

Flows and the redistribution of resources

The political economy of cultural tourism: some aspects

BRUNO S. FREY

Professor of Economics at the University of Zurich (Institut für Empirische Wirtschaftsforschung). Director of research at the CREMA (Centre for Research in Economics, Management and the Arts).

"Cultural Tourism", as the name suggests, is tourism related to culture. It is useful to distinguish it from two other forms of tourism in vogue at the present time. The first might be called "weather tourism", where the major purpose is to profit from a more favorable climate than the one the tourists normally live in. In particular, it relates to sunshine or snow. A second form of tourism, which differs from cultural tourism, is "isolated tourism", where people willingly place themselves in the hands of an organization which caters to all their needs and guarantees that nothing unexpected happens to them. Such tourists live in a secluded "village" created especially for them, with all kinds of facilities and activities, and the country or culture are relatively unimportant. The "villages" of the Club Med are an obvious example, but there have been many imitators, because such all-inclusive holidays, where everything is taken care of, are obviously very much in demand.

By contrast, in the case of "cultural tourism", people want to come into contact with another culture, either in the form of artifacts – such as monuments, art or museum cities – or an atmosphere composed of ethnicities and customs different from their own. Sometimes, the three forms of tourism are combined. Thus, "weather tourists" may not spend all their time at the beach or on the ski-slopes, but will visit some artistic activity in the

evening, most often a festival of some kind. Indeed, such tourists have played a considerable role in promoting the upsurge of festivals since WW II. In most cases, the holiday operator organizes visits to music or operatic festivals, or special exhibitions of visual art¹. This lowers the transaction costs to the tourist, who is relieved of the task of collecting information about a specific artistic event, booking seats in advance, and arranging transport to and from the location. In addition, the opportunity cost of attending such an event is much smaller than in the tourist's home location, because they often do not know what else to do with the evenings during their holidays. Finally, the tourists are prepared to accept higher prices for such artistic events than they otherwise would, because they compare the entrance cost to the total amount of money spent on their holidays, which makes the entrance costs appear low in comparison (an entrance price of, say, Euro 50 is low compared to spending a fortnight's holiday at a seaside resort, for which one is prepared to spend several thousand Euros). This comparatively low price elasticity of demand is beneficial to festival organizers, because it allows them to reap considerable revenues from entrance fees (see, more fully, Frey 2003).

There are many music and art festivals, which would not exist if there were no such demand from the "weather tourists". It is interesting to note that even the "isolated tourism" operators take this demand into account. But, instead of transporting their visitors to festivals, they provide their own entertainment in the form of popular songs from opera and musicals, or short theatrical performances within the confines of their "village". While it may be disputed to what extent such performances qualify as "art", it nevertheless indicates that even "isolated tourists" demand such entertainment.

"Cultural tourism" in these various forms has become a major part of cultural activities. Many institutions in the arts would not survive without it. It not only helps musical festivals and visual arts exhibitions to flourish, but it also makes a considerable contribution to preserving cultural monuments. Many artifacts would have been destroyed or totally neglected, were it not for the demand exerted by tourists. This also applies to local customs and rites. The involvement of tourists may, of course, also have some negative consequences, for instance when the sheer number of tourists reduces their quality

and maybe even destroys them altogether (as in the case of some Egyptian antiquities, or the Lascaux Cave). On the whole, cultural tourism has had very positive effects, as the local population gets a monetary incentive to preserve their artistic artifacts in order to maintain tourist revenues. Cultural tourism has become an active part of local customs and rites. They are no longer preserved in their original form, but adapt, to a smaller or greater extent, to the specific requirements of tourists. While this may be resented by the locals, and considered a loss of culture, one should also see the positive aspects in this transformation and amalgamation with tourism. Tourism has shaped our modern world to a large extent, and it is pointless to try and imagine a world without it. Rather, new forms of culture may emerge as a result. An example is the Carnival of Venice, virtually eliminated (at least as far as outside activities were concerned), which was reinvented by the city authorities to boost a low tourist season, and today plays a substantial role in the city again. Of course, it differs from the Carnival of olden times, and has gained a life of its own, beyond purely short-run monetary interests.

Quite apart from its impact on cultural activities, tourism also affects society and culture in a broader sense through demand. This is based on its inherent nature as a voluntary exchange activity. Participation in this market is voluntary, both on the demand and supply side. As has been already observed by Montesquieu (1749), and reiterated by Hirschman (1977, 1982), the market has a *civilizing tendency*. It transforms the behavior of people engaged in it in a beneficial way. On the whole, people acting on markets are friendly to each other, and one rarely observes aggressive behavior. The reason is that the exchange is voluntary, and those not acting in a civilized way tend to be excluded. An unfriendly hotel owner quickly loses customers and goes out of business. A hotel owner does not like unruly customers because they discourage other customers. As a result, friendly hotel owners (and employees) and friendly customers² are the norm.

One can even go a step further. Tourism is not only civilizing, but, moreover, *promotes peace*. An exchange based on voluntary market activity is incompatible with the use of force. An example serves to clarify this cultural effect. For a century, Alsace was a battleground between the French and the Germans. Each side was convinced that it had to own it. The result

is devastating. There are virtually whole mountains covered with crosses, indicating the graves of the many thousands of soldiers killed in the ensuing battles, not to mention all the wounded. Everything changed with the reconciliation between France and Germany, starting in the 1950s. Today, the French cordially invite the Germans to come to the Alsace to enjoy the tourist locations. The German tourists appreciate the benefits of Alsace – the beauty of the landscape, the richness of monuments, and the quality of the gastronomy – and virtually none of them want to "own" Alsace. The suppliers and demanders of this tourist exchange behave (on the whole) in a very friendly and peaceful manner.

It may be argued that tourism can play an even more active role in furthering peace: tourists open up countries whose authoritarian rulers endeavor to keep them closed in order to maintain their political monopoly. However, tourism undermines this effort. Tourists want to have their newspapers, listen to the radio, watch TV, and use the Internet. They resent being told what they can and cannot do (for instance, not take pictures of bridges and ports). The rulers of such countries normally desperately need tourists in order to provide employment and revenues for their subjects (otherwise they risk revolutionary uprisings). The authoritarian rulers are therefore "forced" to accept tourists, although they are aware that, to some extent, tourists undermine their political monopoly. The rulers have only limited means to counteract this tendency. Most importantly, they try to separate the tourists from the local population. However, such efforts tend to be ineffective for an industry based on personal services such as tourism. Arguably, the large-scale tourism has made a substantial contribution to weakening the position of the Franco regime in Spain, and may have helped in its peaceful transition to a democracy. If this analysis is correct, it follows that tourist boycotts against authoritarian countries achieve the opposite of what is intended and strengthen the position of the rulers.

Since the beginning of this millennium, *terrorism* has become one of the major concerns. Terrorism is closely related to tourism, including cultural tourism. Tourists are easy targets for terrorists, as it is practically impossible to protect them, and attacking them has the benefit of attracting a lot of media attention. As soon as tourists are involved, the home media

provide extensive reports, thus unwillingly fulfilling a major goal of any terrorist movement (see Frey 2004).

Empirical research has shown that tourist attacks wreak considerable damage on tourism (Enders, Sandler and Parise 1992). An important reason is that tourists planning a trip abroad normally have a wide choice of destinations, and can easily switch to destinations where they expect not to be molested by terrorist attacks. This also applies to tourists mainly interested in culture. Thus, for instance, when people fear terrorist activities in one Mediterranean country, there are enough cultural sites in one of the other Mediterranean countries.

The countries subject to terrorist activities suffer a considerable loss of revenue, but this effect usually does not last too long (see again Enders, Sandler and Parise 1992). There are three reasons for this. Firstly, the countries affected make considerable efforts to attract tourists back by raising the quality of their services and, even more importantly, by lowering prices. Secondly, prospective visitors tend to discount the possibility that there will soon be another terrorist attack. This is quite a rational stance, because the respective country definitely steps up its security measures (at least for a certain period of time). Thirdly, people tend to forget quickly, or reckon that a terrorist attack, while affecting other persons, will leave them unscathed (such evaluation is termed "over-optimism" in psychology, see Weinstein 1981). These three reasons work against terrorists' efforts to destroy a country's tourism. Nevertheless, the government of a tourist country faces a dilemma. If it carries out stringent anti-terrorist measures, the tourists become annoyed and tend to leave, or not come in the first place. This happens, in particular, if cultural monuments are heavily protected, leading to long queues and highly unpopular body searches. An (unorthodox) alternative to such anti-terrorist policy may be to guard such monuments only lightly. No amount of protection can exclude the possibility of a terrorist attack from taking place. Instead, the government should make precise plans in order to be able to rapidly restore and rebuild the cultural monuments if they do get attacked. Modern technology makes it possible to do that quickly and effectively, and at reasonable cost. These plans must be publicly communicated, because they reduce terrorist incentives to attack such a monument in the first place (see more fully Frey and Rohner 2005).

This paper endeavors to show that "cultural tourism" has many features amenable to an analysis from the point of view of political economy and more narrowly cultural economics³. As has become evident, the economic approach does not share the frequently negative view of cultural tourism often cherished by cultural theorists and critics. Indeed, it has been argued that cultural tourism, as a mass phenomenon, has many positive features: it helps music festivals and art exhibitions to flourish, as well as protecting cultural monuments and injecting new life into customs and rites. Moreover, it tends to have a civilizing effect on people's manners and even results in a more peaceful interaction between people. But cultural tourism is also endangered by modern terrorism. While many other human activities share this threat, a proposal has been advanced to reduce the risk of attack, and to minimize possible damage.

Notes

- 1 Both are part of the "event"-culture, which today also dominates the visual arts. Indeed, festivals of performing art and special exhibitions share many features in common. See e.g. Frey and Busenhard 1996.
- 2 Needless to say, there are exceptions, such as excessive drinking by some groups of tourists, e.g. in some Spanish resorts. However, they are not the rule, and the respective hotel owners and resorts have quickly grasped that tolerating such behavior in general is bad for business.
- 3 Surveys of this field, also called "economics of art" are provided in Throsby 1994, Towse 1997, Blaug 2001, Frey and Pommerehne 1989, Frey 2004. A collection of major articles is to be found in Towse 1997.