Globalisation, Reterritorialisation and the Political Economy of Tourism Development in the Middle East

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A major limitation of most political economy studies of globalisation is that they view globalisation almost exclusively in terms of deterritorialisation. This essay, in contrast, emphasises how increases in the transnational mobility of people, capital and information can also result in reterritorialisation, which is the increased relevance of location and characteristics of place for global economic activity. In contrast to the erosion of the territorially based powers of nation-states often associated with deterritorialisation, the reterritorialisation of economic activity can increase the power and regulatory influence of state, societal and transnational agents who are able to exert control over territorial assets and the reterritorialisation process. The essay uses the concepts of deterritorialisation and reterritorialisation to develop a framework to analyse the changing political economy of one of the most understudied aspects of globalisation, the international tourism economy. With a focus on the development strategies of states in the Middle East and North Africa, the essay explores efforts to generate ‘experiences of place’ for tourists and territorial-based economic rewards for firms and their political consequences.

It would seem that there may be no better place from which to observe the process of globalisation than watching the rush of passengers through the transit terminal of an international airport. As travel writer Pico Iyer reports, airports are ‘the new epicenters and paradigms of our dawning post-nationalist age’. Viewed from this perspective – amidst the business lounges, foreign exchange booths, and duty free shops – flows of people, currencies and commodities from around the world seem to glide effortlessly across the globe unconstrained by the geographies of distance or the territorial boundaries of national economies. At a glance, this perspective reflects a common trope in the popular and academic discourses about globalisation: increases in the transnational mobility of capital are eroding the territorially based capacities of nation-states to regulate economic activity, insulate their national economies and promote economic development. As Kiren Aziz Chaudhry explains,
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‘internationalisation exerts new pressures on institutions by opening up a rift between the political sphere, which is still nationally based, and the economic realm’, which is increasingly organised by transnational firms operating in globalised markets.³

On second thought, however, a visit to the airport, especially in the post-11 September era, might lead one to a different conclusion. Like Iyer, foreign policy scholar Walter Russell Mead observes that ‘the international airport is both an agent and a symbol of the new global economy that is eclipsing the nation-state’, but in contrast, he also suggests that ‘from passport and customs control to air traffic control and international aviation agreements, the airport is one of the places in our society where the nation-state’s power is most keenly felt’.⁴ This alternative reading of the airport is represented in the debate about globalisation by those sceptical of claims about the erosion of the regulatory power of nation-states. Many of these scholars suggest that the scale and scope of transnational economic flows have been overstated and misrepresented as most economic activity remains contained with state-defined national boundaries.⁵ With a focus on the behaviour of firms and the regulatory institutions of governments, many political economists downplay the impact of globalisation, emphasising that ‘governments…retain the authority to tax, regulate, and otherwise influence business activities’.⁶ Moreover, a growing school of statist-oriented political scientists argue that through interventionist industrial policy, domestic social policy and influence over the shape of international economic institutions, states are conditioning their firms and national economies to the globalisation of production while retaining or even increasing their powers to guide economic change and its social consequences within their territories.⁷

Shaped by these rival perspectives, much of the debate about the impact of globalisation in the field of comparative and international political economy has been structured around assessing to what degree new patterns of global economic activity and economic policy regimes (such as neoliberalism and the so-called ‘Washington Consensus’) are eroding the capacities of nation-states – especially in developing countries – to regulate economic activity and insulate their populations from the impact of global markets. The frameworks employed by these studies, however, have generally failed to fully recognise the complexity of the transformations caused by globalisation and the full range of mechanisms states and local private firms have developed to respond to them.

A major limitation of this literature is that globalisation is almost exclusively measured in terms of deterritorialisation. Deterritorialisation, Gearóid Ó Tuathail notes, ‘is the name given to the problematic of territory losing its significance and power in everyday life’.⁸ The concept of deterritorialisation, which remains the dominant measure of globalisation in popular and academic
discourse, implies that as distances and national barriers become easier and cheaper to traverse, location comes to matter less to economic activity, resulting in the detachment of production systems and consumer markets from specific (national) territories. To the degree that patterns of economic activity are becoming deterritorialised within particular economic sectors in particular countries (and this, of course, remains the focus of much debate) it is generally assumed that the nationally defined and territorially based powers of nation-states to regulate economic flows are being decreased.9

Regardless of the validity of various efforts to assess the scope of deterritorialisation affecting particular sectors of economic activity, these studies of globalisation fail to take into account how ‘locations constitute both space and place’.10 As John Rennier Short observes, ‘The popular view is that that globalisation leads to space. The particularities of place are overwhelmed by globalisation to create a bland space that covers most of the world.’11 But as Short explains, ‘globalisation is a dialectic process that creates both space and place. The connection between location and globalisation is not simply the creation of space; it is the formation of new forms of a space-place nexus.’12 This essay draws on recent work in the field of economic geography to show how increases in the transnational mobility of people, capital and information can also result in the increased relevance of location and characteristics of place for global economic activity. For example, as firms increase their ability to access resources and to distribute their products across greater distances, they will often seek to cluster themselves in specific localities in order to capture territorially defined economic benefits such as those generated by their proximity to other firms. I refer to this process as reterritorialisation.13

In contrast to the erosion of the territorially based powers of nation-states often associated with deterritorialisation, I suggest that the reterritorialisation of economic activity can increase the political power and regulatory influence of state, societal and transnational agents who are able to exert control over territorial assets and the reterritorialisation process. In other words, viewing aspects of globalisation in terms of reterritorialisation gives us a tool to analyse alternative modes and scales of territorial regulation over global economic flows and better appreciate the role of state, local and global non-state actors in supporting and challenging these modes. Globalisation should be analysed as a process entailing, often simultaneously, both deterritorialisation and reterritorialisation as each generates differing political dynamics in terms of the governance of territory and economic activity. The two processes often work in tandem where global transportation and communication networks (which are often themselves built upon highly territorialised infrastructures and nodes) promote the deterritorialisation of economic activity while enabling the formation of new spatial configurations characterised by reterritorialisation.
Using this lens, which views reterritorialisation as a critical aspect of globalisation, this essay explores the changing dynamics of post-war international tourism development across the Mediterranean and the Middle East. While international tourism remains an overlooked topic in the vast political economy literature on globalisation, the expansion and transformation of international tourism has long exhibited many of the core features of what has come to be characterised as globalisation. Tourism drives transnational flows of people, commodities and capital which circulate in globally coordinated production networks governed by large transnational firms such as airlines, tour operators and hotel management companies. International tourism also operates literally on the leading edge of globalisation by continually transferring consumer tastes, cultural practices, business people and capital across the globe.

The post-war global tourism economy has also exhibited distinct patterns of both deterritorialisation and reterritorialisation. The dominant form of international tourism in the early post-war period – standardised mass beach tourism – represented one of the earliest and most widespread examples of deterritorialisation in the post-war global economy. In contrast to the elite-dominated pre-war international tourism market, in the 1950s and 1960s Fordist patterns of mass production and mass consumerism enabled a vast expansion of the international tourism market in the form of packaged holidays organised around highly place-substitutable low cost beach tourism along the shores of southern Europe. This deterritorialisation of tourism allowed for the territorial expansion of tourism development across the Mediterranean and the integration of the Middle East and North Africa into the global tourism economy. By the 1980s, however, the market for beach tourism was becoming increasingly saturated while the ever-expanding international tourism market, incorporating new territories and practices into the global tourism economy, became segmented and increasingly dominated by many place-particular forms of tourism – such as ecotourism, urban tourism and heritage tourism – characterised by reterritorialisation. Meanwhile, pressured by the decline of oil incomes and labour remittances in the mid 1980s, many states across the Middle East and North Africa sought to promote tourism development in an attempt to generate national wealth and state revenue.

Tourism is a critically important sector to study because for many states in developing regions, such as in the Middle East, the promotion of tourism development has represented the most feasible means for them to foster reterritorialisation within their territories as they try to promote economic liberalisation and the incorporation of their economies into global markets. While tourism characterised by deterritorialisation forces tourism developers to compete with similar rival locations based on price, this essay explores how tourism characterised by reterritorialisation created new opportunities for states in developing countries to promote tourism development by means other
than creating cheaper mass tourism products. While developing states have little power to reshape the global networks of transnational corporations dominating the international tourism economy, they have been able to exert territorial control over tourism spaces to generate ‘experiences of place’ for tourists and territorial-based economic rewards for firms. This process, however, has also created new challenges for state building. States and local tourism developers must still negotiate relations with transnational tourism companies and mobile flows of capital, as they did in the context of the deterritorialisation of tourism development, but the reterritorialisation of tourism development has also forced them to engage in more intense struggles with local and transnational actors – from private land owners and tourist firms to indigenous communities and archeologists – with rival objectives and interests in the development of territorial resources for tourism development and the symbolic representation of territorially based identities and cultures.

This study, while focused on the politics of tourism development in the Middle East, outlines a political economy framework for analysing the changing patterns of global tourism, alternative modes for the promotion of tourism development, and the political consequences of different patterns of development. International tourism is but one aspect of globalisation transforming patterns of economic development across the globe. Nevertheless, by using it as a case study through which to explore how globalisation generates deterritorialisation and reterritorialisation, this essay seeks to enrich the debate about globalisation and development in the field of comparative and international political economy. In particular, the essay suggests that the analysis of the political struggles over the governance of the local territorial economies generated by globalisation is critical to the formulation of an understanding of globalisation not as an inevitable, linear process leading towards increased deterritorialisation, but as an uneven, politically contingent process shaped by both global forces and local political struggles.

Reterritorialisation, Locational Economies, and the State

To analyse the dynamics of globalisation it is critical to understand how globalisation can result not only in deterritorialisation but also in the reterritorialisation of production where there is an intensification of the importance of location and territory for economic activity. The contemporary study of locational and regional economies has built upon Alfred Marshall’s work on industrial districts that observed how economic activity becomes embedded in particular localities.14 Marshall and others since have studied the numerous ways in which spatially defined economic benefits are generated by labour market pooling, technology spillovers and increased ease of cooperation and learning between firms that are located in the same geographic cluster.15
Building on these understandings, economic geographers have since studied how the spatial geography of production is being transformed by globalisation due to the increased ability of firms to access resources and technologies and cater to markets across greater distances as well as coordinate production networks with firms in other locations. This increased mobility caused by the reduction of spatially dependent transaction costs has led to the deterritorialisation of many aspects of production – such as in the form of so-called ‘footloose’ factories and outsourcing – which are driven by increased competition to constantly shift locations of production in search of lower labour costs, weaker regulatory frameworks and lighter tax burdens. The scope of this process, however, has often been exaggerated as not only do firms generally structure most of their operations from within the national regulatory context of their home base but each individual unit within an expanding global network operates within the context of local institutions and practices such that ‘capital is more territorially embedded in places rather than having become “placeless”’. Within the changing geography of global production, an alternative trend has been the formation of new patterns of agglomeration. In particular, many firms have sought to establish themselves in specific localities in order to exploit locational economies based on regional specialisation, concentrated pools of skilled labour and specialised service firms, well developed infrastructure networks, locational branding, and closer inter-firm relationships that require geographic proximity. This process is a recursive one where the locational benefits increase as more firms emerge in the urban or regional zone. This form of reterritorialisation has characterised many aspects of production driving globalisation and economic growth in the last two decades such as the emergence of high-tech clusters and regional economies in Europe, North America and East Asia. Cities, in particular, have played a critical role as nodes of the global economy hosting the command centres of transnational firms operating within expanding networks of global markets and capital flows. Creative and design-intensive industries also often cluster in urban areas, attracted by their local facilities, services and quality of life features. Moreover, cities themselves have been transformed by tourism and entertainment-based downtown revitalisation efforts.

The process of reterritorialisation is even evident at the airport. As globalisation has led to increases in the transnational mobility of peoples, boosting the volume of international air travel, it has also led to the refashioning of the airport from a generic monofunctional space into a new sort of ‘place’ set within the geography of global flows. While in the wake of 11 September and the crisis of the international airline industry the future of airport operations remains unclear, by the early 1990s transportation planners and architects were seeking to reimage the function of airports from efficient air travel
gateways to commercial complexes anchoring intermodal transportation webs and regional business clusters. Supported by the demand for goods and services generated within a confined space by the flow of travellers, by the late 1990s airports were increasingly becoming ‘shopping malls-with-planes’ where the worlds of tourism, business and shopping fused together.23

Reterritorialisation, as I use the term, can be analysed as entailing forms of production where firms are able to exploit spatially defined economic benefits called *rents* and *positive external economies*. Rents are incomes gained by holders of scarce property rights in excess of what would otherwise be earned (under perfect market conditions) without the addition or improvement of existing factors of production.24 As David Harvey explains, ‘rent is the theoretical concept through which political economy (of whatever stripe) traditionally confronts the problem of spatial organisation and the value to users of naturally occurring or humanly created differentials in fertility’.25 In contrast, an economic externality ‘is any occurrence or activity that lies outside the range of control of the individual firm, but that then has definite effects on the firm’s internal production function’.26 Locational rents and locational external economies can be viewed as related aspects of the same phenomenon with locational rents referring to economic benefits which can be privatised and directly controlled by ownership, while locational external economies referring to the un-excludable aspects which are essentially public goods, or more often when they are exhaustible, common pool resources.27

In contrast to the erosion of the territorially based powers of nation-states associated with deterritorialisation, the reterritorialisation of production can increase the political power and regulatory influence of state, societal, and transnational agents who are able to exert control over territorial assets and the reterritorialisation process. As Harvey explains, ‘if capitalists become increasingly sensitive to the spatially differentiated qualities of which the world’s geography is composed, then it is possible for the peoples and powers that command those spaces to alter them in such a way as to be more or less attractive to highly mobile capital’.28 As a result, he concludes, ‘the active production of places with special qualities becomes an important stake in spatial competition between localities, cities, regions, and nations’.29 To the degree that a territory is subject to aspects of production characterised by deterritorialisation, spatial competition is likely to create, for example, pressures for lower labour costs and more limited regulatory control which weaken local capabilities to promote social welfare objectives. In contrast, to the degree that these localities are able to encourage reterritorialisation, it is more likely that they will be able to expand their capacities to promote economic development and advance local social welfare objectives.

While globalisation can lead to the reterritorialisation of capital flows and economic production based on where firms and investors perceive they can best
capture rents and external economies, the territorial scope of these rents and external economies do not generally coincide with the territorial boundaries of national economies. National borders only came to sharply define the location and territorial scope of market contexts in the context of the era of national capitalism as states created national markets by enacting barriers to the flow of goods, capital, and labour at their borders. However, with increased financial deregulation and economic liberalisation – factors that have fostered globalisation – the ability of nation-states to establish and protect these frontiers of their national economies have diminished somewhat. As advanced industrial economies, such as the United States, seek to guide the establishment of rules for the global governance of trade, finance, and intellectual property rights such that they conform to their own established neoliberal economic programs, the limitation these regimes put on state options to promote development is most strongly felt by developing economies. Chaudhry explains that ‘economic liberalisation programs in many countries were initiated in response to fiscal crises prior to the construction of effective regulatory and extractive institutions that would undergird a market economy’. This leads her to argue that for developing states the relinquishing of control over their national economies in the context of increasing economic globalisation ‘has resulted in the fragmentation of administrative, legal, political jurisdictions within already constituted “national” economies’ while ‘even in advanced industrial states fragmentation cuts at the administrative basis of the territorial national state, destroying the institutional infrastructure through which large national economies reduced transaction costs and enforced regulation at an earlier period’.

The process of ‘fragmentation’, however, has not necessarily eliminated the powers of government to promote development but has required a rescaling of governance regimes to arenas in which the interaction between the state, local actors, and transnational flows occurs. For example, in reference to the highly globalised information industries, Saskia Sassen writes, ‘this would be a type of regulation focused not on the outputs of information industries – which are indeed hypermobile and circulate in electronic spaces – but on the material and socio-economic infrastructure’ which are territorially bound. Such a regulatory process does not require the integrative, extractive and boundary establishment activities which have long been seen as the foundation of centralised state formation, since it does not rely on states’ ability to exert control over entire national territories, markets, populations or cross-border flows.

In the context of globalised production networks characterised by reterritorialisation – which combine operations with low spatially dependent transaction costs (such as product distribution) and high spatially dependent transaction costs (such as frequent face-to-face meetings between the skilled workers of collaborating firms) – the promotion of economic development
requires that state agencies rescale some of their regulatory efforts from primarily integrated national regulatory systems towards fostering both global and regional systems of regulation. This means, for example, on the one hand developing efficient global communication and transportation systems to keep marketing and distribution costs down, while, on the other hand, building locally the right social and technical institutions required to attract and train highly skilled professional workers into new industrial centres. While developing states have clearly very limited abilities to restructure global networks and governance regimes, they can nevertheless encourage decentralised, highly mobile global flows to become reterritorialised within their national boundaries through the establishment of conditions and infrastructures which generate spatially defined external economies and rents. Defining the specific policies and institutions required to do this is one of the current challenges facing the fields of economic development and industrial organisation. Much of this literature has highlighted worker education and training, technological development and diffusion, benchmarking and unifying quality standards, microfinance and rotating capital funds, regional marketing services, and institutions which foster more intense networking, collaboration and trust between firms. This work and the empirical findings from which it is derived show that public agencies can form alternative (sub-national) structures for reducing transaction costs and enforcing regulation over economic activity in order to promote economic development and advance social welfare goals.

Centralised state agencies, however, often cannot support the building of regional institutions and infrastructures without adequate cooperation from local firms and other societal actors which shape the nature of these regional economies and create the networks which sustain the generation of positive externalities or create opportunities for the creation of rents. Recognising this challenge has led some to conclude that the power of governments to regulate economic activity is being eclipsed. On closer inspection, though, the powers and capacities of nation-states are often not being eclipsed as much as being rescaled, decentralised or regionally subdivided. In many industrialised economies economic liberalisation and globalisation have often led to the enhancement of the responsibility and authority of local-level governments and to the decentralisation of the administrative techniques of central governments. This process shifts the focus of the analysis of the dynamics of spatial competition from one between rival ‘national systems’ to one between sub-national regions located within the same or different nation-states.

One way to analyse the politics of ‘spatial competition’ at this level is to focus on the capacities of the state and other agents to shape processes of reterritorialisation through efforts to construct, define and direct the proceeds of rents and external economies. These powers, which I refer to as territorial control, can be viewed in the way that Joel Migdal understands the role of
social control in the process of state formation. According to Migdal, ‘increased capabilities of states include and rest upon increased state social control’ which ‘involves the successful subordination of people’s own inclinations of social behavior or behavior sought by other social organisations in favor of the behavior prescribed by state rules’.\textsuperscript{40} Territorial control, by contrast, involves the ability to influence patterns of economic behaviour based on control over the territorial factors that shape patterns of economic activity. In other words, I suggest that the political impact of reterritorialisation on state capacities and state–society relations is not only shaped by the nature of global forces but also by the configuration of control over the resources and institutions which promote reterritorialisation and the generation of territorial rents and externalities. These configurations include various social, legal and ideological regimes that shape, define and control access to territorial resources and the conversion of spaces into places valued by global markets and capital flows. In each case they are likely to be shaped by various historical state building patterns, contemporary political struggles, and state policy choices. Thus, to conclude this section, while deterritorialisation often erodes the power of nationally defined territorial-based regulatory capacities in relationship to global markets and transnational networks governed by private firms, viewing globalisation as composed of reterritorialisation as well allows us to analyse alternative modes for states to regulate global economic flows as well the political struggles between various state, local and transnational actors which both impede and assist the development of these capacities.

Tourism, the State and Reterritorialisation in the Middle East

The study of tourism exists as a specialised subfield within fields such as sociology, geography, anthropology and economics, but within the fields of political science and international political economy it remains highly under-theorised.\textsuperscript{41} A common question addressed by much of the existing political economy literature on tourism development is whether the economic and political impacts of international tourism are positive or negative for the host nation.\textsuperscript{42} On the one hand, many studies argue that tourism development brings in hard currency, creates jobs, draws investment capital, and can even promote industrial and agricultural development through fostering backward and forward linkages to other sectors of the economy. On the other hand, tourism is also often portrayed as a neocolonial form of economic exploitation dominated by large transnational corporations that creates relations of dependency and distorts the local economies it comes into contact with. Most scholars, quite reasonably, see both sets of structural forces at work and treat the question as an empirical one to be addressed through a cost–benefit approach. This attitude, however, has helped contribute to the lack of theoretical
development concerning the political economy of tourism. In the remainder of this essay, I seek to contribute to the formulation of a more sophisticated political economy approach to the study of tourism development by showing how the political and economic dynamics of international tourism development are shaped by local and global factors whose interaction varies depending on whether patterns of tourism development are characterised by deterritorialisation or reterritorialisation. Such an analysis is critical for understanding the role of the state in the process of tourism development, the possible future impact of shifts in the global tourism economy, and more generally, the impact of globalisation on economies and states in the Middle East (and elsewhere).

**Tourism Development in the Middle East**

I will elaborate this theoretical framework through an investigation into (though not a comprehensive survey of) the dynamics of international tourism development in the Middle East and North Africa. While international tourism flows to the region have never amounted to more than a 7 per cent share of world totals, over the past two-and-a-half decades the promotion of tourism development has become a central component of the economic development strategies of most states in the region. International tourism, moreover, represents one of the most prevalent aspects of globalisation affecting these economies and its impact and fate is likely to signal more general patterns towards the integration of these states into global economic flows.

By the mid 1980s most of the developing countries in the Middle East and North Africa were facing economic crises, due in part to the exhaustion of their state-dominated inward-oriented development strategies and the decline of oil incomes and labour remittances. These crises generated internal pressures for economic liberalisation and externally the International Monetary Fund and other donor agencies put pressure on these states to enact structural adjustment programmes in exchange for grant aid and loans. Such policies, however, threatened to erode these states’ control over their national economies and their ability to insulate their populations from the social dislocation caused by the ongoing economic transformations. In this context, many states across the region sought to turn to tourism development as a new ‘engine’ of economic growth. While states in the Middle East and elsewhere had long viewed tourism development as a means to promote regime prestige and legitimacy and project an external image of stability and prosperity, the new wave of international tourism expansion beginning in the 1980s also seemed to offer an opportunity for these states to integrate their economies into global flows of capital and commerce while maintaining a significant degree of control over the process. In large part, I argue, this capacity was a product of states being able to promote forms of tourism development characterised as reterritorialisation. Over the last two decades Middle Eastern states have
sought to exploit their capacities of territorial control in order to promote national economic development and gain revenues from tourism development but, as I will show, these capacities were sometimes limited or even challenged by societal actors seeking to shape the process of tourism development, drawing on their rival capacities of territorial control.

Tourism development is inherently a spatial activity which can be defined as the process of turning territorially defined experiences into commodities by the deployment of physical and human capital to create or enhance such experiences and provide visitors with associated goods, services and information. For this reason the concepts of deterritorialisation and reterritorialisation are particularly useful for studying the politics of tourism development because they help us both characterise and explain the changing dynamics of the industry across the post-war era. The dominant form of international tourism in the early post-war period – low cost, standardised mass beach tourism – represented one of the earliest and most widespread examples of deterritorialisation in the post-war global economy. As mass beach tourism became a highly standardised ‘experience of place’ it became cheaper and increasingly place-substitutable. As Burkart and Medlik note, ‘To judge from the tour operators’ brochures, the product being demanded by the consumer is a fortnight’s holiday in a modern white concrete hotel with a swimming pool and a bar, the whole bathed in sunlight under a cloudless sky. Little or no concern is shown about the country in which the resort is situated, and it may be inferred that the international tourism passenger is quite indifferent to the nature or status of that country.’

This period of the deterritorialisation of tourism development, which involved the commodification of homogenous coastal space, encouraged the expansion of tourism flows to lower-cost underdeveloped regions along the Mediterranean coast. As the beaches of the northern shore of the Mediterranean became more crowded, tourists and tour operators began searching for lower cost and less crowded destinations. These efforts led to the expansion of mass tourism development across the Mediterranean to destinations such as Morocco, Tunisia and Turkey on its southern and eastern shores. By 1975 Louis Turner and John Ash would note that ‘what we are thus seeing is the rapid conversion of the whole of the Mediterranean coast into the Pleasure Periphery of Europe’. To some degree, these newer, more distant destinations could be marketed as adding a slightly ‘exotic’ element to beach vacations. In each location, however, the experience of otherness was not a product of territorial location, but rather, as Orvar Löfgren describes, was mass produced in virtually the same manner by tour operators and their local associates such that there was ‘a constant standardisation of cultural difference’. For these mass tourists, their expectations of ‘local culture’ became so homogenised and alienated from territorial specificities that, for example, tourism ‘entrepreneurs in
Malta developed a new more flamboyant kind of folklore dance to meet the expectations of those tourists who had been to Spain or Greece and handicrafts made in India could be sold as ‘local crafts’ on the beach in Morocco. As mass beach tourism became the dominant model for tourism development, international tourism came to play a powerful role in erasing the specificity of cultures and locations across the non-industrialised world which became indistinct members of a larger homogenised geocultural grouping. As Löfgren notes, ‘In many Northern European settings the Mediterranean simply became “the South” and this south stretched easily to include other sun destinations like Gambia and Thailand. “South” became the territorialisation of a certain kind of holiday, rather than a fixed geographical region.’

The deterritorialisation of tourism experiences dramatically reshaped the organisation of the global tourism economy. As mass tourism became increasingly standardised, its production could reap greater economies of scale, further reducing its price, but this Fordist-like form of production also required firms to increase the volume of their operations. Increased affordability helped expand the potential market for mass tourism across the European middle and even working classes as well as encouraged the development of larger international tour operators which came to dominate the global tourism industry. Transnational tourism firms, faced with increased competition and lower profit margins, were forced to grow larger through vertical and horizontal integration. As a result, the benefits to developing countries joining the international tourism economy became subject to an ‘international division of leisure’ in which the most profitable aspects of the tourism production process, such as transportation and hotel management, were dominated by transnational firms based in the developed countries of the originating markets. In other words, to a large degree the challenges faced by developing countries in the 1970s in their efforts to promote tourism as a means of economic development were a product of the extreme deterritorialisation which characterised the industry. While local states and developers were required to invest considerable capital in local hotel and infrastructure construction and had to produce a product that often required considerable import content (and thus an outflow of hard currency), the transnational firms which controlled the global tourism networks could easily redirect tourists to alternative locations if better prices or products could be found elsewhere.

By the late 1970s, however, a shift in the global tourism economy was underway. The rapid expansion of the market for low-cost standardised mass beach tourism across the Mediterranean began to wane. The cultural value of the homogenous beach vacation declined as the experience became routine and access to it widespread. And not only were beaches becoming more crowded and polluted, but an expanding environmental and health consciousness also dampened the demand for mass beach tourism which was increasingly viewed...
as having many negative environmental, social and cultural impacts on host communities. For many individual beach resorts these changes posed a severe challenge requiring them to refashion and diversify the content of their products and services by, for example, adding more leisure activities (such as golfing and boating), shopping outlets and theme-park attractions as well as providing higher quality service and facilities. In the 1980s and 1990s lower transportation costs encouraged increased journey distances and tourist tastes became more sophisticated in search of more ‘reflexive’ and specialised cultural experiences. These transformations led to the diversification of the international tourism market, which included the rise of ecotourism and adventure travel and the expansion of cultural and heritage tourism markets. In contrast to beach tourism, such forms of tourism development emphasised territorial location and particular experiences of place. This shift in the international tourism market also led to the growth of more organised tours and individual travellers exploring the rich cultural and natural heritage of regions such as the Middle East and North Africa.

The most lucrative links in the global tourism commodity chains remained dominated by large, transnational tour operators, airlines and hotel management firms. The trends towards the diversification and expansion of tourism markets also encouraged the cross-promotion of products between the movie, fast food and theme-park industries increasingly dominated by media corporations. While larger local firms in some states such as Mexico have been able to develop their own local brand-name hotel chains and capture one link in the tourism commodity chain, these overall trends in the global tourism economy have further narrowed the scope for states and firms in developing countries to participate in or bargain with the global networks of the international tourism industry. In contrast to the efforts of the 1970s and before, when states sought to start their own airlines and invest in hotel construction, by the 1980s most states were seeking to privatise their increasingly loss-generating hotel and airline assets and promote tourism as a private sector-led, export-oriented engine of growth consistent with the constraints of neoliberal development strategies.

This shift in the global tourism economy and patterns of tourism development coincided with a period of acute economic crisis for most Middle Eastern and North African states. In the 1980s, pressured on the one side by declines in external incomes (such as oil revenues and labour remittances) and on the other side by structural adjustment policies, states across the region sought to promote tourism development as part of more export-oriented, private sector-based economic growth strategies. Tourism boosters in government and the private sector increasingly argued that the region’s (territorially specific) natural landscapes, Biblically associated localities and historical monuments should be used to generate new sources of national wealth,
encourage foreign investment and help their economies generate jobs and economic opportunities. In the 1980s, as a consequence of increased tourism development and marketing efforts as well as the decline in oil prices, which gave a boost to the global tourism economy, tourism flows expanded across the region. International arrivals almost doubled in Egypt and Tunisia, nearly tripled in Morocco and increased more than fourfold in Turkey (see Table 1). In the late 1980s and 1990s, Middle Eastern destinations were also made more competitive by the devaluation of local currencies resulting from structural adjustment policies. The share of international arrivals across the region grew from 4.2 per cent of world totals in 1980 to 5.1 per cent by 1990 and climbed to 6.5 per cent by the year 2000 (see Table 2). Meanwhile, the regional share of international tourism receipts, measured in US$, grew from 3.4 per cent of world totals in 1990 to 4.3 per cent in 2000 (see Table 3). Across the region, international tourism revenues as a share of gross domestic product ranged from almost 3 per cent in Israel and Syria to around 8 per cent in Tunisia and Jordan (see Tables 4 and 5). The tourism sector generally represented a leading

### Table 1
INTERNATIONAL ARRIVALS (THOUSANDS)

<table>
<thead>
<tr>
<th>Countries</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>1,253</td>
<td>2,112</td>
<td>5,116</td>
</tr>
<tr>
<td>Israel</td>
<td>1,116</td>
<td>1,063</td>
<td>2,400</td>
</tr>
<tr>
<td>Jordan</td>
<td>393</td>
<td>437</td>
<td>1,427</td>
</tr>
<tr>
<td>Morocco</td>
<td>1,425</td>
<td>4,162</td>
<td>4,113</td>
</tr>
<tr>
<td>Syria</td>
<td></td>
<td>562</td>
<td>916</td>
</tr>
<tr>
<td>Tunisia</td>
<td>1,602</td>
<td>3,224</td>
<td>5,057</td>
</tr>
<tr>
<td>Turkey</td>
<td>920</td>
<td>4,799</td>
<td>9,587</td>
</tr>
<tr>
<td>Dubai</td>
<td>300</td>
<td>717</td>
<td>3,027</td>
</tr>
<tr>
<td>Above total</td>
<td>7,009</td>
<td>17,076</td>
<td>31,643</td>
</tr>
<tr>
<td>World</td>
<td>287,781</td>
<td>457,306</td>
<td>698,793</td>
</tr>
<tr>
<td>Subtotal share</td>
<td>2.4%</td>
<td>3.7%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Note: 2000 data for Dubai and Syria is from 1999.

### Table 2
INTERNATIONAL ARRIVALS (MILLIONS)

<table>
<thead>
<tr>
<th>Countries</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Africa</td>
<td>4.0</td>
<td>8.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Arab Middle East</td>
<td>6.0</td>
<td>9.0</td>
<td>23.2</td>
</tr>
<tr>
<td>Israel and Turkey</td>
<td>2.0</td>
<td>5.8</td>
<td>12.0</td>
</tr>
<tr>
<td>Regional total</td>
<td>12.0</td>
<td>23.2</td>
<td>45.3</td>
</tr>
<tr>
<td>World</td>
<td>287.7</td>
<td>457.3</td>
<td>698.7</td>
</tr>
<tr>
<td>Regional share</td>
<td>4.17%</td>
<td>5.07%</td>
<td>6.48%</td>
</tr>
</tbody>
</table>

source of hard currency earnings and accounted for up to one in ten jobs in the formal sector. The indirect impact of tourism spending is certainly even much greater.\(^{59}\)

State-led policy changes encouraged local and foreign private investment in the tourism sector through regulatory changes and tax breaks as well as by making more territorial resources, from the land near archeological sites and beach resorts, available for tourism development. Along the Mediterranean coast most tourism development revolved around upscale and diverse beach resorts geared to European vacationers, but there were also increasing efforts to attract more sophisticated and higher income tourists to the natural and cultural heritage of states such as Morocco, Tunisia, Jordan, Israel and Turkey. While the 1990–1991 Gulf War brought a sharp decline to international tourism across the region, the market quickly rebounded. In the 1990s the tourism economy expanded as the end of the Cold War gave more people the freedom to travel and as peace negotiations seemed to be leading to

<table>
<thead>
<tr>
<th>Countries</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Africa</td>
<td>2.3</td>
<td>3.5</td>
</tr>
<tr>
<td>Arab Middle East</td>
<td>4.4</td>
<td>10.7</td>
</tr>
<tr>
<td>Israel and Turkey</td>
<td>4.6</td>
<td>7.9</td>
</tr>
<tr>
<td>Regional total</td>
<td>11.3</td>
<td>22.1</td>
</tr>
<tr>
<td>World</td>
<td>263.4</td>
<td>475.8</td>
</tr>
<tr>
<td>Regional share</td>
<td>4.3%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Countries</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>808</td>
<td>1,100</td>
<td>4,345</td>
</tr>
<tr>
<td>Israel</td>
<td>903</td>
<td>1,396</td>
<td>3,100</td>
</tr>
<tr>
<td>Jordan</td>
<td>444</td>
<td>512</td>
<td>722</td>
</tr>
<tr>
<td>Morocco</td>
<td>397</td>
<td>1,259</td>
<td>2,040</td>
</tr>
<tr>
<td>Syria</td>
<td>156</td>
<td>320</td>
<td>474</td>
</tr>
<tr>
<td>Tunisia</td>
<td>601</td>
<td>948</td>
<td>1,496</td>
</tr>
<tr>
<td>Turkey</td>
<td>327</td>
<td>3,225</td>
<td>7,636</td>
</tr>
<tr>
<td>Dubai</td>
<td></td>
<td>169</td>
<td>713</td>
</tr>
<tr>
<td>Above total</td>
<td>3,636</td>
<td>8,929</td>
<td>20,526</td>
</tr>
<tr>
<td>World</td>
<td>105,313</td>
<td>263,357</td>
<td>475,772</td>
</tr>
<tr>
<td>Subtotal share</td>
<td>3.5%</td>
<td>3.4%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

Arab–Israeli peace and possibly the start of regional economic integration. In a moment of great optimism, Jordan was able to greatly increase tourist flows by opening its borders with Israel after signing a peace treaty in 1994.60 Meanwhile, the decline in oil income led many oil-exporting states to expand their efforts to diversify their economies through the development of tourism industries.61 Leading the way in this regard were Dubai (in the United Arab Emirates) and Bahrain, which developed many high quality luxury hotels, night clubs and family-oriented leisure activities. Building on its access to capital and status as a trade and finance entrepôt, Dubai became the home to the world’s tallest hotel, an annual ‘Shopping Festival’ and world class sporting events.62 While also seeking to build luxury resorts, Oman has put more emphasis on developing nature tourism and cultural attractions, such as remodelled forts. While Saudi Arabia has long hosted the annual Hajj religious pilgrimage to Mecca and Medina, the kingdom has been reluctant to support commercial tourism. Recognising the need for job creation and the potential to redirect its own tourist flows inwards, however, the kingdom commissioned a tourism master plan, allowed a very limited number of small, highly controlled group tours, and sought to expand religious-based tourism through granting umra or lesser pilgrimage visas seeking to attract off-season pilgrims who stay longer than the annual Hajj pilgrims.

Reterritorialisation and Tourism Development
States across the Middle East turned to or expanded their tourism development efforts, I suggest, in large part because tourism offered the most feasible means for them to promote reterritorialisation within their territories by exploiting the territorial rents and external economies generated through the production of tourism spaces. In contrast to the development of regional economies, high tech clusters and financial centres, or urban-based culture and design industries, tourism development generally does not require the same high level of technical knowledge, institutional capacities or investment

<table>
<thead>
<tr>
<th>Countries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>4.4</td>
</tr>
<tr>
<td>Israel</td>
<td>2.8</td>
</tr>
<tr>
<td>Jordan</td>
<td>8.5</td>
</tr>
<tr>
<td>Morocco</td>
<td>6.1</td>
</tr>
<tr>
<td>Syria</td>
<td>2.6</td>
</tr>
<tr>
<td>Tunisia</td>
<td>7.7</td>
</tr>
<tr>
<td>Turkey</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Sources: World Tourism Organisation and World Bank.
capital to initially create positive externalities or rents. In fact, the spatial dynamics of reterritorialisation through tourism development turns on its head the economic geographers’ understanding of the spatial construction of agglomeration economies.

According to the model of agglomeration economies developed by the California School of economic geography, as manufacturing systems become decomposed into their constituent parts with firms specialising in narrower aspects of the production process (as part of a trend often referred to as post-Fordism), firms tend to form locational clusters in order to minimise the costs of external transactions and to capture the positive external economies generated by the presence of other firms. In this model consumers and consumer markets are viewed as territorial fixed while decreases in transportation and communication costs and the lowering of trade barriers make proximity to consumer markets less important. Meanwhile, highly standardised aspects of production, characterised by deteritorialisation, can be outsourced to locations with lower production costs. As a result, many firms, such as highly flexible high-tech and design-intensive manufacturing firms, are likely to emerge and develop in locations where they are best able to capture positive supply-side externalities, such as by locating in a cluster of other firms with which they can collaborate and learn from through close interaction often requiring face-to-face communications.

In contrast, tourism economies are constructed by mobile consumers visiting tourism sites which are territorially bound spaces developed by spatially fixed deployments of capital. The global mobility of international tourists and the spatially fixed nature of tourism development intersect to form a complex system for generating locational rents and external economies. At the centre of these systems are the globally known, high value tourism sites such as the Pyramids or the Luxor temples in Egypt; the city of rock-carved facades in Petra, Jordan; Roman ruins across Turkey and the Levant; and the Biblical holy sites in Israel, Palestine and Jordan. While these exceptional sites have long attracted tourist flows, in the 1980s and 1990s the market for cultural tourism expanded as more tourists began looking for different, unexplored destinations as transnational tourism firms, meanwhile, sought to diversify their product offerings. As a result state tourism development policies and international marketing campaigns across the region focused on them to diversify and expand their tourism sectors. By themselves many of these sites generate considerable rents in the form of state revenues through entrance fees, but more critically they function as the central nodes of each states’ tourism economy because they are often the main attraction drawing tourists to the region. The challenge of local tourism development generally revolves around organising the movement of tourists through the nation’s territory in order to create a network of territorial
economies to extract rents and generate positive externalities for the state and private firms.

Even if public authorities divest themselves of assets in the tourism sector, they retain the ability to extract revenues from visitors through state-built tourist sites, such as national museums, and from their control of property rights near tourist attractions, such as archaeological sites. The expansion of tourism development around such sites allows the property rights holders of these spaces to extract rents from the developers of tourism facilities, and in turn, these tourism facilities are able to extract rents from the tourists. These tourist attractions also generate positive external economies in the spaces made available for tourism development in and around such sites and along the paths of the tourist flows to them. To enhance the generation and territorial expansion of the locational external economies, states can provide public goods such as marketing, infrastructure development, and tourism site development (such as improving the content and facilities of the sites to attract more tourists).

In contrast to the linear development model which characterised deterritorial forms of mass beach tourism (with long lines of hotels spread along the shore), an increasingly pronounced feature of tourism development in the Middle East and elsewhere over the past two decades has been the shift to a ‘nuclear’ enclave model of development. In this model, a large number of hotels and other tourism facilities (such as restaurants, bars, shopping arcades, golf courses, car rental agencies and gift shops) are built in a confined space, usually in a resort complex near a shoreline (called an integrated station) or within an urban ‘tourist bubble’, creating concentrated zones of tourist consumption. This clustering process generates tourism spaces which are bounded territories or ‘enclaves’, limiting the economic or social interaction of tourists outside of them, while at the same time expanding the scope of available leisure tourist activities from golf and boating to high class dining and shopping. The spatial and cultural isolation of these complexes allows them to contain and capture (in other words, effectively privatises) the external economies generated by the tourists drawn to them. As Tim Mitchell explains,

There is a larger reason for the creation of enclave tourism… Managers seek to increase their profit by channeling more and more tourist expenditure within their own establishments. The grand Egyptian hotels that used to provide little more than accommodation and a dining room have been replaced by complexes that offer three or four restaurants, several bars, shopping arcades, a swimming pool and fitness club, cruises and excursions, business facilities, and evening lectures and entertainment.66

One of the first marina-focused integrated stations in the region, Port El Kantoui, was built along the Tunisian coast in the late 1970s under government direction
as a means to diversify the Tunisian tourism product and compete against similar developments along the Spanish shore. Throughout the 1980s and 1990s the integrated tourism complex became the dominant model for the expansion of coastal tourism dotting the Mediterranean coast, the Red Sea and the Gulf of Aqaba. The reterritorialisation experienced in such tourism complexes is one confined to the space within the complex making it, like theme parks, re-locatable because the experience of place is one produced by the architecture of the tourism space more than the location itself. This transportability, for example, has allowed the Tunisian state to build several complexes across the country in an effort to spread the flow of tourists to a number of regions.

The spatial separation these tourism enclaves enforce between tourist and non-tourist zones and the organisational control it gives to the planning agencies which develop them has enabled tourism development to expand into regions where state authorities had previously shied away from low cost mass beach tourism. While more socially liberal than other Gulf States, Dubai and Bahrain have mostly limited tourism development to luxury hotels, resort complexes and shopping malls. Meanwhile, Oman and to a greater degree Saudi Arabia will only consider promoting tourism development if they are able to control who their tourists are and strictly limit the social impact they will have on their societies.

The other major trend in the reterritorialisation of tourism development has been the generation of external economies and rents by the construction of ‘experiences of place’ for the tourist. This process, in which territorial spaces are commodified and converted into tourism places, can also be characterised as an inversion of the geographers’ model of reterritorialisation. Marshall explained how technology spillovers generated positive externalities within industrial districts by remarking that ‘the mysteries of the trade become no mystery; they are as it were in the air’. Contemporary geographers have expanded on his notion, suggesting that ‘atmosphere in this sense represents an externality, a common set of resources facilitating the adaptation of workers to employment routines and providing a platform for creative and innovative activity’. In tourism development, by contrast, external economies and rents can be generated for tourism firms by the construction of an ‘atmosphere’, or experience of place, for tourists.

As noted above, integrated tourism resorts, while sometimes organised around various themes, generate experiences of place through their provision of a variety of leisure and commercial activities. Cultural, heritage and nature tourism attractions are also products of tourism development and promotion since even these sites are not simply discovered by tourists but are created by tourism promoters. As John Urry explains, the visual experience of place, what he terms ‘the tourist gaze’, has usually been ‘self-consciously organised
by [tourism] professionals’ such as guide book writers, tour operators, regional tourism boards and local dwellers turned tourism promoters. From the beginning of organised travel and tourism, first developed in the mid-nineteenth century by Thomas Cook, tourism has required ‘the development of a number of romanticised “place-myths” to attract potential travelers’, usually ‘constructed around literary and natural phenomena’. Across the Middle East and North Africa, place-myths have generally been constructed around romanticised images of ancient Egypt, the Biblical Holy Land, and essentialised Orientalist stereotypes of Arab and Islamic culture.

While cultural tourism to the Middle East has long been organised around popularly recognisable references to ancient Egyptian temples, Roman ruins and the Holy Land sites, over the past two decades states in the region have made concerted efforts to develop and promote these sites. Archaeologists, heritage preservation specialists and architects have been hired to restore antiquities and provide increased access and signage for them. International exhibitions of cultural artifacts from around the region have been sent on tours of Europe and North America with the hope of promoting interest in tourism to the region. The Egyptian antiquities authority has even allowed the Fox television channel in the United States to broadcast the opening of an ancient tomb ‘live’. Another major trend consists of rehabilitating and making more physically and visually accessible for foreign tourists the older urban areas and buildings in such cites as Fez, Tunis and Istanbul. Within these spaces craftspeople have been supported by state and international organisations to produce ‘traditional’ arts and crafts for tourist consumption. Moreover, states have even sought to discover new sites to attract tourists as when the Jordanian Ministry of Tourism and Antiquities put considerable resources into finding a collection of archaeological remains which it could use to promote as an alternative ‘John the Baptist’ site along the eastern bank of the Jordan river in order to compete with Israel’s own site.

For some destinations, the construction of place-myths based on cultural, heritage and natural referents has been part of an effort to reshape their tourist image in order to attract tourists from different market segments. For example, Tunisia had for decades emphasised beach tourism and tourism development efforts focused on expanding its low cost beach tourism capacity. Then, beginning in the 1980s, as the mass beach tourism market began to wane, Tunisia sought to diversify its tourism product by, among other things, promoting its urban and Islamic heritage. And in the late 1980s the Tunisian government sought to create a new major tourism market segment by promoting tourism to its less developed, southern deserts region. The development of the desert tourism product was an attempt to fashion a more territorial specific place-image for the Tunisian tourist product and to augment Tunisia’s reputation as a somewhat generic, low cost Mediterranean beach destination. This
effort consisted of investment incentives, infrastructure projects, the hosting of cultural festivals, and new promotional efforts including international marketing campaigns promoting this more ‘exotic’ image of Tunisia’s urban markets and desert landscapes with reference to the movies such as Star Wars and The English Patient, which were filmed in Tunisia.

The promotion of heritage tourism development involves a wide array of forms of symbolic representation – from international advertising campaigns to the plaques narrating tourism sites – which are read by international tourists as well as domestic visitors. States have been able to use their influence over these texts to promote political interests such as state legitimacy, for example, by projecting images of domestic tranquillity for foreign investors or promoting national mythologies. In Jordan, the development of cultural heritage sites which emphasise Transjordanian (or East Bank) cultural and territorial identities have come to displace the country’s previous reliance on West Bank Biblical sites (controlled by Jordan from 1948 to 1967) and Palestinian produced crafts. The development of Petra as an international tourist site also contributed to efforts to construct a territorially rooted national identity in Jordan. Government-sponsored archaeological research, history displays and tourist literature often promote a connection between the ancient Nabateans, who built the city of Petra, and the current inhabitants of Jordan. In addition, the increased demand for cultural and heritage tourism in Jordan, combined with the desire of tourism developers to use design elements to ‘brand’ Jordanian tourism with a unique sense of place, has led to the rehabilitation and remodelling of unused nineteenth-century rural structures and early twentieth-century urban mansions, built in vernacular styles with local stones, into tourist hotels, restaurants and resort complexes. This has led to the creation (some would say fabrication) of a recognisable ‘traditional Jordanian style’ designed by contemporary architects inspired by elements of vernacular architecture. This style has become the basis of hotel designs, handicrafts production, art work and even dining experiences. By infusing commercial experiences and commodities with a style which gives a sense of place, the rise of domestic middle-class consumerism and international tourism has help foster the emergence of a stronger, more coherent sense of a historically and territorially rooted sense of Jordanian national identity.

The Politics of Territorial Control

By asserting control over tourism spaces and the processes which convert places, cultures and experiences into territorial defined tourism commodities, social actors and organisations – such as states, local communities or transnational corporations – are able to drive the reterritorialisation process and control the generation of rents and external economies which draw both tourists and capital investment. As described above, different forms of tourism
development are subject to different modes of territorial control. For example, in the development of tourism complexes territorial control is generally powerfully wielded by state authorities that own or can expropriate the land for the complex and can also tightly regulate or control the development process. While the Tunisian government has chosen to maintain direct control over the development of its tourism complexes, in Egypt the state has often wielded its power indirectly by granting development licenses over government ‘protected’ coastal land to regime allies in the business sector.80 Other states, such as more democratically governed Turkey, have sought to decentralise the governance of tourism development. Turkish efforts to diversity its tourism product and forge a more sustainable pattern of tourism development have led to the emergence of new societal actors with needed skills and capabilities acting as partners and stakeholders in the process. This trend, however, ‘has been hampered and sometimes diverted’ by the ‘prevailing centralist tradition and omnipotent bureaucracy’.81

The reterritorialisation of tourism development generates the most severe challenges for state governance when states have limited capacities but still seek to maintain control over the tourism development process. The development of tourism sites often requires the technical and financial assistance of experts and international organisations – such as archaeologists, environmental activists, heritage preservation organisations and international development agencies – to help convert cultural and natural features into tourism spaces able to generate rents and externalities and sustainable economic development. These agents, however, often have rival interests to those of the state or the private firms in the tourism industry. For example, they might value historical ‘authenticity’, the preservation of biodiversity, or the rights of indigenous communities over the interests of tourism development. They also might have rival conceptions for the construction and representation of territorially based identities, which promote alternative nationalist, regional or religious ideologies or rival interpretation of histories. Furthermore, tourists themselves may present challenges and burdens for local states through their disruptive interaction with local populations, practices of conspicuous consumption or high use of scarce resources.

More critically, societal actors, such as indigenous populations and private land owners near tourist sites, may seek to assert their local territorial control to obstruct or exploit the plans of state authorities and private firms to development tourism sites. For example, while the Jordanian state controls the entrance gate at Petra, the land outside of the gate in the town of Wadi Musa is owned by members of the Lyathneh tribe who have long claimed the right to extract rents from the tourist trade.82 As a result, private tourism development in Wadi Musa proceeded at an uncontrollable speed and without planning or regulation, thus jeopardising the quality of the tourism experience offered to
visitors. In the wake of the 1994 peace with Israel dozens of hotels were built with inappropriate designs, no integration into the built environment, and lacking adequate infrastructure. Meanwhile land prices skyrocketed. Much of the ability of tourism spaces to generate territorial rents and externalities is built upon the construction of valued tourist experiences within an attractive environment, for it is the secondary spending in the tourism space which generates the external economies which drive reterritorialisation and sustainable tourism development. In contrast, reterritorialisation in the context of fragmented territorial control in Wadi Musa generated a pattern of tourism development characterised by haphazard and ill-designed construction. By 1998 Wadi Musa, while located in a stunningly beautiful and unique natural location, was burdened with a commercial and built environment replete with ‘visual horrors’. As travel writer Matthew Teller poignantly notes, ‘Plagued by disastrously bad management of resources and town planning of the most tragically shortsighted kind, Wadi Musa is filled with a tawdry and rather sad air of powerlessness, a small agricultural community resigned to a collective free-for-all scrabbling at the whirlwinds of cash drifting through its fingers.’

The Limits of Reterritorialisation

The fragmentation of territorial control is only one potential challenge posed by the reterritorialisation process. In tracing tourism development patterns characterised by reterritorialisation I explained that these forms of tourism required the construction of a sense of ‘place’ and the diffusion of place-myths to attract potential travellers. These modes of place construction, however, can eventually be replicated by alternative, rival tourist destinations. A familiar example of this process can be drawn from the experience of urban (re)development in the United States. One of the most celebrated efforts in the promotion of reterritorialisation has been the development of urban ‘festival’ shopping marketplaces developed in the late 1970s by James Rouse in such places as Quincy Market in Boston and Harbor Place in Baltimore. As Bernard Frieden and Lynne Sagalun write, Quincy Market’s ‘curious blend of historic setting and modern retailing was part of a deliberate strategy to merchandise history in the form of a unique shopping environment’. The ‘plan was for small, independent merchants peddling their wares aggressively to create a lively, colorful atmosphere that would draw customers away from the chain store blandness of suburb malls’. But by the 1990s this ‘festival’ style of commercial design was replicated across the country, not only in urban areas but also in suburban ‘strip malls’. As the production of these ‘festival’-style malls became more standardised they became more predictable and now include a recognisable set of national chain stores. In other words, the ‘festival’ style now represents a process of deterritorialisation making the commercial landscape of different territorial locations more similar.
Harvey notes in reference to the production of cultural commodities in an increasingly globalised economy, ‘If monopoly rents are to be realised, then some way has to be found to keep commodities or places unique and particular enough to maintain a monopolistic edge in an otherwise commodified and often fiercely competitive economy.’

This example points to the limits of reterritorialisation as a tourism development strategy. Just as reterritorialisation can convert the homogenous space of a location into a place with special characteristics, the uniform replication of such a strategy for spatial competition across a landscape can reconvert these places back into nearly homogenous space. The fear of such a ‘re-deterritorialisation’ represents one possible trend in the future evolution of patterns of global tourism development. This course, however, is not one that immediately threatens most tourist destinations in the Middle East. Rather, the most serious threats to the tourism economy in the Middle East are clearly those caused by the airplane hijackings and terrorist attacks of 11 September 2001, the subsequent wave of terrorist attacks on foreigners and tourist sites, and the continuing regional conflicts in Israel/Palestine and Iraq. Tourism development characterised by reterritorialisation is particularly vulnerable to such events because they can over-write carefully crafted place-myths with images of insecurity, creating a geography of territorial fear made worse by increasing political tensions between regimes in the region and between the region and tourist-sending countries. Even without these transformative geopolitical events, cross-border tourism can generate its own domestic political cultural tensions. Discussing the case of regional tourism in and out of Israel in the mid 1990s, Rebecca L. Stein suggests that ‘flows across state lines produced the need to defend and remake Israel’s spatial and ideological divides, to shore up the borders around normative Jewish Israeli identity, culture, and territory.’ While the Israeli case has many unique aspects, similar challenges face other states in the region as they open their territories to transnational tourism flows but wish to maintain control over the boundaries of nationally defined spheres of religious, cultural and social practices. A growing concern, for example, is the reaction of Islamists to international tourism flows from non-Muslim states. At the same time, there is a growing fear on the part of American tourists in particular of travelling to Arab and Muslim countries regardless of how politically stable they are. The future of international tourism in the Middle East will likely be determined by how the territorialised politico-cultural gaps between guest and host societies are defended, remade or obscured.

At stake is not just the future of tourism industries in the region, but the future of the place of the Middle East within the expanding networks of global economic and cultural flows, as the Middle Eastern economies are not likely to be further integrated into the global economy if their tourism economies are not integrated first. Some have suggested that ‘regime change’ in Iraq will
lead to an era of increased regional peace and openness. Plans for tourism development in Iraq were even being formulated before the US invasion. It is more likely, however, that increased regional instability will dampen international tourism flows and that tourism economies, to the degree that they survive, will shift their focus to domestic and regional tourism flows. The option of obscuration is likely only possible in the case of beach-side resort enclaves. Not only can these be built in remote locations in which tourist spaces are removed from the everyday life of the host country, their location can even be re-branded through international marketing efforts as some hotels in Sharm al-Shayhk, Egypt did as a response to a wave of terrorist attacks against tourists in the early 1990s. One hotel manager commented that ‘most of the tourists who come here are under the impression that they are coming to some separate entity called Sinai, which has nothing to do with the rest of Egypt’.91 But, at the same time, images of place can also become disembedded from the territorial location of the places they refer to, leading to new forms of spatial competition more akin to deterritorialisation. One example is represented by the development of the ‘Luxor’ casino hotel in Las Vegas, which consists of a massive hotel in the shape of a glass pyramid. Inside the hotel contains tacky recreations of Egyptian temples and artifacts and multimedia displays that bring to life images of the country as imagined by Hollywood films. Some have even called it a ‘sanitised version of Egypt’ real enough that a tourist from Kansas could conclude that she ‘does not need to travel to Egypt anymore now that she has seen the Luxor, USA’.92

Conclusion

It is not likely that the place-myth of Egypt within the international tourism economy will ever be displaced by the place-myth of Las Vegas’s version of Egypt. To consider such a suggestion would require viewing the globalisation of tourism as leading inevitably towards ever-increasing deterritorialisation where distinct notions of territory and location would some day collapse. Not only is deterritorialisation never so complete and unchallenged, but to view aspects of globalisation only in terms of deterritorialisation is to fail to fully appreciate the depth and complexities of the transformations caused by globalisation since, as I have argued, globalisation generates both deterritorialisation and reterritorialisation. More specifically, this essay developed a political economy framework to show how the political and economic dynamics of international tourism development are shaped by local and global factors whose interaction varies depending on whether patterns of tourism development are characterised by deterritorialisation or reterritorialisation. Using this framework, I situated the expansion of tourism development across the Middle East since the 1980s within the larger context of the changing nature of the
post-war global tourism economy which has been increasingly characterised by reterritorialisation. This expansion, I argued, was generally a product of state-led policy changes driven by the notion that tourism seemed the most feasible means for these states to promote reterritorialisation. As reterritorialisation can increase the power and regulatory influence of state, societal, and transnational agents who are able to exert control over territorial assets and the reterritorialisation process, it opened the development process up to new modes of political control and contention. As a result, this analysis shows, the physical and cultural space tourists now inhabit in the Middle East is not the product of an unchanging natural or historical landscape, but instead an ever changing political construction, the product of struggles between state, societal and transnational actors over the control of transnational flows, the use of space and the nature of cultural representations.

While international tourism is only one aspect of globalisation transforming patterns of development across the globe, using it as a case study through which to explore how globalisation generates both deterritorialisation and reterritorialisation this essay has sought to enrich the analysis of globalisation in comparative and international political economy by outlining a framework for analysing alternative modes for the promotion of economic development and the local political struggles over territorial control which help shape the impact of globalisation by reshaping the economic and political landscape of localities across the globe. This framework, I hope, can help contribute to an understanding of globalisation not as a linear process leading inevitably towards increased deterritorialisation, but as a dialectical and politically contingent process shaped by both global forces and local political struggles.

NOTES


11. Ibid. p.17.


13. It should be noted that my use of the term, which focuses on spatial economies, differs substantially from that developed by Gilles Deleuze and Felix Guattari and from others who use it to refer to practices which seek to re-inscribe borders and territorial boundaries of difference and exclusion.


27. External economies can also be converted into club goods where payment is extracted for access to the economic benefits.


29. Ibid. p.295


33. Ibid. p.262.

34. Scott outlines what he views as the emerging tiered scheme of governance regimes, see *Regions and the World Economy* (note 19) pp.137–57.


38. This process is often referred to in the US context as the ‘New Federalism’; see Jessop (note 37); Sabel, ‘A Measure of Federalism’ (note 37). Chaudhry observes the same trend in political organisation, but emphasises that this represents the erosion of state capacities and leads to negative welfare consequences; see Chaudhry (note 3) p.261.

39. This is the focus of much of the comparative political economy literature, see Gilpin (note 7) pp.148–95.


50. Ibid.

51. Ibid. p.205.


53. See Turner ‘The International Division of Leisure’ (note 52) p.254.


59. Official tourism figures can be found at <http://www.world-tourism.org>, while estimates of the economic impact of tourism provided by the World Travel and Tourism Council (a tourism lobby group) can be found on their web site, <http://www.wttc.org>. Note: not all international arrivals can be considered leisure tourists, but the number does indicate general growth trends.


activity’ in the 1980s was ‘an explanation, but it was partial’, see Storper, *The Regional World* (note 15) p.14. His more recent work has centred on investigating the dynamics of innovation and learning.


65. For example, to exploit the expansion of tourism flows in the wake of the peace process, the Jordanian government dramatically increased the entrance fee to the Petra archaeological park and in 1995 this income alone amounted to nearly 0.5 per cent of the total domestic government revenue from all sources that year.


68. Cited in Krugman, *Geography and Trade* (note 14) p.38


72. Some ecotourism efforts – such as those focusing on wildlife in Israel and Israel, and the underwater life of the Red Sea – have tried to construct place-myths out of natural phenomena.


74. S. Malcomson. ‘Selling the Exotic’, *New Internationalist*, December 1984, p.27.


78. See L.A. Brand, ‘Resettling, Reconstruction and Restor(y)ing: Archaeology and Tourism in Umm Qays’, *Middle East Report* 216 (Fall 2000) p.31.


87. Ibid. p.2
91. Cited in Mitchell (note 66) p.11.