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Research Probe

This Department has been specifically created to include findings of special significance and problem areas of subtle nuances in tourism research. Insightful contributions presenting the state-of-the-art, preferably from the developing societies, will be appreciated. It will also encourage scholars and authors to think against the grain, probing the consistency of theoretical notions and research trends whose heuristic value is all too often taken for granted. For details, contact Editor-in-Chief, Tourism Recreation Research, A-965/6 Indira Nagar, Lucknow, India. e-mail: trrworld@gmail.com

Tourism: Is Small Beautiful?

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The term 'small is beautiful' is closely associated with E.F. Schumacher, who went on to publish Small is Beautiful: Economics as if People Mattered, a series of essays that became a milestone in development thinking (Schumacher 1974). In 1996, he established the Intermediate Technology Development Group, now known as Practical Action (see http://practicalaction.org). Much influenced by Buddhism, and holding a holistic view of development, he confronted the prevailing belief that the main aim of economic 'development' was the growth of gross national product (GNP), to be achieved through large-scale production and modern technology. Rather, he suggested, economic production (preferably in smaller units) should serve humanity's needs, with sparing use of fossil fuels and other non-renewable capital assets, and should, as far as possible, use intermediate technology, especially in developing countries. In general, production should be people-centred and facilitate human creativity:

> Man is small, and, therefore, small man is beautiful. To go for gigantism is to go for self-destruction. And what is the cost of a reorientation? We might remind ourselves that to calculate the cost of survival is perverse. No doubt, a price has to be paid for anything worth while: to redirect technology so that it serves man instead of destroying him requires primarily an effort of the imagination and an abandonment of fear (Schumacher 1974: 133).

Along with the work of such other humanitarian economists as Seers (1969, 1977), Schumacher's contribution has had a lasting impact on development theory, especially approaches to 'alternative' development (Burkey 1993: 196; Reid 1995: 69).

Since the 1970s, tourism has emerged as a tool for development, in both developed and developing societies (Harrison 2001a: 1–22; Sharpley 2009: 1–27). Initially, links with development theory were tenuous, but in recent years there have been several attempts to situate tourism within the wider context of 'development' (Sharpley 2002; Telfer 2002; Mowforth and Munt 2009), a focus given added point by the fact that while most tourism enterprises are likely to be small in scale (Gartner 2004), large-scale tourism has taken an increasing share of the global tourist market. This development has been almost universally condemned and mass tourism's many critics have generally incorporated the notion of small being beautiful as a feature of some kind of 'alternative' or 'sustainable' tourism, even though Schumacher's influence has rarely been acknowledged, and then only obliquely (Singh 2010: 211). Despite the general preference for small-scale tourism, however, some academics have defended mass tourism (Sharpley 2000, 2009; Butcher 2003; Aramberri 2010)

Examples abound of support for small-scale tourism development, often linked to greater community participation, itself the topic of a Research Probe in Tourism Recreation Research (35:2 [2010]). An early advocate was Rodenburg, who concluded that, in Bali, development objectives were best met by 'craft and small industrial tourism' rather than 'large industrial tourism,' as profits were more likely to go to local people and there was a better 'fit' with traditional Balinese culture (1980: 194). Later, Brohman (1995, cited in Telfer 2002: 59) was to argue that alternative development strategies stress 'small-scale, locally-owned developments, community participation, and cultural and environmental sustainability' and a similar emphasis is found in Telfer (2002: 67–75); Fennell (1999: 9), Scheyvens (2002: 13), Mowforth and Munt (2009: 98–119) and Honey (1999: 25), whose definition of ecotourism is 'travel to fragile, pristine, and usually protected areas that strives to be low impact and (usually) small scale'.

Particularly strong support for small-scale tourism enterprises comes from Dahles, who notes:

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> These forms of tourism depend on ownership patterns that are in favour of local, often family-owned, relatively small-scale business rather than foreign-owned transnationals and other outside capital. By stressing smaller scale, local ownership, it is anticipated that tourism will increase multiplier and spread effects within the host community and avoid problems of excessive foreign exchange leakages (1999:2)

Furthermore, following Echtner (1995) she assumes (my emphasis) that 'small-scale tourism developments and active resident involvement in the ownership and operation of facilities' will not produce the negative economic and socio-cultural effects associated with foreign ownership and will also enable enterprises to respond more quickly to changes in the tourism market (Dahles 1999: 2).

Non-academics are similarly enthusiastic. Non-government organizations have long been involved in small-scale tourism initiatives, though not always successfully (Simpson 2008: 7–9) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), for instance, considers 'smaller-scale business operators are more appropriate for activities related to ecotourism' (UNESCAP 2001: 6). Similarly, the UNWTO (2000: 11), when compiling a list of examples of good practices in sustainable tourism development, notes that 80% of them are 'small or medium sized projects,' though it also admits that 'sustainability in tourism is not necessarily reserved for small-scale operations.

There are some who buck the above trend. They include critics of small-scale tourism, who suggest it is prone to many of the problems of mass tourism (Duffy 2002: 155–160) and, by contrast, those who recognize that truly sustainable tourism development must include mass tourism (Weaver 2001; Aramberri 2010). However, most academics writing on tourism, along with practitioners in aid agencies and non-government organizations, are inclined to dismiss mass tourism, especially when it involves transnational corporations in developing countries, as politically, economically and environmentally unsustainable (and therefore ugly?) and to prioritize small-scale tourism enterprises, particularly those that are locally-owned (and which, being small, must therefore be seen as beautiful)! And if these enterprises are community-owned, even non-capitalistic, so much the better. Put crudely, political correctness here is on the side of the small!

What are we to make of all this? First, even allowing for the fact that a small industry in one place might be considered big in another, it is deceptively simplistic (even for Schumacher) to talk of 'small' being beautiful. For him, the crux of the matter was that enterprises should be worker-friendly, give workers a sense of belonging, have a substantial element of public ownership and accountability, and should be run on humanistic principles. The chemicals company he provides as a role model – the Scott Bader Commonwealth – was then run as a Trust, on Quaker lines, and its 379 employees in 1971 were all co-owners, with guaranteed shares in the profits, a high percentage of which was donated to charity (Schumacher 1974: 230).

Scott Bader still exists, with a similar structure of co-ownership, as 'a multinational chemical company employing 600 people worldwide with manufacturing sites in Europe, Middle East, South Africa, and has a turnover of 220 million Euros' (see http://www.scottbader.com/). For many 'small is beautiful' advocates, this large, impressively-organized international company, operating and succeeding in a capitalist environment, might not be a very apt example of 'small.' What is 'small,' then, depends on the lens through which we are viewing the enterprise.

Second, is small 'beautiful' because it is better for the economy, or in some way more efficient? The evidence for such a view is decidedly shaky. As one extensive review of the literature for the World Bank puts it:

> [I]t is questionable whether SMEs 'deliver the goods' as advertised. The claim that SME promotion will improve the income distribution is based on two presumptions: (i) that SMEs are particularly effective vehicles for expanding employment and (ii) that growth of SMEs and the employment they create disproportionately benefit the poor. As it happens, both of these conclusions are questionable....[T]he evidence indicates that SMEs do not appear to be any more effective at job creation than large firms (Biggs 2002: 29).

Where the focus is specifically on tourism SMEs, the story is much the same. True, there are cases when small-scale tourism seems to be highly successful, especially at the initial stages of tourism development (Harrison and Schipani 2007), but in developing societies, especially, individual owners of SMEs frequently lack economic, social and cultural capital (Dieke 2001; Harrison 2001b: 253) and donor-funded projects, intended to increase community participation and, in some cases, conservation, generally prove to be economically unsustainable (Goodwin 2006: 1; Mitchell and Ashley 2010: 54–58).

Third, smallness covers a variety of categories. 'Small' tourism enterprises operate across a wide range of price and facilities, and may be locally- or foreign-owned. In Fiji, for example, there are many small, backpacker 'budget' resorts, especially in the Yasawa island chain, often with less than 20 rooms, but there are also (equally) small, upmarket 'boutique' resorts, catering for wealthy visitors, including

some whose rooms cost well in excess of US $1500 a night (see http://www.fijime.com/). None of these categories of small establishments, however, conform to Schumacher's criteria, as all operate in a capitalist environment and generally have individual owners. Furthermore, even where landowners may hold some kind of equity, this is no guarantee of strife-free operations (Harrison 2004a: 10-11)!

Fourth, how one should assess the 'beauty' of these different types of 'small' firms is problematic. As indicated earlier, leakages may be less in the cheaper, locally-owned establishments (less leakages = more beauty?) but so are total receipts, and wage rates are likely to be higher, and training better, in the foreign-owned resorts. Furthermore, most of the staff in both are likely to be indigenous Fijian – no less contented in their jobs, and no less hospitable (but possibly more professional) in the upmarket resorts than in those that are locally-owned. Indeed, even where (foreign) ownership and management is heavily (arguably oppressively) 'top-down,' employees reported they liked their work and the resort had demonstrable positive economic and social effects in the region (Harrison 2004b).

Fifth, it might be argued that the impacts of 'small' tourism enterprises are 'beautiful' because they have fewer negative impacts on the physical environment. Such an argument, though possibly sustainable for some individual establishments, is deeply flawed. Indeed, it is commonly accepted, even by critics of mass tourism, that 'small-scale' tourism cannot and will not replace mass tourism. The economies of scale that characterize large tourism establishments include environmental conservation: a 300-room hotel, operating to international standards, is likely to accommodate, feed, cool, entertain and collectively cosset its many guests with far less damage to the environment than the equivalent of fifteen 20-rooms hotels, spread out over a wider area. That some large-scale hotel developments have had negative environmental impacts is undeniable but there is also evidence that – as in parts of Spain – with proper planning and legislation, mass tourism can be made more sustainable (Batle 2000; Aguilo et al. 2005).

Sixth, just as some small-scale resorts may be characterized by heavy-handed, even alienating managements (circumstances in which workers have no place to hide), such negative characteristics are not necessarily the norm in large-scale international hotels. Just as small need not be beautiful, big need not be ugly. I know of no evidence that workers are more contented in small organizations, though there is a growing literature on the importance of empowerment in large-organizations, including large-scale hotels, which suggests that – in some cultures – empowered employees suffer less stress and offer a better service, and this is increasingly being recognized by the hospitality industry (Gill et al. 2010; Klidas 2002; Edwards 2010; Mohsin 2008; Mohsin and Kumar, forthcoming). As Klidas (2002: 5) notes, though, how far employers are prepared to delegate authority, and how far employees accept or reject it, will both be crucially affected by cultural factors.

Finally, if it is problematic to argue that 'small is beautiful' at the operational (supply) side of the hotel industry, do consumers value small accommodation providers over larger ones? Not necessarily. Whether or not the tourists are wealthy, on business or holiday, and in developed or developing societies, the answer is the same: some prefer small-scale accommodation and some do not! With some exceptions, though, the more 'developed' the tourist destination, the more rooms will be supplied by large-scale accommodation providers, and the more tourists will visit. Why? Because, for convenience, comfort and cost, 'many people seem to enjoy being a mass tourist' (Butler 1990: 40).

I fondly remember the cosy British pubs, that small hotel in the French Alps, the amazingly cheap but truly authentic guest house by the River Mekong, and the Caribbean home-stay. On holiday, I value peace and quiet and loathe deafening music in night clubs and bars. I also attend soccer games, though, and concerts and theatres, all packed with other enthusiasts. I like cities and prefer them to beaches! And if I am on business, I need Internet facilities, good food, and (probably) access to the central business district. Clearly, my requirements are very mixed. By contrast, I have friends who love the Sheraton or Hilton, or even Butlins, and especially favour places where their children can play safely and where other families – holidaymakers – become friends. They also spend days on the beach and enthuse over the night clubs I hate. It is surely similar for the supply side: some may prefer to cater for tourists in large establishments, while others favour some version of 'small.'

This range of preferences is not atypical, and any blanket statement to the effect that, in tourism (and elsewhere?) 'small (or big) is beautiful' simply makes no sense. One size, large or small, simply does not fit all.

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