2006. The aim of the current authors is to “demonstrate the extent to which tourism is susceptible to economic analysis and to provide a review and critical evaluation of the tourism literature emanating from a number of disciplines, also to indicate possible directions for future research” (p. 1). The authors explicitly seek to avoid “as far as is
possible the excessive use of technical economic terms and the subject’s econometric methods’’ (p. 1).

The book begins with the discussion of the scope of the economics of tourism. The authors maintain there is no theory of tourism and that most tourism research consists of case studies. True enough. But they then lament, ‘‘after ten years, no agreed definition and conceptualization of tourism have emerged.’’ This is an odd finding in a book on the economics of tourism given the seventeen-year effort at the highest national and international levels to establish the definitions, concepts, a methodological framework and data required for a Tourism Satellite Account (TSA). In 2008, the World Tourism Organization’s Recommended Methodological Framework and International Recommendations on Tourism Statistics were adopted by the United Nations Statistical Commission and other multilateral economic institutions. This prodigious effort may not satisfy the authors’ standards for definitions and conceptualization of tourism, but their readers deserve to know why.

The authors then move on to the macroeconomic foundations and the empirical literature on tourism demand. The former requires graphs illustrating the relationships between tourism demand and prices, income, other products, leisure time, and interest rates. These may challenge non-economists considerably, as do the equations in the following chapter.

Part II of the book addresses tourism supply in theory and through empirical studies. The authors wrestle with defining some ‘‘product’’ on which to focus analysis. They choose a ‘‘composite product involving transport, accommodations, catering, natural resources, entertainment, as well as other facilities and services, such as shops and banks, travel agents and tour operators’’ (p. 79). It takes a considerable suspension of disbelief to follow the discussion of perfect competition, monopoly, monopolistic competition, and oligopoly with regard to such a product. There is no such ‘‘product’’ that consumers purchase, unless they mean package tours. Fortunately, chapter 5 unpacks the composite product suitcase and examines the individual industries that serve visitors in lucid fashion.

Part III of the book discusses the economics of tourism at national and regional levels (chapter 6) and internationally (chapter 7). The Tourism Satellite Account is explicated, but unfortunately for the reader, mixes obsolete materials (1999 reports) with more recent sources. Readers should be cautioned that the TSA discussion here is considerably at variance with the final concepts, definitions and methodologies approved in 2008. On the other hand, the authors present an illuminating discussion of the foundations of measuring the direct, indirect and induced effects of visitor demand on national and regional economies encapsulated in the popular multiplier concept. However, the discussion is marred by proposing Computable General Equilibrium (CGE) multipliers as superior to Input-Output multiplier measures. Late in the book they note that CGE approaches produce discrepant estimates of multipliers compared to Input-Output. This, of course, is due to the divergent and unexpressed assumptions in various CGE models. Chapter 7 addresses the international context of tourism, drawing on theories of comparative and competitive advantage, examining the two-way effects of tourism on globalization, and protectionism and the General Agreement on Trade in Services.

Part IV is devoted to economics and the environment. ‘‘Environment’’ here comprises three elements: natural resources, human-made resources (historic and heritage sites and infrastructure), and cultural/social capital (arts, languages, institutions, and the like). The authors address issues of global climate change and lack of reductions of carbon dioxide emissions and the environmental costs of international trade and of tourism. The authors bravely tackle defining ‘‘sustainable’’ economic development and growth with due reference to future generations.
Chapter 8, Global Environment Issues and Tourism, presents an economic approach to sustainability. It ends with the conclusion that little progress has been made over the last two decades in resolving global environmental problems associated with tourism. Chapter 9 surveys progress in resolving tourism environmental issues at local level contrast ecological economics (pluralistic, transdisciplinary approach) and environmental economics (economic principles applied to environmental issues). It concludes with a lengthy discussion of the concept, applicability and results of cost-benefit analysis applied to tourism investment projects. The authors wrap up this admirable chapter by bewailing the lack of economic knowledge transfer from academic economists to organizations managing tourism and its consequences. Chapter 10 addresses the valuation of natural resources in the aftermath of market failure to accurately value the gains and losses to society from tourism. Potential approaches include contingent valuation, hedonic pricing, and choice modelling to redress this market failure.

Finally, Chapter 11 presents a provocative “overall evaluation of the apparent status of the economic study of tourism” (p. 424). Noting eight “established research interests” that have been well covered in studies over the years, and eleven emerging themes and methods, the authors conclude by identifying themes as yet under researched in tourism studies so far, including sustainability, crisis management, and the hoary “definition and conceptualization of tourism.”

In apparent despair, they maintain that chaos theory can provide grounds upon which “a theoretical foundation for the analysis of tourism” can be erected. (p. 438). This is ironic given that the economics of tourism has been pretty much characterized as a chaos of case studies and divergent findings in the preceding chapters.

But the authors have done what they set out to do. This broad survey of dozens of economic concepts and principles applied to tourism analysis is unrivalled. The next edition should add discussion of ethical approaches to tourism management such as corporate social responsibility and clarify the occasional turgid passages therein that economists are famous for. Finally, while this resource for researchers and students may be “indispensable” (inside front cover), it does not lend itself to effective use in classrooms, lacking suggestions for further readings, review questions, a glossary of terms, and a comprehensive index.

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