

Tourism Studies and Political Economy¹⁾

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Political economy perspectives have been applied to some tourism studies. These studies, however, tend to focus on relatively macro issues such as conflicting relationships between political agenda and economic interests, and provide little sense of economic theory on the nature of tourism. Contrary to this, while more theoretical discussions have been developed in the field of sociology or geography, these disciplines do not situate the economic theory of political economy so clearly. In view of this context, this paper attempts to discuss theoretical aspects of tourism from the perspective of political economy. Political economy is an intrinsically interdisciplinary doctrine, which grasps economy in relation to culture and other social phenomena, and thus expected to make contributions to tourism studies, which necessarily calls for an interdisciplinary methodology.

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Introduction

Just as there are masterpieces in the world of art, economics and the social sciences too have their classics. Contemporary art has its foundations in classical art, and thus the nature of the former depends upon the achievements of the latter; the same is true of the social sciences. Nevertheless, the gap between the contemporary theory and classic one is often deep, allowing many scholars to indulge in the exchange of 'theories' which are created without an understanding of the concepts upon which they are based. The field of tourism studies is no exception. In fact, this tendency seems to be even more evident in this field because of its multidisciplinary nature.

In this article, I will discuss theories of political economy that are considered classics, from Smith and Ricardo to Marx and Mill. I will focus on the various categories which are developed most systematically in Marx's *Capital* (*Das Kapital*, 1867) with an aim to investigate contemporary tourism studies in light of the theoretical categories in political economy set forth in this work.²⁾

There are diverse arguments in the field of tourism studies. To avoid complication, I will advance this discussion primarily with reference to the works of John Urry, a principal scholar of contemporary tourism studies. I have chosen Urry because, according to Airey's classifications, he is one of the leading scholars of the 'New Approaches Phase' of tourism studies (Airey and Tribe, 2005)

and, although he is a sociologist, he presents comprehensive arguments which contains economics as well. This article thus aims to explain the theoretical issues concerning tourism raised by Urry in terms of the theoretical categories presented in *Capital* as well as their logical extensions.

1. Methodology of Political Economy

Before proceeding with this investigation, I will re-examine the question, 'What is political economy?' Needless to say, society is not composed solely of an 'understructure', that is, economic processes. 'Superstructure' elements including government, culture and consciousness are also vital in shaping society and closely linked to the economic understructure. It is for this reason that political economy considers the economic understructure in terms of its relationship to the elements that constitute the superstructure, and its economic theories thus seek to understand the principles in relation to the factors which constitute superstructure. Kakuta (2011) discusses this point as follows:

The term 'political' does not convey the narrow sense of the Japanese word *seiji* but rather denotes a broader concept of society overall. Political economy handles its field, economy, in terms of its relationship to government, law, the consciousness of the people, social lifestyles and moreover to nature (p.4).

Next, I will examine how researchers in the field of tourism studies have understood the nature of political economy from the perspective of its relation to their field. Holden (2005), for instance, states the following:

The area of social science that is of particular relevance in aiding the understanding of how power and politics influence the distribution of resources is Political Economy (p.105).

Economic theory will not determine that the economic benefits of tourism are equally distributed between countries or people. Resource distribution is not purely a question of economics but is also dependent upon power relationships and politics. To understand the role tourism plays in development it is subsequently necessary to understand the inter-relationship between economics and political processes (p.133).

Here, Holden appears to perceive superstructure in the narrow sense of 'power and politics', as symbolized by elements such as class interests. According to Holden, political economy is a school of thought that involves the role of power and politics in resource distribution.

While emphasising 'the cultural turn' as a criticism of this somewhat traditional understanding of political economy, Mosedale (2011) offers the following definition:

Political Economy in current usage is a term that encompasses a wide variety of approaches to studying the relationship between what is called 'the economy' and its 'non-economic' (i.e. political, socio-cultural, psychological and geographical) context (p.3).

Regardless of the question of the perceived scope of the superstructure, few would object to the notion that society is a unitary whole, comprising an understructure and a superstructure, which towers above this foundation. Political economy seeks to scientifically recognise the understructure of the economy in terms of its relationship to the superstructure. The classic work of economic theory which conducts the most systematic investigation of the principles behind the economic understructure is undoubtedly *Capital*.

To recognise the various phenomena surrounding tourism from the perspective of political economy, we must first determine how they are related to the categories discussed in *Capital*. Of course, diverse situations can be assumed to exist which come to fore when these relationships are examined. These include situations in which a particular problem or phenomenon can be directly recognised through some of these categories, those in which practical development of the categories themselves is necessary and those which go beyond the framework provided by *Capital*. However, to construct a present founded on the achievements of the past, we must examine all issues in terms of their relationships with these fundamental categories.

In general, it appears that investigations of tourism studies from the viewpoint of political economy have not been conducted with this perspective. In other words, most tourism studies fail to delve into the deepest and most universal level of economic theory. Instead, they apparently perceive the understructure at the macro level -in terms of the structure of capital accumulation and resource distribution- and discuss varied tourist phenomena from this perspective alone. On the other hand, discussions in the context of sociological and geographical studies seem to demonstrate greater interest in the construction of a more universal theory of tourism that also goes as far as touching on economic process. However, in the case of these studies as well, the relationship with the pre-established foundational concepts of economics seems unclear. To construct interdisciplinary methods in the field of tourism studies, it is necessary to fill this theoretical void. Below, I will attempt to link some aspects of Urry's arguments with *Capital*, keeping in mind the importance of the connections between past and present theories.

2. Consumption in Tourism

In political economy, consumption is broadly divided into productive and personal consumption. The former is consumption caused by the labour needed to create products and thus value, while the latter is consumption caused by consumption activity in the narrow sense. Tourism itself is

included in the latter, but it has specific qualities that differ from general personal consumption.

1) From 'gaze' to 'appreciation'

Regarding this point, Urry insists that the form of consumption known as the 'gaze' is the essential element of consumption activity in tourism. Urry (1995) states the following:

... it is already clear that consumption in the case of many tourist services is a rather complex and inchoate process. This is because what is the minimal characteristic of tourist activity is the fact that we look at, or gaze upon, particular objects, such as piers, towers, old buildings, artistic objects, food, countryside and so on. The actual purchases in tourism (the hotel bed, the meal, the ticket, etc.) are often incidental to the gaze, which may be no more than a momentary view. Central to tourist consumption then is to look individually or collectively upon aspects of landscape or townscape which are distinctive, which signify an experience which contrasts with everyday experience. It is that gaze which gives a particular heightening to other elements of that experience, particularly to the sensual (pp.131-132).

In terms of behaviour, to turn one's 'gaze' on something is, in other words, to appreciate it. Urry imbues the word 'gaze' with special meaning because the visual sense plays an essential role in tourism. That makes sense. However, the auditory or olfactory senses perform as significant a role as does the visual sense in terms of consumption activities. In this regard, the term 'appreciation', a concept which encompasses such consumption behaviour, is more universally applicable.

In this case, it may generally be stated that consumption is the behaviour of changing the material use-value of the object which is consumed. Consequently, through the alteration or exhaustion of the object, the subject preserves itself as a living creature and has its inherent nature changed. Appreciation, on the other hand, has no direct effect on the consumed object. In other words, the object that is consumed changes and disappears with the passage of time whether or not it is appreciated. Nevertheless, such behaviour possesses the essential qualities of consumption

because it exerts some effect upon the subject which appreciates the object through its five senses (reflecting the object of the appreciation, from the perspective of the subject that appreciates), enabling some change to the inherent nature of that subject. Urry's understanding that 'places themselves are in a sense consumed, particularly visually' (p.1) may be thus understood from a perspective of political economy. On the basis of this understanding, let us examine the special economic relationships which are generated by such consumption behaviour when the focus is placed on economic processes.

2) Appreciation and market

Regarding this point, Urry's main argument focuses on the evaluation of 'scarcity' and 'congestion', as discussed by Hirsch (1978) and Mishan (1969). This concerns the identification and evaluation of the competition for consumption of an object and the consequent damage done to it, as manifested in the 'scarcity' of the object and 'congestion' caused by the consumers, as well as the loss of the appeal of the tourist destination due to factors such as population sparsity. Here, in some cases, the market serves as the driving force behind the destruction of the object by sending large numbers of tourists to scarce tourist areas, creating congestion. On the other hand, it may in some cases contribute to the preservation of the object. Interestingly, these arguments primarily address the state of the party that appreciates the object, but the economic nature of the object itself is outside their scope. From the perspective of the economic nature of the object itself, it is significant that in many cases, the object of consumption is consumed at one time by a large number of people rather than alone.

I will continue this discussion by considering this method of consumption in which many people share one object as a 'social common consumption measure'. Although this method is not defined in *Capital*, it may be logically extrapolated from the concepts of consumption and consumption methods set forth within (Yamada, 2010). The problem to be solved, then, is the process by which such 'social common consumption measure' develops and the question of what types of economic relationships are derived as a result. In

general, the single condition determining whether a particular object of consumption is a commercial product is whether it may be monopolised (i.e. possessed). *Capital* states the following:

...a thing to be sold, it simply has to be capable of being monopolized and alienated (Kapital. IIS.646).

From this viewpoint, the most essential problem is that 'landscapes and townscapes' (Urry) cannot be monopolised in many cases, and therefore they are unable to have prices i.e. do not enter the market. The individual, privately owned plots which constitute 'landscapes and townscapes' can be subsumed by the market, but this is not the case for the aggregate space formed by their accumulation.

In this case, as Urry notes, the question of whether 'landscapes and townscapes' become the object of the tourist's gaze depends upon the historical processes of the development of capitalism as well as the tourist industry and tourist behaviour (the resulting gaze) under capitalism. However, as a result of the expansion, diversification and intensification of the gaze, this process also tends to expand the area in which the market does not function (Yamada, 2010). This tendency itself should be regarded as one of the most important points in analysing the meaning of such consumption and consumption behaviour.

3. 'Gaze' and 'Social need' (gesellschaftliche Bedürfnis)

Urry (2002) observes that the following point is an economic characteristic of tourism:

The emphasis on the quality of the social interaction between producers and consumers of tourist services means that developments in the industry are not simply explicable in terms of 'economic' determinants (p.39).

According to Urry, the gaze and its various changes determine demand in tourism. Because the gaze focuses on cultural qualities such as the appreciation of beauty, there can be no doubt that tourist phenomena contain strong cultural elements. Under these conditions, do cultural elements lie inside or outside 'economic' determinants?

How, then, is culture treated in political economy, which treats culture as an element of the superstructure and seeks to understand economic phenomena in terms of their mutual relationship to culture? To state the conclusion in advance, cultural elements are built into political economy as essential, inherent factors of economic determinants.

In a commercial economy, the most universal phenomena are that use-values are produced as commodities having prices and the social distribution of capital, labour and various resources is realised through the price mechanism. The essential point, therefore, is how prices are determined. In political economy, the most general understanding of this issue is twofold: (1) The market price is determined by supply and demand relationships in the market and (2) Through price competition, the market price converges on 'the value and the production price' based on the underlying quantity of labour. The problem lies with the understanding of the first point: supply and demand.

Here, supply refers to the total use-value available on the market in a specified production section. On the other hand, in accordance with the description in *Capital*, demand refers to 'the quantity of the social need ('gesellschaftliche Bedürfnis') for it, i.e. to the social need with money to back it up'. Demand cannot arise without social need, but there must be money behind the social need; otherwise, the demand remains merely latent. In other words, demand is both a social need with money and money with a social need. The market price is determined by the relationship between the total amount of use-value supplied and the social need with money directed towards its purchase.

This discussion will not examine the determination mechanism further (for more details, see Yamada, 1991). The main point is that even if independent, detailed research on culture is not the task of political economy; cultural elements constitute significant intrinsic determinants which regulate the reality of social needs as well as their manifestations. In this sense, the task of political economy is to analyze and recognise phenomena from a dual perspective, encompassing changes caused in social needs by changes in market relationships and vice versa.

To return to the subject of tourism, the notion of 'gaze' is included in the concept of social need and may thus be positioned as one of its variations in the case of political economy. Regardless of whether or not Urry adheres to this understanding, there is weak comprehension of this notion among economics researchers as well as even ones whose methodology is based on political economy. This is because most scholars who have studied political economy have valued supply-side price regulation and overlooked the significance of supply and demand relationship theory in *Capital*.

4. 'Spatial Fixity' in Political Economy

1) What is 'spatial fixity'?

Another fundamental point of discussion in the current studies of tourism phenomena is 'spatial fixity' (Urry), the venue in which tourist services are provided and consumed. In other words the development of tourism demand depends on the mobility of the tourist. Hence, the effort to grasp the relationship between tourism and mobility is given a specially important position in tourism studies. Urry discusses this point as follows:

Part of what is consumed is in effect the place in which the service producer is located. If the particular place does not convey appropriate cultural meanings, the quality of the specific service may well be tarnished. There is therefore a crucial 'spatial fixity' about tourist services.... So while the producers are to a significant extent spatially fixed, in that they have to provide particular services in particular places, consumers are increasingly mobile, able to consume tourist services on a global basis (Urry 2002, p.38).

In general, normal products are mobile, with distinct venues of production and consumption and constantly in flux. However, in the case of tourism, one must visit a particular place to receive a particular service. And every particular place has its own 'cultural meanings' of their locations. In other words, the services may neither be moved nor be separated from the geographical and cultural environment of the surrounding space.

Needless to say, the term 'the place' in the sentence, 'part of what is consumed is in effect the place in which the service provider is located', includes the elements which comprise the place,

such as buildings. Excluding areas of untouched nature, the object is in a sense an artificial construct which involved human activities, and is thus a manufactured product. If this is so, the key point is the fact that the product is fixed to the area, and to consume it, one must go to the area in which it is located. And additionally, the location must possess fixed cultural meanings in order for tourists to select it.

2) 'Rent theory' and 'spatial fixity'

In political economy, the issue of spatial fixity is treated within the realm of the so-called 'rent theory'. This is because spatial fixity is the issue in relation to the economic realisation of a physical space at a particular location and considerations of rent theory-related economic phenomena are grounded in this theoretical understanding. What is the implication of this understanding?

To understand this point, we must examine the relationship of spatial fixity with the two main categories of rent theory, 'differential rent' and 'absolute rent', the former in particular. However, we cannot simply apply these categories as developed in *Capital*. It is necessary to universalize these concepts which were originally understood as forms of profit distribution in production processes such as agriculture, and transform them into concepts that may be applied to consumption processes in accordance with the logics by which they were formulated.

I have observed previously that the inherent, monopolistic character of the land ownership upon which the formation of differential rent and absolute rent is based comprises a 'double monopoly' of the land (Yamada, 1996). This consists of two types of monopoly: the 'use-monopoly' that operates the formation of differential rent and the 'ownership-monopoly' that generates absolute rent. The following quotation, while a bit lengthy, elucidates this point:

...land as a commodity has a special character. In short, land ownership is a kind of 'double monopoly'. Generally, something which is monopolised can be a commodity and being able to be monopolised is the only necessary characteristic of being a commodity. In other words, the only prerequisite for being an 'economic good' is that something can be

monopolised. For example, the air or sunlight is not a commodity, while land can be a commodity. Therefore it is not only compatible with the supply based on free competition but also a necessary prerequisite for it.

With regard to land, another unique characteristic can be added to the general monopoly. First, it relates to the supply restriction in land-use. If we consider location as the main norm of value on each residential site, the number of sites within a particular distance from the city centre is physically restricted. Of course, it is possible to use the sites outside a given belt instead, but this results in exclusion from the more convenient land-use within the given belt. In this case the sites within the belt have an advantage in competition with the sites outside the belt. In other words, the land ownership of the sites within the belt can realise a larger amount of demand by means of the monopoly of higher convenience of the land. The land market in housing has a hierarchical character which is non-competitive, i.e. monopolistic. Although there is competition between sites in the land market, it exists under such a monopolistic hierarchy. If every site is occupied within a given belt, for example sites within 10 km from the city centre, someone who wants to use such a site must exclude the existing land user. Rents and land prices in private housing are formed in such a hierarchical market. They are intrinsically different from the prices of other ordinary goods which can be produced and supplied without restriction as the demand arises. This is a general rule which can be seen in every city regardless of its size. We call this the use-monopoly of land ownership.

Second, land ownership can disturb the supply based on free competition in another way. The possible amount of land supply finally depends not on the amount of demand but on landowners, on whether they are willing to rent or sell their sites. In other words, continuous supply is not compatible with land ownership. Therefore the land market is essentially supply restrictive i.e. monopolistic. As contrasted with the use-monopoly this may be called the ownership-monopoly of land (Yamada 1999, p.100).

In these two types of monopolisation, ownership rights are not a prerequisite for the use-monopoly, but these rights (the existence of land ownership) are essential to the emergence of the ownership-monopoly. As previously discussed, it is not often possible to monopolise tourist space in cases where it is a social common consumption measure, and hence prices do not exist and monopolised ownership does not occur. On the other hand, if the land or location has unique features, limiting supply to that location, the situation is in exact accordance with the essential features of a use-monopoly. For this reason, I will focus the discussion here primarily on use-monopoly and will analyse the relationship between use-monopoly and 'spatial fixity'.

Following the description by Urry discussed above, 'spatial fixity' is the provision of 'the specific service' in a place which possesses 'appropriate cultural meanings': the fixed social characteristics surrounding tourism as a form of consumption in that location. On the other hand, the use-monopoly provides a basis for the production of surplus profits, turning economic activities in a location with particular characteristics into 'differential rent'. To extend this line of thinking, the use-monopoly generates special economic relationships based on the characteristic use-value possessed by a specific location. The reason why gaze is turned upon the tourist site is through the existence of this unique use-value.

What, then, becomes of the assertion that 'part of what is consumed is in effect the place in which the service producer is located'? In *Capital*, 'differential rent' is described mainly through the example of agricultural rent. In this case, because the products are consumed after being sent to the market, the locations of production and consumption are separate. However, the location of supply and that of consumption are the same throughout the service industry. This indicates that, in general, services are not supplied by conveying the actual means by which the services are produced but by their function only (Yamada, 1992). In the case of appreciation as well, the service provider does not convey the actual object. Appreciation belongs to this form of consumption behaviour as well.

When viewed thus, it becomes clear that Urry's 'spatial fixity' in tourism is an amalgamation of

'differential rent', the assets possessed through the underlying use-monopoly in political economy and the characteristics of the consumption forms in the service industry in general. Therefore, it is possible to analyse and recognise characteristic forms of economic realisation in various tourist sites from this perspective. However, as previously described, in open collective spaces, a use-monopoly does exist and function on the supply side, but it does not appear as prices i.e. differential rents. However, because the essence of use-monopoly is a monopoly of the quality of space, it becomes possible to recognise 'differential rent' and 'spatial fixity' as phenomena that essentially share the same root.

Conclusion

In this article, I have identified the fact that in discussing Urry's assertions, the gaze, which is categorized as a unique characteristic of consumption behaviour in tourism, can be explained using certain categories of political economy through the logical extension of the views presented in *Capital*. These are appreciation as a form of consumption; social common consumption measures as forms of consumption which characterize tourism and, in relation to the various concepts of social need including cultural elements, the homogeneous character of 'spatial fixity' and use-monopoly at the back of 'differential rent'.

First, in *Capital*, consumption is considered mainly in terms of the comparison between production and individual consumption, and the terms 'appreciation' and 'social common consumption measure' are not defined. These terms, so to speak, refer to applied concepts of consumption process. In tourism it is necessary to categorise these concepts in accordance with the essential nature of individual consumption. Until this point is resolved, it will be impossible to link recognition of tourism-related consumption behaviour with classical theories.

Second, with regard to interpretations of *Capital*, although researchers have focused on the definition of the value of labour on the supply side, in many cases they have in actuality ignored the mechanisms by which supply and demand relationships are determined, thus failing to recognise the concept

of social need as one of its essential elements.

Third, to apply rent theory, which has focused mainly on agricultural rent, to the domain of consumption, including tourism, it is necessary to go back and gain an understanding of the nature of land rent as well as the object of its possession. However, almost no studies of this subject make use of this perspective itself, and the few attempts that have been made have not been successful.

These methodological weaknesses in the studies of the 20th century and later are widespread and have been particularly marked in studies related to subjects such as land and space, especially in terms of social overhead capital, residences, etc. Even in this area, attempts to link new phenomena with classical categories, setting aside the question of their appropriateness, had already been clearly taken place before the 1970s. However, tourism became a field with a large degree of social significance only when political economy had entered a period of general decline. It is for this reason, combined with the interdisciplinary character, that theoretical inheritance in political economy is less pronounced.

As previously described, according to the views of Airey and Tribe, contemporary tourism studies are fundamentally characterised by its expansion into a New Approaches Phase and its interdisciplinary approach. In this article, I have made use of the work of Urry, one of the main proponents of the New Approaches Phase, to discuss the relationships between the main points he presents and the theory of political economy. In terms of interdisciplinary methods, political economy, which treats the understructure in terms of its relationship with the superstructure, differs from microeconomics and other fields centred on pure economics in that it is intrinsically an interdisciplinary methodology. In the field of tourism studies, which is characterised by an interdisciplinary approach, it is important to seek out linkages with universal categories of social sciences. This approach is thus required to extract peculiarities and generalities of tourism phenomena, and consequently, to bring interdisciplinary content to light. The approach from political economy will play a significant role in developing the field of tourism studies.

Notes

1) This article is a version of an essay to be published in the May 2012 edition of the Wakayama University 'Economic Theory' ['Keizai Riron'] and has been specially revised for this booklet.

2) For the English translations from *Das Kapital*, I used the edition translated by Ben Forks, published by Penguin Books.

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