

CHANGES IN TOURISM SUPPLY IN THE AFTERMATH OF POLITICAL INSTABILITY AND TERRORISM

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Abstract

This article aims to reveal the connection between changes in tourism supply and the effects of political instability and terrorism on the tourism industry. The relationship, similarities and common features between the fluctuations in political relations and the threats of terrorist attacks are highlighted. Emphasis is placed on the formation of tourism supply during unstable political relations. Planning in the tourism sector is widely defined in the face of threats of terrorist acts. Attention is focused on changes in the way of supply and consumption of tourism products in the context of the two studied phenomena. The author defends the thesis that unstable political relations both locally and internationally, as well as terrorist attacks, cause long-lasting and often irreversible negative changes in tourism supply.

Keywords: *political instability, terrorist attacks, tourism supply, tourist products, irreversible negative changes.*

JEL Codes: *L83, Z32*

1. Introduction

Tourism is proving to be one of the export goods in the world. The tourism industry has been found to cause significant direct and indirect economic impacts on almost all countries. It has important impact on regions and communities around the world. In many developing places, it is the most viable and sustainable economic development option. In recent years, tourism flows have been affected by **three major factors**:

- strong exchange rate fluctuations;
- decreasing oil and other commodity prices;

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- increased global security and safety concerns.

The tourism sector is, in its essence, highly vulnerable to external influences such as natural disasters, political turmoil, economic crisis and terrorist attacks (Mansfeld, 2006, p. 240). These unpredictable factors may have an adverse impact on the industry and on the economy of the country as a whole. The **object of research** in the article are the changes in the tourist supply. The **subject of research** is political instability and terrorist threats.

The scientific article aims to analyze and discuss the effects on tourism supply due to conditions of political fluctuations and terrorist attacks. In order to achieve this goal, the following **research tasks** are solved:

- exploring the connection between political instability and terrorism;
- analyzing tourism supply under conditions of unstable political relations;
- considering tourism planning under conditions of terrorist threats.

2. Relationship between political instability and terrorism

Tourism is very sensitive to economic, environmental and socio-political events affecting tourists' willingness to travel. Concepts of terrorism, political turmoil and war seem at first unrelated to the tourism supply and its corresponding consumption. Their deeper study reveals they have very **similar characteristics and distinguishing signs**:

- **terrorism** is expected to have detrimental effects on **tourist** arrivals and tourism offering;

- **terrorism** data has become more **important** to the **tourism** and travel industry since attacks in recent years;

- terrorist attacks and violence have been considered a **mainstay** of the tourism collapse in recent years;

- the **various forms of instability** such as civil-war, social unrest and transitions to and from regimes have proven to have impact on tourism supply and its consumption;

- **political stability** and safety are **prerequisites** for tourism and its supply;

- statistics show that **political unrest** has influenced tourist arrival numbers significantly;

- they have **undisputed relationship** as terrorism fuels political and social unrest as a result of the shockwaves;

- their assumed link can be found across **multiple case studies** of terrorist situations over the last decade;

- both discussed phenomena could possibly **cause or trigger each other** if not properly managed.

The consequences of political instability for tourism are significant. Safety travelling and risk issues are deepened as they have been studied over a long period of time. However, when it comes to the link between terrorism, political turmoil, as well as

political instability and tourism, the issue continues to be compounded by **unpredictable international political situations**.

Political instability and tourism share some common characteristics such as the participation of citizens from different countries and their importance during trips (Zhou, 2016, p. 8). Severe political turmoil threatens tourists and restricts tourist flows while the **negative influence** decreases or completely disappears. Due to this fact, many studies confirm that political instability and terrorism can not be separated. In many cases, tourists are often subject to **terrorist attacks** because they are considered ambassadors and representatives of hostile governments (Baker, 2000, p. 61). Assaults are aimed directly at tourists and destinations to achieve greater impact from attacks.

3. Tourism supply in the midst of political instability

Tourism is an industry related to national and international politics. The international nature of its supply positions it in the field of global politics. In recent years, tourism has been increasingly used in targeted political actions as it is perceived as an instrument for economic and social change. Like any business, it is **highly sensitive to the political environment** which it develops in. The driving force of the industry has always been consumer confidence. When a country experiences political upheaval or terrorist attacks, potential tourists may be warned not to visit the country. In times of increasing unrest and uncertainty, the tourists pull back from their usual holiday plans. This in turn could have a significant impact on tourism supply.

Political instability is often defined as a **condition of a country where the basic functional preconditions for control and maintenance of the social order are unstable and intermittently interrupted**. It can be considered from three points of view:

- a tendency to change the regime or the government;
- a political upheaval or violence in a society;
- the volatility of government policies that are subject to frequent changes.

In the context of globalization, a conflict in a region can affect world tourism supply and consumption as a whole. Even when a country's characteristics are highly valued and can't easily be replaced, attacks on tourists can **seriously harm** the tourism industry in the country. For a number of reasons, violent incidents are likely to affect tourist supply both at the same time and with a delayed impact. Tourists are highly sensitive to the **negative perception and image** of tourist destinations.

Violence can affect a tourist destination long after the end of the phenomenon and even when stability has been restored. Perceptions of political stability and safety are prerequisites for visiting tourists and stimulating tourist supply. Violent protests, social unrest, civil war, terrorist acts, perceived human rights violations or even the threat of these activities can cause a change in tourists' plans.

Tourism supply is faced with a series of long-lasting crises, one of which is the political instability that has been spreading in recent years. The existence of this implies the **destabilization of the economic performance of the tourism sector**. Tourism demand generally encourages economic growth where political instability is low. Tourism is heavily impeded in countries where political instability is high.

There are many possible factors that can divert the tourist flows from the affected destinations. However, war, terrorism or political instability have a far greater psychological negative effect on potential tourists when planning their vacations (Cavlek, 2002, p. 480). More than any other reason, they are a determining factor in the cases of “**deferred tourist demand**” where tourists postpone or completely cancel their trip. This is also a common situation in countries that are culturally rich and attractive (Parusheva, 2010, p. 25) but can not develop their full potential as a tourist destination due to these insurmountable obstacles (Parusheva, 2018, p. 130) These political crises can lead to the declaration of a state of emergency, which will increase the undesirable effects on tourism. Travellers become much more reserved with their spending or even hold off on booking trips completely.

4. Tourism planning in the face of terrorist threats

Terrorism is considered to be the most serious threat to international tourism. One of the most popular definitions defines terrorism as “**the intentional use or threat of using violence by individuals or sub-national groups to achieve a political or social purpose by intimidating a large audience beyond that of the immediate victim**”. It leads to much more severe and negative impact than any other man-made (crime, international conflicts) or natural (hurricanes, earthquakes, floods) disasters (Cavlek, et al, 2000, p. 330). Political instability can lead to terrorism when civil society denies the freedom to express political dissent, leading to protest.

Understanding terrorist targets can help unravel the link between terrorism and tourism. Targeting terrorist activities to tourists or the industry itself is deliberate and helps terrorists achieve goals such as publicity and the destabilization of the economy. Tourists can be subject to terrorism because of their tourism style that can demonstrate apparent and lavish consumption of tourism goods and services.

The effects of terrorist activity do not only concern stakeholders and services that are directly related to tourism such as hotels, airlines, guides, and so on. (Parusheva, 2013, p. 240). They also affect those who supply goods and services to companies working in the tourism industry. Particularly important are the consequences of terrorist events, mainly from an **economic point of view**. Indeed, the impact of such attacks on tourist supply is very significant. The sharp decline in international arrivals, overnight stays and hotel occupancy is a direct and eloquent result when countries are affected by similar events.

The way tourists choose their vacation today in conditions of unstable political relations and terrorism has also changed. Responding to their needs and requirements, tour operators **adapt their products and services** (Dimitrova, 2018, p. 148). Niche travel operators are trying to target the people looking to get away from it all. A large number of tour operators are directing their tourists to “safer” destinations, as the tourism industry continues to feel the effects of recent terrorist attacks in North Africa and Continental Europe. Others take advantage of the situation and offer their products with great discounts.

Popular trips to nearby all-inclusive destinations such as Egypt, Tunisia and Turkey were heavily affected by terrorist attacks and instability. Violent demonstrations negatively affected tourist arrivals for a long period of time. In the last decades, they have been a major **economic feature** in the formation of tour operator’ supply. Terrorist attacks that targeted foreign visitors caused damage to the important tourism industry, something that these and many other countries have struggled to overcome.

After these events, travel organizers were forced to focus their efforts and resources on other destinations, though not very suitable for mass tourism. There is a trend in which tourists begin to avoid exactly such high-risk crowded places. They are rated as **highly sensitive** to attacks and terrorist assaults. Perceiving the risk of terrorism can cause concern when traveling to a destination. Different levels of risk perception, along with other internal factors, can determine the motivation of tourists to travel.

In case of a terrorist attack, it is very likely that there is a problem in the trip. Airports, rail stations, ferry ports, roads can be closed even if they are not a direct target of attack. Another reason is the frequent strike of local residents or employees in the sector. In such cases, **additional accommodation costs** can occur. The value of any pre-booked trips, excursions or activities that will not be realized remains unused. Due to these facts, the industry gradually introduces travel insurance covering terrorist acts that cause **disruption to tourists’ travel plans**. Passengers are not only concerned about the risk of a terrorist attack, but also about the destruction and chaos that may follow, which leads to a waste of time and money. Tourists are increasingly looking for travel insurance, including coverage in the event of terrorism.

The supply of tourist products is highly susceptible to such events as they occur in the final destinations. Due to this fact, there are changes in the type of transport used, the accommodation and the **security measures** taken by the host and the outgoing destination. After several terrorist attacks around the world, governments and tourism companies began to recognize the effects of terrorism. They are continually developing more effective recovery strategies to manage these unforeseen cases in the most effective way.

The tourism supply including tourist boards, agencies, hotels and airlines is able to apply techniques to help restore a particular city or region after a terrorist attack. They can offer concrete **counter-terrorism measures** to fight global terrorism and increase

security. It is necessary to develop tours, packages and breaks in accordance with security requirements. They must offer safe accommodation and provide **full information** to tourists in advance of the current situation of the destination they are planning to visit.

5. Conclusion

Tourism is one of the fastest growing sectors in the world and tourism supply is undergoing continuous diversification. Changes in social, political and economic developments globally will probably boost the demand for foreign tourism in the coming years. This is also due to the expected rise in the living standards of many developing countries. There is an indisputable relation between terrorism and tourism, which must be actively managed in terms of security. Tourism supply must take into account factors such as employment planning and policies, analysis and emergency management. The rise in political instability and terrorism necessitates a reassessment of various policy issues in the field of tourism. The tourism sector, which has a tremendous prospect of playing an important role in boosting the economy could do better if political stability is provided. Terrorism can permanently harm a tourist destination, both socially and economically (Albu, 2016, p. 1). It has become a means of solving political, cultural and religious problems by focusing on tourism as a niche that can be a tribune for specific purposes. The tourism industry depends to a large extent on the public perception of destinations as a safe and secure place to visit.

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