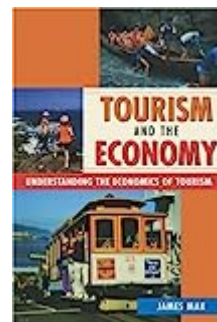


James Mak. *Tourism and the Economy: Understanding the Economics of Tourism.* Honolulu: University of Hawaii Press, 2004. xi + 267 pp. \$25.00 (paper), ISBN 978-0-8248-2789-2.



Reviewed by Christopher Kopper (Department of History, Universitaet Bielefeld)

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The author James Mak, Professor of Economics at the University of Hawaii at Manoa, presents a well-written introduction into the general economic problems of contemporary tourism. His book lives up to its subtitle *Understanding the Economics of Tourism* and provides non-specialists with general insights into the basics of the economics of tourism in the world of today.

The potential group of readers ranges far beyond the students in Tourism Research and Economics for whom this book is designed in the first place. Graduate students and anybody researching tourism from a sociological, political, or environmentalist perspective can benefit from this helpful introduction into the economic dimension of tourism.

Although his book does not integrate a historical approach and does not follow any historical research question, Mak's book adds a contemporary dimension to the socio-economic research on the history of tourism. The omission of any advanced math and complicated graphs contributes to the readability of this book. On the other hand, graduate students and economically educated scholars might be a little disappointed by his rather restricted reference to economic theory.

In the first part of his book, Mak presents thought-stimulating facts about the demand side of tourism, (i.e.

the tourist her/himself) which helps readers to understand how, when, why, and under what circumstances people travel. More ambitious readers would appreciate some suggestions for further reading to examine some of his facts and arguments more closely. Mak's ability to explain some of the economic phenomena of contemporary tourism, such as the specific spending habits of Japanese overseas tourists with socio-cultural arguments, contributes to the interdisciplinary value of this book.

The chapters on the basics of the economics of tourism—such as the contribution of tourism to the GNP, the calculation of income effects and the income and price flexibility of tourism-related expenses—are invaluable for anybody engaged in the economic history of tourism. On the other hand, the author rather reluctantly employs economic theories to explain the evolution of the mass market of package tours. He could have used more theory based assertions to shed light on the complicated relationship between the package tour customer and the tour provider, since the principal-agent-relationship in package tourism differs distinctively from the relationship between the vendors and the buyers of material consumer goods.

To explain his arguments, Mak uses various examples, which are highly instructive and easy to under-

stand. The fact that his examples are mainly based on U.S. tourism and the specific conditions of Hawaii is not a disadvantage, if one keeps in mind that the socio-economic and institutional framework of tourism in Europe is different. Unlike the United States, a growing percentage of European travelers—particularly in the United Kingdom and Germany—travel on a package budget instead of booking transportation and accommodation individually. One of the major differences between the evolution of American and European mass tourism is the strong position of European tour operators in developing and marketing new destinations for the mass market. Unlike the situation in the United States, European charter carriers

have played—and still play—a very important role on the market for leisure-oriented air travel. The strong market position of European charter carriers contributed to the decline in tourist airfares years before the beginnings of deregulation on the regular aviation market of Europe.

Mak's work explains several of these differences from the American economic side of tourism. A lay person can understand important economic issues in tourism, as Mak presents them. Those trained in economics, however, might find the book a little less detailed than desired. Overall, the work is a valuable contribution to the growing focus the economics of tourism.

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