August 2010 Vol.1 No.1 73-78

# Tourism opportunity for economic growth

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Received November 03, 2009; Accepted March 16, 2010

It is an article we raised the processes of identification of the Tourism in Mexico with the world its main causes and effects in economic, social, cultural, political and the other spheres by social relations of production of this Capitalist System.

# Tourism, Free Time, Balance of payments, Culture

Citation: Peralta E. Tourism opportunity for economic growth. ECORFAN Journal-Mexico 2010, 1-1:73-78

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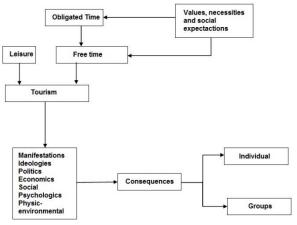
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# Conceptualization.<sup>35</sup>

Tourism is a social phenomenon that transcends from another social phenomenon: The Institutionalization of Leisure. Tourism as a phenomenon has essence and a set of events that interrelate and interact between themselves.

These manifestations are matters: ideological, political, economic, social, psychological, physical, environmental and cultural in general.

1. Process for the conceptualization of tourism.



**Graphic 1** 

### Introduction

Our country is in a severe economic crisis, which is seriously disrupting in the social sphere, to reverse this situation is required to reactivate the production process, generating in the first instance the well-paid employment.

Current policy does not favor job creation.

It is necessary that government halts and reverses the effects caused by neoliberal economic policies that favors high concentration of capital and hinders productive reactivation. Tourism as an economic activity has contributions to increase income or better redistribution.

# Positive effects of tourism to the economy <sup>36</sup>

A first important effect of productive activity is tourism foreign exchange earnings, revenues from international tourism, allow having solvency for funding exports and imports, or for use in servicing external debt financing.

The growth of the sector can incorporate to the economic activity unemployed people or entering the labor market. These new jobs require less investment compared to that required in other sectors of the economy. Normally the employment generated by the tourism is originated in visitor spending and, thus, these are generated not only in the own tourism "sector", but such spending gives rise to additional jobs for the multiplier effect of related activities such as infrastructure development, construction, expansion, renovation and equipping of hotels, amusement centers, trade, etc. It is estimated that in the tourism sector for every direct job about four indirect jobs are created.

Employment in this sector is 30 percent better paid than the national average. The contribution to regional development means, in countries like ours, decentralize economic activity, income and wealth.

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<sup>&</sup>lt;sup>35</sup> Sergio Molina. Turismo Metodología para su planificación. pp. 11-14

<sup>&</sup>lt;sup>36</sup> Miguel Acerenza. Administración del Turismo pp. 69-78

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Tourism drives economic and socially disadvantaged zones or regions through the transfer of financial resources in the country, as the ability to redistribute income and multiplier effects of tourist spending in the region. Tourism also leverages renewable resources when exploitation thereof is made incorporating conservation criteria. Another important effect is the tourism as expansion factor of the domestic market. Regardless of the increased consumption of agricultural products, it is clear that the tourist makes further spending on domestic purchase, equivalent to a real export. We conclude by considering the previous points that tourism as a sustainable economic activity has an important multiplier effect overall national economy.

# Negative effects of tourism to the economy.

Economic policy that our country has taken to enter globalization world, without a real plannification, has caused severe problems that affect the sector, and if not treated from the root, will lead to stangnation in the short-term. The first problem is the manipulation of policies by investement groups (as in the case of hotel industry in Quintana Roo).

Economic and financial benefits to increasingly reduced groups, as already mentioned, hinders productive reactivation. Another important negative effect is the loss of political power and government agencies management. It should be prevented that the tourist influx exercises over a wide range of items, an additional demand capable of paying high prices. As this demand is generally eventual and productive structure is relatively inelastic because of their limited capitalization, strong inflationary trend is created in the region.

This inflationary effect is detrimental to the national economy and especially the lower income groups and a negative effect from the social point of view.

Also little scientific research of the tourism essence. Moreover, a host country becomes dependent in relation to countries that issue more tourists, the decisions that guide the growth and tourism development are subject to the interests of the issuing country.

Tourism has both positive and negative effects as well as a series of contradictions that must be controlled. In this context the scientific planning of tourism is seen as an ideal tool to rationalize economic activity in the sector and linking it to the global development process in economic and social spheres.

# Need for scientific planning.<sup>37</sup>

Experience in national planning in the sector has located or identified problems affecting the achievement of pre-established results. Like the variables listed below:

- Discontinuity in growth policies. Changes in the group in power causes modifications on guidelines and the content of plans and programs.
- High staff turnover of those responsible for driving the planning process. In the period when only a party governs, changes in operating tables planning models occurs.
- Poor statistical information. Lack of a database not only wide but also with reliable information.

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<sup>&</sup>lt;sup>37</sup> Sergio Molina. Op.cet. pp. 32-36

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This hinders the achievement of planning, since it decides and acts in accordance with partial facts.

 An administrative reform that have not answered as that. It is needed a politic reform that carries an economic reform and both finishes in an administrative reform.

### Socials effects.<sup>38</sup>

Perhaps among all the potential effects of a project or program of investment in tourism, the social are the most contentious and evaluate them represents a problem of criteria and orientations.

Demographic: Mainly in depressed areas, a project may cause significant demographic movements by attracting higher income and better living conditions.

In some cases, this brings future consequences that manifest distinct benefits for employment creation and increase of income. But in other creates intricate social problems that are reflected in higher levels of criminality, marginalization, etc. especially when the investment program does not satisfy (as is common) the demand for jobs or when moving from the implementation to operating phase, leaving a large number of workers unemployed without giving them any remunerative occupation. Such conditions should anticipated to evaluate the project, so we must check whether its solution is contemplated or not.

<sup>38</sup> Edgar A Hernández Díaz. Proyectos Turísticos. pp.198-200 Cultural: Culture is basically the set of events that a social formation creates to confront and transform their socioeconomic reality. In this sense, tourism is an agent of contact between cultures that express different forms of behavior, techniques and tools from different backgrounds and social groups.

Modifications involving such contact through tourism can be positive to the host society (if it benefits the majority of its members) or negative. The social assessment should find out and make a judgment. Furthermore, and in the cultural sphere, the manifestations phenomenological ancestors of these social formations, can be altered, deformed or even disappear as a result of tourism. This would apply depredations and distortions caused archaeological sites to make them "touristics".

Sites in which tourism brings looters who rob the country its historical riches and part of same attraction that motivates tourist flows are usual.

An investment program that does not provide the protection of the national heritage should be evaluated in the consequences that represents.

Educative: educative conditions can also be altered in favor or against populations suffering a transformations as a reults of a tourism program.

His physical part or necessary equipment (included in many cases within the "habitat") is improved on numerous occasions for being part of the general works for the cities of services. Likewise, local people are driven to increase their education, this is achieved in a large number of individuals when it is set as target within the investment program.

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Training is one of the most important topics in any project and contributes in some way to raise the educational level in the area as long as the workers are native of it and are offered constant development.

Health: Some projects includes within its investements, funds for basic works through which the sanitary conditions improve in the area where it is located. In some cases, a recondition of the natural environment with positive results for the local flora and fauna is reached. However, in this sense (and only in tourist heavy investment programs) infrastructure, complemented with medical and assistance services stations, are the most done, which by itself have great importance, mainly in marginalized regions.

Among the experienced and potential negative effects of a tourism project we can write down the environmental pollution, the introduction, via tourism, unhealthy habits, etc. In any case it is convenient to socially evaluate a tourism programs analaysing these elements.

### Other effects

Creating a "Tourist Image": There are many areas and even countries that are not known in major international tourism markets. Through significant investment projects for the supply of services, "image" of the country or region strengthens, which ultimately derives not only in larger tourist flows to it, but even in the development of public recognition. So economic expectations are improved, for the various activities located in the project area this is a subjective element, but that is manifested in concrete actions within reality and must be considered when evaluating a project.

Effects on the conditions of dependency: Countries with limited industrialization tend to depend economically of developed nations. A large tourism project can create or reinforce to a semi-industrialized society, ties of dependence by various means.

This fact, although in some cases generates direct benefits in the short term (especially higher income), in the long term has a social cost. It is convenient to take into account the relationships between nations or regional economic groups to which might lead a specific project.

Its evaluation in this field, although it belongs to the executive areas, does not prevent the corresponding dimensions in the technical area to be made.

### What do we expect?

- Overcoming the dependency status.
- Systematic planning of tourism.
- Reinvestment of profits of foreign companies.
- Image of Mexican tourism to the world.
- Negative effects control.

|                        | 2007<br>(Millions of dollars) | 2008<br>(Millions of dollars) |
|------------------------|-------------------------------|-------------------------------|
| international visitors | 92.2                          | 91.4                          |
| income                 | 12901                         | 15289                         |
| average expenses       | 750.6                         | 761                           |
| balance                | 4522.9                        | 4763                          |
| Total                  | 45.3 %                        | 27.8 %                        |
| Balance of trade       | 2007                          | 2008                          |
| Exports                | 271597.4                      | 290123.8                      |
|                        | 281574.2                      | 307230.5                      |
| imports                |                               |                               |

Chart 1

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# **NET BUSINESS**

| 2007      | 2008        |
|-----------|-------------|
| 2,180,000 | 2,227,000** |

Chart 2

#### **Conclusions**

Tourism in Mexico requires a new conceptualization and post\_industrial planning with a holistic approach under the general systems theory; this activity can be an important catalyst for economic growth in Mexico considering the statement will allow overcoming the state of dependency that keeps the sector regarding the biggest issuer.

It is relevant to note that Mexico should through a serious law compel foreign investors to reinvest at least 20% of net profits that their companies generate in our country.

Another important point is dimension to a reality the tourist image of Mexico to the world, promoting with in a strict sense our tourism development. In terms of controlling the negative effects on our industry scientific planning will in most cases prevent them.

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