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Paper for the 38th. congress of the Regional Science Association, April 1998

The ecology of organisations in tourism: a regional labour perspective

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Abstract:

Tourism is often claimed to be a major employment-creator and a viable path to development in rural areas. With the exception of the most sparsely populated areas, this is supported by Danish data for the overall growth in the number of enterprises and jobs, covering the period 1981-1994. The paper discusses the dynamics of regional tourism development in terms of the establishment of organisations, the survival and mortality of restaurants, and accommodation facilities. This study of the ecology of organisations unveils a considerable turbulence, i.e. a lot of entries as well as exits. Stability tends to correlate positively with agglomeration. However, the higher stability of enterprises in urban areas results in qualitatively different and more permanent types of employment.

Introduction

Disadvantaged regions and declining urban areas frequently clutch at tourism as the last straw for economic recovery. The economic strategies of these regions are supported by favourable global growth trends in tourism, which are often presumed to translate, more or less unabated, into increased economic activity at the local level (Inskeep, 1994; Smith, 1992; Theobald, 1994; WTO, 1997). Evidence based on tourist numbers and expenditure indicates that the benefits of tourism are widely spread, and that formerly closed or less accessible areas, e.g. in Eastern Europe, are catching up quite rapidly.

While benefits at the national level might be considered fairly obvious, it is less clear at the regional level. In a geographical sense, tourism is a multi-faceted activity (Pearce, 1991), and blights and blessings are not uniformly distributed. Regional outcomes are determined by numerous factors, e.g. differences in natural endowments, facilities and infrastructure, and accessibility. In this paper, the issue of unequal development will be analysed in terms of the establishment, survival and mortality rates of tourist enterprises. The spatial variation is expressed by means of the agglomeration/dispersion of the population. In this respect, therefore, geography has a decisive influence on organisational selection processes in the tourist industry.

A lot of political emphasis is placed on job creation in tourism, not least in rural districts, where continued productivity gains in agriculture hampers employment opportunities (Commission of the European Communities, 1994). But what kinds of jobs are created, and for whom? This paper investigates the regional aspects of gender, training requirements and job stability.

The last and concluding section of the paper discusses the sense in which tourism can be considered an appropriate target for regional development initiatives.

Methodology and data

This paper is firmly entrenched in long-established tradition of organisational ecology¹. It must be emphasised, however, that the level of sophistication of data and analysis in this paper does not fully match recent studies in organisational ecology. Furthermore, data on the geographical characteristics of the labour force in tourism are collected for other purposes than organisational ecology and not directly tied to the analysis of the establishment, survival and failure of business enterprises.

The basic unit of investigation in organisational ecology is the enterprise. All enterprises within a specific and well-defined industry constitute a population², and interlinked populations form communities. Here, it is proposed that the rates of foundation, survival, and failure are outcomes of dynamic selection processes. According to Baum's (1996) review, the explanatory

¹ See, for example, Baum (1996) and Singh & Lumsden (1995) for a review of this tradition. Freeman (1982) represents an early contribution to the tradition.

² Studies of organisational ecology include various populations, e.g. newspapers (Hannan and Carroll, 1992), telephone companies (Barnett, 1990), labour unions and breweries (Hannan and Freeman, 1989), trucking (Silverman et al., 1997) and banks (Lomi 1995). Tourism is represented by, for example, studies of hotels (Ingram and Baum, 1997) and fast-food outlets (Hannan and Freeman, 1989).

variables include the following:

Table 1: Major ecological processes in organisational foundation, survival and failure

Approach	Key variables
Demographic processes	<u>Organisational age</u> <u>Organisational size</u>
Ecological processes	<u>Niche dynamics</u> , indicating that the population employs a specialist or generalist strategy, depending on the nature of the environment <u>Population dynamics</u> , e.g. prior foundations or failures signalling favourable or the lack of business opportunities <u>Density dependence</u> , e.g. the number of units in the population, indicating legitimacy and competition <u>Community dependency</u> , e.g. cross-population density
Environmental processes	<u>Institutional processes</u> , e.g. political turmoil, government regulation, and institutional linkages <u>Technological processes</u>

This paper adds a further environmental process to Baum's (1996) list, namely geographical agglomeration³. Business foundations and failures are thus related to fundamental business opportunities in a distinctly consumer-oriented service sector. In addition, the study briefly discusses various ecological processes, in particular the interdependency between accommodation and restaurant services. Tentatively, it adds to the tradition by including the composition of labour as a supplement to the analysis of demographic processes⁴.

The availability of long time series of data is crucial to the analysis of organisational foundation, survival and mortality. Ideally, time series should cover the entire period of existence of the population, as, for example, in the studies of co-operative banks in Italy (Lomi, 1995) and breweries (Hannan and Freeman, 1989). In many cases, however, data does not exist for consistent time series covering a century or more. While this study has access to data of high quality and consistency, the material only covers the period 1981-1994.

The enterprises included in the study are operating units, e.g. workplaces with a salaried workforce. Companies can consist of several such geographically dispersed units. Since this paper focuses on geographical and employment issues, companies are not considered relevant as units for analysis. Throughout the paper, the workplaces will be called "enterprises".

³ This analysis uses the following five agglomeration categories:

- * Metropolitan areas
- * Cities with more than 40,000 inhabitants
- * Towns with 10,000-40,000 inhabitants
- * Villages with 33-100% of inhabitants living in urbanised areas
- * Other rural municipalities

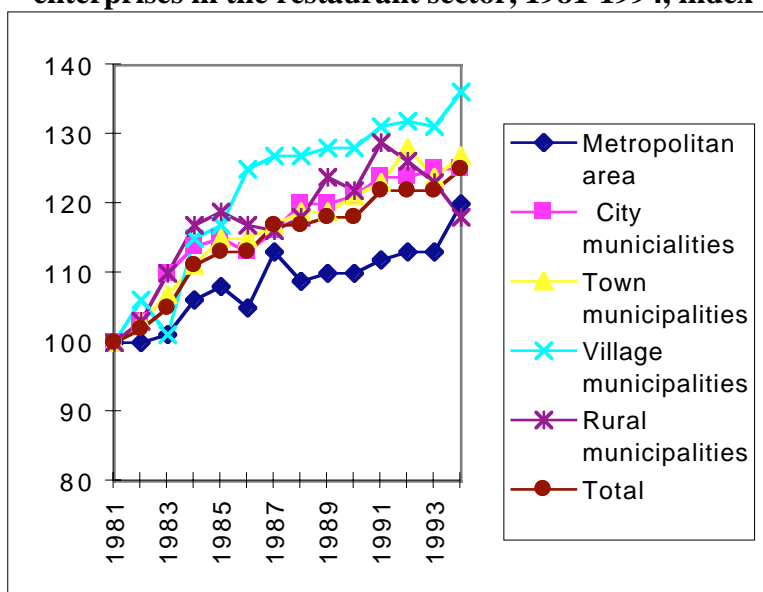
⁴ Hannan (1988) mentions the importance of this issue, but he and other authors have not included the labour dimension in their empirical studies of organisational ecology.

The establishment, survival and mortality of enterprises are complex phenomena, which are not easy to register unambiguously. The IDA data bank⁵, which is used as a source for this analysis, records several categories, mainly based on the movements of the labour force. For example, an enterprise may survive legally, but nevertheless lose its status as a place of work, i.e. its identification as an organisation. Similarly, businessmen can operate permanently, or for a long period of time, without salaried employees. A closure could be the result of a merger. To ensure the highest possible consistency and avoid the effects of passive organisations in the data set, therefore, only employers are included in the analysis.

Geographical development in the restaurant and accommodation sector

Figure 1 illustrates the growth of the restaurant sector⁶. In the period 1981-1994, the number of restaurants increased by 20%, to a total of 6,500. Growth slowed only during the period 1988-1990, due to political intervention aimed at limiting private consumption.

Figure 1: Geographical development in the number of enterprises in the restaurant sector, 1981-1994, index



It is interesting to observe that, until very recently, the number of restaurants in the metropolitan area has grown quite modestly, while other types of municipalities have experienced more rapid growth. Growth has been more unstable in rural areas, and not visibly influenced by various political interventions, but there has been a genuine decline in the period 1990-1994.

The metropolitan area is likely to have established a fairly high level of catering opportunities at an early stage, while urban lifestyles are adopted later in smaller towns and rural districts. The

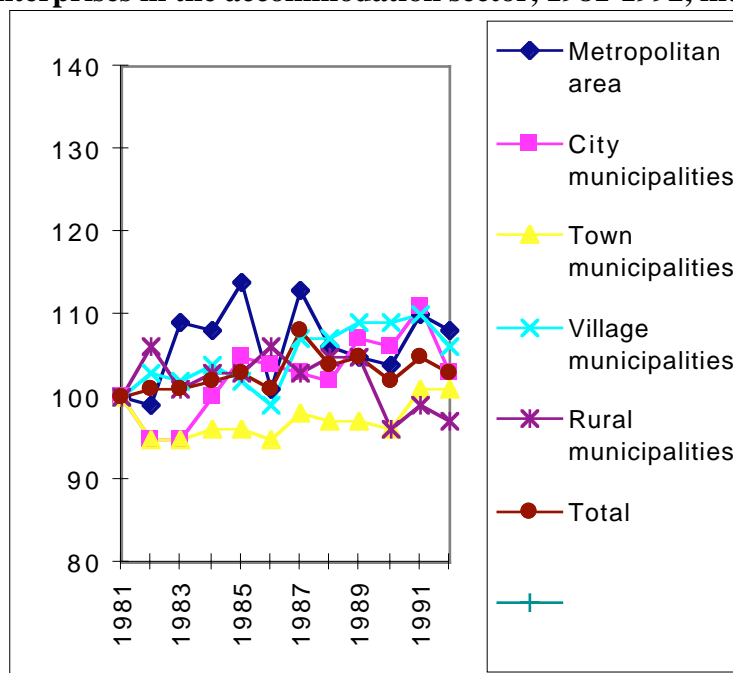
⁵ Statistics Denmark, IDA= Integrated databank for labour market analysis.

⁶ Statistics Denmark changed the standard industrial classification system in 1992, from ISIC (International Standard Industrial Classification) to NACE (Nomenclature general des Activités économiques dans les Communautés Européennes). 1981-1992: ISIC codes 63.101 and 63.109. 1993-1994: NACE codes: 55.30.10, 55.30.20, 55.30.90, 55.40.10, 55.40.20, 55.40.20, 55.40.90, 55.52.00.

decline in rural areas may be due to the difficulty of running a restaurant in sparsely populated areas; after years of effort by new and existing owners to stay in business, there has been a rash of closures. This will be examined in more detail later.

The development process found in the accommodation sector (hotels, camping sites, youth hostels)⁷ is illustrated in figure 2.

Figure 2: Geographical development in the number of enterprises in the accommodation sector, 1981-1992, index



From 1981 to 1992, there was an overall increase in the number of enterprises in the accommodation sector, from 1195 to 1225 units. Compared with the growth in the restaurant sector, this is a modest increase. The lack of interest in investing in new hotels, youth hostels and camping sites might be due to a considerable over-capacity and low return on investment throughout the period (Holm-Pedersen et al., 1993; Pade & Partnere, 1992). Moreover, tourists seem to prefer alternative accommodation, predominantly rented weekend cottages. Unfortunately, the latter cannot be included in this analysis.

It can be presumed that accommodation and restaurant facilities develop interdependently. A bed and access to food are basic needs of any tourist. However, it is only in rural areas that there is any plausible correlation between restaurants and accommodation facilities. In other areas, the effects of local residents' spending on restaurants will tend to modify the correlation between the development of catering and accommodation.

To sum up, tourism is a sector with considerable dynamics, particularly in sub-sectors with low entry and exit costs, such as restaurants. The next section takes a closer look at the gross number of business foundations, survivals and failures.

⁷ 1981-1992: ISIC codes: 63.201, 63.202, 63.203, 63.209. 1993-1994: NACE codes: 55.11.10, 55.11.20, 55.12.00, 55.21.00, 55.22.00, 55.23.10, 55.23.90

Foundations and failures - main findings

The glamorous picture of growth in tourism conceals the extent and nature of the more subtle dynamics of the sector. The establishment, development and maintenance of a business is, of course, the result of the skills of the individual businessman and the success of the strategy adopted. But organisational ecology emphasises other causes than individual ones, focusing on the environmental context that produces variations in organisational foundation and failure rates over time.

Table 2 shows the annual average and standard deviation of survival, foundation and failure rates for the period 1981-1994 for restaurants and accommodation respectively. The following definitions are used for the “population ecology events” included in the analysis:

Survival: Enterprises with a salaried workforce, which continue unchanged from one year to the next, though there can be supplements to the workforce or dismissals to/from other enterprises.

Three types of foundation can be distinguished:

New enterprises: Enterprises not found in the data set in previous years.

Spin-off enterprises: Enterprises established through the formal segregation of part of another enterprise, where the majority of employees are kept on.

Barrier-breaking enterprises: Enterprises which, in the previous year, existed without a salaried workforce, e.g. “mom-and-pop” businesses or passive enterprises.

As regards failures, only total closures are included in this data set. Registrations concern events which take place from one year to the next, and averages over the period 1981-1994 are calculated.

Table 2: Accumulated average survival rates (percentage of population), mean and standard deviations of survivals, restaurants and accommodation facilities, 1981-1994, by location

	Metropolitan	Cities	Towns	Villages	Rural areas	Total
Restaurants						
Survival rates	76.9	76.0	76.1	75.1	72.5	75.7
Av. annual survivals	1,538	844	878	780	534	4,566
Standard deviation	45	56	66	90	43	289
Accommodation						
Survival rates	84.7	82.6	83.1	81.9	79.6	82.1
Av. annual survivals	171	105	198	282	267	1,023
Standard deviation	11	7	15	19	12	52

Table 2 illustrates the turbulence in tourism. From one year to the next, and accumulated for the period 1981-1994, only 76% of restaurants survive. The average survival rate for accommodation establishments is somewhat higher, at 82% per year. There is some correlation between survival rates and geography: a location in an urban area increases the probability of survival, albeit only slightly.

The above picture is supplemented by the standard deviation for the two areas. The relative dispersion in the number of survived restaurants in the period concerned is lower in urban areas than rural areas. This pattern is not seen in the case of accommodation facilities, however.

Table 3 contains information about foundations, most of which are completely new enterprises. Annually, 15.3% of the population of restaurants is renewed by the foundation of new enterprises, while 5.5% is renewed as a result of enterprises shifting from being purely family-based or passive to active employers. Spin-offs account for a smaller number. The same pattern is found in the accommodation sector, though the foundation rates are lower in all groups.

As could be expected from the overall survival rate, the dynamics are less accentuated in urban areas than in more sparsely populated locations. But the composition of the foundations differ in important respects. The rate of spin-offs correlates positively with agglomeration, probably because higher density facilitates such transformations.

Table 3: Accumulated average foundation rates (percentage of population), means and standard deviations, restaurants and accommodation facilities, 1981-1994, by location

	Metropolitan	Cities	Towns	Villages	Rural areas	Total
<u>New enterprises</u>						
Restaurants						
Foundation rates	14.1	15.6	15.6	15.6	16.8	15.3
Av. annual foundations	282	174	180	161	124	920
Standard deviation	15	19	24	20	20	111
Accommodation						
Foundation rates	7.2	9.3	9.5	10.1	10.9	9.6
Av. annual foundations	5.7	3.6	9.2	17.0	22.9	58.2
Standard deviation	1.7	1.8	1.3	4.2	6.5	8.5
<u>Spin-offs</u>						
Restaurants						
Foundation rates	3.9	3.6	3.5	3.1	2.8	3.5
Av. annual foundations	77	40	42	32	20	212
Standard deviation	24	10	13	11	8	59
Accommodation						
Foundation rates	4.8	3.6	3.4	3.1	2.6	3.3
Av. annual foundations	9.6	6.6	8.1	8.4	8.6	44.2
Standard deviation	6.5	7.5	2.6	2.7	2.7	14.6
<u>Barrier- breaking</u>						
Restaurants						
Foundation rates	5.1	4.8	4.8	6.1	7.8	5.5
Av. annual foundations	103	53	52	61	57	330
Standard deviation	30	12	15	8	7	57
Accommodation						
Foundation rates	2.9	2.8	2.9	5.1	6.8	4.7
Av. annual foundations	5.8	3.6	9.2	17.4	22.7	58.2
Standard deviation	1.7	1.8	1.3	3.5	6.5	8.5

By contrast, the considerable number of foundations based on the transformation of family enterprises to employers is characteristic of rural and other sparsely populated areas. Enterprises of this kind can move in and out of the status of employers for years before finally closing, or until they are assured of a permanently higher level of business⁸.

The various means and standard deviations give a blurred picture. Notwithstanding, there is some indication that, for restaurants, turbulence as reflected in the variance of foundations in the period 1980-1994 is higher in small communities and sparsely populated areas. However, this is not the case for foundations based on the development of family-based enterprises, which is

⁸ Britton (1991) discusses this in terms of a particular version of exploitation of the rural (family) labour force. Bouquet et al. (1987) also investigates various forms and consequences of the diversification of agricultural holdings into tourism.

obviously a normal business practice in rural areas and village economies, in that it takes place with “standard” frequency.

We now turn to the geographical distribution of failures. Only one type of event is included in the table below: final closures, where employees are dismissed and the organisation is dissolved.

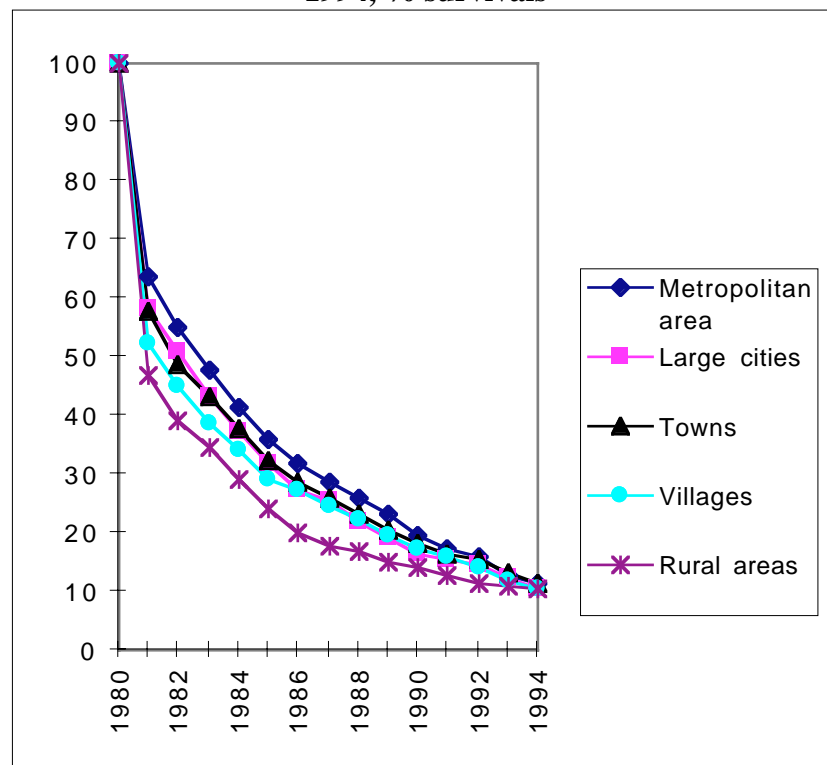
Table 4: Average failure rates (percentage of population) and standard deviations, restaurants and accommodation facilities, 1981-1994, by location

	Metropoli-tan	Cities	Towns	Villages	Rural areas	Total
Restaurants						
Av. failure rates	11.2	12.6	13.3	13.5	14.8	12.7
Av. annual failures	172	105	198	282	267	1023
Standard dev.	12	7	16	19	12	54
Accommodation						
Av. failure rates	6.7	8.9	9.9	9.0	10.6	9.2
Av. annual failures	13.4	11.2	24.5	30.3	35.4	115.2
Standard dev.	3.6	3.2	5.5	5.6	7.5	15.2

The proportion of failures correspond to average foundation rates (new enterprises). While fewer enterprises were established in densely populated areas, failure rates are also (slightly) lower than in rural areas and villages.

Of interest here is whether there is a “hard core” of enterprises that are never affected by turbulence, and, if so, whether there are any specific regional differences in the proportion of enterprises that can be regarded as such. In order to illuminate this, figure 3 below shows the survival rates of the 1980 population (all enterprises) for the period 1981-1994.

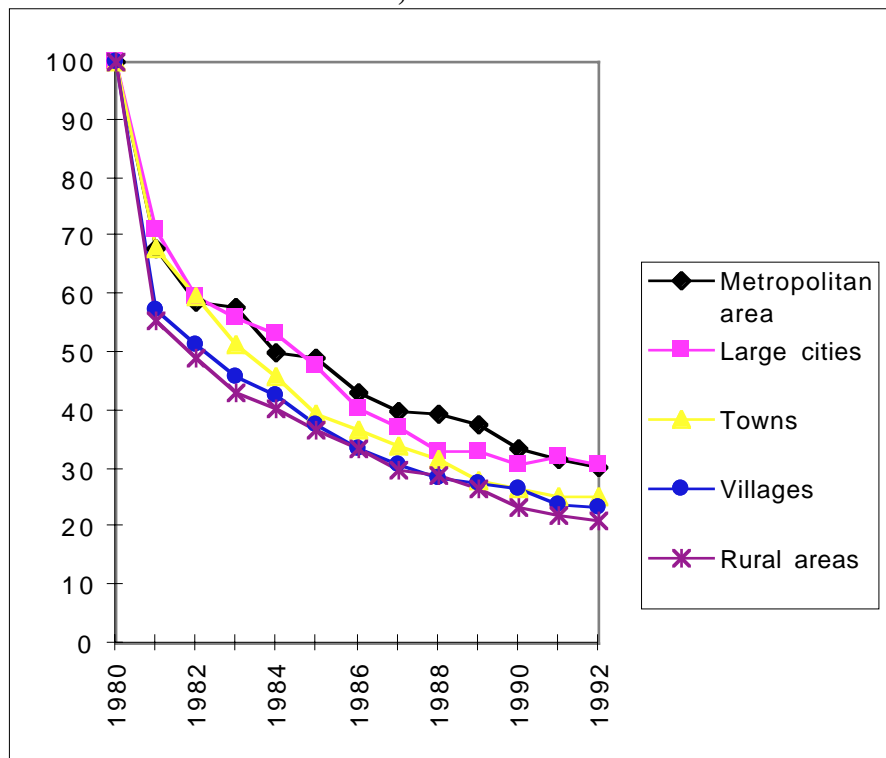
Figure 3: Gradual decline of the 1980 population of restaurants in the period 1980-1994, % survivals



It can be seen that, over a period of 14 years, there is a considerable, but gradual, decline in the number of enterprises. At the end of this period, less than 20% of restaurants have not been through major organisational change. Closure rates are particularly high during the “infancy period”. When regional aspects are included, it can be seen that the initial vulnerability is higher in less agglomerated areas. However, in the long term, survival rates end up at approximately the same level.

Very similar conclusions can be drawn about the survival of accommodation facilities, though, on the whole, hotels, camping sites and youth hostels are less likely to close or undergo major organisational change than restaurants (see figure 4). There is no long-term regional congruence of survival chances for the population of accommodation facilities as there is with the population of restaurants.

Figure 4: Gradual decline of the 1981 population of accommodation facilities, 1981-1992, % survivals



Composition of labour

This section takes a more detailed look at the labour perspective. As mentioned in the introduction, employment is often the main driving force of tourism policies. Table 5 shows some remarkable differences in the composition of labour in the metropolitan area and the rest of the country.

The period saw a considerable increase in employment in non-metropolitan areas, while in Copenhagen and its suburbs, there was a small job loss. Interestingly, the growth in jobs does not affect personnel turnover, which is very high in both regions. Rapid turnover seems to be a structural rather than a geographically-determined phenomenon, and it is not likely that the growth in tourism will result in a stabilisation of employment.

The recruiting patterns of metropolitan tourism enterprises differ in their greater use of immigrants. Immigrant labour is in greater supply in large cities, which is partly the reason for the relatively high average here.

Table 5: Composition of labour

	Metropolitan area	Other regions
Development in employment 1985-92, % growth		
- restaurants	-1.6	+ 51
- accommodation	- 5.6	+ 16
% female employment, 1994		
- restaurants	49	59
- accommodation	50	63
% immigrant employment, 1994		
- restaurants	12.2	3.4
- accommodation	14.1	2.3
% student part-time workers, 1994		
- restaurants	30	41
- accommodation	28	38
% with a formal education in tourism		
- restaurants	21	14
- accommodation	26	13
Labour turnover ⁹		
- restaurants	220	220
- accommodation	186	198

Source: IDA data bank

While the employment of students (working part-time) is surprisingly high all over the country, the geographical variation is most remarkable. Despite the high concentration of educational institutions at all levels in the metropolitan area, student labour is more intensively utilised by enterprises outside the metropolitan area.

Correspondingly, the employment of persons with a formal education in tourism is more pronounced in the metropolitan area than in other parts of the country. Generally, the overall number of trained cooks, waiters, receptionists, tourism economists and sales persons, etc., is rather limited compared with the number of students who have graduated in these areas over the past few decades (Hjalager, 1996). Accordingly, the high turnover rate is also explained by a search outside core tourism for better-paid jobs, more convenient working hours, etc. (European Institute, 1991; Iverson and Deery, 1997; Riley, 1991). To the extent that students do take up permanent residence at the site of work, this employment represents a net surplus (tax-paying and economic activity) for less agglomerated areas. However, the loss from local economies caused by a geographically mobile and flexible student workforce is a fact that should be considered when evaluating the benefits of tourism development in remote or sparsely populated areas.

Women are particularly heavily represented in tourism jobs outside the metropolitan area. This could be due to a number of causes. The highest proportion of women in tourism is found in west Jutland, in areas with very low average unemployment rates, where the male labour force is more likely to be employed in (more attractive and better paid) jobs in manufacturing industries. Conversely, higher unemployment and lower growth in the Copenhagen area tends to make men stay in the sector, since there are fewer alternatives.

⁹ Calculated as the number of persons employed throughout the year as a percentage of the number of employees by November 1.

The labour issue underlines the need to treat the potential benefits of regional tourism development strategies with some caution. The opportunities and benefits should be modified to take account of greater instability, less attractive types of jobs, and economic loss.

The composition of labour and organisational survival

The first part of this paper discussed the ecology of tourism enterprises, and levels of turbulence were shown to correlate with the levels of agglomeration. The next section addressed regional differences in the composition of labour, documenting the (in a traditional sense) less sustainable recruiting practices in non-metropolitan areas. Combining these two aspects raises the question of whether the composition of the labour force has any significant effect on organisational survival.

To help answer this question, a regression analysis of the ecology data was carried out. Enterprises that existed in both 1993 and 1994 are included in the analysis. Their survival is related to age and size and, in Model 2, to the proportion of unskilled and skilled workers and junior and senior managers. Table 5 shows parameter estimates, standard deviations and the chi-square test results in the case of restaurants.

Table 5: Regression coefficients of the relation between organisational survival and the proportion of specific categories of labour and restaurants, 1994 compared with 1993 (standard deviations in brackets; * = statistically significant at the 5% level)

	Metropolitan area	Large cities	Towns	Villages	Rural areas
Model 1:					
Age	-0.1412 * (0.0110)	-0.1309 * (0.0152)	-0.1144 * (0.0139)	-0.1131 * (0.0140)	- 0.1167 * (0.0157)
Size	-0.1412 * (0.00379)	- 0.0711 * (0.00761)	-0.0619 * (0.00711)	-0.0762 * (0.00859)	-0.0968 * (0.0111)
Model 2:					
Upper management	-0.00383 (0.00302)	0.00371 (0.00510)	-0.00289 (0.00442)	-0.00182 (0.00486)	0.00311 (0.00624)
Lower management	-0.00074 (0.0223)	0.00259 (0.00288)	0.00103 (0.0283)	-0.0105 * (0.00387)	0.00316 (0.00320)
Skilled workers	0.000561 (0.00161)	-0.0007 (0.00246)	-0.00372 (0.00299)	0.00135 (0.00322)	0.000116 (0.00373)
Unskilled workers	0.00106 (0.00178)	-0.00245 (0.00255)	-0.00561 (0.00266)	-0.00253 (0.00259)	-0.00039 (0.00273)

The table shows a clear relation between age and size. Business strategies aimed at obtaining advantages of scale, and which rely on the internal division of labour, seem quite uniformly to enhance survival chances. As experience is gained and organisational set-ups and routines are established, enterprises have a greater probability of survival. The effects of age and size applies to restaurants in all five regions without any significant variation.

Labour consists of two categories of managers and two of employees. The restaurants' human resource policies are not significantly correlated with survival - size and age have a far more decisive explanatory value. For example, a substantial managerial capacity does not seem to prolong the life of restaurants to any significant degree, nor does the existence of relatively numerous skilled workers.

It was previously stated that restaurants in the metropolitan area employ comparatively more skilled workers. This analysis shows that giving a higher priority to this category of labour does not offer any guarantee of survival. Nor does a relatively high proportion of any other category of staff increase the likelihood of survival.

Table 6 illustrates the same pattern of age- and size-related survival probabilities in the accommodation sector, a tendency which is uniform over the five agglomeration categories.

Table 6: Regression coefficients of the relation between organisational survival and the proportion of specific categories of labour and accommodation facilities, 1994 compared with 1993 (standard deviations in brackets; * = statistically significant at the 5% level)

	Metropolitan area	Large cities	Towns	Villages	Rural areas
Model 1:					
Age	-0.1275 * (0.0315)	-0.1366 * (0.0411)	-0.1632 * (0.0315)	-0.1090 * (0.0219)	-0.0829 * (0.0229)
Size	-0.00488 * (0.00353)	-0.0406 * (0.0109)	-0.0334 * (0.00822)	-0.0589 * (0.00948)	-0.0973 * (0.0152)
Model 2:					
Upper management	0.00248 (0.00954)	0.0244 * (0.00996)	0.00483 (0.00929)	-0.0164 (0.0128)	0.000866 (0.00634)
Lower management	0.000086 (0.00954)	0.0125 (0.0133)	-0.0260 (0.0146)	0.00653 (0.00582)	0.00579 (0.00575)
Skilled workers	0.00394 (0.0100)	-0.00109 (0.00894)	-0.00292 (0.00936)	-0.0215 * (0.00909)	0.00780 (0.00634)
Unskilled workers	-0.00913 (0.0119)	-0.00252 (0.0111)	-0.0260 (0.0146)	0.00653 (0.00582)	-0.00560 (0.00632)

Hotels/camping sites are generally larger types of enterprises than restaurants and, in consequence, can be expected to put a greater emphasis on the management capacity and to formalise these employment categories more than smaller enterprises (Hjalager, 1996). However, it is not possible to show from this regression analysis that the proportion of managers is a particularly significant factor for the survival of these enterprises. Nor do other categories of staff crucially influence the survival rates of accommodation facilities. For example, according to these data, the use of low-skilled operating staff cannot uniformly ensure survival. The variance in the composition of labour is considerable, and there does not seem to be any one “best practice” regarding the composition of manpower in the field of human resources management. If such a thing as a distinct regional variation in more subtle managerial traditions does exist, it is not observable in this data set.

Since survivals are not easily explained by the composition of labour, it is very difficult, using these types of data, to find support for regional tourism policies that focus specifically on labour or training issues. If the aim is to enhance survival in the tourism industry, other measures, with a greater focus on investments, infrastructure, concept and process innovation, quality standards, marketing, etc., would be more appropriate. Labour market or manpower policies should be regarded as supplementary or auxiliary instruments only.

Conclusion and discussion

The data used in this paper show that tourism has contributed significantly to growth in the number of enterprises and jobs in regions normally characterised in the literature as disfavoured¹⁰. One exception is sparsely populated areas, where a negative trend has lately replaced former growth. Notwithstanding, it is debatable whether the non-agglomerations fully deserve to be called “disfavoured” any more. In the Danish periphery, there are parallel positive developments in manufacturing industries, resulting in the stabilisation of local economies and increasing employment, which is not only based on tourism.

However, considering the traditional view of regional development processes and the supplementary information in this paper, there are still some reservations. It was shown that turbulence, in the sense of the establishment and closure of enterprises, is somewhat more intense in less agglomerated regions. In the traditional view of regional development, instability and turbulence are unquestionably harmful. The composition of labour could also be seen as unfavourable to regional peripheries. There is plenty of evidence of low qualification levels and high turnover rates, which could be interpreted as a lack of organisational capacity and professionalism.

Paradoxically, however, while positive development trends in tourism are regarded as beneficial, the composition of labour is, to some extent, inconsistent with the concepts of a modern and professional tourism sector (Poon, 1993). Most regional policies approach this dilemma by attempts to bridge the competence gaps of the workforce. This article illustrates the serious limitations of training programmes and labour market policies. These reservations apply to all types of regions.

The appropriateness of regional development theories or concepts could also be questioned. Are dominant regional development concepts and theories losing their explanatory power? High numbers of entries and exits could, for instance, be regarded as an expression of ultimate flexibility and adaptation to extreme and rapid changes in the business environment (Lant and Mezas, 1990). Exits imply the destroying of capital and institutional set-ups and routines, and in this sense they represent monetary and personal losses. On the other hand, it can also be necessary in order to make way for new business concepts and new modes of organisational learning. The material presented here indicates that learning in the tourist sector is not a gradual and strategically well-planned and internally organised process, as is the case in other industries.

Increasingly, researchers challenge the ideas of rigid labour markets as something connected to the era of modernism (Clegg, 1990; Clegg et al., 1996). On the contrary, postmodern enterprises continually redefine their relations to the environment, including relations to the labour market. Enterprises need access to a “contingent workforce”, members of which are flexible as regards working hours, work load, and functions. In addition, members of a contingent workforce should be prepared to take their own economic responsibility for periods of unemployment, and, on their own initiative, to acquire new competencies needed by potential employers (Reich, 1991; Sabel, 1995). Bridges (1995) and Hall and Mirvis (1996) regard the breaking down of rigid labour markets as a gain for personal freedom and as a way of achieving higher job satisfaction and higher income. However, both Doeringer et al. (1993) and Sabel (1995) express concern about the majority of the workforce for whom such a major change in person-

¹⁰ As, for example, expressed by Amin (1976) and numerous, particularly neo-marxian, scholars with reference to Amin. The idea has strongly influenced policies aimed at alleviating dependency and discrepancies between centres and peripheries.

ality and attitudes is not possible. These difficulties persist, in their opinion, not the least in depressed regions.

Are the turnover rates and excessive use of student labour in tourism an expression of the existence of a contingent work force? Is tourism a “virtual labour market” for persons seeking jobs which require particular flexibility? The extraordinary dynamics, the particular composition of labour, and the lack of correlation between the composition of labour and survival indicate that, for many years, tourism in all types of regions has adapted to “postmodern” modes of organisation. It underlines the point that tourist enterprises in the non-agglomerations cannot be regarded as particularly underprivileged, at least not in relation to the labour supply.

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