

TOURISM AND ECONOMIC DEVELOPMENT IN ASIA AND AUSTRALASIA

*Edited by
Frank M. Go and Carson L. Jenkins*



TOURISM, LEISURE & RECREATION



Tourism and Economic Development in Asia and Australasia

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Preface

The focus of this volume *Tourism and Economic Development in Asia and Australasia* is an exploration of critical issues facing the evolution of the economies in the world's most buoyant tourism region. The volume approaches the topic in an analytical manner and from an international perspective. It is a first attempt to lay a foundation for tourism studies in the region.

Defining Asia and Australasia, also often referred to as Asia-Pacific, is not an easy task. Largest of all continents, Asia covers nearly one-third of the earth's land surface and stretches from the frozen wastes of the Arctic in the north to the rain forests of Indonesia south of the Equator. In the west, Asia's boundary with Europe is defined by the line that may be traced from the Ural Mountains via the Caspian Sea to the Mediterranean. About 9,655 kilometres to the east, Asia ends in the archipelago of Japan and to its north the Sakhalin archipelago.

Hence the reader shall observe that the tag 'Asia' in the title of this volume is plainly too broad. More properly the focus of this volume is on those countries in East and South-east Asia, many of which follow a value system that can be classified under the rubric of Confucianism.

The spectacular economic performance of Japan since the 1960s and the more recent emergence of the South-eastern and Far Eastern Asian countries have given rise to the popular image of Asia as a region of frantic growth. However, this popular image masks the reality in 40 Asian countries, home to more than half of the world's people, which have many problems in common. Feeding a continually increasing population is one of the most pressing problems, and poverty and strife cause millions to migrate from rural areas into cities that are already crowded.

The economies in South-east Asia and the Far East have managed an annual average growth of 5 per cent or more, from 1973 to the present, whilst Gross Domestic Product (GDP) in the USA and Western Europe have grown at an average rate of 2.3 per cent over the same period. The resulting shift of the world's centre of economic gravity to Asia is perhaps one of the most significant events of the past three decades.

Australasia, also referred to as Oceania, is comprised of Australia, New Zealand and the islands of the Pacific east of Indonesia and the Philippines. In contrast to East and South-east Asia, the population in Australasia is small, under 30 million. In Australasia, there is little pressure on resources and its economic growth has been relatively slow.

Thus, the Asia and Australasia sub-region contains a great diversity of physical environments, cultures and levels of development of the world's continents. The expansion of the economies and tourism in the region may be characterized as 'explosive'. But the results of the rapid growth have been a collapsing infrastructure that is hardly able to respond to further tourism demand; a shortage of semi-skilled human resources; and an ecological crisis that in certain destinations is turning visitors away.

Whilst tourist flows in Asia/Australasia have shifted from predominantly North-South to intra-regional, the existing hospitality industry in the region reflects the Western model. However, the fundamental aim of economic and tourism development should be to enhance the functioning of the tourism sector and improve the host society's living standard. In order to redress the present situation, especially in Asia, 'need led' priorities should direct economic and tourism development rather than the traditional 'market led' approach (Theuns and Go, 1991).

These pronounced issues form the backdrop against which researchers attempt to answer two broad questions:

- How are the individual countries of Asia changing and what are the implications these changes may have on tourism and economic development?
- What are the major challenges facing the development of Asian economies, specifically from a tourism perspective?

Contributors from Asia, Europe and North America, representing various disciplines reflecting the interdisciplinary nature of tourism, including economics, sociology, geography, business administration and management, examine tourism development within Asia and Australasia in all its geographical and economic complexity. Each chapter focuses on current tourism developments in a specific country. Within this contextual framework, the present anthology surveys 14 countries that have been grouped according to their level of economic development:

1. Industrial countries, such as Australia, New Zealand and Japan.
2. Three newly industrialized countries: Hong Kong, South Korea and Taiwan.
3. Six South-eastern Asia nations: Brunei, Singapore, Malaysia, the Philippines, Thailand and Indonesia.
4. Two low-income communist countries namely the People's Republic of China and Vietnam which are increasingly turning to the (socialist) market system.

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PART I

Analysis of Tourism and Economic Development

Asian and Australasian dimensions of global tourism development

FRANK M. GO

Introduction

International trade and tourism activity has grown significantly in recent decades. Nowhere is this more apparent than in Asia and Australasia, where international trade and tourism are key reasons for the region's current economic prosperity. This chapter examines the significant aspects of tourism development in Asia and Australasia in a global context. It is therefore important to identify the key dimensions of appropriate tourism development. The essence of formulating and implementing tourism development is 'to attain broader and environmental goals' (Singh *et al.*, 1989: 13).

Whether one agrees with this statement or not, it is relevant in this context because it can be broken down into three parts that reflect three crucial dimensions of tourism market development:

1. The first part of this statement, 'The essence of formulating and implementing', indicates that there must be a process at play. Whether formal or informal, rational or irrational, tourism development proceeds through a number of stages and is driven by a myriad of variables, such as demand, supply and capability. This dimension of tourism, which considers how tourism developed, may be referred to as the tourism process.

The 'emergence' of Japan, and thereafter the Newly Industrialized Countries, and 'open regionalism' are viewed in this chapter as ever-growing factors in the shift towards East and North Asia assuming a major and growing role in global tourism. This shift, in conjunction with changes in the long-haul travel market, especially the greater emphasis on special interest travel, can be expected to have a chain reaction forcing market reforms, to varying degrees, in the tourism process throughout the region.

2. The second part of this statement, 'tourism development', indicates that the tourism process should result in 'output' or 'products'. This output of tourism activity is a course of action to be followed by a destination that will allow for

the attainment of national and/or regional goals in the face of competitive pressures. This dimension of tourism development is concerned with the content (what) of tourism, including the products the tourist comes to experience.

3. The final part of this statement, 'to attain broader and environmental goals', indicates that policies should be developed to suit varying contexts. It hardly needs to be argued that Asia/Australasia comprise a very heterogeneous region in terms of their level of development, factor endowment and national cultures.

Asia's primary allure for visitors has always been its other-worldliness, which is underpinned by divergent national cultures. However, the convergence towards commercialization and service quality threaten to spoil some of the most idyllic places and the concept of sustainable tourism is probably the central issue (Hall, 1994: 14) in Asia/Australasia tourism. This dimension of tourism is referred to as the *tourism context*.

The present Chapter attempts a three-dimensional view of tourism development by paying attention to each dimension (process, content and context). In this chapter the terms Asia and Australasia, the Orient, Asia Pacific will be used interchangeably.

Data are drawn for this chapter from various sources as indicated throughout the chapter. Particularly useful sources, as far as this chapter is concerned, are the holiday market analysis of European tourists by Aderhold (1995) and a study of Asia-Pacific tourist destinations by Baldwin and Brodess (1993). Finally, the section on marketing in this chapter is derived from an earlier publication (Go, 1989).

Evolution of Global Tourism

Since the early 1950s international tourism has grown rapidly, particularly after the liberalization of foreign exchange and travel restrictions which characterized the years following World War II. In the early 1960s international tourism, which in Europe had been mainly limited to neighbouring countries, began to spread more widely and grow in developing countries (Theuns, 1988).

From 1950 to 1970 international tourist arrivals in all countries grew from 25 million to 168 million, an average annual growth rate of 10 per cent. At the same time, international tourism receipts rose from \$2.1 billion to \$17.4 billion. The introduction of wide-bodied planes, such as the Boeing 747 and the DC-10, increased worldwide airline capacity and caused airlines to offer lower fares. The arrival of the big jet airliners, capable of ferrying hundreds on a single flight, made Pacific travel not only swift and convenient, but also affordable. 'The formerly vast expanses of the Pacific which deterred travel now became manageable, so that far away places – which had until then been only dreams out of adventure novels – now became a reality' (Gee and Lurie, 1993: 3).