

PRELIMINARY REPORT

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**IS CONTEMPORARY
TOURISM ONLY
A NEOLIBERAL
MANIPULATION?**

ABSTRACT: Increased number of tourists traveling abroad has been on a steady rise for several decades. However, an explosion of tourist travel can be followed from the end of the 1960's. This trend largely coincides with the development of the neoliberalist form of capitalism in the world. Therefore, modern tourism, in many ways, can be seen as the product of neo-liberal phase of the development of modern capitalism. This trend is not seen only as a result of neo-liberal phase in the development of the modern world economy. This is a trend for mindedness itself. One of the most important rules that underlie the contemporary neoliberal thought is the rule of market. It seems that this neoliberalist rule in the tourist industry has

reached its peak. The market in tourism regulates not only goods production, but it fully regulates the lives of people involved in tourism. Consumers of tourist products are not aware of manipulation, they are even grateful for the manipulative activities of which they are object. On the other hand, many tourists themselves are part of the general neoliberal mentality. Many tourists not only accept the rules, but are also deeply involved in their implementation and enforcement. The paper will make an overview of some of the basic features of neoliberalism as economic thought and philosophy of life and connect it with contemporary trends in tourism.

KEY WORDS: neoliberalism, mentality, tourists

INTRODUCTION

Tourist activity has been one of the leading economic activities of the modern world for six decades. During that period, it has become the fastest growing sector of the global economy (UNWTO, 2015). Thus, tourism has become the flagship of the world economy, one of the few economic activities that not only manifest a continuous growth, but continued expansion as well. On the European scale in the year 2014, for which full data on tourism and travel are on disposal, it reached nearly 60% of the entire retail sector. In Europe, the share of travel and tourism in GDP was 9.2% in 2014, which is higher than automotive manufacturing, chemicals manufacturing, banking, agriculture, and mining sectors (WTTC, 2016). These data give ground to what Greenwood claimed almost two decades ago: tourism is the “largest scale movement of goods, services, and people that humanity has perhaps ever seen” (Greenwood, 1989: 171).

In Croatia, the share of travel and tourism in GDP is higher and far larger and amounts to 23.2% of GDP, which actually shows a very high dependence of the entire economy on the tourism industry. This is almost dramatically expressed in the field of labor. In Croatia 22.7% of total employment (301,500 jobs) applies to employees in the tourism and travel sector (WTTC, 2016). In Slovenia in 2015 the total contribution to the GDP, 13.0% of GDP, and 13.3% of total employment, i.e. 107,000 jobs referred to jobs in tourism and travel and their related industries. In Serbia, the contribution to GDP was lowest – 6.4% of GDP, i.e. 5.5% of total employment (93,500 jobs). For this paper, we used the same data source, namely WTTC, in order to have an equal methodological approach in collecting and interpreting data.

It should be noted, however, that some notable authors have been warning about the shortcomings of WTO’s statistics for many years (Wheeller, 2004; Mowforth and Munt, 2003). It is quite logical that the statistics as data processing technique may

suffer from the impact of neo-liberal ideology like any other scientific technique. As the statistical concepts permeate the discipline they serve, neo-liberal tendencies within the tourist industry probably use those concepts that support them and justify their existence.

SOME CONCEPTS OF NEO-LIBERAL THOUGHT

The neo-liberal concept emerged as a response to the proliferation of social awareness in a number of Western countries after the World War II slaughter and the disenchantment of the principle of one people one leader. Keynes saw the solution to the crisis, by which crisis means the failure of regulatory mechanisms of the market and aggregate demand. The reaction to this and such a crisis should be financing the expansion of government spending in a way that maintained global aggregate demand (Stiglitz, 2002). The need for such economic thinking stemmed from the need to take care of all layers of society after the war adversity. The risk of such an approach in the societies of Western capitalist economy led to the emergence of a socialist alternative induced by the appearance of the socialist movement in different parts of the world.

In cases where the safe distance from socialist influence could not be achieved with economic or political (diplomatic) means, but the risk is assessed as too high, “invited participants” resorted to violent means involving national and international military forces, intelligence and consulting services. Thus, the socialist economic and political movement of Salvador Allende in Chile was destroyed militarily with the help of a national junta of general Augusto José Ramón Pinochet Ugarte and with economic assistance from “Guys from Chicago”, Chilean economists trained in the school of Milton Friedman, introducing neo-liberal concepts of the core intellectual movement. Their interventions were primarily in the area of deregulation, especially the financial sector, and in cutting social spending (Klein, 2007). The case of

Chile shows that the neoliberal idea of that time was consistent enough to “feed” not only practical economic activity, but also the direct intervention of the repressive military system. It will be shown later that this connection is not only possible but also very effective, while military forces will not be necessary as an outstanding form of intervention, but regular forces of coercion used by the state to function. The model of political upheaval mainly supported by intelligence structures outside the countries of Latin America was repeated several times in the seventies (Argentina, Uruguay, Brazil). All these political changes were accompanied by neoliberal-type economic reforms in the tradition of the initiators of the economic school in Chicago (Klein, 2007).

The period in which the largest number of dimensions of economic and social development began, which is usually called the neoliberal period in the full meaning of the term, is the period of the reign of Margaret Thatcher and Ronald Reagan, i.e. the period between 1978-1980, in which neoliberalism became the leading economic and political thought, not only a marginal political experiment. This process applied not only to the economic structure of the societies of the late seventies, but also on their general social developments as well as the relations between them.

The difference between traditional liberalism, known from the period before the Great Depression in the thirties, and the contemporary neo-liberalism we are addressing here lies primarily in two elements that may seemingly be very simple, but are both quite complex. The neo-liberal thought deeply etched those elements not only in scientific discourse but in everyday economic and political practice. Although the classical liberalism constituted private property as one of the basic principles, neoliberalism raises it to the level of embodiment of individual freedom (Mosedale, 2016). Maximizing freedom of private property and its connection to individual freedom is conditioned by maximizing market freedom to maximize personal freedom (Thompson, Coghlan,

2015). This simply means that the freedom of the market defines personal freedom. But it also actually means a change of the traditional definition of the market: the concept of private property and the supremacy of private property deeply penetrate into the area of social development. This does not only and exclusively relate to private property, but also on individual entrepreneurship in the broadest sense of the term (Mosedale, 2016). And that is a far broader definition than the one we find in classical liberalism. The next difference between the neo-liberal thinking and classical liberalism is conditioned by technical and technological difference in which neoliberalism is developing. The new liberal doctrine is developed in the context of a globalized world, which is why it has become possible for neoliberalism in the epistemological sense to develop as a collective neoliberal thought. These two characteristics of the neo-liberal economic and political thought have reached the extent of being flexible and could become one of the most important theoretical and practical bases of an idea in development related to tourism as an economic activity or a social movement.

Like many other concepts, the concept of neoliberalism is in danger of becoming a so-called empty concept¹. While in the sixties and seventies of the last century the term neoliberal was recited in most circles with deep respect and meant orientation towards free market, economic growth, income distribution and technological progress, today we can often feel its use is almost at the level of profanity. There is a big difference indicative of how the use of the term has become so different and inconsistent to be attributed to concepts that we accept without reservation, but also to concepts in which its use is likely unacceptable and even unnecessary. In contemporary usage, especially in texts that are critical of some dimensions of contemporary social development, we find the term neo-liberal almost invariably used in its pejorative sense, denoting negative and undesirable dimensions of some elements and structure of social development.

NEOLIBERALISM IN TOURISM THROUGH THE MECHANISM OF CONCEPTS DIFFUSION – FUNDAMENTAL RELATIONS

Probably one of the most commonly cited definition of neoliberalism was written by David W. Harvey, a British scientist of Marxist orientation.

Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade (Harvey, 2005: 2).

What this definition lacks and what enables a dramatic expansion of neo-liberal thought and practice around the world and through many institutions is the concept of diffusion. In fact, the concept of diffusion is understood as a process through which the individual elements of the system and certain channels disseminate innovations to people and structures (Rogers, 1995). Here the globalized world market could be seen as given and unquestionable. In this context, the following elements of the diffusion of the concept are:

1. the innovation itself,
2. the communication channels employed,
3. the relative time of diffusion and adoption and
4. the social system.

Much of the literature about the neoliberal style touching upon tourism activity actually refers to how and which natural realms are transformed through and for capital accumulation (Bscher, & all, 2012: 4). The structure of the system which is shown here as a foundation of the contemporary free economy and as achieving the potential of innovation in economic development is nothing else (if its base energy is added and that is money) but the structure of the conquest of the capital markets. All this fragmented structure

of innovative potential is described by Zbigniew Zontek as entrepreneurial characteristics, networks, technological development and the company's external business environment (Zontek, 2016). Moreover, innovation should be an immanent human idea, but the human spirit as the originator is reduced here to the "added value" in the sense in which the activity of the production of "added value" was defined in 1993 by the Business Council of Australia and Mark Rogers. Harvey goes even further, and marks neoliberalism as "the financialization of everything" (Harvey, 2005: 33), which refers to the dynamic structure of the focus in one direction only, and that is making a profit.

This is actually the foundation of the Culture Creative Industries, the inventive discourse of which sees the possibilities of diversifying cultural property in places where traditional industries have become extinct and suppressed in the history of economics (Florida, 2002). Thus, the traditional industrial cities with a long and interesting industrial culture and architecture that followed this culture suddenly become tourist Meccas with superficial content behind the facade. The next area of diffusion of neoliberal ideas are urban structures that come into financial difficulties due to fiscal reasons. The most famous example is the City of New York in the mid-seventies. Financial institutions have forced the city to sharply cut the city programs, which led to serious social problems in the city. Harvey called it a financial putsch (Harvey, 2005).

From the neo-liberal perspective, this situation in the field of tourism is neither a social nor an economic problem, but just perfect for innovative approaches. Adequate changes can be achieved in tourist areas through: new directions of public-legal partnership, new forms of support for tourism companies, creation of new organizational solutions in terms of co-operative models, like network centers, clusters (Zontek, 2016: 57). In other words, an element of the social system here does not serve the purpose of mutual communication patterns, or the formation of social systems on

a political level. The social system is understood only as the financialization of one area of social life, regardless of its importance and interest. Hence, tourism does not, even by accident, mean communication, but primarily the means of production and reproduction of the financial capital. It would probably be wrong to suggest that it is a degradation of culture and the degradation of human communication. This obviously was not the intention. Both of these elements are simply ignored in this context for the purpose of financial interests. Or they are, better to say, used in the process of financialization of some goods which existed before in some other forms.

Of course, the foundation of this process lies in the people who carry it. Enterprise developing innovations need at least three important knowledge-based resources: (1) employee knowledge, skills and abilities, (2) organizational collective knowledge and (3) ability of managers to build external social relationships in order to obtain external knowledge (Zontek, 2016: 62). In this context, the central managerial role is seen as one of the essential characteristics of the neo-liberal thought, and that is the concept of managerialism.

SOME FORMS OF TOURISM IN THE EMBRACE OF NEOLIBERALISM

Neo-liberalization of nature is the term “hammered” after the year 2000 by people in some intellectual circles dealing with nature, tourism, and especially those whose approach to tourism is often called sustainable. Some of these authors claim that tourism was the factor that enabled the neoliberal ideas to access a wide range of non-human biophysical phenomena (Duffy, 2015: 529). In this context, tourism does not only appear as a possible area where there is no activity of neo-liberal ideas, but it becomes the neoliberal idea itself that extends to non-human biophysical phenomena. It is not the case

of some innocent penchant for traveling around the world that results in its financialization as a by-product. The prerequisites for the processes of tourist exploitation of natural resources are their separation, marketisation and alienation. Separation, marketisation and alienation are the processes that allow such appropriation of nature which allows for its commodification of natural resources that are consequently equated with any other type of goods on the market. This method can also be used to degrade the ecosystem as an opportunity for investment and further accumulation (Apostolopoulou, & Adams, 2014: 16). This stems from the nature of neoliberalism in which there is a drive for continuous growth, and this instinct is in deep conflict with the limitations of natural resources.

The leading ideas of neo-liberal policies in times of their conception were based on the attitude towards private property and privatization of all possible resources. This especially relates to tourism activities is the privatization of air, as well as road and rail transport sectors. As moving, i.e. travelling is the basis of tourism activities, these changes in the ownership structure are clearly reflected in the tourism industry. Bauman calls this liberation of man in space and his guidance in moving the “Great War of Independence from Space” (Bauman, 1998: 9). As the tourism product is in many ways deeply connected to different segments, highly privatized transport in terms of tourist activities demands the privatization of other resources that are associated with transport. Thus, for example, the cruise industry in many countries succeeded in privatizing the management of some dimensions of the environment so that they could be used for the purposes of its development.

The area of health-care has become a very significant part of the tourist industry. A large number of medical tourism companies that offer an extensive range of tourism services as a package appeared on the market. Instead of the traditional exclusive medical services, these companies offer a wide range of services that broker and facilitate

medical travel (Connell, 2011). The privatization of health systems and services in connection with health tourism activities has resulted in some less developed countries benefiting from the activity. Thus, for example, very expensive dental services in some countries of Western Europe have driven agencies to provide patients' travel to Croatia. Dental business blossomed in some areas of Croatia due to visits to local dentists by patients from Italy. This is how the health business, which has been known in border areas, especially in Istria for years, is now in full bloom thanks to good connections, travel agencies and health service providers.

The public health system in many countries of the capitalist West influenced daily by neoliberal processes is confronted with decreasing budget resources. Many private medical clinics in countries in transition took the advantage of that situation complementing the health needs of the population from neighboring countries. Private medical business in the Czech Republic and Slovakia for example, or in Croatia, Serbia and Bosnia and Herzegovina is in a better position than it was before owing to the negative changes in the countries of Western Europe. Certainly, this process is supported by those structures that deal with travel arrangements as well as linking medical clinics and people who have a need for this type of service.

There is another area within the health service industry in which some forms of tourist activity occur. This is the area of assistance to persons with disabilities. In most countries in transition, these jobs were in the domain of public welfare, i.e. state. Changes in economic structure have significantly reduced activities in this area and a series of non-governmental and non-profit organizations emerged by organizing a sort of "gray market" labor. These non-governmental and non-profit organizations provide assistance to persons with disabilities in various ways, including unfair competition tourist organizations. Many "volunteers" who work to help people with disabilities are actually unemployed young people

who receive a minimum compensation for their work, which cannot be viewed as salary or wages, but as a kind of pocket money. The services provided to persons with disabilities are highly professional because they are provided by educated young people who cannot find regular employment, rather fill their time and receive minimal financial support. These non-governmental and non-profit organizations are competing to organize trips and holidays for people with disabilities and pose as representatives of non-governmental sector that provides care for this segment on a volunteering basis. Thus, the reduction of public service without adequate preparation pushed an entire social sector in a relatively unregulated area of work which seemingly lies on the basis of volunteering, but actually represents a "gray market" for the workforce comprising highly educated and qualified young people for whom there is no work in the public sector, and no adequate jobs in the private sector.

The strong reduction in public funding and special public function, as a typical process in the neoliberal economic philosophy also threatens some protected areas, nature reserves and the like. Neo-liberal approaches to public funding as well as the functioning of the state have led to a situation in which an increasing number of protected areas are no longer managed by public institutions but by private organizations (Emerton & all, 2006: 6). This approach leads to the commodification of protected areas that can significantly hamper their development and effective protection. One result of this process is the neglect of the role of the local population living in the protected areas whose interests often do not coincide with ideas of management of these areas. Just one tragic example of this development is the historic core of the city of Dubrovnik, one of the jewels of European architecture. Direct tourism development within the medieval walls of the city has led to the fact that no more than 700 residents currently live in the city, predominantly the elderly, as opposed to 2,500 people that used to live there.

CONCLUSION

Neoliberal economic doctrine has led to a rapid expansion of tourism activities in its many dimensions. Tourism is strongly developed, not only in the number of people who travel, but primarily in the number of forms of tourism activities. Tourism has strongly emerged in areas where it once did not intensively appear or did not appear at all. Consequently, the area of health has become strongly supported by some forms of tourism activities. Areas of special biosphere that were under the public protection are now more intensely used by various forms of tourism activities. Such activities are often in opposition to the interests of the development of these areas. Some of the dimensions of tourism development are profoundly worrying. Excessive growth of tourism, often out of economic and social context reminds strongly of some phenomena that has had painful consequences in the economic life of the world.

Some dimensions of continuous tourism development, even in the context of the general global economic and financial crisis, draw similarities to the wild and uncontrolled growth of certain business areas which led to major crises, such as the area of real estate that generated the last great crisis. The neoliberal logic that only demand is growth, has led to significantly unfavorable movements in a series of occasions in the economic history of the world, and we do not want this occurring in tourism.

REFERENCE

¹ Such a fate to be emptied of the key content befell some important concepts in the social sciences. Such was the fate, for example, of the concept of alienation, which, in the beginning of its development, was highly promising. Today, especially with the number of completely empirical research, it has become an empty concept, very rarely used in the analysis of social processes, which is a pity.

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