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Managing Growth and Sustainable Tourism Governance in Asia and the Pacific

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Managing Growth and Sustainable Tourism Governance in Asia and the Pacific

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Managing Growth and Sustainable Tourism Governance in Asia and the Pacific

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Foreword

In the last two decades, the Asia and the Pacific region has experienced significant growth in the tourism sector, fueled by a rapidly growing middle-class and a technology-savvy millennial class that led to a boom in outbound and inbound tourism. Asia and the Pacific welcomed 309 million international tourist arrivals in 2016, making it the second largest regional destination in the world, with a quarter of the world's share of arrivals. This rapid growth, coupled with the region's large population, calls for effective management and governance to ensure destinations can maximize the benefits of tourism while minimizing its negative impacts.

The publication *Managing Growth and Sustainable Tourism Governance in Asia and the Pacific* is released on the occasion of 2017 as the International Year for Sustainable Tourism for Development. It describes sustainable-tourism governance approaches that have helped to realize tourism's potential to contribute to economic growth and improved livelihoods in the region by providing tangible examples demonstrating that growth and sustainability are not at odds. The case studies presented in the report cover 13 countries and 17 destinations in the region and highlight issues related to growth and sustainable-tourism governance, providing approaches from both the private and public sectors in one of the most promising and successful tourism regions in the world.

I trust that this report will be a useful tool for policy makers, tourism stakeholders and academia and that it will support in the development of a more responsible and sustainable tourism sector that helps advancing the 2030 Agenda and the Sustainable Development Goals (SDGs).

I take this opportunity to extend my utmost appreciation to the Korean Tourism Organization (KTO) and the Government of the Republic of Korea for their generous support in making this report possible, as well as the Griffith Institute of Tourism of the Griffith University of Australia for their valuable contribution to this report.

Taleb Rifai
Secretary-General,
World Tourism Organization (UNWTO)

Executive summary

2017 has been declared by the United Nations as the “International Year of Sustainable Tourism for Development” and it is therefore opportune to consider how tourism may contribute to sustainable development of destinations in Asia and the Pacific. Tourism in Asia and the Pacific is growing at a greater rate than any other in region in the world and provides opportunities for reducing poverty, providing employment, preserving unique cultures and their heritage, and our natural environment. Tourism is uniquely able to achieve these outcomes, but requires the appropriate governance arrangements to be in place if it is to do so.

This special report examines how to manage the forecast rapid growth of tourism in Asia and the Pacific and hence achieve these outcomes by improving destination governance arrangements. The governance arrangements discussed here are those of government organizations but not exclusively. The report also discusses the governance arrangements of community, non-governmental, private sector, public-private partnerships, and traditional organizations, and their role in sustainable tourism governance. Importantly, the special report indicates that these various institutions must collaborate if sustainable outcomes are to be achieved, and that this collaboration requires governance arrangements that may not yet be fully developed. Sustainable tourism requires development of governance arrangements across existing organizational boundaries.

This special report reviews current thinking on tourism governance and provides some eighteen case studies from Asia and the Pacific, highlighting aspects of managing tourism growth. After a brief introduction to the current and forecast growth of tourism in this region, the special report discusses how thinking about governance has evolved over the past 30 years, and what is meant by terms such as good governance. It then builds on previous work by the World Tourism Organization to discuss how the governance capacity and effectiveness of tourism organizations may be measured and compared in their ability to achieve the task of managing sustainable tourism growth. The report then discusses social and environmental impacts commonly experienced by host communities and governance actions to reduce them.

The eighteen case studies have been selected from across Asia and the Pacific tourism destinations to provide examples of the broad range of issues being dealt with and how they are being addressed in real-world practice. The topics of these cases range from country level tourism master-planning in Papua New Guinea to traditional governance arrangements on Tanna Island, Vanuatu; and covers economic entrepreneurship in China, social entrepreneurship in Viet Nam, and environmental entrepreneurship in Philippines. These cases emphasize the importance of developing “soft” tourism infrastructure, meaning the networks of organizations and people that collaborate together to manage a tourism destination. They highlight that in growing tourism destinations of Asia and the Pacific there is a need to improve the skills and knowledge of people and of development of governance capacity and effectiveness. The final chapter of this special report draws together a series of lessons and findings.

Chapter 1

Tourism growth in Asia and the Pacific

Summary

Tourism in Asia and the Pacific is expected to experience the strongest growth of any region globally. By 2030, visitor arrivals are forecast to increase by 331 million to reach 535 million (+4.9% per year).¹ Tourism destination managers need to anticipate this rapid tourism growth and possible negative impacts and risks concomitant with such pressures on the natural environment, built infrastructure, society and the economy as a whole.

Key words

- Asia and the Pacific visitor growth
- Tourism policies

Key messages

- Asia and the Pacific tourism is growing rapidly.
- Forward planning and improved governance arrangements are required to achieve sustainable social, cultural, environmental and economic outcomes for host communities.

1.1 Introduction

Tourism is now one of the world's largest economic sectors. In 2016, global international tourist arrivals grew 4% to 1,235 million.² Tourism arrivals are forecast to grow globally by 3.3% on average each year to 2030.³ This growth is due factors to such as increased disposable income and leisure time, improved online information and booking options, reduction in travel costs, and easier visa access.

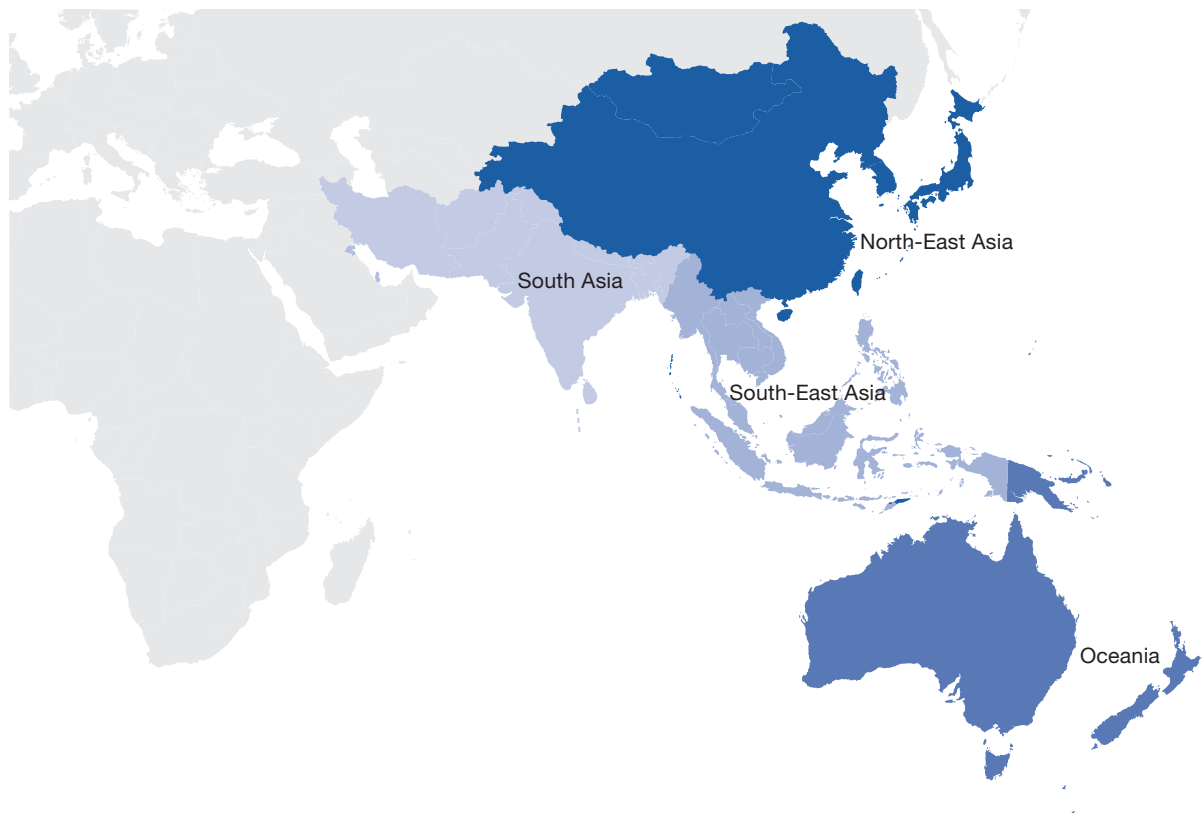
Asia and the Pacific is a growing source of visitors as well as a popular destination for international travellers. This chapter discusses the current state of tourism in the Asia Pacific region (see figure 1.1), identifies top ten hotspot destinations and provides an outlook of the emerging and future trends concluding with the importance of governance and roles of key players.

1 World Tourism Organization and Global Tourism Economy Research Centre (2014), *Annual Report on Asia Tourism Trends*, UNWTO, Madrid.

2 World Tourism Organization and Global Tourism Economy Research Centre (2016), *Annual Report on Tourism Trends – 2016 Edition*, Executive Summary, UNWTO, Madrid.

3 World Tourism Organization (2016b), *UNWTO Tourism Highlights, 2016 Edition*, UNWTO, Madrid.

Figure 1.1 Asia and the Pacific subregions



Source: World Tourism Organization (2011).

1.2 Growth in tourism

In 2016, Asia and the Pacific experienced growth in tourism arrivals, receipts and expenditure and this growth pattern is expected to continue. International tourist arrivals grew by 9% to 309 million, noteworthy as it is the first time the region has exceeded the 300 million arrivals.⁴ In 2016, China, the top inbound destination in Asia and the Pacific and fourth worldwide, received over 59 million international tourist arrivals followed by Thailand (32 million), Hong Kong (China) (26 million), Malaysia (26 million), and Japan (24 million)⁵ (see table 1.1).

4 World Tourism Organization (2017b), *UNWTO World Tourism Barometer, Annex, volume 15*, UNWTO, Madrid.

5 Ibid.

Table 1.1 International tourist arrivals by country of destination, 2014–2016 (million people)

Country	Year 2014	Year 2015	Year 2016 ^a
China	55.6	56.9	59.3
Thailand	24.8	29.9	32.6
Hong Kong, China	27.8	26.7	26.6
Malaysia	27.4	25.7	26.8
Japan	13.4	19.7	24.0

a) Provisional data.

Source: World Tourism Organization (2017c).

In 2016, expenditure by visitors in Asia and the Pacific grew by 4% to a total of USD 418.6 billion. Thailand received visitor expenditure of over USD 49 billion, an increase of 14% over the previous year.⁶ Other countries experiencing double-digit growth included Japan where visitor expenditure increased by 10% to USD 30 billion and Republic of Korea which increased by 13% to USD 17 billion.

Asia and the Pacific is also a significant source of visitors. China is the largest source markets globally, with 135 million Chinese travelling overseas in 2016, an increase of 7 million (+6%). Expenditure by Chinese international travellers grew by USD 11 billion (12%) in 2016 to USD 261 billion.⁷ Chinese travellers mostly visit nations in Asia and the Pacific including Japan, Republic of Korea and Thailand. Indeed, 80% of visitors to countries in Asia and the Pacific originated from other countries within the region.⁸ However, intraregional visitors to South Asia, represents only 37% of arrivals, as many of its source markets are in Europe.⁹ The Republic of Korea (USD 27 billion), Australia (USD 25 billion) and Hong Kong (USD 24 billion) are amongst the top 10 nations for expenditure per person while overseas.¹⁰

Airline travel is the dominant mode of international transport in Asia and the Pacific, accounting for 61% of all arrivals based on the latest figures from 2015.¹¹ This proportion is expected to increase due to the rapid growth of low-cost carriers (LCCs). The 78 primary international airports in the region accounted for over 57% of the total estimated 2,270 million passenger movements in 2015 and for more than 80% of international movements.¹²

Some 53% of visitors to Asia and the Pacific travelled for leisure purposes, while visiting friends and relatives (VFR), trips for health, religious and other reasons accounted for 23%, and 12% travelled for business and professional reasons.¹³ Note however that the proportion of business

6 World Tourism Organization (2017b), *UNWTO World Tourism Barometer, Annex, volume 15*, UNWTO, Madrid.

7 Ibid.

8 World Tourism Organization and Global Tourism Economy Research Centre (2014).

9 Ibid.

10 World Tourism Organization (2017b).

11 World Tourism Organization and Global Tourism Economy Research Centre (2014).

12 Ibid.

13 Ibid.

travel may be understated. This is because travellers may make a trip for multiple purposes or may record they are travelling for leisure rather than for business purposes, since such visas tend to be easier to obtain.

1.3 Future outlook

International tourist arrivals to Asia and the Pacific is forecast to reach 535 million by 2030, an average annual increase of about 4.9%, and the highest forecast annual increase in arrivals for any region globally.¹⁴ The global market share of Asia and the Pacific is anticipated to increase to 30% in 2030 from its present share of 24%. By 2030, North-East Asia is expected to overtake Southern and Mediterranean Europe to become the subregion to receive the largest number of international arrivals (293 million) of any subregion in the world.¹⁵

Many states in Asia and the Pacific are addressing growth in visitor arrivals by implementing policies facilitating travel. For example, the Asia-Pacific Economic Cooperation (APEC) Travel Facilitation Initiative (TFI) seeks to enhance connectivity.¹⁶ Australia is implementing a trial 10-year visitor visa for travellers from China.¹⁷ Countries in the region are also implementing policies to address crises and disasters that may affect tourism destinations. The Philippines “Zero Casualty” policy is an example of good practice for response-recovery governance and risk-sensitive development.¹⁸

Asia and the Pacific top-10 visitor numbers hotspots in 2016:¹⁹

- North-East Asia: (1) China;
- South-East Asia: (2) Indonesia, (3) Viet Nam, (4) Philippines, (5) Myanmar, (6) Malaysia and (7) Thailand; and
- South Asia: (8) India, (9) Sri Lanka and (10) Bangladesh.

14 World Tourism Organization (2017b).

15 World Tourism Organization and Global Tourism Economy Research Centre (2014).

16 Asia-Pacific Economic Cooperation (2017), *APEC Outcomes & Outlook 2016–2017*, Asia-Pacific Economic Cooperation Secretariat, Singapore.

17 Australian Government, Department of Immigration and Border Protection (2016), *Trial 10-year Frequent Traveller Visitor visa in China* (online), available at: www.border.gov.au (25-04-2017).

18 United Nations News Centre (2016), *As ‘most disaster-prone region,’ Asia-Pacific needs risk-sensitive development*, UN reports (online), available at: www.un.org (25-04-2017).

19 World Travel Market (2016), *WTM Industry Report 2016* (online), available at: <http://london.wtm.com> (25-04-2017).

Chapter 2

Governance and measuring institutional effectiveness

Summary	This chapter clarifies the meaning of commonly used terms such as institution, governance and good governance. It discusses various types of institutions, identifies common dimensions of governance arrangements that determine their directive capacity and directive effectiveness in achieving a task. A general process and method for measurement of governance effectiveness is provided.
Key words	<ul style="list-style-type: none">- Governance arrangements- Institution- Directive capacity- Directive effectiveness- Task- Tourism Governance Measurement- Tourism Governance Matrix- Open Access Apps
Key messages	<ul style="list-style-type: none">- The task of achieving sustainability requires establishing governance arrangements enabling various types of organizations to work together.- Governance arrangements can be analyzed and measured in terms of their directive capacity and directive effectiveness in achieving a task.

2.1 Introduction

Government in the rapidly growing tourism destinations of Asia and the Pacific provide an important, but not exclusive, contribution to the task of improving sustainability. Sustainability outcomes may also be influenced by tribal, community, or international institutions. Essentially, the task of achieving sustainability requires establishing rules so that different organizations, each with different type of governance arrangements, can work together. This chapter discusses how to analyze these different governance arrangements and then presents a method for measuring governance effectiveness.

2.2 Terminology

Arguably, we have a complex society today because humans have created different types of institutions that allow people to work together in groups to achieve some common task. Each institution creates a set of rules that define who its members are, their roles, how they make decisions, and the tasks that that institution undertakes (table 2.1). People in a particular society learn about the rules of these institutions at school, newspapers or from parents and friends, often at an early age. Most people understand the institution of government involves some small number of chosen representatives (i.e. in Australia called Members of Parliament) whose task it

is to develop policy that will achieve the aims of that country's people. **Government** is a form of institution with rules about the responsibilities, rights and duties of certain elected or appointed officials and citizens. A government codifies its particular rules in legal contracts or laws and may create particular sets of rules for different situations or tasks. For example, in an emergency, a government may suspend certain rules (laws) and replace them with others. A corporate institution is used for undertaking a different task: that of making a collective financial profit. In this institution, a Board of Directors is allocated the task of overall corporation direction and ensuring long term viability.

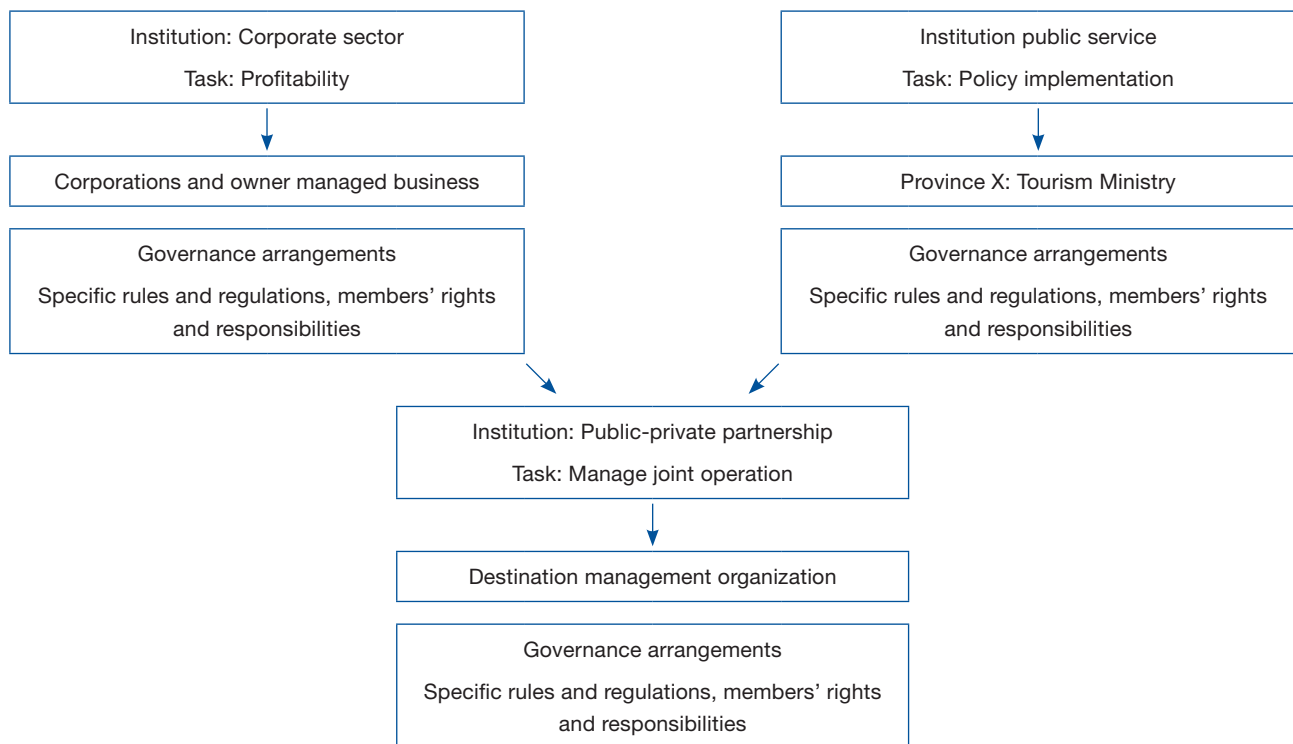
Table 2.1 **Institutions, their governance task and members**

Institution	Governance arrangements	
	Members	Task
Government	Chosen representatives	Direct country – develop policy
Public service	Paid government employees	Implement policy
Defence services	Paid government employees	Maintain security
Private sector – Corporate	Board of Directors	Long-term profitability
Private sector – Owner/manager	Owner	Long-term profitability
Community	Community leaders	Harmonious and effective community
Traditional or tribal	Tribe	Harmonious and effective community
Non-governmental organization	Depends on task	Various
Public-private partnership	Paid government employees, selected corporate or community stakeholders	Manage public-private partnership
Good governance	Everyone either directly or through government	Manage all institutions

Institutions can be described by the task for which it was developed, whom amongst its members make decisions and other governance arrangements or rules (table 2.1). When organizations with different governance arrangements work together to achieve a task they must establish a new set of governance arrangements that work in that particular circumstance. Any particular tourism organization has a specific set of governance arrangements. For example, Tourism and Events Queensland in Australia is a statutory body and its governance arrangements are set out in legislation.¹ In comparison, Gold Coast Tourism, also in Australia is a public company and its governance arrangements are those typical of a corporate institution. Governance arrangements define the members that make decisions, and the specific set of rules, regulations, and so on that allow an organization to fulfill a task. A particular organization may sometimes adopt different governance arrangements for the various tasks it undertakes.

1 Office of the Queensland Parliamentary Counsel (2012), *Tourism and Events Queensland Act 2012* (online), available at: www.legislation.qld.gov.au (12-05-2017).

Figure 2.1 Public-private partnership governance arrangements



Different types of governance arrangements used to achieve the same task may be compared in terms of their directive capacity and directive effectiveness. **Directive capacity** is determined by the rules defining membership, the roles and responsibility of various members and their ability to make and enforce decisions. A policeman for example has directive capacity in situations when the law is broken. Directive capacity is always related to a particular task to be undertaken. **Directive effectiveness** is determined by the resources, member motivation and skills available to undertake a task.²

2.3 Evolving institutions

Each institution proscribes governance arrangements that define members' roles and responsibilities, and that specify how decision making, allocation of resources and profit, and how measurement of performance should be undertaken. Institutions provide a general set of governance arrangements or "system by which organizations are directed and controlled"³. The private sector involves two similar institutions, corporate and owner-manager. The **corporate institution** provides a comprehensive and detailed set of rules concerning rights, processes and controls established internally and externally over the management of a business entity,

² World Tourism Organization (2013a).

³ Cadbury, A. (1992), *The Report of the Committee on the Financial Aspects of Corporate Governance (Cadbury Report)*, Gee & Co, London.

protecting the interests of members (called shareholders). The private sector also contains smaller businesses that are controlled by **owner-managers**. The **public sector** institution involves complex governance arrangements for management of numerous tasks related to government policy implementation.

In the 1980s, a new institution called a **public-private partnership**⁴ evolved to allow government and business to work cooperatively together. Public-private partnerships (PPP) have different governance arrangements to either government or corporate institutions. This new PPP institution arose due to policy decisions taken in the United Kingdom and the United States of America, targeted at improving government efficiency. The United States of America Government deregulated its aviation sector to improve economic competition and the United Kingdom privatized ports and railways to reduce the tax burden. Some government services were outsourced completely or delivered through partnerships between the public, private and voluntary sectors.⁵ Because of these changes, there was need to coordinate government policy and private sector operations, a task calling for a new set of governance arrangements. A policy network is a related institution undertaking policymaking and implementation tasks, with both government and non-government members. This institution includes 'rules of the game' or governance arrangements allowing non-government members the right to have input into decisions about tasks previously undertaken exclusively by government organizations.

2.3.1 Good governance

In 1989, a World Bank report⁶ indicated that sustainable development for Sub-Saharan Africa required effective government organizations. The World Bank is a prominent organization that lends to governments so as to achieve a specific task, usually a type of economic or social development. In particular, this report identified deficiencies in the governance arrangements of government organizations that were involved in the development task.

“A root cause of weak economic performance in the past has been the failure of public institutions [organizations]. Private sector initiative and market mechanisms are important, but they must go hand-in-hand with good governance [arrangements for the public sector] – a public service that is efficient, a judicial system that is reliable, and administration that is accountable to its public.”⁷

This and similar initiatives has led to evolution of a new *de facto* institution here called good governance. The **good governance institution** considers that directive capacity and effectiveness require efficiency, reliability, and transparency and accountability in decision-making.

More recently, the **good governance** institution has been applied to a wide range of tasks. For example, the United Nations Development Programme (UNDP) applied the term **good governance**

4 Rhodes, R. (1996), 'The new governance: governing without government', *Political studies*, volume 44 (4), pp. 652–667.

5 Ibid.

6 Rhodes, R. (1997), *Understanding governance: Policy networks, governance, reflexivity and accountability*, Open University Press, Buckingham.

7 Rhodes, R. (2007), 'Understanding governance: ten years on', *Organization Studies*, volume 28 (8), pp. 1,243–1,264.

to the very general task of social interaction.⁸ The UNDP lists nine characteristics of the good governance institution applied to the task of societal organization (see box 2.1). These governance arrangements state that, for example, all stakeholders should be able to participate in decision-making (either directly or through legitimate representation institutions), and that decisions should be made by broad consensus.

Box 2.1

Characteristics of good societal governance

- Participation – All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.
- Rule of law – Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.
- Transparency – Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.
- Responsiveness – Institutions and processes try to serve all stakeholders.
- Consensus orientation – Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.
- Equity – All men and women have opportunities to improve or maintain their well-being.
- Effectiveness and efficiency – Processes and institutions produce results that meet needs while making the best use of resources.
- Accountability – Decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organization and whether the decision is internal or external to an organization.
- Strategic vision – Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

Source: World Bank (1989), *Sub-Saharan Africa: From Crisis to Sustainable Growth*, World Bank, Washington, DC, p. vii.

8 World Bank (1989), *Sub-Saharan Africa: From Crisis to Sustainable Growth*, World Bank, Washington DC.

Table 2.1 Stakeholder functions and roles

Government bodies		Private sector	Non-government organizations	Community-based groups
Central government: <ol style="list-style-type: none"> 1. Policy coordination to ensure appropriate conditions and an enabling environment for development. This may involve coordination of policy regarding transport, public finance, agriculture, trade, arts and crafts, customs, the judiciary, the environment, health and so on; 2. Development of appropriate legislation. In some countries, specific tourism legislation has been developed, but in others a variety of different laws, regulations, plans with varying legal status, exist; 3. Planning to ensure tourism is geared to the needs of the country and the visitor; and 4. Financing of various initiatives either directly or through tax or financial incentives. 	<ol style="list-style-type: none"> 1. Rights to leisure and holidays; 2. Education of citizens about tourism; 3. Economic development through tourism; 4. Social and cultural development through tourism; and 5. Environmental safeguarding and protection. 	<ol style="list-style-type: none"> 1. Operates for profit and comprises airlines, tour operators, transportation, accommodation, food and other service providers; 2. Collaborates with others to create product packages, and cooperative promotion with the DMO. Governance arrangements of such activities may be through formal contracts or through trust and norms; 3. Engages in fair and inclusive employment with the local community, provide support and training of employees; and 4. Undertakes corporate social responsibility activities such as acting responsibly towards the environment and offering respect and support for the local culture and communities. 	<p>Offer assistance for development of tourism in a destination through financial grants or professional expertise. Their role is determined by their charter and also by donor agencies.</p>	<ol style="list-style-type: none"> 1. Gatekeepers of their immediate community; 2. Involvement of planning, collaborative decision making and representing the greater good of the community and its environment; 3. Representatives of the land and offer permissions and guidelines on the terms of land usage for the purpose of tourism attractions and activities; 4. Offer traditional and grassroots knowledge to help maintain and conserve the local history, traditions and culture; 5. Steer the community's future growth and development; 6. Ensures accountability of any other governing group for actions going against the sustainable development; and 7. Academics, training bodies and volunteer interest groups also can form part of this group contributing to the delivery of sustainable development and growth.
National tourism administrations (NTAs): provide public and private operators, as generators of tourism activity, with appropriate conditions and an enabling environment for development through policy formulation. <ol style="list-style-type: none"> 1. Can be an independent body or a quasi-governmental organization; 2. NTAs coordinate with other areas of central government to deal with policy regarding roles like environmental safeguarding, for which they do not have legislative powers; 3. NTAs face problems in creating or co-ordination tourism related policies due fragmentation of organizations role and responsibility within central government, across multiple levels of government, and between government and the private sector; and 4. NTAs usually have little legislative or effective power in policy development, but this is changing as the ability of tourism to contribute to government goals is recognized. 				

Government bodies	Private sector	Non-government organizations	Community-based groups
<p>National tourism organizations (NTOs): traditionally undertaken promotion and marketing roles, including policies related to aviation services, border control, encouraging inward investment, niche market development, small business training, and coordination of responses to crises and disasters. NTOs may be part of the NTA, an independent body or a quasi-governmental organization. NTOs require horizontal policy integration across organizations at the same administrative level. Many government roles related to tourism may also be undertaken at the provincial or local administrative levels requiring vertical policy integration. A whole of government approach, both horizontal and vertical policy alignment.</p> <p>Subnational government level: generally interact with smaller business that at national level, and are usually responsible for business operation regulation, and enhancement of service quality. This level consists of Tourism administration and Tourism organization at the provincial level (PTA, PTO) and local level (LTA, LTO). LTA are usually responsible for land-use planning and use this to regulate permissible or impermissible activities. Governments typically have the directive capacity to undertake destination land use planning but may lack the resources to.</p>			

Note: Destination management organization (DMO): a form of public-private partnership that manages the interface between the public and private sector and has a primary.

2.4 Measuring governance – what to measure

The idea of measuring tourism governance is introduced in *Governance for Tourism Sector and Its Measurement*.⁹ This report defines tourism governance as:

“[a] practice of government that is **measurable**; that is aimed to effectively direct the tourism sectors at the different levels of government through forms of coordination, collaboration and/or cooperation that are efficient, transparent and subject to accountability, that help to achieve goals of collective interest shared by networks of actors involved in the sector, with the aim of developing solutions and opportunities through agreements based on the recognition of interdependencies and shared responsibilities”.

According to this report¹⁰, effective governance requires government to have **directive capacity** and directive effectiveness, where directive capacity relates to the legal authority, institutional powers and resources the government has available to coordinate tourism activities at and across different levels. **Directive effectiveness** relates to the government’s exercise of powers and the mobilization of institutional resources subject to co-responsibility, transparency and accountability.

This chapter builds upon the idea of measuring governance using these two dimensions. Although this Special Report considers that governance is not only a practice of government, it also recognizes that in rapidly growing destinations of the Asia Pacific region, governments have a vital and arguably pivotal role in tourism development and governance. Therefore, in this chapter the focus is on governance as a practice of government, while recognizing that the principles discussed here are applicable in other non-governmental contexts.

Directive capacity is dependent on the task to be undertaken. For example, governments typically have the legitimate right and the capacity to undertake destination land use planning but may not have the legal right to develop strategic marketing plans for a tourism destination. In the latter case, the government may choose to bring together appropriate non-government stakeholders to jointly develop collectively agreed plans and particular associated tasks. Therefore, decisions about which stakeholders are involved in a task is a key aspect of governance and should be decided based on each stakeholders’ powers, perceived legitimacy, roles and responsibilities relevant to the task. The degree of transparency of decision making should also be specified.

Directive effectiveness is dependent on government and other stakeholders having the motivation, skills and resources to undertake the task and the governance arrangements associated with the task. For example, while a particular stakeholder may have the directive capacity to undertake a task, they may not have the motivation because of conflicts with other tasks they are required to undertake. A protected area management organization may consider that adequate protection of a vulnerable ecosystem requires that no people visit, despite the economic value of tourism to the local community and some evidence that tourists can help to fund park management. This may cause conflict between the protected area management organization and the community. A solution may be to include community representatives in park management decisions.

9 World Tourism Organization (2013a), *Governance for the Tourism Sector and its Measurement*, UNWTO Statistics and TSA Issue Paper Series, number 1, UNWTO, Madrid (online), available at: www.e-unwto.org (07-06-2017).

10 Ibid.

Directive effectiveness is also enhanced by having a clear definition of a specified task to be undertaken, having appropriate stakeholders involved, by having a forward looking and responsive view, by clearly defining who makes decisions and how they are made, and deciding on how the outcome will be measured and by whom. The type of stakeholders involved in tasks such as co-operative destination marketing and protected area policy development vary. Some of the tasks to be undertaken in a developing tourist destination are quite different from those in a mature destination and hence the appropriate stakeholders may vary.

Based on the discussion above, a set of questions can be established to provide data for tourism governance measurement, such as those below:

- Do the stakeholders or organizations involved have the powers to complete the task?
- Do the stakeholders or organizations involved have the perceived legitimacy to complete the task?
- Do the stakeholders or organizations involved occupy the roles with the responsibilities relevant to the task?
- Do the stakeholders have the motivation, skills and resources to undertake the task?
- Do the stakeholders have the motivation, skills and resources to undertake the governance arrangements associated with the task?
- Are the stakeholders adopting a forward-looking view that allows problems related to the task to be anticipated and dealt with in an appropriate and responsive manner?
- Is there a clear specification of how and who can make decisions of various types related to the task?
- Is there a clear understanding of how the achievement of the task will be monitored and evaluated?

2.5 Establishing a method to measure governance

Section 2.4 has identified questions that may be used to measure governance capacity and effectiveness. However, an appropriate methodology to collect the data needed to answer these questions must be specified. This method should be agreed by the members of the organization.

Fuentes in his study only seeks to measure the governance of Public Tourism Administrations (PTAs).¹¹ His report considers that governance is improving when more PTAs within a country reach the required level of governance capacity and effectiveness. Fuentes does not indicate who will perform this evaluation although it would logically be central government.¹² Here, an alternative method of measurement of governance capacity and effectiveness is suggested based on collection of data from stakeholders of a PTA or other organization such as destination marketing organization. Essentially this system involves an organization that establishes a set of indicators or questions to be used for measurement of tourism governance. The questions in section 2.4 are then used by the central or subnational level government, or other body, and answered by the PTA or destination stakeholders (figure 2.2).

11 World Tourism Organization (2013a), *Governance for the Tourism Sector and its Measurement*, UNWTO Statistics and TSA Issue Paper Series, number 1, UNWTO, Madrid (online), available at: www.e-unwto.org (07-06-2017).

12 Ibid.

Further, it is proposed the collection of data from stakeholders is through an open access mobile phone or computer app. This will enable stakeholders to provide their evaluations quickly and easily. Such a method will enable a wide range of stakeholders in a destination involved in tourism development to be consulted. Indeed, depending on the action situation and task, this app can be used to collect data from the general public (as a form of crowd-sourcing).

Figure 2.2 Establishing a monitoring system

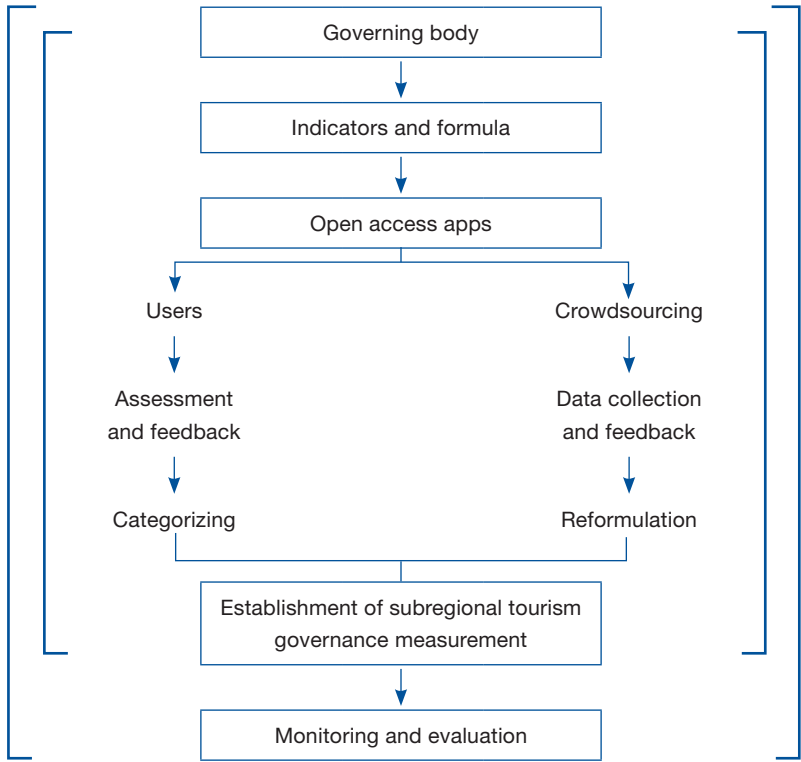
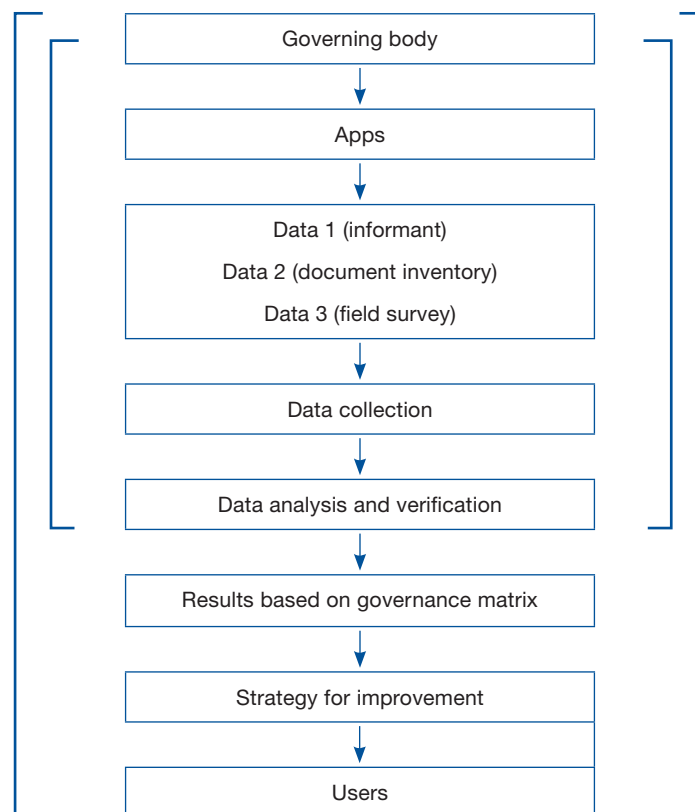


Figure 2.2 shows activities related to the establishment of the indicators and the apps. These activities are managed by the governing body in consultation with key related stakeholders. This allows the formulation of the tourism governance measures that fit the PTA. Figure 2.3 shows the activities for measuring governance using an open sourced app.

Figure 2.3 Measuring tourism governance



2.6 Evaluating tourism governance results

The report on *Governance for the Tourism Sector and its Measurement* does not provide suggestions as to how to evaluate and improve governance in a PTA.¹³ Here, a governance matrix is used to do this. This matrix allows the performance of a PTA to be categorized into four classes based on directive capacity and directive effectiveness. Figure 2.4 depicts the matrix used to assess a PTA in terms of directive effectiveness and directive capacity.

13 World Tourism Organization (2013a), *Governance for the Tourism Sector and its Measurement*, UNWTO Statistics and TSA Issue Paper Series, number 1, UNWTO, Madrid (online), available at: www.e-unwto.org (07-06-2017).

Figure 2.4 The governance matrix

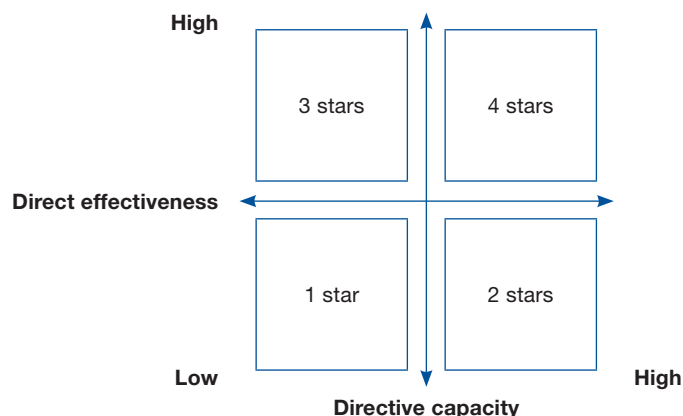


Figure 2.4 defines four quadrants based on PTA performance in directive capacity and directive effectiveness:

- A PTA located in **quadrant 1 (4 star)** has a high level of directive effectiveness and a high level of directive capacity and should retain its existing performance by conducting monitoring and evaluation on a regular basis.
- **Quadrant 2 (3 star)** organizations have high level directive effectiveness but low level direct capacity. Such an organization may be operationally effective in certain tasks but is not capable of providing effective leadership, perhaps because it lacks the resources, powers or legitimacy.
- **Quadrant 3 (2 star)** means that a PTA has a high directive capacity but experiences problems with directive effectiveness. This PTA has the resources, the power and legitimacy needed but needs to improve effectiveness through collaboration, cooperation and coordination with other involved parties. This may involve developing a joint vision and values, improved leadership, or implementing a cultural change process.
- PTAs in **quadrant 4 (1 star)** have low directive effectiveness and directive capacity. The priority at this stage is to increase the organizational directive effectiveness through training, workshops and knowledge transfer.

2.7 Conclusion

The discussion of the meaning of the term “governance” and how the term has evolved over time is useful in clarifying future discussions. Further the measurement of governance discussed above extends the work of Fuentes by articulating a method to measure directive capacity and directive effectiveness and characterize the results into 4 classes. As part of this method, it discusses the use of an open access app to collect data. Such a method for measurement of tourism governance can help tourism growth to be more sustainable at local, regional and national levels.

Box 2.2

Rash Mela in the Sundarbans of Bangladesh

The Sundarbans is a name given to the joint delta of the Ganges, Brahmaputra, and Meghna Rivers on the southern coast of Bangladesh and the south-eastern coast of India. It is an extensive estuarine complex of channels, islands, and the world's largest contiguous mangrove forest, with a total area around 10,000 km². Large sections lie within protected areas, including Sundarban National Park in India, and three World Heritage wildlife reserves in Bangladesh. The Bangladesh Sundarbans are managed by the Bangladesh Forest Department. The Sundarbans are also rich in cultural heritage, which forms the basis for a substantial cultural tourism sector. This is centred on the *Rash Mela* festival, which is organized by local fishermen, controlled by the Forest Department, and patronised heavily by urban domestic visitors from urban areas, who are brought to the island of Dubla Char by local boat tour operators. The island of Dubla Char is at the oceanward edge of the Bangladesh Sundarbans. *Rash Mela* is a full-moon festival, religious in origin, held annually over three days in November. The religious component is Hindu, focussing on Krishna and other members of the Hindu pantheon. This event attracts around 20,000 local fishermen, and well over 40,000 tourists, largely domestic. Tourist attractions include singers, dancers, musicians and food. This large-scale festival event imposes significant impacts on forest conservation, and creates substantial discontent within local communities, who receive few opportunities to benefit. Whilst the *Rash Mela* festival was first introduced in the late 1700's, it is only recently that it has become such a large-scale tourist event. This has led the Bangladesh Forest Department to impose an increasing degree of control. This includes a limited total time period, entrance fees, specified boat routes, and no nocturnal travel. It seems likely that in future years, steps will also be taken to minimise environmental impacts, and include greater participation and economic opportunities for local communities living within the Sundarbans. This will require investment by the Forest Department, private tourism operators, conservation NGO's, and/or aid agencies, in: infrastructure; regulations, permit systems and enforcement; anti-poaching patrols and monitoring; tourism training for local residents; and tourism marketing nationally and internationally.

Chapter 3

Tourism governance and sustainability

Summary

Policy makers and destination stakeholders must balance the economic impacts of tourism against damage to the socio-cultural fabric of the destination. Likewise, management of environmental sustainability is considered a critical element for the livelihood of residents and continued enjoyment for tourists. This chapter discusses common social and environmental impacts on host communities and governance actions to reduce them.

Key words

- Environmental sustainability
- Social sustainability
- Self governance
- Corporate social responsibility
- Public, private and community partnerships
- Social culture

Key messages

- Culture, heritage, people and lifestyle of societies are often key reasons for tourists visiting Asia and the Pacific.
- Social and environmental sustainability can be improved by including community members in governance arrangements.

3.1 Introduction

The UNWTO has noted that the tourism sector is in a position to be a leading change agent in the journey toward a green economy, provided it is afforded the right investment and guidance. A deciding factor in utilizing tourism as a vehicle for sustainable development and resource efficiency, is the issue of appropriate governance arrangements.¹

The previous chapter has sought to better define governance, a term that is often more talked about than understood² and discuss how it can be measured in the context of tourism. Governance in the tourism sector is especially important because it is not a single industry but instead “cuts across different fields of experience and administrative frontiers”³. Tourism therefore faces the difficulty of ensuring collaboration between a variety of stakeholders and of working within complex existing governance arrangements. Tourism requires collaboration not only between the levels of governance but also across public, private and local community institutions.

1 World Tourism Organization (2013b), *Sustainable Tourism Governance and Management in Coastal Areas of Africa*, UNWTO, Madrid.

2 World Tourism Organization (2013a).

3 Ibid.

Whilst difficulties exist, they must not reduce the efforts made to better understand and maximize the potential of the sector for improving sustainability of the environment and community. Tourism, especially in the high-growth countries of Asia and the Pacific can be a leader in all aspects of environmental sustainability, including generating the financial and political support needed to sustain protected areas, raising awareness of the need for conservation, generating investment in natural resource preservation initiatives, educating visitors and residents about sustainable practices, upholding environmental purity and biological diversity (often key contributing factors to a destination's appeal) and forging sustainable livelihoods for communities.⁴ On the other hand poor tourism governance may lead to physical destruction and loss of amenity, damage habitats and accelerate reductions in biodiversity, worsen pollution, drive resource consumption and competition, contribute to climate change, involve limited community engagement and benefit, and create areas of overdevelopment.⁵

Practically, then, effective governance requires not just a coherent policy framework and mechanisms to drive positive actions, but also development of governance arrangements with the capacity and effectiveness to achieve the tasks related to sustainability and a clear understanding of the roles and responsibilities of key stakeholders.⁶

3.2 Environmental sustainability governance

Public, private and community stakeholders can affect the development of sustainable tourism through their individual and joint policies, actions and attitudes. These policies, actions and attitudes in turn reflect the institutions these stakeholders are members of, and the governance arrangements to which they ascribe. The task of achieving environmental sustainability requires many sub-tasks to be achieved with different organizations involved in each. Many institutions claim that a "good governance" approach is best for effective governance of sustainability overall.⁷

3.2.1 Public sector institutions

A country's government has the responsibility to create organizations with the directive capacity to undertake many of the sub-tasks involved in sustainable tourism development. Related government departments include Ministries of Tourism, Foreign Affairs and Trade, Infrastructure, Land Use, Natural Resources, Industry, Transport, Employment and Communication. Some of the key tools employed by the public sector in working toward environmental sustainability are:

4 Director of National Parks (2011), *Parks Australia Sustainable tourism overview 2011–2016*, Commonwealth of Australia, Canberra, Australia.

5 World Tourism Organization (2013a).

6 Ibid.

7 Alipour, H.; Vaziri, R.K. and Ligay, E. (2011), 'Governance as a Catalyst to Sustainable Tourism Development: Evidence from North Cyprus', *Journal of Sustainable Development*, volume 4 (5), pp. 32–49.

Director of National Parks (2011).

Centre for Responsible Tourism (n.d.), *Competitive and Sustainable Tourism in Sinaloa Sur, Project Fact Sheet: Land Use and Tourism* (online), available at: www.responsibletravel.org (21-05-2017).

Erkuş-Öztürk, H. and Eraydin, A. (2010), 'Environmental Governance for Sustainable Tourism Development: Collaborative Networks And Organisation Building in the Antalya Tourism Region', *Tourism Management*, volume 31 (1), pp. 113–124.

Baland, J.M.; Bardhan, P.K. and Bowles, S. (2007), *Inequality, Cooperation, and Environmental Sustainability*, Princeton University Press, Princeton.

- Zoning and land use policies (e.g., National Parks, nature zones; see box 3.1);
- Development of infrastructure (e.g., recycling and waste management; renewable energy sources);
- Planning (e.g., Destination Management Plans; see box 3.2);
- Transport policies and initiatives (e.g., public transport services; bicycle hire schemes);
- Fiscal matters (e.g., incentives for sustainable businesses; environmental taxes and charges);
- Tourism/environmental legislation (e.g., minimum standards, environmental legislation);
- Education and capacity building (e.g., sustainability training);
- Marketing (e.g., raising awareness of sustainable products and practices);
- Environmental management (e.g., as through environmental bodies like Australia's Great Barrier Reef Marine Park Authority);
- Licensing; and
- Setting up of sustainable tourism observatories for regular impact assessments and monitoring.

Often a local government organization is the largest one in a tourist destination and has power to enforce its policies. Therefore, it is critical that local government officials establish governance arrangements that facilitate sustainable development. These arrangements may be as a PPP, a “government” institution, or some other type depending on the task to be undertaken.

Box 3.1

Land use planning governance arrangements

It is usual practice for government organizations (often at the local level) to be allocated the directive capacity to undertake land use planning and the power to enforce the resulting plans.

A land use plan for a city will entail a list of allowed uses for land including such categories as residential, business and manufacturing. These allowed uses are then allocated to particular land parcels. Often zones are created for planning purposes indicating a large area that is suitable for one or more land uses.

In rapidly growing tourism destinations, land use changes from agriculture or rural residential to business. Tourism resort development for example often takes place in coastal destinations where fishing or agriculture were previously dominant. This can create problems:

- There may be no land use plan available.
- Traditionally owned land may not be included in a land use plan.
- The existing land use plans may not recognize tourism as a permissible use.
- Tourism developments may include mixed or multiple uses on one site, where the zoning may allow a single land use only.
- Tourism may require cross-jurisdictional planning.
- Sustainable land use planning should incorporate protected areas, cultural and heritage resources as well as economic activities.

More information is available in a report entitled “Next generation tourism planning: A guideline for planners in Queensland”.

Source: Department of Tourism Major Events Small Business and the Commonwealth Games (2015), *Next generation tourism planning: A guideline for planners in Queensland* (online), available at: www.dtesb.qld.gov.au (12-05-2017).

A growing tourism destination requires financial capital, and this is often provided by entrepreneurs from outside the destination, who may not be aware of local governance arrangements, the likely impact of their actions on the environment, or the communities' cultural and social organization. Governments should therefore provide advice and support, not only to secure entrepreneurial

investment but also to help these entrepreneurs to understand the importance of protecting the local environment and of engaging with local communities.

Such advice and support is best achieved at an early stage of a new project. In Seychelles, interested developers are strongly encouraged to talk through their ideas with the relevant ministries before beginning their planning. The requirement, but also the advantage, of addressing sustainability is explained to them at the outset and they may be given contacts with relevant NGOs if appropriate. Guidance is maintained throughout the application process and considerable effort is made to ensure that the developers fully understand all conditions that may be applied to the approval of their application and what is expected of them.

Box 3.2

Jogjakarta street vendors' governance arrangements

How do members of the informal economy such as street vendors in Yogyakarta, Indonesia co-operate together and compete with each other over the course of a day. Two street vendors next to each other selling exactly the same items compete for customers. But they also develop rules for co-operation. One rule is that if a vendor has a 'stock out' of an item they can source that item from their neighbour in order to complete a customer transaction. Another rule is that a street vendor may ask their neighbour to look after their shop while they run errands. A third is that street vendors in an area can agree to jointly clean the street area where they sell goods in order to attract more customers. This means that just because person A competes with B in the task of selling to a customer, this does not mean that A and B can't also cooperate on tasks where they both benefit. This is the basis for a co-operative destination promotion campaign where competing businesses contribute money to attracting visitors to their destination. These cooperative arrangements between individual vendors works because they can establish trust between each other. If one vendor becomes untrustworthy then both lose. Here trust and mutual benefits are the basis for these successful governance arrangements. However, collaboration in the task of cleaning the street area was due to the efforts of a street vendors union. The governance arrangements for the street cleaning task are based on mutual benefit and the directive capacity of the union. This means that effective governance arrangements are dependent on the task to be achieved. Cooperation and competition can occur at the same time but usually for different tasks.

Source: Damayanti, M. (2014), *Coopetition Behaviour among Actors in the Informal Tourism Economy: Studies of pedicab drivers and street vendors in Yogyakarta, Indonesia*, Ph.D. thesis, The University of Queensland, Australia.

Box 3.3

Tourism Destination Management Plan (TDMP) governance arrangements

Land use plans are important in directing economic and tourism development and identifying where it should occur. Sustainable tourism also requires planning. This should focus specifically on tourism and provide a direction for its development based on careful assessment. Such a plan is well suited to a local destination level but should reflect any national tourism policies and master plans. Increasingly plans of this kind are referred to as 'Destination Management Plans' but they are equally appropriately called sustainable tourism strategies and action plans for the destination.

The key inputs to a Destination Management Plan are:

- Resource assessment, including physical and cultural attributes as well as the nature, quality and performance of tourism facilities;
- Market assessment, considering current markets coming to the area, ongoing trends and future opportunities, and proposing marketing activities;
- Environment, social and other constraints that may determine capacity; and
- Agreement of the governance arrangements for effective planning and coordination of tourism in the destination.

The contents of Destination Management Plans should include aims and a vision for tourism in the destination, strategic objectives and priority actions to meet them. These should cover product development, capacity building, information provision and marketing amongst other areas of activity.

In developing a DMP, its directive capacity and effectiveness must be considered. In many jurisdictions, a DMP has no directive capacity and is not provided with the resources needed for implementation.

Source: World Tourism Organization (1999), *Guide for Local Authorities on Developing Sustainable Tourism: Supplementary Volume on Asia & the Pacific*, UNWTO, Madrid.

3.2.2 Private sector institutions

The private sector is the “principle producer and supplier of goods and services consumed by visitors”⁸. In many growing tourism destinations in Asia and the Pacific, the private sector consists of micro, or small and medium sized businesses. In these destinations, many of these business owners do not come from the local community. Such ‘small business’ owners may not have the skills, knowledge and resources to drive and encourage environmental sustainability through their business practices, standards and activities.

However, the private sector can implement some relevant governance arrangements:

- Corporate social responsibility (self-regulated and integrated into an organization’s business plan or guidelines);
- Certification – audited and voluntary (e.g., environmental benchmarking for businesses);
- Environmental sustainability benchmarking;⁹
- Private sector association guidelines (e.g., hotels associations, tourism federations, ecotourism associations); and
- Individual commitments to sustainable business practices.

Box 3.4

Voluntary certification and codes for sustainable tourism enterprises

Voluntary certification: mandatory government inspection tends to cover a relatively small number of key impacts that are reflected in regulations, such as waste management and pollution control. Wider sustainable tourism issues are not covered. Internationally in the tourism sector, these issues are covered by voluntary certification schemes offered by bodies operating globally or at a national level. These schemes tend to be run by NGOs or semi-commercial organizations with a varying degree of government support and backing.

Voluntary codes for particular activities: the use of guidelines and codes of practice can be applied to specific types of tourism enterprise and activity, with or without being subject to monitoring. In the area of coastal tourism, they may be particularly appropriate to certain marine activities. Codes may be promoted by government, NGOs or groups of operators themselves. A small number of examples of different approaches are apparent in a few of the ASIA AND THE PACIFIC countries.

⁸ World Tourism Organization (2013a).

⁹ Director of National Parks (2011).

3.2.3 Local community institutions

A third tourism governance institution is that used (or created) by the local community, or destination-inhabiting residents. Members of this group not only have an interest in maintaining the access to and cleanliness of their places of residence (as often their livelihoods are dependent on them); they may also have a deep understanding of the needs of their local environment.¹⁰ Thus, they often also share cultural or value-based governance arrangements. Local community approaches to tourism governance may be individual or collective in nature and take the shape of:

- Community-led groups and events (e.g., conservation groups; community beach/park clean-up days);
- Training of local businesses in sustainability; and
- Utilizing tourism employees or managers as environmental champions.

3.2.4 Public-private partnerships (PPP)

All of the three institutions discussed have quite different governance arrangements, but can work together toward the task of environmentally sustainable tourism.¹¹ An alternative institution, a public-private partnership, is often used in a tourism destination to provide governance arrangements for certain tasks; usually such things as destination marketing and promotion through cross-sectoral collaboration. Organizations of this type may be called a DMO (Destination Marketing Organization or Destination Management Organization depending on its main tasks).

A DMO has diverse roles and responsibilities, which may include coordinating the implementation of strategic plans regarding tourism in a region; enhancing public-private partnerships; responsibility for marketing and promotion in a destination; taking care of sustainability planning; acting as a role model, promoter, motivator, coordinator, leader, collaborator and initiator in the move toward more sustainable tourism development; proposing CSR guidelines; developing products; acting as a support agent and/or consultant to industry and as a role model.¹² However, often DMOs have limited directive capacity in environmental sustainability tasks except for in the area of education.

10 World Tourism Organization (2013b).

World Tourism Organization (2013a).

Centre for Responsible Tourism (n.d.), *Competitive and Sustainable Tourism in Sinaloa Sur, Project Fact Sheet: Land Use and Tourism* (online), available at: www.responsibletravel.org (21-05-2017).

11 World Tourism Organization (2013a).

Director of National Parks (2011).

12 Klimek, K. (2013), 'Destination Management Organisations and Their Shift to Sustainable Tourism Development', *European Journal of Tourism, Hospitality and Recreation*, volume 4 (2), pp. 27–47.

Estrella, G.; Zemp and Wagenseil, U. (2016), *Corporate Social Responsibility: The Role of Modern Destination Management Organizations. BEST EN Think Tank XVI: Corporate Social Responsibility*, in: 'Tourism: standards, practices and policies' (2016), Eberswalde, Germany.

Shkira, E. and Qirici, E. (2013), 'Role of Destination Management Organization in the Development of Sustainable Tourism in the Korea Region', *Economic Science and Practice: Materials II International Science Conference* (China, February 2013), *The young scientist*, China, pp. 93–96.

3.2.5 Non-governmental organization (NGOs)

Non-governmental organizations (NGOs) also may be involved in the governance arrangements of a tourism destination, particularly in the areas of capacity building and facilitation of projects. Such NGOs may be locally or internationally based. NGOs can help to bring together stakeholders with different interests, garner external support and funding, and provide assistance and expertise to other governing bodies.¹³ NGOs can play the roles of lobbyist or promotor, land manager or founding manager, certifier, advisor, facilitator, champion, networker, broker and consultant. NGOs may get involved in sustainable tourism governance at different levels and focus on particular tasks,¹⁴ and most are active at the local, rather than the national level.¹⁵ Thus, whilst their expertise and assistance is valuable, the capacity and effectiveness of NGOs in contributing in a major way to sustainable tourism governance may be limited.

Box 3.5

Bhutan's Gross National Happiness (GNH) framework

Bhutan – a growing tourism destination in Asia and the Pacific has implemented sustainable tourism policies, based on its Gross National Happiness (GNH) approach. The GNH framework was initiated in the 1970s by His Majesty, King Jigme Singye Wangchuck, the country's fourth king, and broadened to underlie policy instruments from 2008. The GNH development approach seeks to achieve a harmonious balance between material well-being and the spiritual, emotional and cultural needs of our society. Founded on the belief that happiness can be achieved by balancing the needs of the body with those of the mind within a peaceful and secure environment, it requires that the purpose of development must be to create enabling conditions through public policy. The GNH development approach uses happiness differently “from the fleeting, pleasurable ‘feel good’ moods so often associated with that term. We know that true abiding happiness cannot exist while others suffer, and comes only from serving others, living in harmony with nature, and realizing our innate wisdom and the true and brilliant nature of our own minds”.

Bhutan's GNH framework encompasses a total of nine domains and has been set up to underlie all of the country's policies at the design, implementation and measure stages. Therefore, the development of the country's tourism sector has also been underpinned by this framework, and as part of this, Bhutan has developed a high value, low impact strategy toward tourism.

The principles of GNH are aligned with Bhutan's existing cultural norms and Buddhist beliefs. There may be a lack of detailed understanding of the concept and some tourism stakeholders and residents may be confused about what it means and how GNH should be applied. However, the ‘fit’ with cultural values generates support for its implementation. The GNH approach provides a culturally relevant tool that can guide development activity in general and tourism in particular.

Sources: Schroeder, K. (2015), ‘Cultural Values and Sustainable Tourism Governance in Bhutan’, *Sustainability*, volume 7, pp. 16,616-16,630.

Gross National Happiness Commission (2017), *Frequently Asked Question –FAQ on Gross National Happiness (GNH)* (online), available at: www.gnhc.gov.bt/ (08-03-2017).

13 World Tourism Organization (2013b).

14 Romero-Brito, T.P.; Buckley, R.C. and Byrne, J. (2016), ‘NGO Partnerships in Using Ecotourism for Conservation: Systematic Review and Meta-Analysis’, *PLOS ONE*, volume 11, issue 11: e0166919.

15 World Tourism Organization (2013a).

3.3 Governance and socio-cultural sustainability

Tourists become temporary residents of a destination, use the same services, visit the same attractions, and consume the same water and food resources as locals. Oftentimes, however, tourists are often unaware of local customs, may engage in culturally inappropriate or insensitive behavior, and may not speak the local language. They are also usually much wealthier than most residents of developing tourism destinations. Under these circumstances, tourism may lead to negative socio-cultural impacts experienced by host communities.

Tourism can create benefits such as economic growth and community pride as well as social costs.¹⁶ A destination may experience increased trade and visitor spending, which can create a positive multiplier effect on employment, standard of living and the local economy in general. On the other hand, tourism can result in economic dependency and leakage, negatively impacting host communities especially in developing countries. For example, a high percentage of the tourism dollar may 'leak' out from a village due sale to imported souvenirs, and businesses owned by non-residents¹⁷ Tourism can also introduce inflated prices for tourists, an enlarged informal sector, or black market. Increased tourist numbers may cause an increase in demand for public services (e.g., health) and basic amenities (e.g., water) at the expense of the local community.

Public spending on tourism infrastructure designed to generate economic benefits may displace spending on alternative community requirements. Better planning can mean infrastructure and facilities developed in support of tourism can also benefit residents by providing more shops, restaurants, entertainment and recreational facilities. If residents are able to engage with tourists it can promote intercultural learning and socialization. A positive destination image can result in enhanced local pride.

Alternatively, development can result in deterioration in the physical character and image of a destination. This can also lead to a 'rich-poor' divide and friction between tourist groups and local communities¹⁸. A rapid increase in tourism demand can also cause societal disruption among locals, caused by crowding, a higher cost of living, increase property values and rental costs, parking and traffic congestion, air and noise pollution. These effects may be severe and lead residents to become isolated or even relocate.¹⁹

Tourism can also plays a significant role in commoditization of traditional practices. Local handicraft products, designs and production techniques may change from traditional to 'modern' to meet tourist tastes²⁰ Community institutions may degrade leading to an increase in crime, prostitution, illegal drug-use, and alcoholism and gambling.

16 Deery, M.; Jago, L. and Fredline, L. (2012), 'Rethinking social impacts of tourism research: a new research agenda', *Tourism Management*, volume 33, issue 1, pp. 64-73.

17 Lacher, R.G. and Nepal, S.K. (2010), 'Dependency and development in northern Thailand', *Annals of Tourism Research*, volume 37 (4), pp. 947-968.

Lacher, R.G. and Nepal, S.K. (2010), 'From leakages to linkages: Local-level strategies for capturing tourism revenue in Northern Thailand', *Tourism Geographies*, volume 12 (1), pp. 77-99.

18 Kapoor, I. (2002), 'Capitalism, culture, agency: dependency versus postcolonial theory', *Third World Quarterly*, volume 23 (4), pp. 647-664.

19 Xie, P. (2011), *Authenticating ethnic tourism*, Channel View Publications, Bristol.

20 Ferguson, J.E.; Dahles, H. and Prabawa, T.S. (2017), 'The Indonesian tourism industry under crisis: a Bourdieuan perspective on social boundaries among small-scale business owners', *Asia Pacific Business Review*, pp. 1-21.

3.4 Tourism governance roles and socio-cultural sustainability

Most tourism plans addressing sustainability adopt a triple bottom line approach, incorporating economic, social and environmental elements. However, no matter how economically positive, socially acceptable or environmentally friendly tourism plans may be, the support from organizations at all levels is critical for their implementation.²¹ If key organizations are unwilling to commit to the principles of sustainability, then the efforts of other stakeholders will have little effect. On a national level, if the decision-making members of public sector institutions decide not to educate, implement and enforce sustainable policies and actions, then sustainability is unlikely to be advanced.²² Likewise, if the local community members fail to acknowledge the benefits of sustainable policies and actions, they will most likely challenge it or ignore it. This latter option is more likely when no incentives or consequences are provided.

At the destination level, the destination management organization (DMO) is a well-positioned to be a member of governance arrangements that balance economic, social and environmental outcomes from tourism. A DMO is able to exert directive capacity in marketing, service quality, product development, and management tasks, across a network of private and public sector stakeholders. However its directive effectiveness is often constrained by personnel and financial resources, and by a lack of transparency in determining performance objectives.²³ A DMO seeking to improve social sustainability must work to develop cooperation and joint action with members of both the public and private sectors, which is sometimes difficult.²⁴ A DMO's success in implementing policies supporting social sustainability is influenced by its networking capability, transparent evidence of performance, resources available and operational professionalism.²⁵

Tourism enterprises also play a role in the task of improving social sustainability as their decisions directly impact community members. Companies ascribing to the concept corporate social responsibility (CSR) consider social impacts in decision-making.²⁶ The UNWTO has developed a Global Code of Ethics for Tourism that provides 10 governance principles to help maximize tourism benefits while minimizing potential negative impacts on the environment, cultural heritage and societies.²⁷ These principles are voluntary and based on establishing a common vision, values, culture, ethics, norms, and habits.²⁸

A number of examples of good practice in actions to improve social sustainability are provided in table 3.1. These include reducing the effect of gambling on the community, inclusion of the indigenous community, and poverty reduction.

21 McCool, S.; Butler, R.; Buckley, R.; Weaver, D. and Wheeler, B. (2013), 'Is the concept of Sustainability Utopian: Ideally Perfect but Impracticable?', *Tourism Recreation Research*, volume 38 (2), pp. 213–242.

22 Butler, R. (1999), 'Sustainable tourism: A state-of-the-art review', *Tourism Geographies*, volume 1, pp. 7–25.

23 Volgger, M. and Pechlaner, H. (2014), 'Requirements for destination management organizations in destination governance: Understanding DMO success', *Tourism Management*, volume 41, pp. 64–75.

24 D'Angella, F. and Go, F.M. (2009), 'Tale of two cities' collaborative tourism marketing: Towards a theory of destination stakeholder assessment', *Tourism Management*, volume 30 (3), pp. 429–440.

25 Bornhorst, T.; Ritchie, B.J.R. and Sheehan, L. (2010), 'Determinants of tourism success for DMOs & destinations: An empirical examination of stakeholders' perspectives', *Tourism Management*, volume 31 (5), pp. 572–589.

26 European Commission (2017), *Corporate Social Responsibility* (online), available at: www.ec.europa.eu (21-05-2017).

27 United Nations and World Tourism Organization (2001), *Global Code of Ethics for Tourism*, 21-12-2001 (online), available at: www.unwto.org (30-12-2016).

28 Waligo, V.M.; Clark, J. and Hawkins, R. (2013), 'Implementing sustainable tourism: a multi-stakeholder involvement management framework', *Tourism Management*, volume 36, pp. 243–353.

Table 3.1 Good practice examples in Asia and the Pacific

Key players	Tourism initiatives	Social sustainability and controls
China^a		
<ul style="list-style-type: none"> – Tourism stakeholders; – Macao Government Tourism Office; and – Macao Gaming Inspection and Coordination Bureau. 	<ul style="list-style-type: none"> – Incorporation of a tourism code of ethics within tourism master plan; and – Introduction of new law in 2012 increasing casino access from 18 to 21 years. 	<ul style="list-style-type: none"> – Efforts to limit problem gambling within the community, especially among the young generations; and – Protecting local communities from common tourism related societal issues.
Australia^b		
Yithuwarra Traditional Owner (TO) community.	Increasing awareness and appreciation of tourism, as well as creating an element of care, support and responsible behaviour to minimize negative impacts.	<ul style="list-style-type: none"> – Indigenous community involvement and provision of positive learning experiences for tourists; – Instill sense of pride and identity; – Protecting heritage; and – Training and education.
New Zealand^c		
<ul style="list-style-type: none"> – Rotorua District Council; and – Local Hapu sub-tribes and other stakeholders. 	Solicit local ideas and opinions to assist in upgrading and modernising the village's main shopping area.	<ul style="list-style-type: none"> – Local contribution to urban amenity; and – Highlighting social issues, economic strategies, enhancement of the natural environment, and traffic management options.
Malaysia^d		
Celebrating Malaysia, Truly Asia, VMY 2014 – “We are The Host” – Homestay programme.	Rural tourism planning incorporating traditional sustainability concepts.	<ul style="list-style-type: none"> – Wider reinvigoration of the local economic and social life of the community; – Local poverty reduction; – Social and cultural resilience and development; and – Income-generating opportunities.

Sources: a) McCartney, G. (2015), 'To be or not to be? Addressing the ethical void in Macao's tourism and casino development', *Tourism Review*, volume 70, issue 2, pp. 150–162.

b) Walker, K. and Moscardo, G. (2016), 'Moving beyond sense of place to care of place: the role of Indigenous values and interpretation in promoting transformative change in tourists' place images and personal values', *Journal of Sustainable Tourism*, volume 24, issue 8–9, pp. 1,243–1,261.

c) Killerby, P. (2001), *Social capital, participation and sustainable development: recent examples of inclusive consultation in New Zealand*, International Community Development Conference, Rotorua, New Zealand.

d) Amir, A.F.; Ghapar, A.A.; Jamal, S.A. and Ahmad, K.N. (2015), 'Sustainable tourism development: A study on community resilience for rural tourism in Malaysia', *Procedia-Social and Behavioral Sciences*, volume 168, pp. 116–122.

3.5 Concluding remarks

In summary, Asia and the Pacific government organizations have significant directive capacity to enable the socio-cultural and environmental sustainability within the tourism sector. However, these entities may not have the resources, skills or motivation to engage effectively in this task. Private sector organizations have good directive capacity and effectiveness in undertaking tasks within their own businesses, but may not be interested in engaging in CSR activities if there is no perceived additional (financial or other) benefit. Local communities lack the capacity to implement ideas, but have the passion for their destination and motivation to protect their destinations. The journey toward sustainable tourism governance therefore requires more effective governance arrangements to be developed by countries in the Asia and the Pacific region.

Case studies

Case 1

Sustainable Development of Tourism in Changshu, China

Summary

This case explores the development of Jiangxiang Village, Changshu. This village provides an example of how to grow rural tourism for the benefit of residents and tourists.

Keywords

- Sustainable tourism
- Rural tourism

Key messages

- Jiangxiang Village has developed its tourism sector through involvement of central, provincial and local government as well as a local entrepreneur.
- Tourism growth can lead to improvement in infrastructure and services for both locals and tourists.

C1.1 Introduction

Changshu is located in the Yangtze River Delta, one most economically developed area in China, and the location of a UNWTO tourism observatory. Tourism in Changshu has developed rapidly contributing to extensive urbanization and industrialization of the area. Government has played a vital role in Changshu's tourism development. This case will probe how governments at all levels coordinate their policies and plans by setting forth the developmental history of Jiangxiang Village, Changshu.

C1.2 The developmental of Jiangxiang Village

Jiangxiang Village is in south-eastern Changshu, covering an area of about 3 km². The village contains around 190 households and has a registered population of about 800. The history of Jiangxiang Village over the past 50 years can be divided into three stages: summarized as “starting with agriculture, growing with industry and thriving with tourism”. In the 1970s, Jiangxiang Village focused on its agriculture development and became a renowned super grain producer in Jiangsu Province. In the 1990s, Jiangxiang Village began its industrial development, which provided capital for the intensification and mechanization of its agricultural production, as well as additional employment and an improved standard of living for villagers.

Entering the 21st century, Jiangxiang Village is developing rural tourism under the guidance of government policy. Jiangxiang Village has built five major tourist attractions: “Jiangxiang Ecological Garden”, “New Home for Villagers”, “Changsheng Industrial Park”, “Village Herbaria” and “Pollution-Free High Quality Grain and Oil Production Base”. According to the *Suzhou Daily*, the village received 180,000 tourists in 2014 contributing over ten million yuan. Rural tourism has become a new source of economic growth for the village.

C1.3 The role of government

Each of the levels of government has been involved in the development of tourism in Jiangxiang Village. In 2004, Premier Wen Jiabao visited Jiangxiang Village and encouraged the local government to place greater significance to tourism. In 2007, the National Tourism Administration and Department of Agriculture issued policy to support the development of rural tourism nationwide.

In China, national government policy is that local government should create and implement rural tourism policies for local communities, plan and provide technical support for innovative programmes. Government policy encourages financial organizations to increase loans to villages, and gives priority to developing products for leisure tourism in annual land-use planning. It also requires improvement in transportation, water and electricity, pollution reduction, and wireless network infrastructure. It has also implemented a digital management system to guide and provide information broadcasts to visitors, as well as real-time collection and monitoring of visitor flows. In 2005 and 2006, Jiangxiang Village benefited from a special fund created by the Changshu Government for the construction of general infrastructure.

The village party branch and village committee are primary level political organizations in China's administrative villages. Its members are usually well-known, capable villagers. The village party branch and village committee organize the construction of general infrastructure and encourage community participation. In Jiangxiang Village, development ideas are discussed at annual meetings of all residents including the sustainable development of tourism. The village party branch and village committee also have established an agreed set of rules that removes conflict between villagers and tourists.

The development of tourism in Jiangxiang Village has been led by Chang Shengde who held the post of village committee director twice and has been party branch secretary ever since 1973. Every step of development and transformation of Jiangxiang Village has been influenced by Chang. During the early agricultural development stage, Chang guided the villagers to plant "single cropping rice" and emphasized scientific methods of agriculture. In the industrial period, Chang Shengde's market research led him to identify and develop the light building material industry which was little known in China at the time. Township enterprises were established, creating employment for villagers, and a great economic boost to Jiangxiang Village. Later Chang established the Changsheng Tourism Development Company. In addition, over several decades he worked towards development of a national agricultural tourism model. These contributions have brought development opportunities and considerable fortune to Jiangxiang Village, and well-earned recognition for Chang.

At the beginning of tourism development, Chang Shengde convinced the villagers: "Jiangxiang will be truly and fully developed if tourism is developed." His personal influence has allowed nearly 380 people from the village to participate in the development of tourism, directly or indirectly. Villagers are employed in a variety of jobs including as managers in the Changsheng Tourism Development Company, guide interpreters, drivers, and other technical positions. The employment participation rate has reached 45.2%. In the process, the natural and rural environment has been preserved, providing an original rural experience for tourists.

C1.4 Conclusion

A review of the tourism development of Jiangxiang Village, shows that the central and local government have supported the development and construction of rural tourism. The village party branch and village committee manage the rural tourism in the village and the community has participated and benefited from it. Critically, a key person played a significant role in the development of tourism in the village. In short, during the development of tourism, the various levels of government have taken on different functions and responsibilities. Social participation is the key to sustainable development of tourism.

Case 2

National park systems and institutional reforms in China

Summary

This chapter reviews the ongoing institutional reform of the Chinese National Park System. The overlapping administration of protected areas by different central offices are a major obstacle to establishing a unified and coordinated park system. A pilot project in Sanjiangyuan National Park is discussed.

Key words

- National parks
- Protected areas
- Administrative responsibilities

Key message

Co-ordination between national and local government is crucial to manage a national park system effectively.

C2.1 Introduction

The domestic Chinese tourism market is growing strongly. It is likely continue to grow as a result of policy issued in 2013¹ which states that a paid annual leave system for workers will be in place by 2020.² Chinese vacation travellers are attracted to natural scenic spots and city sightseeing. The booming tourism has intensified conflicts between hosts and visitors, local communities and external investors, tourism product development and natural and cultural heritage protection. The growth of tourism has also attracted the attention of the central government, which has shifted its strategy for tourism development from a growth-orientation to ecologically balanced sustainable development. In doing so, it has focused on developing the National Park System.

C2.2 The current cultural and natural heritage management system

There are several categories of national level reserves under the supervision of different departments of the central governments, as shown in table C2.1. Each has adopted its own operational and protection regulations, policies, and standards. National reserves can be included in a number of categories at the same time. Establishing a comprehensive national protected areas (PAs) system under the direct supervision of central government is challenging. The major problems for national park reform in China are overlapping and conflicting administration authority, the costs of authority integration, complicated land ownership and lack of motivation and innovation by local communities.³ The proposed solutions include top-down institutional reform, clearer definition of

1 Outline of National Tourism and Leisure (2013–2020), *The Bulletin of the State Council of the People's Republic of China*, 2013, volume 6, pp. 63–65.

2 *The Bulletin of the State Council of the People's Republic of China*, 2013, volume. 6, pp. 63–65.

3 Su, Y. (2016), 'National park, ecological civilization and green development', *China Development Observation*, volume 5, pp. 56–58.

powers and authority of government administrations, revenue appropriation and profit allocation management, green industry development and coordinated policies.

Table C2.1 National level protected areas and their administration

Category	Numbers	Area occupied (km ²)	Administration
National Nature Reserves (2016)	446	930,000	Ministry of Environmental Protection
National Scenic Areas (2012)	225	100,000	The State Council (Approval) Local government (Administration)
National Forest Parks (2015)	826	108,455	National Forestry Administration
National Wetland Park (2015)	431	23,000	National Forestry Administration
National Water Park (2014)	719	20,000	Ministry of Water Resources
National Marine Park (2014)	30	31,000	National Oceanic Administration
National Geopark of China (2014)	240	48,000	Ministry of Housing and Urban-Rural Development
National Urban Wetland Park (2016)	55	15,000	Ministry of Housing and Urban-Rural Development
National AAAAA Tourist Attraction (2016)	227	N/A	China National Tourism Administration
Major Historical and Cultural Site Protected at the National Level (2016)	4,295	12,000	National Cultural Heritage Administration

A new national park system is proposed that is independent of existing administrations. A specially designed organization, similar to the National Park Services of the United States of America, will be established to run the parks selected for inclusion. Implementation of this proposal requires clarification of administrative authority between local and central government over protection and development tasks. These tasks include the protection, preservation and restoration of natural resources and cultural heritage, public infrastructure construction; public services and community development. Some of these tasks are managed by the central government directly, such as overall planning, resource restoration, disaster prevention etc., which means the central government is responsible for the required budgetary appropriations. Other tasks are delegated to the local government, including routine supervision, recreational facility construction and management, and ethnic community management. The local government will be in charge of the financial allocations for these tasks. Some tasks like invasive species treatment and residents' resettlement will be taken care of by both central and local authorities since local government cannot handle them alone and these tasks need regional collaboration. If there is assurance of financial support from the central and local governments, the park managers will put protection and public non-profitable services as their priority.

C2.3 Governance of tourism in the national reserves

Currently, cultural, heritage and nature reserves are administered by multiple local departments, and there is no central specialized government authority to manage these resources. In addition, local governments use different management models, which leads to inconsistency, overlaps and confusion in overall administration. The new national park system aims to create a consistent, standardized and efficient management systems authorized and run by the central government.

The dominant existing management model for nature or cultural heritage reserves is based on cooperation in the form of public-private partnerships (PPP). These PPPs usually involve an authorized private tourism company and a government department. Such PPPs are based on three main types of governance model: a leasing model, an unlisted shareholding model, and a publicly listed shareholding model. These models provide benefits to the local community and government, which lack the necessary financial capacity and human resources to meet the increasing demand of tourism in a nature reserve. However, they also have sometimes led to overdeveloped nature reserves monopolised by businesses that ignore the environment cost of overdevelopment in tourist activities. In these models, the non-profit and public aspects of natural reserves have been ignored. There are a number of improvements regarding nature reserves that need to be implemented:

1. National level legislation;
2. Consistent regulation;
3. Adequate and sustainable funding;
4. Effective framework to supervise natural resources;
5. Effective policy for poverty alleviation and resettlement of people living around natural reserves; and
6. Effective public awareness and education strategy.

The central government has begun to address these issues by developing a national park system as part of an ecological civilization strategy. After several years of work (table C2.2), nine national park pilot projects across the nation were announced at the end of 2016.

Table C2.2 **Timetable for establishing Sanjiangyuan National Park**

Date	Actions and policy
2010	The Ministry of Housing and Urban-Rural Development and Office of Central Organizational Committee commenced research on the national park system.
02.2014	A national pilot programme for the establishment of national parks was recognized as one of the twelve tasks in the eco-civilization reform schedule by CPC Central Committee for Deepening Reform.
01.2015	Thirteen ministries and Bureaux developed a proposal for a national pilot system for the establishment of national parks in China.
09.2015	The National Development and Reform committee signed a Memorandum of Understanding with the U.S. National Park Service for collaborative research on issues of law enforcement, fund raising, ecological protection, cultural heritage preservation, community development and innovative national park management.
09.2015	Planning the first pilot project in Sanjiangyuan National Park at the source of the three main rivers in China was approved by the central government.
04.2016	Sanjiangyuan National Park was established. The central government authorized the provincial government to manage the park during the trial period.

C2.4 Sanjiangyuan National Park

Planning for Sanjiangyuan National Park, Qinghai, the first national park in China began in 2015. Sanjiangyuan National Park is the largest nature reserve of China as well as the most important water reserve. This national park is located at an altitude of 3500 to 4800 metres, covers an area of 366,000 square kilometres, and contains lakes and wetlands accounting for over 10,000 km². The eco-environment of Qinghai-Tibet Plateau is extremely fragile due to the climatic conditions and it is suffering desertification. This park encompasses the headwaters of the Yangtze, Yellow and Lanchuang Rivers, and thus has a vital role in protecting ecosystem diversity and biodiversity, protecting local livelihoods, and the development of downstream regions. Almost all local people belong to minority groups, most being Tibetans.

The Sanjiangyuan National Park Administration Bureau was established in Xining, Qinghai in June 2016, with the transfer of staff and related assets from the Sanjiangyuan Nature Reserve Bureau. The Qinghai and central governments worked together to explore how to separate the management of the natural assets from the regulation and supervision tasks. Tourism businesses operating in Sanjiangyuan National Park will take the form of franchises with social community participation.

The first batch of park rangers responsible for protecting the national park and its natural resources completed their technical skill training and began work in July 2016. These rangers were previously local herdsmen, familiar with the local landscape, natural conditions and local culture. Their participation strengthens ecological protection and improves locals' livelihoods. Preference in selection of rangers is given to those from households below the poverty line.

This pilot project for the development of a national park system and of an ecological civilization has created an integrated local park administration that will balance tourism and ecology in Sanjiangyuan and improve local people's living standard.

C2.5 Conclusions

Creation of relevant policies and institutions is essential for Chinese tourism development. Implementation of these policies by provincial and municipal governments will help to address regional development inequality, although actual conditions in each area must be considered. This case has reviewed the national park institutional and policy changes in the last decade in China. The results indicate that sustainable tourism development and ecosystem protection require careful design of administration models and regulations, as well as community participation.

Case 3

Community-based ecotourism in Binsar Wildlife Sanctuary, India

Summary

This chapter discusses community-based ecotourism governance within an area of high conservation value in the Central Himalayas of India. A public-private partnership was used to develop homestay accommodation within the Binsar Wildlife Sanctuary protected area.

Key words

- Community-based ecotourism
- Homestays
- Protected areas
- Public-private partnership

Key messages

- Successful governance arrangements include the acceptance and support of the local community members, consensus among community individuals carrying out ecotourism activities, benefit sharing and mechanisms for resolving potential conflict.
- Co-ordination among forest officials, local government and private tourism experts is crucial.

C3.1 Creating homestays in a protected area

This chapter discusses a public-private partnership (PPP) to develop homestay accommodation with local resident-based community involvement in small hamlets within Binsar Wildlife Sanctuary (BWLS) in the Central Himalayas. BWLS is in Uttarakhand State of India at an altitude varying between 1,400 and 2,500 metres above sea level, offering visitors natural, cultural, traditional and historical experiences. Uttarakhand has a diverse assemblage of natural ecosystems and biodiversity. Around 61% of the state's area is forested¹ and mostly is part of the state's PA network. There are six national parks, seven wildlife sanctuaries and four conservation reserves in the state, which constitutes 14.8% of the state's area.²

In 1988, Binsar was designated a wildlife sanctuary in order to safeguard the existing natural resources and prevent further forest degradation. The shift in Binsar's redesignation from reserved forest to a wildlife sanctuary was opposed by the local communities living in and around this protected area. This was in part because the Regional Forest Department responsible for the protected area initially focused on protection and conservation of the ecosystem from activities such as resin tapping, overgrazing, uncontrolled forest fires, non-timber forest produce collection and illicit felling and fuel wood collection.

The development of the protected area created opportunities for tourism development and BWLS formally started receiving tourists through its first entry gate in 1999. Tourist activities permitted

1 Forest Survey of India (2015), *India State of Forest Report 2015*, Dehradun, India.

2 ENVIS Centre on Wildlife and Protected Areas (2015), *Uttarakhand Biodiversity*, Wildlife Institute of India, Uttarakhand, India.

within BWLS include hiking on designated nature trails, wildlife spotting and bird watching, and enjoying Himalayan views. There has been a 64.3% increase in the annual number of tourists visiting Binsar over the last 15 years,³ representing an increase from 13,499 tourists (2001–2002) to 22,183 tourists (2015–2016), see table C3.1.

Table C3.1 Annual tourist arrivals in Binsar Wildlife Sanctuary, 2001–2016 (number of tourists)

Time (years)	Domestic	Foreign
2001/02	13,209	290
2002/03	13,035	227
2003/04	15,323	299
2004/05	12,641	534
2005/06	16,500	572
2006/07	19,809	687
2007/08	23,781	758
2008/09	21,393	614
2009/10	26,822	745
2010/11	17,344	519
2011/12	17,183	432
2012/13	19,819	449
2013/14	15,477	330
2014/15	18,441	368
2015/16	21,912	271

The wildlife sanctuary declaration initially led to positive environmental outcomes, as the biodiversity began to resume its natural state. Gradually, negative impacts such as instances of human–wildlife interaction, forest fires and increased recreational impacts began occurring.⁴ Leopards in BWLS killed some 1763 domestic animals during a 14-year period.⁵ A growing fear of wild animals among villagers and loss of livelihood opportunities led to a mass exodus of villagers from the sanctuary. Before the sanctuary declaration, there were twelve hamlets within the Binsar Reserve Forest. Today, only five functional hamlets remain within the sanctuary.

³ Tourist records maintained at reception gate of Binsar Wildlife Sanctuary.

⁴ Ilyas, O. (1998), *People and protected areas – the case of Binsar Wildlife Sanctuary*, WWF-India, New Delhi.

⁵ Kala, C.P. and Kothari, K.K. (2013), 'Livestock Predation by Common Leopard in Binsar Wildlife Sanctuary, India: Human-Wildlife Conflicts and Conservation Issues', in: *Human-Wildlife Interactions*, volume 7, issue 2, pp. 325–333.

C3.2 Community-based ecotourism

Successful ecotourism initiatives in India require the effective participation of all relevant stakeholders. Common governance arrangements of successful initiatives include the acceptance and support of the local community members, consensus among community individuals carrying out ecotourism activities, benefit sharing and mechanisms for resolving potential conflict.⁶ To address problems of outmigration and local concerns, Uttarakhand Tourism Development Board (UTDB) introduced its first tourism policy in 2001. The policy was amended in 2016 to highlight the role of public-private sector partnerships and the importance of homestays in context of rural tourism development. Under the homestay policy 2015 (Amendment 2016), three categories of homestay quality (gold, silver and bronze) were introduced. The policy also encouraged participation of locals in skill development and capacity building programmes, organized by both public and private sectors. So far, 76 homestays from seven districts have registered with UTDB of which 90% are located in rural areas and the remainder in urban areas. Only 8% of registered rural homestays fall under the gold category of homestays.

C3.3 The initiative and the partnerships

The homestays programme forms part of the overall BWLS strategy to develop community-based ecotourism (CBE) opportunities within the BWLS and to reduce outward migration of residents. The first homestay opened in October 2006 in Katdhara, one of five hamlets comprised of 57 households.⁷ At that time the only accommodation available within the sanctuary were five privately owned estates, a forest rest house (FRH) and a Kumaon Mandal Vikas Nigam (KMVN) tourist rest house. The new homestay initiative was part of management strategies established to reduce the negative impacts of the new sanctuary regulations while increasing benefits to the local communities through ecotourism. These initiatives also included establishment of other key ecotourism products such as nature guiding, trekking, and enjoying Himalayan vistas, wildlife viewing, photography and bird watching.

Further development of community-based ecotourism through the homestay programme occurred through a PPP with the Village Ways Company (VWC). VWC represents a grassroots enterprise in BWLS, with an ongoing, close interaction with local community representatives and the Forest Department, who are key stakeholders. The proposal to build one homestay per Binsar village was one of the outcomes of this PPP. VWC recommended building separate homestays rather than accommodating guests in existing homes in order to reduce the risk of jealousy between households, to protect villagers' privacy and to spread income among the community. Village Tourism Committees (VTCs), locally known as Gram Paryatan Samitis (GPSs), were formed as part of the development programme.

The VTCs were established to create governance arrangements, including determining rates and fees, for these homestays. The VTCs represent all families who want to take part in the homestay programme, and have a president, treasurer, secretary and vice-secretary, all unpaid and elected

6 Bhatt, S. and Liyakhat, S. (2008), *Ecotourism Development in India – Communities, Capital and Conservation*, Cambridge University Press, India.

7 Bhalla, P.; Coghlan, A. and Bhattacharya, P. (2016), 'Homestays' contribution to community-based ecotourism in the Himalayan region of India', *Tourism Recreation Research*, volume 41, issue 2, pp. 213–228.

by villagers. Meetings are held regularly, and opportunities to work for the homestay (cooking and cleaning) in each community are rotated among the members. Nearly all families joined the VTCs, though some villagers were already employed in other sectors or received a pension from the state or the army. Local artisans built most homestays using local materials and traditional designs, on land leased by the VTCs from local landowners. The rent paid to the land owners is based on the number of guests staying each night. In addition, according to the VWC each hamlet accrues an annual income of approximately USD 1,555 from the homestay activity and, 40% of the total income from homestays is spent on village administrative functioning. VWC helped villagers by covering construction costs through a mix of grants and interest free loans. Under the contract between each community and the landowner, the latter may buy the lodge from the VTC after 30 years. Based on the success of the first five homestays built by the VWC, two villagers have also started running private homestays. At present, eight homestays that function through community participation exist within the five hamlets of BWLS. According to VWC records,⁸ a total of 287 tourists, mostly from United Kingdom, stayed in Binsar's homestays in 2014 and 2015.

BWLS's homestays function through collective participation of all villagers. The villagers contribute directly and indirectly to the ecotourism initiative by:

- Providing land for construction of homestay;
- Using traditional knowledge and techniques for construction and maintenance of homestays besides manual labour;
- Providing locally grown vegetables and dairy products from domesticated livestock;
- Preparing meals for visitors;
- Cultural performances, reciting folklore and demonstrating local practices, for example milking a cow, weaving techniques, regional dressing, cooking, etc.; and
- Ensuring safety of guests.

Each household has an artisan whose traditional skill is used to decorate the homestays in the form of wall-hangings, handicrafts and innovative art. *Aipan*, one of the traditional forms of artistic painting of the region is practiced in every house of BWLS and has social, cultural and religious significance. It is mainly practiced by the women of the house, who draw on the main entry door of house or in the front courtyard using soaked rice powder. A drink made from *Rhododendron arboretum* (locally called as *Buransh*) is served to welcome guests and is also a traditional medicine.

C3.4 Capacity building programmes

The Uttarakhand Forest Department played a significant role in initiating ecotourism and enhancing community participation in ecotourism. The important milestones in ecotourism development in BWLS reflect the efforts undertaken by the Ecotourism Wing of the Uttarakhand Forest Department. The Department has established a nature interpretation centre at the BWLS main gate, developed an ecotourism map of the BWLS and supported development of a souvenir shop.

A capacity-building programme provides communities with the skills, expertise, and capital necessary to start and operate small-scale tourism enterprises and service quality. Programmes

⁸ Tourist records maintained with Village Ways Company.

provide leadership training, and small loans to local residents for beekeeping, nature guiding, hotel operations and use of renewable energy sources (solar cookers and solar panels). The villagers are trained in maintaining apiary boxes, green houses and undertaking creative handicrafts. The major source of funding for this training is from revenue generated from tourism. The Ecotourism Wing conducts training programmes throughout the year for registered nature guides. It has undertaken several initiatives to improve bird watching, cooking and housekeeping skills; development of learning materials for nature guides; and promotion of offbeat and rural tourism destinations through innovative publications.

VWC also provides interest free loans for homestay construction, establishing committees, and also conducts various training programmes for the villagers to enhance their skills and creativity. These include training in hygiene, homestay design and management, hospitality and cooking; guide training programme, carpentry, and plumbing. VWC nature guides are trained in English and French as well as other Indian regional languages. Women receive training in sewing, painting, candle and wallet making. These training programmes provide skills locals need to shift from farming to homestay management.

By acquiring these skills, two families were able to start operating a private homestay tourism business. The families received training in selling handicrafts at souvenir shops, and providing restaurant and hotel service. One local youths trained in guiding and cooking now owns a café near the BWLS entry gate. Other benefits obtained by youths trained as guides include; promotion to higher posts and recognition in the regional tourism industry, improved earnings and standard of living, confidence and personal development, knowledge and an increased sense of responsibility towards the environment. These capacity-building programmes also enabled local residents, particularly the poor and women, to be more confident in communicating with tourists.

C3.5 The villager's responses to homestay development

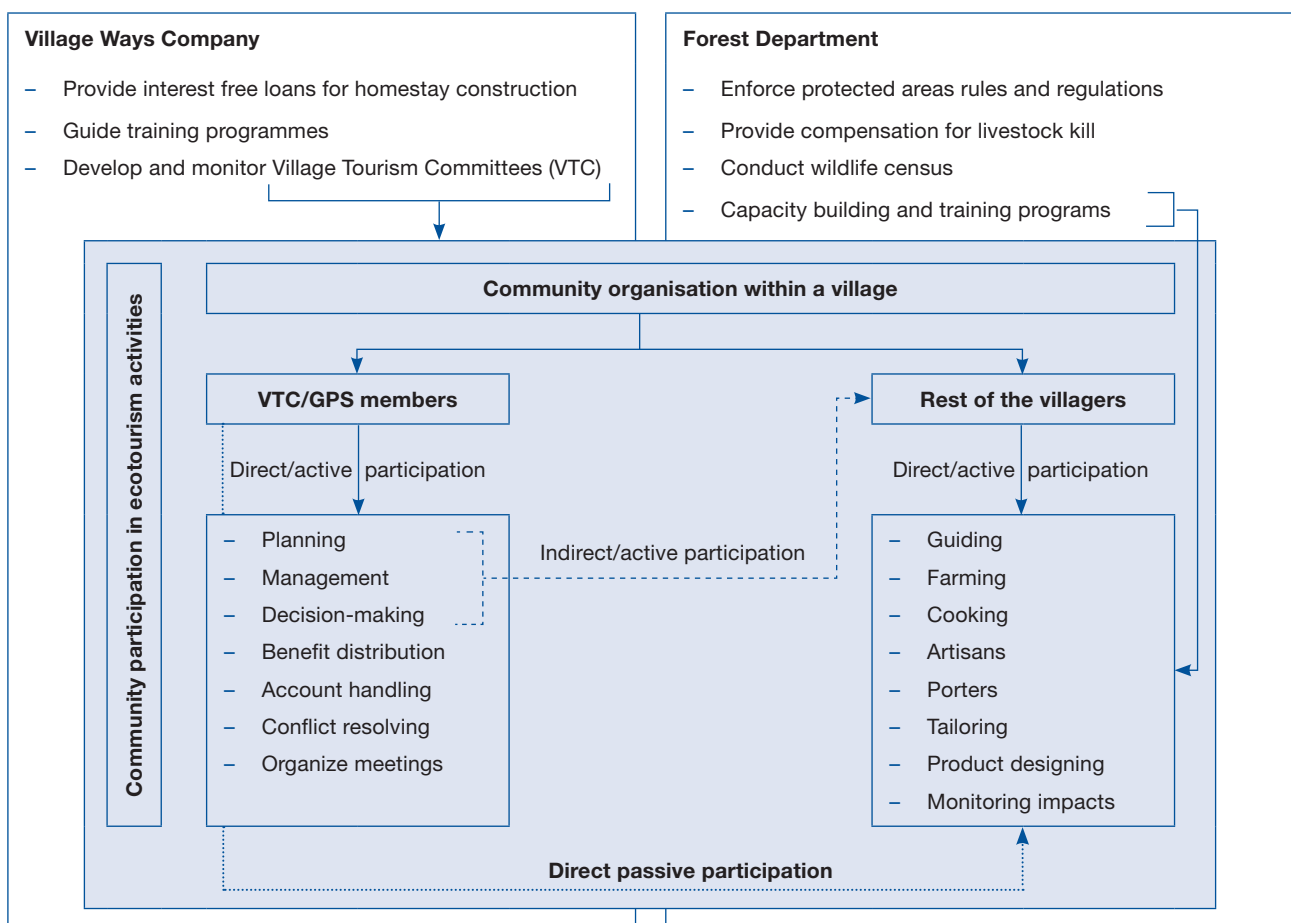
A recent study⁹ indicates nearly all villagers within BWLS support the homestay programme. Binsar villagers preferred homestays as their major source of income to subsistence agriculture or daily wage labour. The majority of the villagers understood ecotourism as a nature-based activity and 90% believed that by engaging in the homestay programme, they had gained a sense of ownership and responsibility in maintaining Binsar's natural setting. Villagers considered themselves as guardians of their natural environment. Further, villagers who supported homestays also supported engagement in "public-private partnerships", "tourism-related cultural programmes" and "willingness to contribute towards nature interpretation activities". The benefits from participating in the homestay programme included "prevention of migration" and "improvement in living standards".

9 Bhalla, P.; Coghlan, A. and Bhattacharya, P. (2016), 'Homestays' contribution to community-based ecotourism in the Himalayan region of India', in: *Tourism Recreation Research*, volume 41, issue 2, pp. 213–228.

C3.6 Conclusion

The working partnership and shared vision between the VWC, the regional forest department and the ecotourism wing of Uttarakhand represent good governance practice in developing community-based ecotourism (CBE) in a remote rural area of Uttarakhand (see figure C3.1). The innovative CBE programme in BWLS has played a pivotal role in balancing the development and conservation issues while generating income opportunities with minimum environmental impact. This reflects the existence of accountability, inclusiveness, and social justice and equity dimensions of good governance in Binsar. This case study demonstrates that both public and private sectors are crucial for the development of CBE and for the conservation of the protected area. The success of CBE in BWLS resulted from the proper planning and destination management by the region's governing authorities. Further, the support of the local communities and visitors forms an important ingredient for successful CBE projects. Subsequently, if locals receive tangible benefits from a homestay initiative and are involved in conservation policies in the sanctuary, they are more likely to consider themselves stakeholders in the process and support the sanctuary's conservation policies. Therefore, community involvement in PPP initiatives are an effective means for developing sustainable tourism while ensuring integrated decision-making across all levels within a transparent system.

Figure C3.1 Interactions among the VWC, the forest Department and the local communities of BWLS



Note: GPS = Gram Paryatan Samiti.

More remains to be done. Generation of solid waste and its management pose a threat that locals are unable to handle on their own. Current waste management practices not only affect the surrounding environment but may impact the wildlife directly or indirectly. Tourism experts and forestry officers could provide training for local residents on solid waste management and to strengthen ethical behaviour. This would thus ensure adaptability and preparedness for future threats.

BWLS villagers are aware that homestays will survive only if its surrounding natural habitat is protected. The villagers are willing to protect BWLS but require further training. There is potential to use villagers' local and traditional knowledge to undertake species counts, forest patrols, ecological monitoring, preventing illegal activities and further contributing to nature interpretation. Thus, these latent opportunities in terms of measurement need further attention by the governing authorities in order to ensure broader sustainability goals.

Case 4

Locals' participation and halal tourism: Lombok, Indonesia

Summary

This chapter discusses the development of tourism in Lombok. It discusses four different development phases and indicates the key factors for creating a socially sustainable tourism destination.

Key words

- Authenticity
- Halal tourism
- Community participation
- Masterplan

Key messages

- The value system and religious beliefs of residents have a vital impact on tourism development.
- Local communities will participate voluntarily and support tourism when they know that it will benefit them economically and promote their identity.

C4.1 Introduction

The indigenous “Sasak” people of Lombok are mainly Muslim and, their beliefs characterise Lombok as “a thousand-mosque island”. Lombok is well known as a backpacker destination and the Indonesian Government identified the island for tourism development around 1979. Lombok was seen as suitable for tourism investment as it is geographically and culturally close to Bali. The first phase of development began in 1986 with the development of a number of star-rated hotels. The tourism industry experienced a first phase of significant tourism growth between 1986 and 1999.

However, few of the island’s indigenous people participated in this tourism development for two main reasons.¹ Firstly, local communities perceived tourism as disadvantageous to the local society and economy.² Residents stereotyped tourists as people with unfavourable attitudes and behaviours towards local beliefs and culture. Tourists’ hedonic and permissive attitudes and behaviours were viewed negatively.³

Secondly, local people lacked the knowledge and skills to work in the sector or start a tourism business. For example, the first star-rated resort hotel built in Senggigi employed only a few locals in low level jobs, such as security guards, gardeners, and drivers. People other islands such as

1 Fallon, F. (2003), ‘After the Lombok riots, is sustainable tourism achieved?’, in: Hall, C.M.; Timothy, D.J. and Duval, D. (Eds.), *Safety and security in tourism: relationships, management, and marketing*, The Haworth Hospitality Press, Binghamton, NY, pp. 139–158.

2 Saufi, A. (2013), *Understanding host community's experiences in establishing and developing small tourism enterprises in Lombok, Indonesia*, PhD Dissertation, Griffith University, Australia.

3 Saufi, A.; O'Brien, D. and Wilkins, H. (2014), ‘Inhibitors to host community participations in tourism development in developing countries’, *Journal of Sustainable Tourism*, volume 22 (5), pp. 801–820.

Bali and Java with better knowledge and skills were employed in higher-level jobs.⁴ Few of the new small tourism enterprises such as restaurants and souvenir shops were locally owned. The end of the Suharto⁵ regime in 1997 created chaotic socio-political conditions and uncomfortable environment of tourism industry.

The influx of these non-local tourism players and other factors triggered social tensions between the local and non-local people. This tension reached boiling point in 2000 and sparked a riot. Tourism infrastructure was vandalised and all tourists were evacuated,⁶ leading to a second phase of tourism development (2000–2005) characterised by declining tourist visitation to Lombok and a deteriorating tourism business environment.

During this second phase, many non-local investors left, tourism projects were delayed and employees lost their jobs⁷. Many local enterprises, including building material shops and property developers only indirectly linked with tourism, lost money or closed.

This downturn led to a change in local people's attitudes towards tourism as they personally experienced the reduction in the multiplier effect of tourist activities. Residents began to recognize the importance of tourism to Lombok's economy.⁸

C4.2 Revival phase

A revival of tourism in Lombok began in 2006, stimulated by increased stability in Indonesian socio-economic and political conditions, and the decision that the island would become an international destination, with international airlines landing therefrom 2011.

Nevertheless, challenges remained. Firstly, government tourism organizations performed poorly, and lacked support from the private sector and the local community.⁹ Secondly, the religious community, particularly the *Imams* or Islamic scholars did not support tourism. The Lombok culture is paternalistic, and the people are obedient to the *Imam's fatwa* (call or order to do something for the sake of God). A fatwa is considered more powerful than the state regulation. Therefore, the religious leaders play important roles in the success of tourism development in Lombok. Third, Lombok required a vision for development. Tourism stakeholders began to realise the importance of a sustainable tourism development masterplan as a basis for collaboration and synergy amongst stakeholders. This masterplan needed to consider not only economic matters but also the sustainability of socio-cultural and environmental systems.

4 Widiani, H.B.T.; Rosidi, M.; Surenggana, M.M.D. and Putus, L.A. (1997), *Dampak Pengembangan Pariwisata terhadap Kehidupan Sosial di Daerah Nusa Tenggara Barat*, Favorit, Mataram.

5 Suharto was Indonesia's second President.

6 Fallon, F. (2001), 'Conflict, power and tourism on Lombok', *Current Issues in Tourism*, volume 4 (6), pp. 481–502.

7 Fallon, F. (2003).

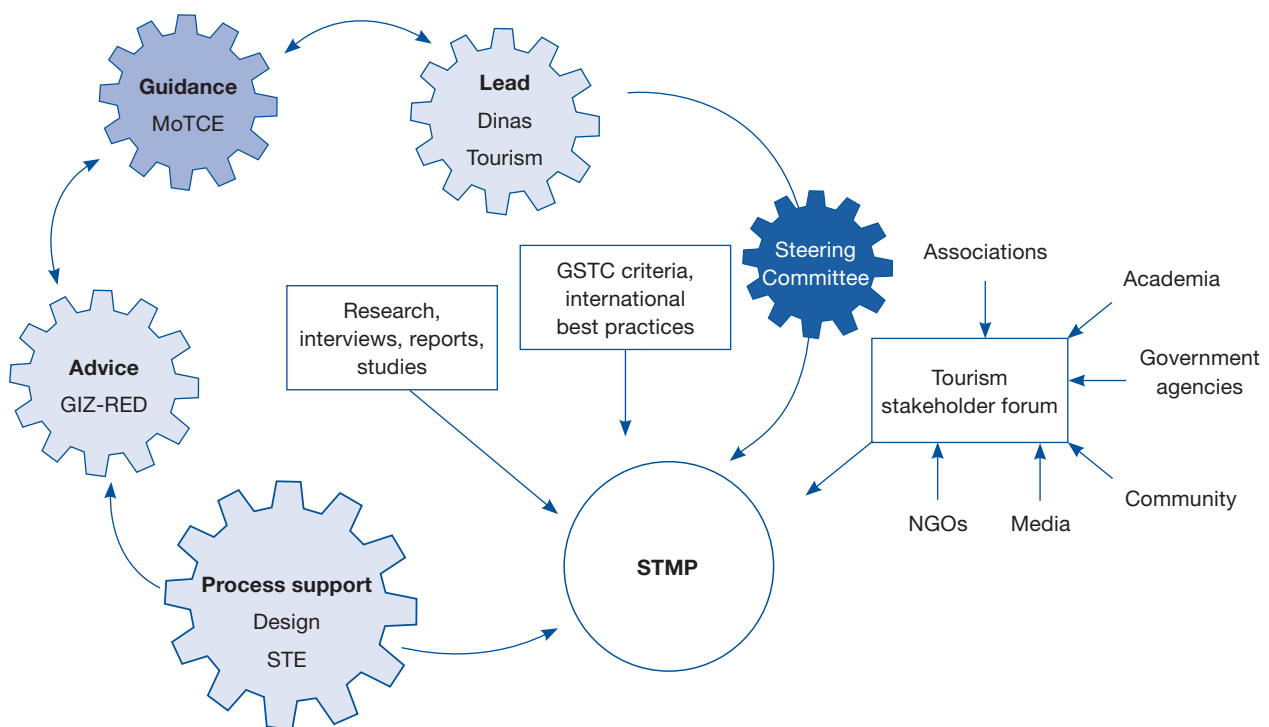
8 Saufi, A. (2013).

9 Schellhorn, M. (2010), 'Development for whom? Social justice and the business of ecotourism', *Journal of Sustainable Tourism*, volume 18, issue 1, pp. 115–135.

C4.3 Planning (knowledge)-based phase

In 2014, Lombok developed its first Sustainable Tourism Master Plan (STMP) for 2015–2019, assisted by GIZ (a German organization that provides assistance for tourism development). The majority of tourism stakeholders, including local community representatives, tourism NGOs, researchers, private sector businesses, and governmental departments related to tourism, were involved of the STMP. The STMP follows the principles of sustainable tourism as formulated by Global Sustainable Tourism Council (GSTC).¹⁰ The process used for preparing the STMP is illustrated in figure C4.1.

Figure C4.1 Lombok Sustainable Tourism Master Plan process



Note: GIZ-RED: Deutsche Gesellschaft für Internationale Zusammenarbeit – Regional Economic Development

GSTC: Global Sustainable Tourism Council

NGO: Non-governmental organization

MoTCE: Ministry of Tourism and Creative Economy

SET: Sustainable Tourism Expert

STMP: Sustainable Tourism Master Plan

The first step in the STMP process was to form a steering committee consisting of representatives of all tourism stakeholders. The committee's tasks were to provide secondary data, suggestions, and evaluation of the final STMP. The committee also provided recommendation to the Provincial

¹⁰ Sustainable Regional Economic Growth & Investment Programme (2015), *Sustainable Tourism Master Plan of Lombok 2015-2019*, Bappeda Provinsi NTB, Jakarta.

Saufi, A. et al. (2015), *Sustainable Tourism Master Plan of Lombok 2015-2019*, GIZ-SREGIP, Jakarta.

Governor concerning authorisation and implementation of the STMP. Data was collected through focus group discussions (FGD) in five regions and one municipality, from April to September 2014.¹¹

The vision for sustainable tourism development was determined as: “Lombok is to be a sustainable, competitive, and nature and culture-based tourist destination”. Development focused on four pillars:

1. A destination that is fully supported by local communities, unique, clean, locally based, environmentally based, safe and comfortable;
2. Promotion strategies to increase the quality of tourist visitation, the positive image, and sense of dignity of Lombok tourism;
3. Tourism personnel and organizations that are professional, competitive, supportive, and collaborative; and
4. A business environment that stimulates the creation of innovative and unique tourism products and services, the implementation of sustainable tourism principles, and the emergence of local tourism entrepreneurs.¹²

One of strategies of the STMP is to increase local participation by adopting local wisdom¹³ which means developing halal tourism products. Lombok residents practice halal activities when processing and making foods and drinks. Development of halal tourism is seen as a new form of local participation in sustainable tourism development.

C4.4 Halal tourism as induced participation

Lombok was recognized as the world’s best halal tourist destination by the Emirate of Abu Dhabi in 2015 and 2016, despite the lack of halal tourism infrastructure, such as *halal-certified hotels and restaurants*. This award increased locals’ confidence in tourism. Local government issued a decree in 2015 established Lombok as the first halal tourist destination in Indonesia.

Local communities campaigned for halal tourism involving *imams* through focus group discussions, workshops, and religious forums. A religious forum is an informal schooling system where local people study Islamic teachings from an *imam* or cleric, and is an effective means to communicate to grassroots community members. Halal tourism is, then, seen by local communities as an opportunity to benefit from tourism and promote Lombok to tourists based on Islamic teaching. The development of halal certification signifies the acceptability of products and services and has increased locals’ confidence in tourism.

Halal tourism may be considered an implementation of Lombok’s tradition of *ngayo*: visiting family members, neighbours, friends, and other community members to strengthen and maintain relationships. *Ngayo* is the way Lombok people practice Islamic values by building solidarity, developing honesty and understanding other people. *Ngayo*, in a halal tourism context, is serving

11 Saufi, A. et al. (2015)

12 Saufi, A. et al. (2015)

13 Ibid.

tourists with hospitality and honesty. In other words, halal tourism is a product demonstrating the inner characteristics of the Lombok people, and not a product created to satisfy market demand.

Lombok experienced an increase in visitors of nearly 40% in 2016.¹⁴ Halal tourism attracted new market segments. In 2016, 1019 Middle East tourists arrived in Lombok.

C4.5 Conclusion

Lombok provides a successful case study of community participation in tourism development. This success occurred only after the community understood the tourism's multiplier effect, locals were able to participate in businesses, government empowered and involved local communities, creating collaboration with private sector stakeholders and developed professional personnel. The development of the tourism master plan provided a reference point and guidelines for action towards sustainable tourism development. The development of halal tourism attracted the full support from local communities. The essence of halal tourism for Lombok is "local identity". In other words, local communities will participate voluntarily and support tourism when they know that it will benefit them economically and promote their identity.

14 Disbudpar NTB (2016), *Statistik Kebudayaan dan Pariwisata Provinsi Nusa Tenggara Barat 2016*, Disbudpar NTB.

Case 5

Local certification tests and community development, Japan

Summary

In Japan, there is a movement to deepen the local communities' understanding of their history and culture through a certification testing process. This initiative supports community development as well as tourism promotion. This chapter a case study of this initiative and suggests how it can be improved.

Key words

- local certification tests
- Community development
- Tourism promotion

Key message

It is important to create a mechanism that allows many people to participate in learning about their region.

C5.1 Background and purpose of local certification tests

In Japan, the bubble economy between 1986 and 1991 was followed by economic stagnation, and then an economic recession in the 2000s. The economy of many regions and municipalities in Japan were exhausted by these set-backs. Tourism has recently been seen as a means of revitalization for local areas, creating income and employment. Many local areas and their communities want to increase the number of international and domestic tourists visiting.

An essential element for communities wanting to promote tourism is to ensure that their people have a deep understanding of tourism, how to develop and promote it, and to have pride in their community, its history and natural environment. Most local areas, apart from those with World Heritage or the National Treasure tourism resources, are not famous, but do have authentic attractions to visit such as historical monuments, natural beauty, and hospitality. In Japan, various communities have developed local certification tests to ensure stakeholders are aware of their heritage and culture. Nowadays, there are more than hundreds of local certification tests managed mainly by the local members of the Japan Chamber of Commerce and Industry, and by various local governments.

The Tokyo City Guide Examination began in 2004 with the aim of training people to understand the history and culture of their region, and to communicate this to overseas and domestic tourists. The Fukuoka *Hakata* Test begun in 2003 has a Chinese, Korean and English version, and aims at facilitating regional communication, promoting understanding of local culture and revitalizing education. The *Kyoto Tourism Culture Test*, started in 2004 and has become one of the most successful tests. About 60% of applicants were from Kyoto, while 40% came from other areas such as Osaka, Tokyo and Kanagawa, indicating that this test is taken nationwide.

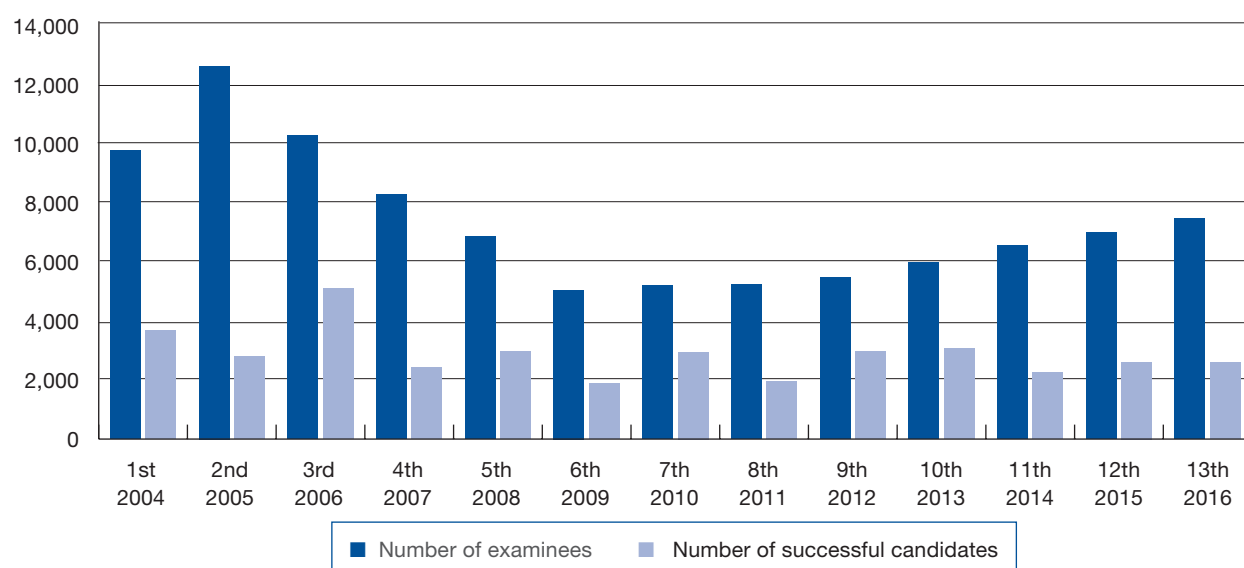
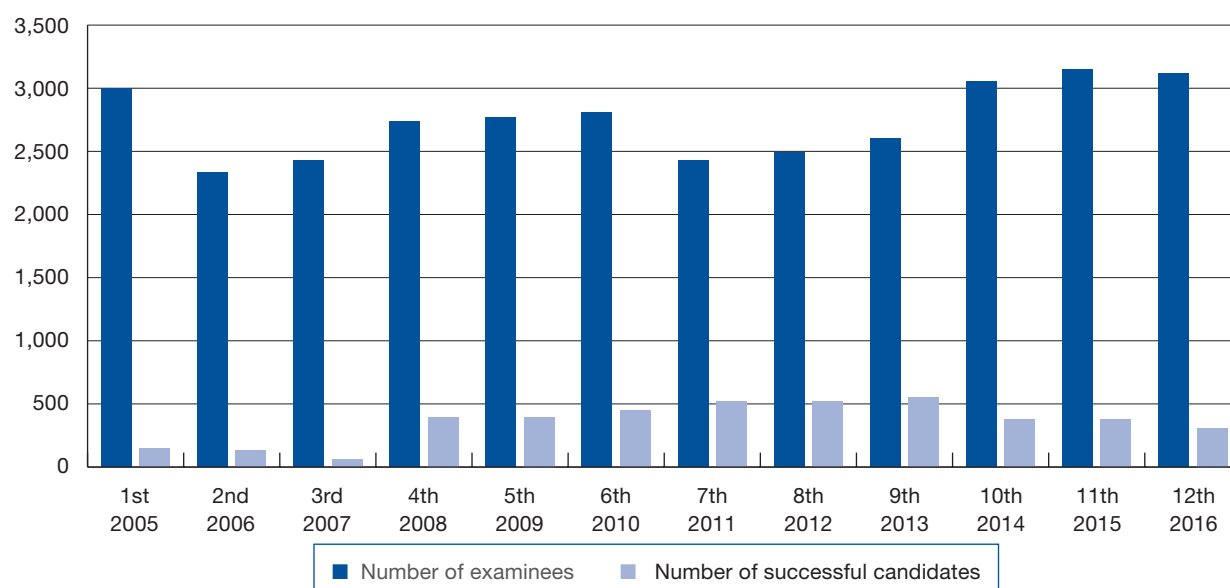
Figure C5.1 **Kyoto Tourism Culture Test**

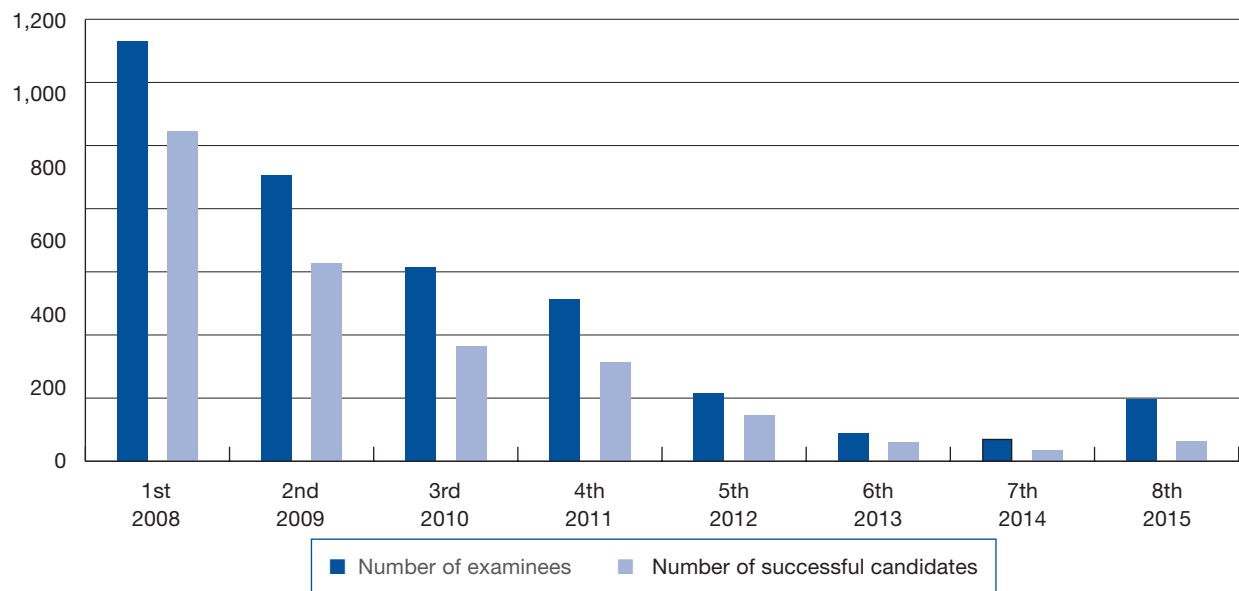
Figure C5.1 shows the changing pattern of the total number of examinees for the Kyoto test. As figure C5.1 shows, the number of examinees in Kyoto decreased due to the economic recession, but has recovered. For reference, figure C5.2 shows the numbers for the Kanazawa test, which started in 2005. Kanazawa is an area that has been in the limelight as a tourist spot in recent years due to the opening of a new Shinkansen train line to the area. As the region became popular, the number of examinees steadily increased. The Kanazawa and Kyoto cases are however exceptional, and in recent years, interest in the local certification test has declined, and there are examples where the local test was cancelled.

Figure C5.2 **Kanazawa Test**

C5.2 The Tama-Musashino Test

Overall it appears that the initial momentum for local tests is declining. According to a report by Japan Centre for Regional Development, the number of examinees has decreased for around the 66% of the local certification tests being done, and 14.5% of tests have declined by more than 25%.¹ The report identifies the objectives of the tests as improving regional recognition and hospitality, regional culture and history, and local promotion. It also appears that the tests have only a small effect on pride in a region, improvement in tourism promotion, and hospitality. There are also problems keeping the local certification tests sustainable, in how to use successful applicants, how to advertise method of examination, budget shortages, stagnation in the number of examinees, and lack of people to maintain the tests. There is a need to make the test more attractive, to improve their benefit to the examinee, and to make the management of the test effective.²

Figure C5.3 Tama-Musashino Test



The *Tama-Musashino Test* (figure C5.3) which started in 2008 provides an example. This a suburban area of Tokyo where a third of its population of Tokyo lives. The Tama-Musashino Test is aimed at increasing people’s attachment and pride in the region through active rediscovery of the attractions of the area. However, figure C5.3 shows a decreasing pattern of the examinees and

1 Ito, S. (2010), ‘An Empirical Study of Area Official Approval’ (in Japanese), *Nagoya Management Junior College*, pp. 1–13.

2 Japan Centre for Regional Development (2017), *Human resources development and introduction* (Jinzai no Ikusei, Douyu, in Japanese) (online), available at: www.jcrd.jp (07-06-2017).

Japan Chamber of Commerce and Industry (2017), *Information of the local certification tests* (Gotochi kentei Jyoho, in Japanese) (online), available at: www.jcci.or.jp (07-06-2017).

Tama-Musashino Kentei HP (2017), *Museum of knowledge:Tama-Musashino Tests* (Chi-no-museum,Tama-Musashino Kentei, in Japanese) (online), available at: www.tamakentei.jp (07-06-2017).

indicates a need to solve the problems listed above. Many municipalities in the Tama area planning for the coming Olympic Games, are hoping to attract tourists from abroad. These municipalities want to utilize the Tama-Musashino Test to improve resident's knowledge of the region's culture and history.

C5.3 Local certification tests and tourism development

The local certification tests can be classified into two types; one type (such as the Kyoto or Kanazawa test) have been increasing their numbers and have successfully improved the residents' hospitality and brand awareness of the tourism destination. The other type, such as the Tama-Musashino Test, have decreasing participant numbers and management issues.

Local certification, which started with the aim of deepening people's understanding of local history, culture, specialties and local products, are also increasing the awareness of the area, leading to the development of tourism. However, tests are important not only for tourism but also contribute to the improvement of local community capabilities, participation of people in the community, and fostering of common cultural awareness. Since these certification tests began in the 2000s, their aims and content have diversified. Today, these test do more than just facilitate tourism development. They can be used to strengthen the power of the community. However to do so, it is necessary to clarify the goals, and improve training and participation. The reason why the Kyoto certification test was successful is that it is focuses on tour guide training. Recently, the tests have been used to educate elementary school children. In addition, local financial institutions, local Chambers of Commerce, universities, schools, residents' associations, are beginning to use these tests.

Other destinations in the Asia and Pacific region should also consider raising awareness of tourism in their community. A test is one means to achieve this. There are indications that local businesses see the value of community pride and historical and cultural awareness.

Case 6

Sustainable Tourism Governance in the Republic of Korea

Summary

The Government of the Republic of Korea started an initiative in 2013, called the ‘Tourism *Dure*’ aimed at fostering a self-sustainable and cooperative tourism ecosystem where local residents are key actors, by assisting local communities in starting up and managing tourism businesses that express the uniqueness of their region. The ‘Tourism *Dure*’ programme provides sustainable form of economic contributions for the community.

Key words

- ‘Tourism *Dure*’
- Community tourism initiatives
- Product development

Key messages

- ‘Tourism *Dure*’ programme is a residents’ initiative based on the principle of self-motivation and collaboration independent of local and central governments support.
- ‘Tourism *Dure*’ programmes seeks to create and foster resident-led sustainable tourism businesses in hospitality, retail, travel and accommodations.

C6.1 Sustainable tourism policy trends

Governance can be defined as “an alternative system for government administration or a cooperative management system where various entities, including the government, businesses, and civil society, go beyond the traditional division of roles, share their experiences and knowledge, and ultimately build trust through participation, cooperation, and communication, all for the benefit of resolving common issues”¹. The emerging call for a governance system for sustainable tourism development can be attributed to a change in the tourism environment, the resulting expanded scope of sustainable tourism – to include ecotourism, fair tourism, ethical tourism, and responsible tourism – as well as stakeholders, all of which have caused sustainable tourism initiatives to be organized in a non-holistic fashion. There is a need to connect stakeholders and establish a virtuous circle for tourism development in order to achieve the goals of revitalizing regional economies, creating jobs, preserving local culture, developing local communities, and protecting the environmental ecosystem². Moreover, coordination and consultation for tourism governance have become increasingly important given that intergovernmental relations have changed with the transformation of centralized and hierarchical governments to more decentralized and horizontal ones.

Article 48-3 of the Korean Tourism Promotion Act provides that “The Minister of Culture, Sports and Tourism may take necessary measures, such as supply of information and financial support, etc. in order to minimize the use of energy and resources, cope with climate change and promote

¹ Ministry of Environment (2004), *Ways to build an environmental governance for sustainable regional development*.

² Chang, B.K. (2016), ‘Building a system of governance for sustainable tourism development’, *Korea Tourism Policy Quarterly*, issue 66, pp. 18–27.

the sustainable development of tourism resources reducing environmental destruction.” (This Article newly inserted on 25 March 2009).

Also, Article 48-9 of the said Act states that “Tourism business operators, tourism-related business operators, tourism-related organizations, residents, etc. may jointly establish a regional tourism council at the level of metropolitan or basic local government for the promotion of tourism of a region.” (This Article newly inserted on 18 May 2015).

In 2014, the Ministry of Culture, Sports and Tourism (MCST), jointly with the United Nations Environment Programme (UNEP), hosted the Fourth Conference and Associated Meetings of the Global Partnership for Sustainable Tourism, offering a venue for stakeholders to cooperate for sustainable tourism development. The MCST also hosted the Forum for Sustainable Tourism Development jointly with the Korea Culture and Tourism Institute (KCTI) in the same year and selected the seven key policy tasks for sustainable tourism development. Notably, the agenda of the forum included tasks for reinforcing the partnership between local governments and tourism business entities through mutual cooperation.³

For the past several decades, the three key traditional elements of tourism were considered to be ‘tourists’ (subject), ‘tourism industry’ (medium), and ‘tourism resources’ (object). However, a new element, namely, the ‘local community’ has recently emerged as an important addition because the economic, environmental, and socio-cultural sustainability of tourism cannot be guaranteed by the traditional three elements alone. Thus, the focus of governance for sustainable tourism development should be placed on creating economic value, exploring unique local features, and enhancing the diversity of local communities through communication and a virtuous circle among the four key elements of tourism.⁴ Realizing that local residents have not been granted their full rights as actual beneficiaries of tourism development, the Government of the Republic of Korea has actively pursued a civil-led tourism movement called the ‘Tourism Dure’ initiative.

C6.2 Purpose and structure of the ‘Tourism Dure’ initiative

In view of sustainable tourism promotion, the country’s Government has moved away from a focus on financing hardware (facilities infrastructure) development and is looking instead towards more custom-tailored support with a focus on software. Launched in 2013, the ‘Tourism Dure’ of the MCST is aimed at fostering a self-sustainable and cooperative tourism ecosystem in which local residents are key actors, by assisting local communities in starting up and managing tourism businesses that express the uniqueness of their region. As of the end of 2016, the ‘Tourism Dure’ involves 37 regions, 154 local businesses, and 1,199 residents around the nation.⁵ The ‘Tourism Dure’ programme has contributed greatly to the creation of jobs and tourism income, and revitalization of regional tourism thanks to the residents’ own initiative and ownership.

In the past, most government programmes had been led by administrative agencies. In other words, they were decided by the government, planned by experts, and participated in by residents.

³ Korean Culture and Tourism Institute (2014), *Study of policy vision and tasks for sustainable tourism development*, MCST.

⁴ Chang, B.K. (2016).

⁵ MCST and KCTI (2017a), *2016 Report on Tourism Dure Program Performance*, Tourism Dure Program Group, pp. 12–17.

As a result, such programmes could by and large not be managed independently at the local level when government funding was discontinued. In contrast, the 'Tourism *Dure*' programmes are run on residents' own initiative based on the principle of self-motivation and collaboration and without dependence upon the local or central governments. The ultimate goal of the 'Tourism *Dure*' programmes is to create and foster resident-led sustainable tourism businesses in food and beverages, experience programmes, souvenirs, travel agencies, and accommodations.

The 'Tourism *Dure*' initiative involves the MCST, KCTI, the Korea Tourism Organization (KTO), local governments, and 'Tourism *Dure*' PD (producer)s.⁶ The MCST is responsible for basic planning and funding. The KCTI acts as the control tower for the 'Tourism *Dure*' initiative, supporting and managing the activities of 'Tourism *Dure*' PDs, identifying and fostering local businesses, and conducting programme monitoring and evaluation. The KTO supports promotional marketing activities on the side, while local governments provide office space for 'Tourism *Dure*' PDs and other indirect support such as connecting with regional tourism resources. Lastly, 'Tourism *Dure*' PDs are key actors overseeing the programmes at the local level, including identification and organization of local businesses, and supporting start-ups and improving business management. They act as planners as well as bridges between the 'Tourism *Dure*' Program Group (KCTI) and residents, local governments and residents, customers and residents, and residents and residents.

C6.3 Case studies of regional sustainable tourism

C6.3.1 Tourism *Dure* in Hongseong: tourism start-ups by a group of young people in rural area

Ten minutes from Hongseong train station and past the traditional open market is a *Hanok* tile-roofed house that is over a hundred years old. The Sharing Happy Travel Group, a Tourism *Dure* business in Hongseong runs this guesthouse. Launched by four young graduates of the Tourism Business Management Department of Chungwoon University who set out to follow their passion, the business consists of a guesthouse and travel agency that will promote the attractions in and around Hongseong. The Tourism *Dure* PDs worked with them as their mentors, helping them throughout the entire process of the business, including writing a business plan, letters, and the preparations for the actual start-up. The result of this collaboration was a clean, comfortable guesthouse with the feel and coziness of a traditional home. The guesthouse, which attracts not only young tourists but also family groups with children, boasts monthly average sales of USD 15,700.⁷

The group's travel agency business will be fully operational in 2017. The young entrepreneurs have already developed ten tailored tour courses in the Hongseong area and conducted six separate familiarization tours to gain tour operation experience. The agency plans to come up with a diverse tour product line that is tailored to recently changing tourist demands such as a desire to enjoy a pleasant and more private trip rather than a large tour group experience. In line with the

⁶ Chang, B.K (2016).

⁷ Ministry of Culture, Sports and Tourism and Korean Culture and Tourism Institute (2017), *Best Cases of Tourism Dure Programs*, Tourism Dure Program Group.

emergence of Hongseong as a filming location, the agency is also working to promote the image of the city and develop products incorporating tours to filming sites.

C6.3.2 Tourism *Dure* in Yeosu: local food restaurants for individual travellers

The Su-Rainbow Cooperative was established with the intent of assisting women from multi-cultural backgrounds who married men from the Republic of Korea, to become economically independent members of the local community.⁸ The goal of Su-Rainbow Cooperative seemed to be realized with the opening of the multi-cultural restaurant called Little Asia, but the business soon encountered problems. First, the women needed to prioritize their family's needs, meaning they could not fully concentrate on the restaurant business. Also, their lack of any past income-earning experience made it difficult to sustain the business.

The Su-Rainbow Cooperative began anew after it was selected as a Tourism *Dure* initiative. Much work was done to reflect on lessons learned from past failure and come up with a way to create sustainable income. As a result, six residents of Yeosu who had supported the multi-cultural women since the beginning joined in the running of the business. It was decided that the restaurant would focus on the local food of Yeosu instead of an international menu. And the business came up with a new goal of contributing to the tourism of Yeosu City by serving not only as a restaurant but also as a tourism centre for individual travellers.

Restaurant Yeosu 1923 has great accessibility as it is located close to the downtown area, KTX train station, and ferry terminal. As its name implies, the restaurant's brand concept is the modernization of Yeosu before and after 1923, the year the Yeosu international port was opened. Both its interior housed in an old building and the menu were designed to reflect Yeosu's modern history and the folk culture of the island areas. The restaurant *Yeosu 1923* offers a Korean table d'hôte menu through which individual travellers can enjoy various foods made with local specialties. The Yeosu Tourism *Dure* focuses on sustainability so that tourist spending can lead to resident income and it can circulate within the region. *Yeosu 1923* has plans to rent the vacant two-storied building next door and use it to offer tourist information about the surrounding islands. In cooperation with the Discovery in Yeosu, a travel agency run by local residents, this space will also serve as a base connecting the downtown area with the islands.⁹

8 Ministry of Culture, Sports and Tourism and Korean Culture and Tourism Institute (2016), *Best Cases of Tourism Dure Programs*, Tourism Dure Program Group.

9 Ministry of Culture, Sports and Tourism and Korean Culture and Tourism Institute (2017).

Case 7

Interministerial coordination and policy coherence in Malaysia

Summary

This chapter provides insight into the coordination of a range of government ministries that affect and influence the quality and sustainable development of tourism in Malaysia. Ministries, local authorities, and the private sector including airlines play a role in policy development, tourism marketing and management, border control and transportation and other actions essential to tourism and its development.

Key words

- Policy coordination
- Tourism governance
- Sustainable tourism development
- Stakeholder collaboration

Key message

For good governance, all stakeholders should be represented in the decision-making process and empowered to contribute to those decisions.

C7.1 Introduction

Policy coordination among government ministries and agencies is important for sustainable management of tourism development, particularly in areas that directly affect tourism. Many tasks impacting tourism development fall outside the jurisdiction of the Tourism Ministry, while the policy actions of other agencies pursuing their own ministerial objectives can support, neutralize or even undermine tourism development. Malaysia adopted a Cabinet Committee of Tourism with Cabinet Ministers as its members as a powerful mechanism for greater tourism policy coherence.

C7.2 Need for policy coordination and alignment

Government has a crucial role in planning, managing and coordinating efforts to achieve growth and economic, social and environmental sustainability. The actors and agents in government cooperate both horizontally and vertically. Horizontally, ministries must coordinate central government policy, and there may be similar needs at provincial and local levels. Vertically, the different levels of governments (local, provincial, and national) must also cooperate. However, each ministry and level of government has different areas of competence based on their constitutional provisions and the distribution of functions and responsibilities. Since the goods and services provided by government for the tourism industry cut across a wide range of administrative responsibility as well as the leadership and personnel in each of the ministries, in practice there are gaps and shortfalls in the coordination and cooperation across ministries and the actors and agents of tourism.

The Ministry of Tourism and Culture (MOTAC) in Malaysia is empowered by legal provisions to be responsible for policy formulation, regulation, and promotion of tourism. It looks after the

overall development, coordination and implementation of tourism policy as well as provides support for tourism development, management and marketing. However, there are many laws, regulations, plans and policies impacting on the tourism industry that fall outside the competence and jurisdiction of MOTAC but within the direct area of responsibilities of other ministries and agencies. For instance, the allocation of budgetary resources to tourism falls under the purview of the Ministry of Finance, while environmental protection and conservation of forest, rivers and coastal areas regulation and control of environmental impact that are essential for sustainable ecotourism would be under the charge of Ministry of Natural Resources and Environment.

There are many government functions across a range of ministries that affect and influence the direction and quality of tourism development. Among others, they include intergovernmental functions such as planning and zoning regulations, development of transportation and infrastructure, traffic management, accessibility and connectivity, urban management, signage and information, education and training for tourism manpower, safety and security for visitors, ICT development, support for enterprises, especially SMEs, and visa requirements. The tourism industry could also be affected by out-dated policies, rules and regulations that continue to be used by other ministries because of an inertia towards change. The movement of personnel and leaders in ministries could also see the introduction of new regulations that negatively affect tourism development, especially when there was inadequate or no consultation with tourism stakeholders before their adoption.

Since tourism destinations occur at particular locations, the actions of state governments and local authorities greatly affect the dynamism and sustainability of tourist destinations. The attractiveness of a tourism destination depends very much on the actions and effectiveness of local authorities, which shoulder the task of developing, maintaining and administering the tourism products and providing supportive infrastructure and services. Their role in the licensing and management of accommodation facilities, food and business sites, beaches and waste disposal at beaches, lakes and islands is particularly crucial for the sustainability of these destinations. Effective and well-funded local authorities are also needed for the administration and management of tourism destinations.

C7.3 Cabinet Committee on Tourism

The Cabinet Committee on Tourism (CCT) was established in 2005 when Malaysia was laying its groundwork for the Visit Malaysia Year 2007 Campaign held in conjunction with Malaysia's 50th Anniversary of Independence. At that time, there was some difficulty in getting the requisite policy coordination and support from government agencies that would be necessary for a successful yearlong tourism campaign. The objective of the CCT was to bring about greater interministerial coordination and a more coherent approach to tourism development at the national level. With Cabinet Ministers as its members, CCT is the highest-level committee to address the issues and challenges related to tourism.

One problematic area faced by the tourism industry was the stringent approach adopted by officers in the Immigration Department in screening tourists at entry points. In the period 2004–2005, immigration officers adopted a rather heavy-handed manner of dealing with a particular category of tourists, which gave the Malaysia's tourism industry bad international publicity. Stakeholders criticized these actions as undermining the country's tourism industry. The Immigration Department

justified its imposition of tight conditions on entry requirements on the ground that this was to prevent the trafficking of people and keeping out undesirable elements. It had been argued that the mission of the Ministry of Home Affairs was to control and regulate the movement of people through ports of entry, with national security as its primary concern, but the poor handling of tourists created a negative image for the country and competed with the mandate of the Ministry of Tourism to increase tourism growth.

Since the Tourism Ministry was newly established as a stand-alone agency in 2004 and was smallest in terms of manpower size and budget, it was fairly powerless when pitted against the much larger Home Ministry. To overcome this limitation, the Ministry of Tourism initiated the establishment of CCT under the chairmanship of the Deputy Prime Minister as a strategy to strengthen its voice and get interministerial support for the Visit Malaysia 2007 campaign and other tourism matters. The areas under CCT's purview are to improve interministerial coordination and the alignment of public policies that facilitate the development of tourism products, promote Malaysia as a preferred tourism destination, improve entry facilitation, connectivity, and accessibility, improve safety and security of tourists, as well as enhance tourism and environmental sustainability.

The members of CCT are Cabinet Ministers whose areas of responsibilities have direct implications on tourism. The list of members is as follows:

1. Minister of Tourism and Culture
2. Minister of Natural Resources and Environment
3. Minister of Transport
4. Minister of Home Affairs
5. Minister of Communication and Multimedia
6. Minister of Youth and Sports
7. Minister of Housing and Local Government
8. Director, Budget Division, Ministry of Finance
9. Director General, Immigration Department
10. Chief Executive, Malaysia External Trade Development Corporation (MATRADE)
11. Chairman, Land Public Transport Commission (SPAD)
12. Managing Director, Malaysia Airlines Berhad (MAS)

The Ministry of Tourism and Culture (MOTAC) provided the secretariat support for CCT. It was responsible for organizing the meetings that were convened at least once or twice a year and preparing most of the papers for the deliberation of the meeting. Although tourism issues could be brought up at the weekly Cabinet meetings, the Tourism Ministry was only one out of twenty-four ministries and the heavy schedule of Cabinet meetings often meant that there was not enough time to delve into tourism issues adequately. Tourism matters were considered in a cursory manner, which was inadequate if the aim was for greater interministerial coordination and a more coherent approach for national tourism development.

To prepare for CCT, the Secretariat would call for papers at least two months before the meeting. At least 50% of the inputs would come from the private sector. Very often MOTAC officers would sit with the relevant agencies, tourism industry representatives and other stakeholders to draft the working papers, test ideas and fine tune recommendations. The draft papers would then be screened within the ministry and sent to relevant ministries for comments before being tabled at the CCT meetings. Papers with financial implications would require the feedback from the Ministry of Finance. The Minister of MOTAC together with the secretariat would brief the Chairman on the content of the papers to get his consent for their inclusion in the meeting.

In practice, many interministerial issues that pertained to the tourism industry were resolved at the CCT level. Since MOTAC provided the secretariat for CCT, it was in the controlling position to shape the direction and agenda of the meeting. In this way, a 'junior' ministry was able to obtain the cooperation and commitment from the other larger and 'more senior' ministries. The CCT considered a wide range of issues from policy and strategy matters, to specific problem areas that needed to be speedily resolved, such as difficulties faced by the private sector, coordination issues that led to dislocations, as well as quality and sustainability issues. The CCT provided the platform for the Ministry of Tourism to successfully bid for a substantial increase in budgetary allocation to undertake the Visit Malaysia Year 2007 Campaign. It also led to the adoption of tourist-friendly entry formalities by the Immigration Department. To improve the services of front line agencies, the staff from the Immigration and Customs departments was given hospitality training under 'Malaysia Welcomes the World' programme. More recently, the Ministry of Tourism pushed for a more liberal visa issuance policy towards Chinese nationals. CCT agreed to the introduction of eVisa and Electronic Travel Registration and Information (ENTRI) on March 2016 for Chinese nationals, and this travel facilitation had led to more arrivals from China.¹ Some other issues pertained to the development of Malaysia as a shopping destination and allocations for the tourism industry.

All decisions made at the CCT would be presented to the Cabinet Meeting for endorsement. After Cabinet endorsement, the relevant agencies are required to take action and give feedback within one week after the Cabinet decision. The minutes of the CCT Meeting are also circulated to all its members for their attention, action and feedback. The Secretariat at MOTAC would monitor closely the Cabinet decisions until they were resolved. This mechanism helped to bring about greater interministerial policy coordination and coherence, which were crucial for sustainable tourism development in Malaysia.

C7.4 Conclusion

Numerous types of actors and agents are involved in producing the goods and services that are consumed by visitors, and good governance is required for sustainable tourism at a destination. The decision-making process is naturally complex given the many stakeholders that represent different interests. For good governance, all stakeholders should be represented in the decision-making and empowered to contribute to those decisions. Government functions cut across a wide range of ministries that affect and influence the direction and quality of tourism development. The Cabinet Committee on Tourism is an important mechanism to bring greater policy coordination among Ministries that affect tourism at the national level. The development and sustainability of the tourism industry depends on a wide range of factors that often fall outside the jurisdiction of the Tourism Ministry. A major policy misstep, poor handling of foreign visitors at entry points, petty crimes targeted at tourists, or a major transport disaster as a result of poor regulation can nullify the millions of dollars that go into tourism promotion. The commitment of the Government at the highest level in mainstreaming tourism in the national agenda is crucial for the sustainable development of a country's tourism industry.

¹ Beh, Y.H. (2017), 'More Chinese tourist arrivals in 2016', *The Star Online* (online), available at: www.thestar.com.my (07-06-2017).

Case 8

Self-organizing governance of the Golden Eagle Festival, Mongolia

Summary

This paper examines a self-organizing governance approach to local sustainable development. It focuses on the case of the Golden Eagle Festival in Mongolia. This festival has been successful for 16 years in preserving traditional values and identity of eagle hunters while bringing economic benefits to the local community. The paper traces how a local initiative of self-organizing governance was born and evolved to achieve this success without financial and institutional support from Government.

Key words

- Self-organizing governance
- The Golden Eagle Festival
- Sustainable tourism

Key message

A local self-organizing governance initiative can be an alternative approach for sustainable tourism development in situations where there is minimal or no financial and institutional support from Government. Cultivating the capacity of local stakeholders for self-organizing governance and ensuring a broad local participation in the initiative, are critical conditions for sustainable tourism development.

C8.1 Introduction

Mongolia is traditionally a land of nomads, and among the most sparsely populated countries with only approximately 3 million people living in an area of 1,560,000 km².¹ Despite increasing urbanization over the past few decades, 50% of the population now resides in the capital city of Ulaanbaatar, although an estimated 25–40% of its population is classified as nomads or semi-nomads.

The country has experienced a dramatic increase in international tourists from 71,000 in 1996 to 393,000 in 2014.² The Mongolian Government in 2013 promoted tourism using the tag lines: “Go Nomadic, Experience Mongolia” and in 2014, “Mongolia – Nomadic by Nature”. Tourists are attracted to Mongolia to observe nomadic life styles and cultures, experience activities such as horse and camel riding, archery, trekking, and eagle-hunting, and living and eating in a Ger, a traditional Mongolian house.³ Like many Asia Pacific countries, the Mongolian Government faces challenges in developing tourism: lack of funding and trained human resources, under-developed

1 Wikipedia (n.d.), *List of countries and territories by population density* (online), available at: <https://en.wikipedia.org> (09-05-2017)

2 World Tourism Organization (2015), *Tourism Highlight*, UNWTO, Madrid (online), available at: www.unwto.org (21-04-2017).

3 Damba, G. (2016), *Treading on Tourism and Travel Experience along the Silk Road of United Nations World Tourism Organization: Book for Silk Road Conference on Nomadic Tourism and Sustainable Cities*, Admon Printing, Ulaanbaatar, pp. 21–22.

tourism infrastructure, and a weak supporting industrial structure.⁴ The local government does not have capacity to lead and organize tourism.⁵

This chapter discusses how a nomad community developed the Golden Eagle Festival and related tourism activities bringing economic benefits to the local economy while preserving traditional values and identity. The annual Golden Eagle Festival, organized by local eagle hunters, officially began in the city of Ulgii, Byang-Ulgii Province, Mongolia in 2000. It is held with minimal institutional and no government financial support. This initiative has evolved into a governance network of local associations, suppliers, and the community at large, including the local government and outside private players.

C8.2 The Golden Eagle Festival

The province of Bayan-Ulgii is located in the far west of Mongolia, 1,760 km away from the capital Ulaanbaatar. Travel from Ulaanbaatar by interregional express bus takes 48 hours. The daily flight from Ulaanbaatar to the Ulgii Airport can carry less than 50 passengers, takes three and half hours, and is inconvenient, as it stops at other airports on the way.

There are 93,000 residents in Bayan-Ulgii Province (93% ethnic Kazakh) in 2009. The province is composed of a capital city (Ulgii), 13 *soms* (counties), with 13 *som centers* (towns). With the exception of Ulgii, which has a population of 28,448, the other som centers are small towns with few community facilities that average a population of around 1,300.⁶ Most land transportation moves on roads that are mostly unpaved. However, the interactions between the capital city and som centers have strengthened in recent years as lifestyles are shifting from nomadic to semi-nomadic ones. Rather than living a wandering life, nomads are being gradually located at som centers.

There are no specific laws regulating eagle hunting, although relevant laws include the Law on Hunting (enacted in 1995, revised in 2000) and the Law on Environmental Protection (enacted in 1995, revised in 2008). These regulate hunting quotas, seasons, and methods including use of chemicals, smoking of dens, and cars to chase animals. There are no legal restrictions on the use, sale, and capture of eagles.⁷

4 Sharpley, R. (2002), 'Tourism: A Vehicle for Development in Richard', in: Sharpley, R. and Telfer, D. (eds.), *Tourism and Development: Concepts and Issues*, Channel View Publications, Sydney, pp. 11–34.

5 Kim, Y. and Scott, N. (2017), 'Network Dynamics of Tourism Development in South Korea', *Current Issues in Tourism* (online), available at: <http://dx.doi.org/> (21-04-2017).

6 Bayan-Ulgii Aimag Statistical Office (2010), *Annual Report 2009* (in Mongolian).

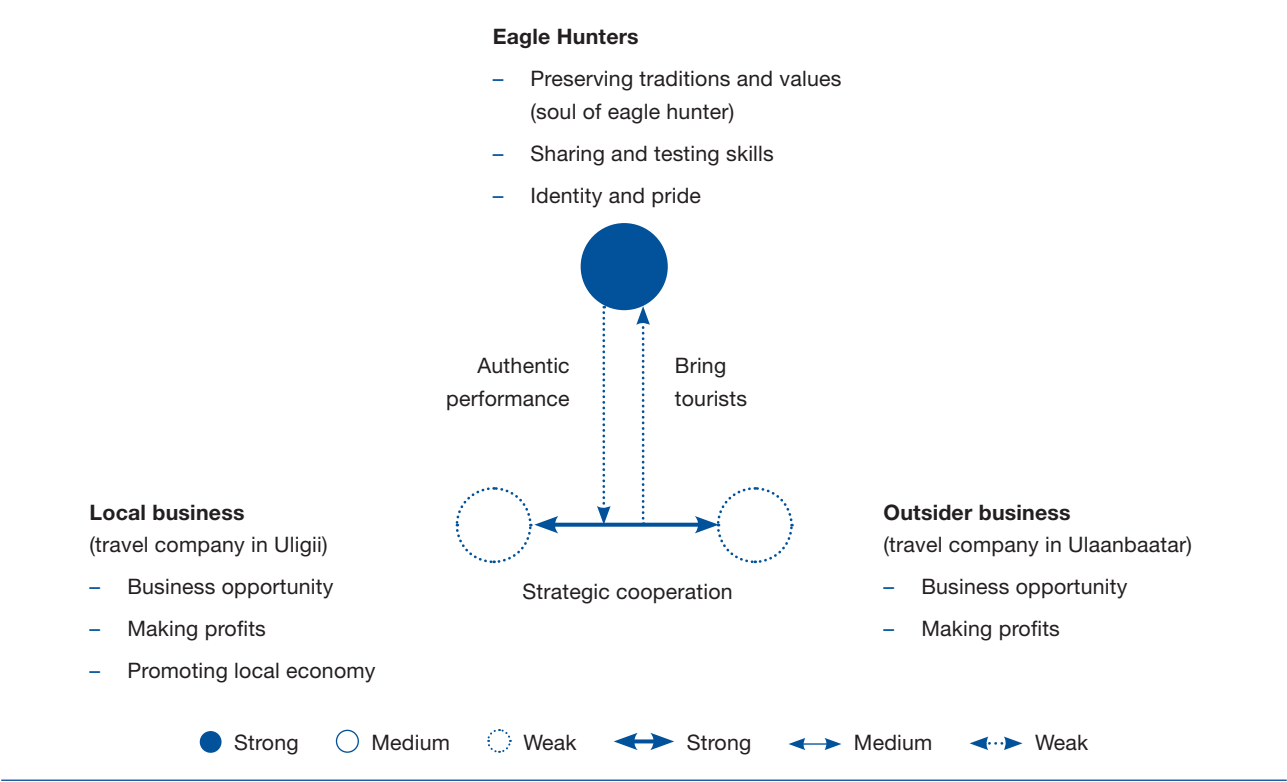
7 Ebner, N. (2016), 'When The Hunt Is Over: Culture and Conservation in Kazakh Eagle Falconry', *Independent Study Project (ISP)*, Collection 2508, p. 31 (online), available at: <http://digitalcollections.sit.edu> (21-04-2017).

C8.2.1 The Pre-Golden Eagle Festival Period (–1997)

Mongolia has harsh winter conditions often below –30° C. Hunting with golden eagles (falconry) is a traditional means of acquiring food and fur during the winter in Bayan-Ulgii province, and the tradition remains in a few areas. Bayan-Ulgii has 80% (around four hundred) of the world's active eagle hunters. The hunts also often occur in teams, with sometimes as many as five falconers.⁸

In the early 1990s, international tourists to Mongolia were few in number. Some special interest tourists utilized private travel agencies (Altai Tour Co Ltd in Ulgii and the Nomadic Expedition Co Ltd in Ulaanbaatar) to visit Khomarkhan, a well-respected eagle hunter. Tourists were able to watch this old eagle hunter, dressed in traditional garments demonstrating the local customs with his eagle. In general, interactions between eagle hunters and private travel business sectors were loose and minimal at this point; hunters needed to cooperate in marketing because of the distance between Ulgii and Ulaanbaatar but this was difficult due to low demand (see figure C8.1).

Figure C8.1 Stakeholders, motivations, role and interaction in the period of pre-festival (–1997)



8 Soma, T. (2012), 'Contemporary Falconry in Altai-Kazakh in Western Mongolia', *The International Journal of Intangible Heritage*, volume 7, pp. 103–111.

C8.2.2 The emergence of the Golden eagle Festival (1998–2000)

In 1998, Altai Tours in Ulgii and Nomadic Expedition Company in Ulaanbaatar, began to actively organize the festival. These companies developed a partnership with the local falconers. After receiving permission for using land for the festival from the provincial authorities of Bayan-Ulgii, the Golden Eagle Festival was officially launched at Khal Tolgoi in Bogot Sum, which lies 18 km south-east of Ulgii.

The official Golden Eagle festival was held for the first time in Bugat, on the outskirts of Ulgii, in October 2000. Around 60 hunters from all over the province gathered for the festival, showing off their techniques and skills in catching typical prey such as foxes. The festival also included Kok-Bal (traditional wrestling on horseback), and an eagle recall contest, where the falconer waits at the bottom of a mountain for his or her eagle to be released. They then call the birds back and the event is scored for the time and efficiency of the eagle in finding her master.⁹ The festival retained its traditional focus on the performance of the hunters, but introduced competitions to catch prey such as foxes. This motivated the falconers to become more active participants and offered a good opportunity to show off and test their skills.

The private sector became a main stakeholder in this festival's success and provided financial support. The cooperation between two companies soon led to increasing demand from Ulaanbaatar and the international community. The importance of the companies and the interaction between these two were strongly tied. The role of the local community in running the festival was weak. Key local community stakeholders such as NGOs and the cultural sector were allowed to play only an insignificant role as their active engagement in the running of the festival was not perceived to be valuable by the festival organizers other than in an advisory capacity. The relationship between the local community and the initial stakeholders (the eagle hunters and the commercial private sector) was poor. The profits from the admission fees were distributed to the key stakeholders by the festival's organizing body, the Association of Mongolian Eagle Hunters. The Association of Mongolian Eagle Hunters was formed with the aim:

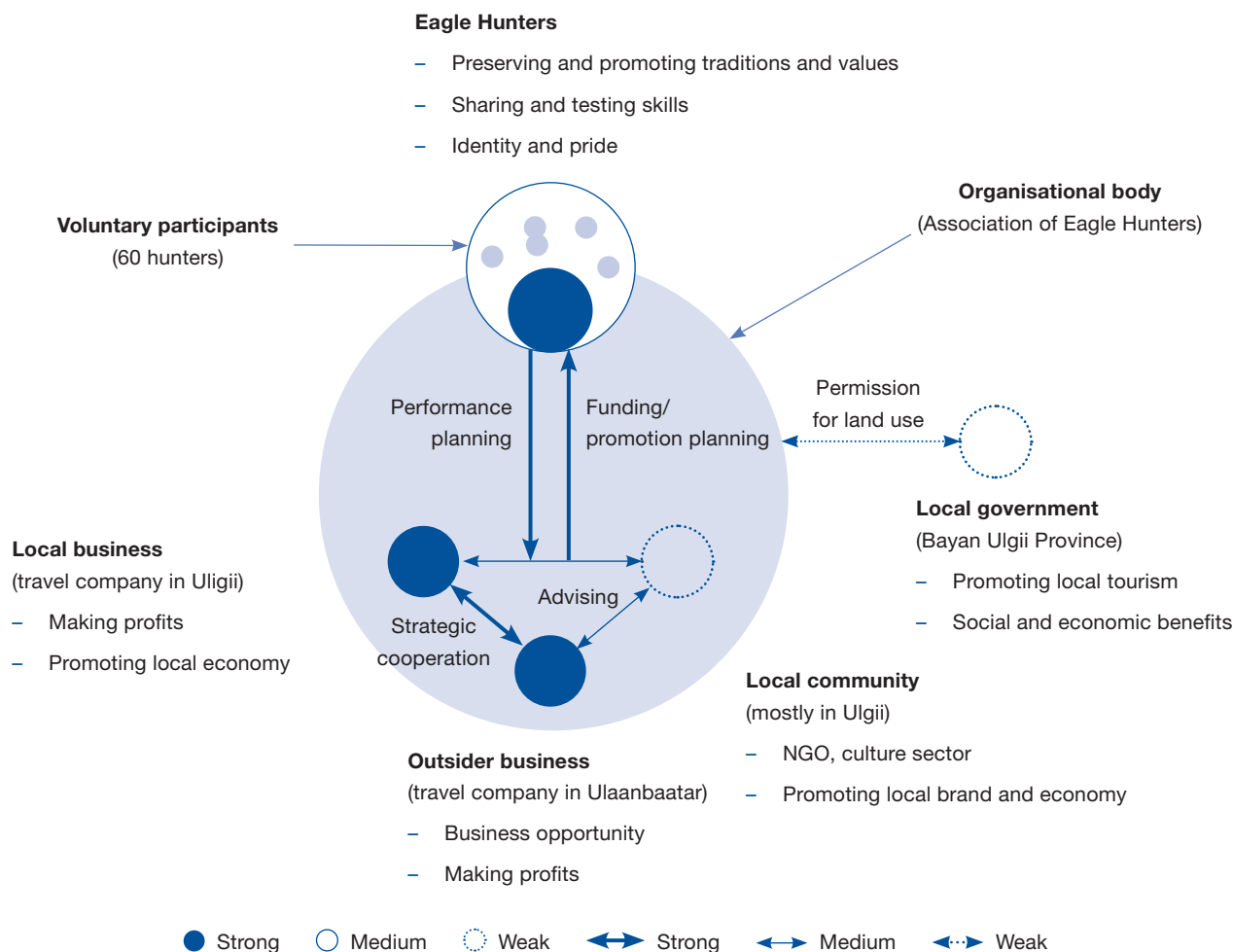
“To revitalize the tradition and custom of eagle hunting by the Altaic Kazakh minority group of Mongolia and to transmit the tradition to the next generation, to promote it to the nation as well as internationally to protect the interest of eagle hunters helping each other.”¹⁰

The provincial government played a minimal passive role providing permits for land use for the festival and had not yet recognized the importance of the social and economic benefits of the festival (see figure C8.2).

9 Soma, T. and Sukhee, B. (2014), 'Altai Kazakh falconry as heritage tourism: the Golden Eagle Festivals of Western Mongolia', *International Journal of Intangible Heritage*, volume 9, pp. 135–147.

10 Ibid. p. 139.

Figure C8.2 Stakeholders, motivations, role and interaction in the period of the emergence, 1998–2000



C8.2.3 Self-organizing of the Golden Eagle Festival (2001–2016)

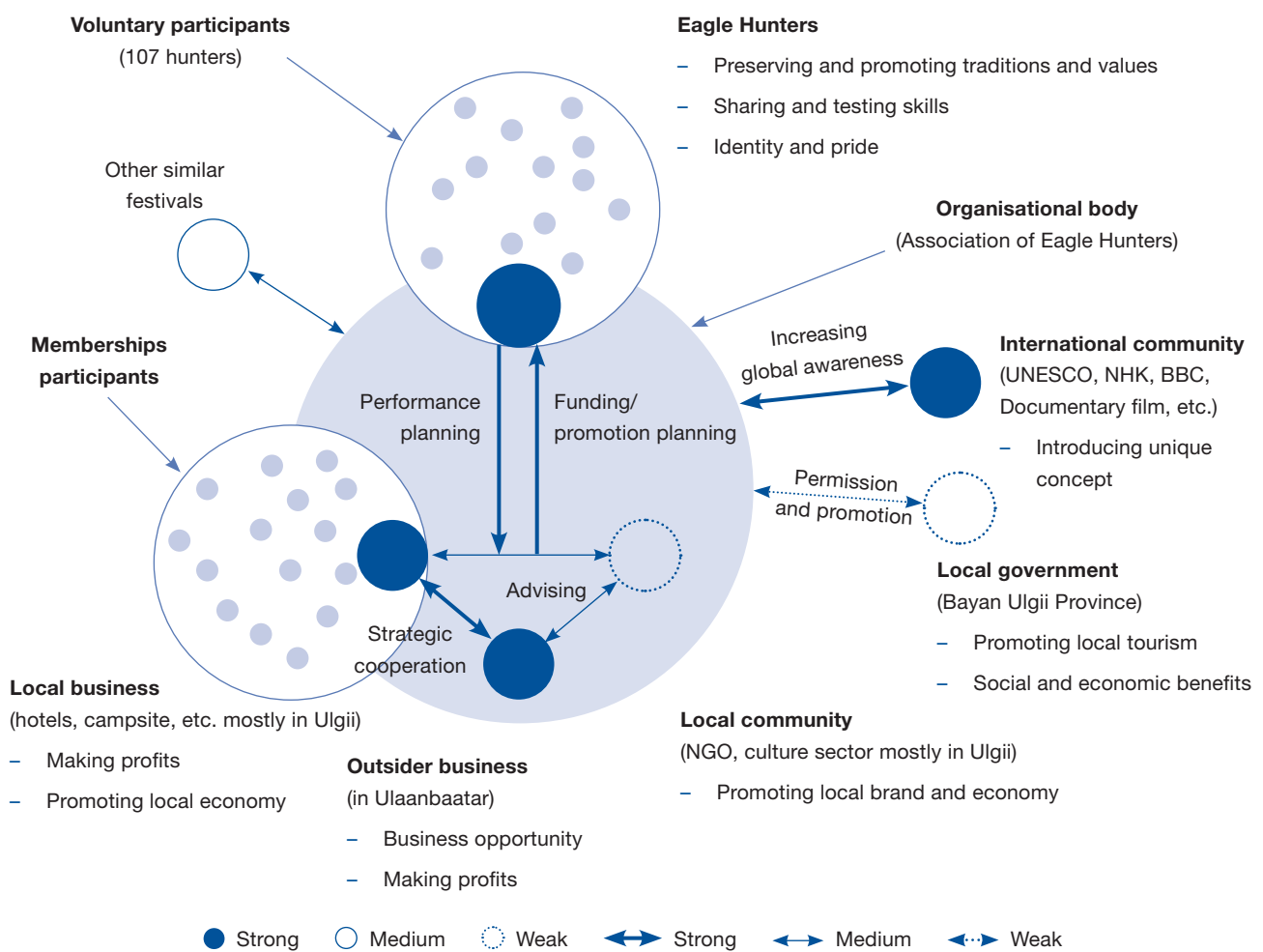
The number of participating eagle hunters increased from 60 in 2000 to 107 in 2016, including 9 international participants from Kazakhstan. More private stakeholders have become involved, mostly local businesses such as travel agencies, hotels, taxis, and camping sites in Ulgii. While the roles and interaction between eagle hunters and businesses are stable and strong, the local community is not yet a core stakeholder. This lack of collaboration means that the festival is not recognized as an event for the whole community.

The festival has received publicity from international broadcasting and media companies. Documentary films about the Golden Eagle festival have been televised by NHK on Japanese TV in 2010, and BBC's Human Planet in 2011. In addition, a documentary, "the Eagle Huntress" which was released in 2016 and directed by Otto Bell, was shortlisted for an Academy Award for Best Documentary Feature and also garnered a BAFTA Award nomination. UNESCO has designated the festival as part of the Representative List of the Cultural Heritage of Humanity. In 2015, it was awarded best event of the year by the Mongolian Ministry of Environment and Tourism. The festival has inspired the creation of other similar festivals held in other som. These, however, are

organized by the local travel sector. The Bayan-Ulgii provincial government has gradually begun to play a greater role in promoting the Golden Eagle festival and other similar events by providing an official tourism website since 2013, though the role of the Government is still quite limited to supporting the main organizers (see figure C8.3).

The Golden Eagle festival now attracts around 400 international tourists every year and has received significant international publicity. Indeed, the festival has become a significant festival for the Altai-Kazkhs peoples of Mongolia, and recognized internationally as a celebration of cultural heritage.

Figure C8.3 Stakeholders, motivations, role and interaction in the period of the evolution, 2001–2016



C8.3 Lessons learnt and ways forward

The Golden Eagle Festival for Altai-Kazakh falconers is perhaps similar to a family reunion or celebration, where they can show off their heritage and traditions, while also enhancing cultural identity and pride. For the local community, the festival has grown the local economy through involvement of local businesses. The increased awareness of the region also has a halo effect supporting other local growth. The festival has been organized and initiated with minimal institutional and financial support from the central and local governments.

Despite these positive effects, there are growing concerns that the original traditions of eagle hunting may be eroded as they are staged during the festival. Some reports have indicated an increase in selling and buying of eagles, rather than releasing them at the right time (after five years).¹¹ Some individuals pretend to be eagle hunters, but actually have no experience and are merely owners of eagles. The local community does not recognize it as a festival for residents, but rather as one designed simply for tourists and those stakeholders with direct involvement in the benefits derived from the festival.¹²

There are several lessons that can be derived from this case study that may apply to sustainable tourism in other developing countries. While central governments increasingly recognize the economic benefits of tourism, many of the programmes they have initiated aim to attract foreign investment, but can create isolated enclaves that cater to foreign tourists, and threaten local traditions and the natural environment. Tourism that is based on the richness of a country's culture, traditions and unique life styles and practices offers an alternative that may attract different types of international (and national tourists) allowing for a sustainable development of tourism that protects local cultures, traditions and environments.

Governments, however may lack the knowledge, commitment, and capacity to promote such activities. Moreover, governments may lack the trust of local communities and their representatives. This case highlights the importance of local initiatives and self-organizing ventures run by local stakeholders. The case study suggests that central governments can, however, play a positive role by providing incentives to support community-based initiatives, increasing the flexibility of the regulatory system to reduce bureaucratic burdens, and promoting full participation opportunities for the local community. The Government should, however, be vigilant in ensuring that non-local commercial interests do not take over such local initiatives. Government must ensure that local cultures and traditions as well as the natural environment are protected.

This case also sends a message to the stakeholders of the Golden Eagle Festival: the growing commercialism surrounding the festival may threaten the traditional values that were behind the festival as well as threaten the survival of the eagles themselves. It may also lead to the isolation of the festival from the community in which it is embedded. To ensure long-term sustainability of the festival and the nomadic community activities that surround it, broad local community participation must be ensured.

11 Soma, T. and Sukhee, B. (2014), 'Altai Kazakh falconry as heritage tourism: the Golden Eagle Festivals of Western Mongolia', *International Journal of Intangible Heritage*, volume 9, pp. 135–147.

12 Ebner, N. (2016).

Case 9

Myanmar: Valuing context in the governance of change

Summary

This chapter discusses the context, development and governance of tourism in an emerging Asian destination as it transforms from partial or total resolution of a number of long-term civil conflicts and decades of international isolation to opening its borders to embrace tourism.

Key words

- Emerging destination Myanmar
- Historical and political context
- Transition economy prioritizing tourism
- Tourism governance systems

Key messages

- Improved governance of tourism in a transitioning destination requires a detailed knowledge of local, historical, political and cultural context.
- A strategic tourism policy can provide direction and guidance for the continuous improvement of governance of the tourism sector.
- Poor governance increases risk premiums associated with doing the business.
- Reducing corruption requires skilled human resources with a culture of integrity and accountability.

C9.1 Introduction

Any analysis of tourism governance requires an understanding of the destination context, seeking to understand the broader situation, relating to historical, political, economic and social factors. The success of a nation that chooses to include tourism as part of its economic development is dependent upon transparent and efficient governance in the public, private and non-government sectors.

In recent years, the rapid rate of political and economic change, along with new investment in hotels, resorts and tour operations and interest from international travellers, is recognized as causing a range of pressures on governance issues by both public and private sector tourism actors in Myanmar (also known as Burma). As the last ASEAN destination to overcome international sanctions and re-engage with the global tourism market, the underdeveloped governance systems in Myanmar have had a direct impact on the capacity of well-intentioned policies designed to encourage sustainable tourism for development. Analysis the nation's tourism governance requires an understanding of the historical, political, economic and social context that has shaped the policies and institutions for the tourism sector in Myanmar today.

C9.2 Context of tourism in Myanmar

An understanding of tourism in Myanmar can be divided into five periods: the era of colonialism (1852–1948), the post war parliamentary democracy (1948–1962), the socialist period (1962–1988) Ministry and Law for Tourism (1990–2010) and the return of civilian government (2011 to now).

Tourism came to South and South-East Asia during the period of ‘high colonisation’ in the second half of the 1800’s and up to the Second World War. International tourists – especially in colonial days from Britain – began enjoying Myanmar over 150 years ago. In 1865 the Irrawaddy Flotilla and Burmese Steam Navigation Co Ltd was formed, better known as the Irrawaddy Flotilla Company (IFC). Originally designed for military and cargo purposes, it became one of the world’s largest passenger fleets with over 600 vessels carrying some 9 million passengers a year along the Irrawaddy River at its peak in the 1920’s.¹ With the Japanese invasion during World War Two all the IFC ships were scuttled to avoid the invading military to have access to a local transport fleet on the Irrawaddy River.

After World War Two, in 1948 the Union of Burma Airways (UBA) was formed, initially operating only domestic services, with international services added in 1950. Operated by UBA, the Tourist Information Service (TIS) was the focal point of marketing and selling travel and tourism services to the newly independent Burma. With the change from parliamentary government to military led government in the late 1950s, followed by full military government in 1962, the Defence Service Industry (DSI) became the owner/operator of a range of commercial interests, including Burma Hotels Limited, which owned the iconic Strand Hotel. TIS was incorporated into Tourist Burma under Burma Economic Development Corporation (BEDC), another Burmese army holding created in 1961. The ‘Burmese Way to Socialism’ refers to the socialist philosophy and approach between 1962 and 1988 when General Ne Win’s government nationalised private businesses, including hotels. Tourist Burma was taken over by Corporation No. 20 under the Ministry of Trade. Tourism during the ‘Cold War’ era remained very limited, even with the 1971 resurrection of TIS in coordination with the Burma Airways Corporation (BAC). In December 1972 UBA became Burma Airways. In 1978, TIS and Tourist Burma merged to form the Hotel and Tourism Corporation under the Ministry of Trade.² When the country name changed in 1989, Burma Airways became known as Myanma Airways. In 1993, Myanmar Airways International was formed as a partnership between Myanma Airways and a Singapore based company until 2010 when locally based KBZ Group acquired 80% share, which increased to 100% from January 2014.

The establishment of the Ministry of Hotels and Tourism in 1992,³ and the passing of the Myanmar Tourism Law (enacted in 1990 and replaced in 1993) indicated that the junta recognized that tourism had a role to play in gradual opening of a market economy. In 1996, the military regime launched a ‘Visit Myanmar Year’, but the political climate of the era curtailed any tourism boom as a result of intense criticism from international media and political dissidents. This included the NLD and Aung San Suu Kyi who advised foreign tourists against visiting Myanmar and supporting the hotels, airlines and other tourist services largely owned or controlled by the Government.

1 McCrae, A. and Prentice, A. (1978), *Irrawaddy Flotilla*, James Paton Ltd, Paisley.

2 Winter, T. (2007), ‘Rethinking Tourism in Asia’, *Annals of Tourism Research*, volume 34, issue 1, pp. 27–44

3 Kyaw Oo, A. (2008), *BIMSTEC-Japan Cooperation in Tourism Development: Myanmar Perspective*, CSIRD, India.

In 1999, she advised the world's media: "Burma will be here for many years, so tell your friends to visit us later. Visiting now is tantamount to condoning the regime."⁴

At a time when Myanmar was receiving some 200,000 visitors (2009–2010), and after the 2010 election victory by the UNDP led by Thein Sein, there was the return of a nominally civilian government. President Thein Sein in 2011 led a new era of national strategic planning through the Framework for Economic and Social Reforms, which included the prioritisation of tourism development. In September 2012, experienced Tourism Ministry official, His Excellency U Htay Aung became the Union Minister for Hotels and Tourism, providing guidance for a strategic approach to national tourism planning and policy development, drawing on his education in public administration, economics and law which included a Master's degree in tourism from the George Washington University, Washington D.C., United States of America (1991). He was also able to provide the necessary vision required at the time for Myanmar's tourism sector, supporting the development of the reports such as Myanmar Responsible Tourism Policy (2012), Myanmar Tourism Master Plan (2013–2020), the Myanmar Ecotourism Policy and Management Strategy (2015–2025), and the national Tourism Human Resource Development Strategy and Action Plan (2016). A draft of the proposed new Tourism Law⁵ has been circulated for comment since 2015. It continues to be a work in progress, within a context of the colonial legacy from the English tradition based on case law, socialist and then military law systems all influenced by Asia legal traditions that reflect a blend of secular and religious influences.

In relation to the proposed new tourism law, one media commentator notes: "[...] the June draft still bears traces of the old days whereby tourism was managed through licensing and lists, and committees without a cause were created in the absence of clear regulatory thinking."⁶ The draft law does not mention the opportunity to establish destination management organizations, which are relevant and important throughout Myanmar to enable partnerships between different levels of government, industry and local communities to promote and manage respective destinations.

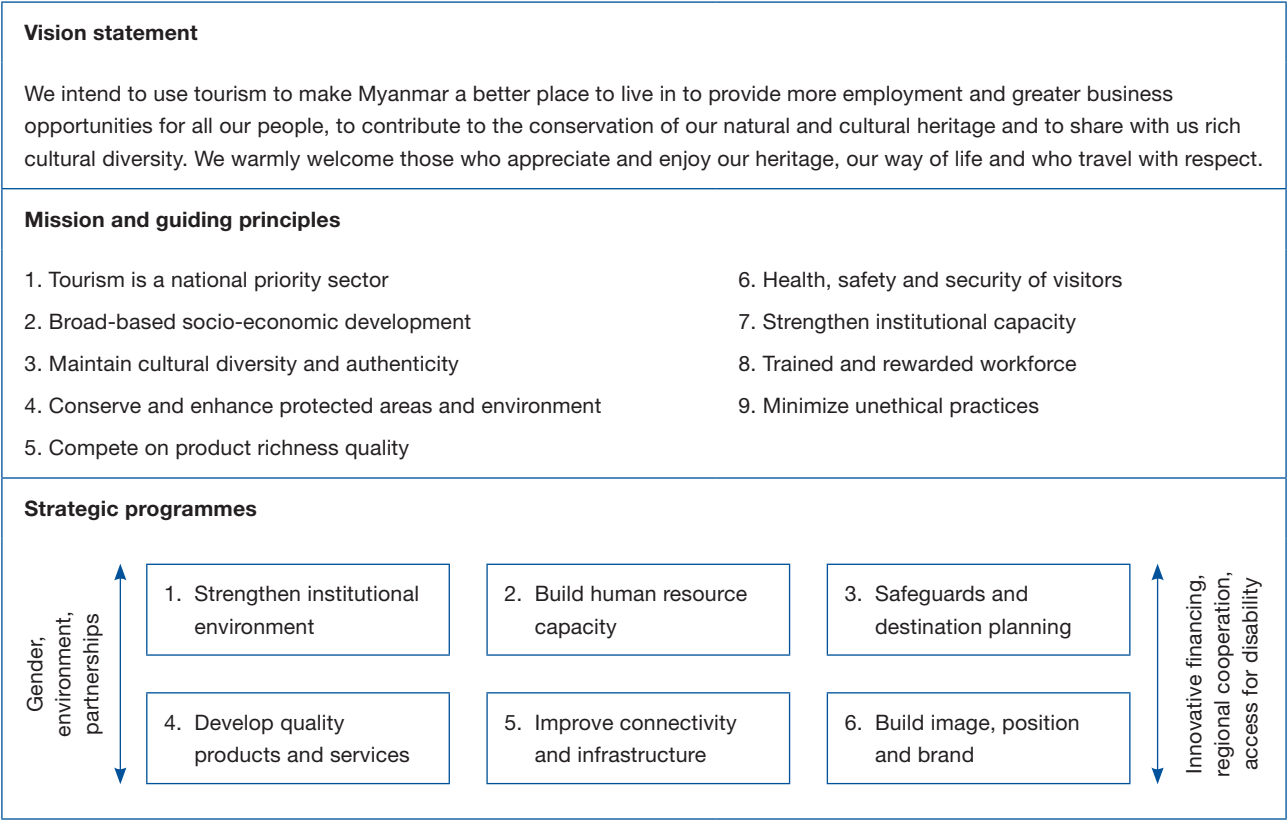
While the Myanmar Responsible Tourism Policy (2012), assisted the public and private sectors to understand key concepts of 'responsible tourism' and its preferred vision Myanmar's tourism sanctioned by the leading Government and industry organizations, it was the subsequent tourism master plan that provided an informed and comprehensive strategic roadmap for the public and private sectors of tourism in Myanmar. The framework for the plan (figure C9.1) endorses the 'vision' expressed in the responsible tourism policy, and articulates eight guiding principles to provide direction to the six strategic programmes all of which required new approaches to governance within government departments and agencies as well as various industry representative organizations. In a system of government where the master plan identified at least twenty-five union ministries having some type of tourism related role or responsibility, the governance systems and relationship between government departments and agencies also required new approaches which challenged the orthodoxy and lack of suitable human resources within government to effect such change.

4 Lomine, L. (2012), 'Ethics of Global Tourism', in: Wankel, C. and Malleck, S. (2012), 'Ethical Models and Applications of Globalization: Cultural, Socio-Political and Economic Perspectives', 30-11-2011, *Political Science*, p. 202.

5 Myanmar Tourism (2016), *Myanmar Tourism Business Law* (online), available at: www.myanmar-tourism.org (06-07-2017).

6 Bansal, T. (2016), 'The draft tourism law: Fit for purpose?', *Frontier Magazine* (online), available at: www.frontiermyanmar.net (06-07-2017).

Figure C9.1 Myanmar Tourism Master Plan Framework



Source: Compilation from Ministry of Hotels and Tourism, Government of Myanmar.

C9.3 The new era of tourism governance in Myanmar

Marking the end of a transitional period of nearly five months following the 8 November 2015 elections, and in line with constitutional provisions, the new NLD led administration took power at a formal handover ceremony on 30 March 2016. The new Minister for Hotels and Tourism, U Ohn Maung, a long-time supporter of the NLD and Daw Aung San Suu Kyi who won a Parliamentary seat in the 1990 elections, but was imprisoned soon after. U Ohn Maung contributed his practical tourism and hotel experience, dating back to the Socialist era when he ran the nation's only guesthouse at the popular Myanmar tourist destination of Inle Lake. At the time of writing, while there have been organizational and structural changes within the Ministry of Hotels and Tourism, the new Government has continued the vision and general strategic directions of the Myanmar Tourism Master Plan. However, one of the major changes has been the methodology used to document international tourist arrivals. After recording a decade of continuous growth in tourist arrivals, (from 0.73 million in 2008 to 4.66 million in 2015), in 2016 MOHT data indicates a large decline in tourist arrivals compared to 2015. The new Government accepted that the previous figures had been distorted as they had included one-day visitors crossing land-borders. With improved governance procedures, under the new reporting and technology, the Ministry of Immigration and Population now only includes visitors with a visa in the tourist arrivals count.

C9.3.1 Governance and the Ministry of Hotels and Tourism (MOHT)

While more than twenty government departments have some role and level of responsibility that relates to hotels and tourism, MOHT is the primary government agency responsible for the sector in Myanmar.

The key objectives and functions of MOHT are to:

- Implement systematic development of Myanmar's tourism industry;
- Encourage national and international investment in the tourism industry;
- Develop opportunities for wide participation of private entrepreneurs in tourism;
- Promote Myanmar as a world-renowned tourist destination;
- Determine hotel and tourism zones;
- Coordinate with relevant government departments and organizations to define the functions of tourism and hotel supervisory bodies in states, regions, districts and town;
- Improve the quality, standards and technical skills of the tourism industry;
- Create jobs and raise standards of living through tourism development; and
- Cooperate with ASEAN and other countries in tourism.

A 2016 study⁷ on the institutional capacity of MOHT found that the Ministry's workforce consisted of 201 management officers and 1,100 administrative staff from across the states and regions. That study, along with anecdotal evidence from the private sector of the tourism industry indicates that the majority of MOHT staff lack industry specific knowledge, skills or experience. MOHT was subject to restructuring exercises in 2012 and 2015 to include the Directorate of Hotels and Tourism (DHT) and the Minister's Office. The DHT was given responsibility for planning, training, promotion, regional cooperation and regulation and the Minister's Office was given responsibility for policy and law procedures, planning and statistics, audit and finance, and public relations.

Following the new Government taking power on 30 March 2016, the MOHT was structured under the Permanent Secretariat Office (PSO) and the Directorate of Hotels and Tourism. Key functions and responsibilities of the PSO include administration and human resources management, policy, planning and statistics, internal audit and finance, public relations and information departments as well as an executive office. The directorate of hotels and tourism includes administration and finance, hotel and tourism supervision, training and education, planning, international and regional cooperation departments as well as a department for tourism promotion.

C9.4 Conclusion

After a prolonged period of internal unrest and international isolation, Myanmar is in the process of major political, economic and institutional reforms as it transitions to a democratic and market-driven economy. To achieve national objectives, the Myanmar tourism sector requires efficient and transparent management of public resources to overcome weak governance practices. This is particularly challenging as Myanmar continues to deal with an authoritarian legacy as well as individual and institutional choices in enabling or resisting corruption. A detailed understanding of local historical, political and cultural context is paramount in any strategies designed to improve governance of tourism in a transitioning economy such as Myanmar.

⁷ Ministry of Hotels and Tourism, Myanmar (2016), *Tourism Human Resource Development Strategy and Action Plan, Research Strand 8: A Study of the Institutional Capacity of the Ministry of Hotels and Tourism* (online), available at: www.myanmar-tourism.education (16-04-2017).

Case 10

The Papua New Guinea Tourism Master Plan

Summary

The Papua New Guinea Tourism Master Plan 2007–2017¹ (PNGTMP) provides a roadmap for the development of the sector and establishes a process for coordination across stakeholders to facilitate its implementation. Governance has been strengthened by public-private linkages as well the adoption of a participatory planning approach. This chapter examines the development of the PNGTMP and its integrated implementation approach.

Key words

- Master planning
- Sector coordination and governance
- Papua New Guinea
- Sector-wide approach

Key message

Tourism planning requires a participatory process reflecting the wide range of stakeholders involved in the industry. Tourism planning must engage with other lead agencies with responsibilities that impact on tourism. Tourism master plan implementation in developing countries is complex and a sequenced and prioritized approach needs to be adopted to reflect resource and capacity constraints. Adopting a participatory and inclusive approach to tourism plan formulation and implementation can help strengthen sector support and plan implementation outcomes. Sector governance arrangements play a critical part in the development and implementation of tourism plans and policies.

C10.1 Introduction and background

Papua New Guinea (PNG) has one of the highest levels of marine and land based biodiversity in the World, combined with a wide range of rich indigenous cultures. The country has a small but growing tourism industry, focussed primarily on ecotourism activities including diving, bird watching, trekking and spectacular cultural shows. The country is marketed under the brand slogan '*A Million Different Journeys*', reflecting its natural and cultural diversity.

The Government Vision 2050 and the Papua New Guinea Medium Term Development Strategy recognize tourism as a major potential economic sector. In recognition of the potential for sustainable development and employment offered by the tourism sector, the Government, through the Papua New Guinea Tourism Promotion Authority (PNGTPA), developed the Papua New Guinea Tourism Master Plan (2007–2017) to guide sector investment and to facilitate a whole of government approach to tourism and strengthen sector governance and public and private sector linkages.

1 Papua New Guinea Tourism Promotion Authority and the Independent Consumer and Competition Papua New Guinea (2006), *Papua New Guinea Tourism Sector Review and Master Plan 2007–2017* (online), available at: www.tpa.papuanewguinea.travel/ (12-05-2017).

The PNGTPA is the lead agency for tourism in the country, with responsibility for destination marketing as well sector planning and coordination. The PNGTPA Act (2000) governs the PNGTPA, which is a corporate entity with a Board consisting of industry and government representatives. Under the PNGTPA Act, the organization has a maximum staff ceiling of 28.

Provincial governments have a major role to play in supporting tourism development at a local level and a number of provinces have developed Provincial Tourism Plans. Capacity and commitment to development at a provincial level varies significantly and acts as a major constraint on the development of the sector.

C10.2 The Papua New Guinea Tourism Master Plan (2007–2017)

The Government of Papua New Guinea and the Commonwealth Secretariat jointly funded development of the PNGTMP and TRIP Consultants² provided technical assistance to the PNGTPA. The development of the PNGTMP adopted a bottom up approach to enhance local governance through stakeholder consultation at a provincial level, as well as a top down approach through engagement with a wide range of public and private sector agencies and key industry operators.

The PNGTMP represents a strong example of participatory tourism planning in its development, which has resulted in strong ownership and support for the recommendations.

The theme of this Tourism Master Plan is *Growing Papua New Guinea Tourism as a Sustainable Industry*. This recognizes that tourism offers a sustainable alternative to the traditional resource based industries of Papua New Guinea and as such is an investment in the long-term economic, social and environmental welfare of the country. This ‘triple bottom line’ approach to development of the tourism sector represents the key principle underpinning the PNGTMP.

The vision for the tourism sector as stated in the PNGTMP was that by 2017 Papua New Guinea tourism is a growing and sustainable industry which:

- Is recognized globally as a destination which offers a range of unique niche adventure tourism experiences;
- Generates significant investment and employment through profitable business opportunities and subsequently the development of the economy;
- Celebrates, protects and enhances our unique cultural heritage and natural environment by showcasing these attributes;
- Provides visitors with an enjoyable, distinct and memorable experience;
- Demonstrates partnership and collaboration across all stakeholders; and
- Provides a broad distribution of benefits across Papua New Guinea thereby improving the lifestyles of rural and urban communities.

The vision under the PNGTMP was encapsulated into the overarching goal for the sector to “Increase the overall economic value of tourism to the nation by doubling the number of tourists on holiday in Papua New Guinea every five years and maximizing sustainable tourism growth for the social and environmental benefit for all Papua New Guineans.”

2 TRIP Consultants (2012), *Papua New Guinea Tourism Master Plan Implementation: Review of Progress*, TRIP Consultants, Brisbane.

The PNGTMP contains five integrated strategic areas focused around the following objectives:

1. **Marketing the Destination:** Increase tourism demand by raising market awareness of Papua New Guinea as a destination and increasing;
2. **Product Development and Investment:** Encourage investment in new and existing tourism products, which meets market needs, by increasing sector competitiveness and industry standards and profitability;
3. **Human Resource Development:** Facilitate training and quality education programmes, which meet industry needs and improve skills:
 - Industry training programmes;
 - Short term training programmes for key institutions;
 - Partnerships with training institutions and PNGTPA; and
 - Partnerships with donors and regional organizations for technical training.
4. **Institutions and Industry Partnerships:** Develop institutional structures and capacity within the public and private sector to facilitate tourism development at a national and provincial level:
 - Financial support for private sector industry associations;
 - Support for Industry Association Strategic Planning;
 - Establishment of public/private sector dialogue mechanisms; and
 - Support for private sector marketing initiatives.
5. **Transport and Infrastructure:** Improve the competitiveness and standards of transport and infrastructure, to increase market demand and improve visitor satisfaction levels.

C10.2.1 PNGTMP coordination and governance arrangements

The PNGTMP was approved by the Papua New Guinea Government National Executive Committee in 2007 and a structured process for implementation was established to support a 'whole of government' approach to the development of the tourism sector.

A key component was to establish the PNGTMP Implementation Working Group (IWG) incorporating stakeholders from Government, the industry and NGOs to oversee implementation. A Terms of Reference was developed for the IWG and meetings were held every quarter to review progress.

The creation of the IWG, as well as a number of public-private partnership (PPP) technical working groups (TWGs). The PNGTMP TWG provided a mechanism for coordination across key stakeholders and agencies, many of whom have lead responsibility in key areas under the PNGTMP Focal Areas (marketing, product development and investment, human resource development, institutions and industry partnerships, transport and infrastructure).

The PNGTPA chairs all the TWG meetings and provides full Secretariat services. Full records of meetings were maintained in relation to progress and issues raised and decisions are fully documented. Regular Implementation Schedules have been prepared and circulated to members; schedules are provided which cover progress against the major recommendations and the priority projects, which are identified within the PNGTMP. New priority projects identified through the IWG are incorporated into the implementation schedules. PNGTPA has been successful in mobilising resources from the Government and from a range of donor partners to support implementation of a number of key activities.

Implementation has been managed by the PNGTPA Manager Policy and Planning Division. PNGTPA also funded Technical Assistance³ to support the Plan implementation process. A Mid Term Review of implementation of the PNGTMP was undertaken to ensure continued relevance and results.

PNGTPA reports on progress to stakeholders through the IWG meetings, briefings to the Minister of Tourism and the Economic Ministers Committee and Chief Secretary's Office. A PNGTMP monthly newsletter was also developed to facilitate wider stakeholder briefing.

C10.2.2 PNGTMP results and outcomes

Governance arrangements of the tourism sector have been strengthened through both the TMP development and implementation process, which have strengthened links between public and private sector stakeholders, as well as many of the specific TMP recommendations. For example, industry associations have been strengthened by Government support for the development and implementation of individual association strategic plans (i.e. the Papua New Guinea Surf Association, the Papua New Guinea Tourism Industry Association and the Papua New Guinea Dive Industry Association). Government support funding has been made available to the Associations for the implementation of their identified priority activities.

In addition, individual private sector operators have benefited from government marketing subsidies and funding made available for key niche product development in areas such as trekking, climbing, kayaking and surfing.

In addition, intergovernmental coordination has been enhanced through the TMP governance arrangements relating to implementation. One of the key successes of the strategic approach taken to tourism sector planning under the PNGTMP has been the sharing of information between lead agencies as well as a recognition from central agencies of the importance of promoting sustainable tourism development to the future wellbeing of the country. This has resulted in significant increased resourcing from central government to support tourism development.

The PNGTMP has been strongly supported by the Government through increased resourcing for tourism sector development. This support has included a doubling of the funds available to the PNGTPA for sector support during the implementation period of the TMP (from 2007 to 2017). Similarly, Government has invested in key tourism related infrastructure including the international Airport, as well as new air services to the new international gateways in Alotau and Rabaul as well as new international services to source markets such as the Philippines, China and Australia. Wharf infrastructure has also been upgraded at several locations to facilitate cruise ship visits.

Growth targets have largely been achieved under the Plan; total air arrivals have increased by approximately 450% since 1996 and a 9.6% annual growth rate has been achieved for the holiday market since 2006. New developments have included visits by major cruise ship operators and new air services, demonstrating the value of a planned and coordinated approach to sector coordination. Investment has taken place in new accommodation although much of this investment has been restricted to the major centres of Port Moresby and Lae.

3 TRIP Consultants (2012).

C10.2.3 Constraints to the future development of sustainable tourism

Papua New Guinea recently hosted the 11th UNWTO Asia Pacific Executive Training Programme on Tourism Policy and Strategy under the theme of 'Sustainable Tourism for Development'.⁴ The CEO of PNGTPA, Mr Jerry Agus, summarised the challenges ahead for the future development of tourism under five main areas as follows:⁵

1. Remoteness and rugged terrain with the related poor infrastructure and high cost of ground operations and airfares makes travel challenging and relatively costly;
2. Limited market awareness of what Papua New Guinea has to offer, reflecting historically limited marketing and the emerging nature of the destination;
3. Lack of scale amongst the private sector, reflecting the relatively small market but constraining private sector marketing efforts and economies of scale for operators;
4. Inadequate current institutional arrangements and capacity including statutory limitations on the PNGTPA staffing and role in supporting provincial tourism development, together with limited support for tourism by provincial governments; and
5. Negative destination image and safety concerns particularly in major market of Australia, but also reflecting crime rates in urban areas and negative press publicity.

The PNGTPA also highlighted that for tourism to continue to grow at the level envisaged under the PNGTMP there was a need to focus efforts on the following:

- Development and implementation of new Tourism Master Plan and Model Province Plans;
- Increased investment in new international standard sustainable tourism products;
- Increased market awareness and image improvement of the destination;
- Infrastructure and transport improvements; and
- Strengthened governance including a review of the PNGTPA Act and strengthening of key institutions (national and provincial) to support tourism development in the Provinces.

The issue of capacity among key agencies is key to the future development of the sector; in the case of PNGTPA, capacity is restricted by the governing legislation as well broader legislation relating to the role of provincial and central governments. Provincial governments agencies often are under resourced to fulfil their mandate to facilitate tourism development and greater commitment and capacity is required at this level under the current sector governance model. This limited capacity has constrained the implementation of the PNGTMP at a provincial level.

C10.3 Conclusion

The implementation of the PNGTMP has not been without some challenges and some useful lessons have been learned which will support future tourism sector planning. A key lesson for tourism planners is the critical importance of establishing adequate governance and capacity at a provincial and local level to facilitate support for tourism development at that level, as well as ensuring adequate resources are provided to key central tourism agencies.

4 World Tourism Organization (2017a), *11th UNWTO Asia Pacific Executive Training Programme on Tourism Policy and Strategy* (online), available at: www.unwto.org (12-05-2017).

5 Agus, J. (2016), *Sustainable Tourism for Development*, presentation during the 11th Executive Training Programme on Tourism Policy and Strategy, 20–23 March 2017 (online), available at: www.unwto.org/ (07-06-2017).

Despite the challenges and sector constraints, the PNGTMP has enhanced coordination and supported sustainable tourism growth in the country as well as established a process to enhance governance within the sector and increase the recognition of tourism as an important driver of future economic development. The challenge for Papua New Guinea will be to enhance the sector governance arrangements and capacity and to continue to grow and develop tourism in a sustainable manner over the next ten years to lift the positive impacts of the sector to the next level.

Case 11

Locally-initiated sustainable tourism governance: the Bohol experience, Philippines

Summary

This chapter presents how the province and its stakeholders revitalised their tourism industry through good governance practices.

Key words

- Sustainable tourism
- Ecotourism
- Governance
- Participatory planning

Key messages

- Participatory governance in local stakeholder-led tourism development, characterized by cooperation, ownership and dedication, is crucial to achieve a sustainable tourism vision.
- A shared vision and good working relationship strengthens good governance, accountability and responsibility within the province.

C11.1 Introduction

Bohol province is the 10th largest of the Philippines' 7641 islands located in the Central Visayas Region. The main island is surrounded by 72 smaller islands and is a major tourist destination in the Philippines. Its 47 municipalities are accessible through the capital city of Tagbilaran where the airport is located. Tourists also come from the neighbouring province of Cebu, another major tourist destination with an international airport, which is accessible via a one and a half hour ferry ride. It is most known for its tourism circuits involving one of the world's smallest and endangered primates – the Philippine tarsier, the unique limestone formations of the Chocolate Hills, white sand beaches, as well as other nature-based tourism sites. Bohol is also historically and culturally significant, with its Spanish-era heritage churches, as well as being the site of the first known treaty of peace in the Philippines through a blood compact between the Spanish conquistador Miguel López de Legazpi and the native king Datu Sikatuna in 1565, which is annually celebrated through the Sandugo Festival. Bohol is also the site of the Dagohoy rebellion, the longest Philippine rebellion against the Spanish.¹

Prior to its development as a major tourist destination, Bohol province suffered from low tourist arrivals and was characterized by high poverty, low incomes and high out-migration rates. The province was a member of Club 20, the 20 poorest provinces of the country and was a hotbed of communist insurgency as well as the general headquarters of the Communist Party of the Philippines (CPP) – National Democratic Front (NDF) in Central and Eastern Visayas.²

1 Bohol Tourism (2016), *About Bohol* (online), available at: www.boholtourismph.com (06-06-2017).

2 Aumentado, E. (2006), *Sharing Bohol's ODA Experience*, In Keynote Address delivered before the Philippines Development Forum on Enhancing Cooperation and Management of Official Development Assistance (ODA) by LGUs, 23-11-2006 (online), available at: www.pdf.ph (06-06-2017).

To address these issues, the Provincial Government of Bohol decided to pursue ecotourism as a form of regional development for environment-friendly and community-based economic growth. This decision came as a result of a combination of the influence of good governance practice, province-wide stakeholder consultations involving local communities, and the province's inclusion as one of the key sites in the Philippines' National Ecotourism Strategy, leading to the establishment of strong partnerships both within and outside the province. This has led to provincial tourism stakeholders with skills to manage continued and sustainable tourism growth.

C11.2 Building an ecotourism vision

In 1996, the selection of Bohol province as one of the pilot sites for a USAID Governance and Local Democracy (GOLD) Project led to a focus on ecotourism as a development priority. Their selection was due to the success of a previous USAID Local Development Assistance Program, which assisted in strengthening local government and NGO capabilities, and environmental protection.³ Through the USAID/GOLD Project, the province realized that good governance was essential for development to occur in order to address poverty and high out-migration. This entailed diagnosing their current condition, having a vision, mission, and goals (VMG), and involving stakeholders in this process as a form of participatory governance. Through stakeholder participation, the visioning process took a year, and especially with the help of the private sector, resulted in the identification of the comparative/ competitive advantage of Bohol, which was in tourism, and a development framework started to take shape. Although the province was already engaged in tourism, it was not considered as something that could be used as an economic strategy and development direction, but this became apparent when ecotourism continuously came up in stakeholder discussions. Eco-cultural tourism was already a strategy in their development plan and this stood out because:

1. Mainstream tourism only benefitted resorts but eco-cultural tourism brings benefits direct to the people/ community;
2. This fitted well with the fragility of an island ecosystem/ environment; and
3. Fits with the assets of the province/people – ecological assets (caves, rivers, and countryside views), history and culture (churches, heritage houses, and the Dagohoy rebellion).

The reason for focusing on ecotourism was also to minimize the negative effect on the environment and society normally associated with mass tourism. The province adopted eco-cultural tourism as a direction and development framework, which was advocated across all sectors. The framework emphasized the convergence of social services to reach target communities and households and provided for ecotourism as an important economic strategy to sustain the gains made.

Bohol also developed mass tourism, but the ecotourism aspect of the province's vision, with its emphasis on environmental protection, led residents to be more aware of sustainable tourism. This eventually led to the enshrining of ecotourism in local government policy through the 1998 Bohol Environment Code, the first such environment code in a local government in the country.

3 Lipmann, H. and Blue, R. (2000), *Democracy and Governance and Cross Sectoral Linkages: Philippines*, Working Paper 317, United States Agency for International Development.

C11.3 Challenges

Ecotourism as a vision for Bohol had its critics, especially from more developed neighbouring provinces that advised against it and encouraged some form of industrialization instead. The critics had low expectations, thinking it would not last, and even the more optimistic questioned whether they could really be capable of becoming a prime tourist destination.

The importance of stakeholders “owning” the vision because of a participatory approach influenced their commitment in pursuing their ecotourism vision amidst doubts and opposition. This commitment was reflected in the province fighting for the vision and the communities sticking to ecotourism. At the provincial government level, they shared that they had to fight against preconceptions that ecotourism would not bring any financial benefit. However, because of the emphasis on stakeholders owning the vision, and because even politicians were part of the visioning process from start to end, these officials owned the vision and zealously guarded it against criticism. Thus, in spite of powerful critics, the whole provincial government established an even firmer resolve to pursue this direction and chart their own development path.

In spite of this resolve, one of the problems in actually implementing the province’s ecotourism vision is that the provincial government was limited to direction-setting and had little influence in local government decisions on ecotourism development. Thus, the idea of ecotourism also had to be accepted at the municipal government level where local executives (e.g., Mayors) held control of implementation and were in the frontline of service. They were made to see that in order to have an impact on addressing poverty, the view of ecotourism as a product that must have a value chain so they can scale up was emphasized. Through the formation of municipal poverty reduction action teams, which became the gateway for service delivery, and with the support of NGOs and the private sector, the benefits of supporting ecotourism initiatives were realized. The province systematically focused on eco-cultural tourism as something the province needed to nourish and promote and they linked this to mainstream tourism, especially for marketing. Since then, more and more ecotourism areas have been included in tour itineraries in the province and they are now geared toward global competitiveness.

C11.4 Establishing partnerships

The success of ecotourism in Bohol is attributed by most stakeholders to the participatory approach in setting the province’s development vision that enabled strong partnerships to take root. Critical to this however, was the need for the government to establish authority and credibility amidst the current environment of mistrust, apathy and dissatisfaction. Through participative governance, they were able to establish credibility and were able to get stakeholders to support government efforts, and more importantly, it gave the government an economic means to help deal with insurgency. Stakeholders also credited strong leadership through the province’s governor for being able to convince everyone, even the opposition to support their endeavour.

Another important result of participatory planning and the partnerships that it created was that it ensured continuity. Although the strategy, the framework came from the stakeholders’ assembly, the role of the provincial government in enforcing and advocating it was crucial. Stakeholders were thankful that even after the transition of administration, which was a very heated election, it was also the power of the private sector and the power of the NGOs that kept the new provincial

administration back then from changing the vision or from neglecting ecotourism, so it has been sustained.

Thus, the establishment of partnerships that came about as a result of the participatory governance process the province underwent in their visioning was crucial to sustainable tourism governance in managing growth. Stakeholders saw the benefits of investing in common areas of interest, networking, joint planning and decision-making, sharing responsibilities, and having a common direction. Stakeholders also saw results benefitting from this process in the form of the crafting and adoption of the Bohol Vision Mission and Goals, Environmental Summit of 1998, Bohol Poverty Reduction Framework in 2002 and Participatory Governance Ordinance of the City, among others, which had ecotourism as a guiding principle or goal. Especially critical was the real and not “tokenistic” involvement of the Private Sector and NGOs. Having a tourism council, which is composed of 60% private sector (including NGOs) and 40% government, was also helpful. The packaging of Bohol’s tourism sites was also done in a participatory manner, with the private sector taking the helm.

C11.5 Private sector participation

The participatory planning process that was used in the visioning sealed the partnership of the provincial government and the private sector not only in tourism but also in other development sectors. Of this time, private sector stakeholders noted the change in their perspective from not having faith in the government to realizing that the government was serious in its efforts. During this time, organizations were also formed within the tourism industry (e.g., tour operators, transport, travel agents) and were encouraged by government to enhance participation and enabled them to have a voice in any undertaking. This also made it easier for government to deal with stakeholders because there was now a representative for each group.

Since then it has become the norm for the private sector to be part of planning activities as their participation ensured that decisions will not be questioned and implementation was faster and smoother. They noted that although it is time consuming, the results of the discussions are more reliable, and more effective. In addition, according to private sector representatives, when it comes to issues in the tourism industry, the coordination is very good and they make time to meet. They are able to recommend solutions and these issues are eventually solved, even if not immediately.

C11.6 Non-governmental organizations bridging communities

Non-governmental organizations (NGOs) were also critical to get the support of local communities and were instrumental in linking them with the private sector. Ecotourism provided a pro-environment basis for economic development, which was instrumental for the involvement of NGOs who were influential in Bohol. Many NGOs have a core objective of environmental protection, and the focus on environmental protection and communities in ecotourism created a mutually supportive atmosphere for their involvement. Through the GOLD Project, the Bohol Alliance of Non-Government Organizations (BANGON), an NGO umbrella organization developing and assisting ecotourism sites, was also established. It was highlighted that the provincial government have very good collaborative relationships with NGOs given their active concern on how Bohol’s

development should be, and because they work in the grassroots, they are the government's bridges to the communities. With the respect accorded by communities to NGOs, they also enabled the private sector to play a role in ecotourism product development at the community level. NGOs affirm their cooperation by attending meetings organized by the Provincial Tourism Office and Provincial Environment Office, and the support of the people. The complementation contributed to a very good partnership.

C11.7 Legislative support

The adoption of ecotourism as a vision for Bohol province was also influenced and reinforced by developments at the national government level during their planning process. A sustainable tourism development framework was prepared by the Philippines' Department of Tourism (DOT) in 1998, providing for ecotourism as one of the tourism activities that can sustainably manage natural and cultural resources while providing employment opportunities for local communities. Executive Order 111 was issued in 1999 formally acknowledging ecotourism's role in environmental protection and economic growth, establishing the National Ecotourism Development Council, and called for the formulation of the National Ecotourism Strategy and a National Ecotourism Program. Bohol became the site of the First National Eco-tourism Congress held in the same year laying the foundations for the National Ecotourism Strategy (NES)⁴ and where ecotourism and its role in the sustainable development of natural and cultural resources were clearly defined⁵. The NES was finalised in 2002 and identified the entire province of Bohol as one of the key sites for ecotourism promotion and development in the country. At the international level, the United Nations declared the same year as the International Year of Ecotourism, marking the transition of ecotourism from a niche market to a form of sustainable development tool and support for conservation, putting greater emphasis on the role of communities.⁶ In 2007, Republic Act 9446 declared the Province of Bohol as a National Tourism Zone and has been instrumental in Bohol's continuing focus on sustainable tourism and the development of other sustainable tourism destinations/ products within the province.

C11.8 Governance arrangements

Currently, Bohol tourism is managed through a Provincial Tourism Board which is composed of different stakeholders from the government, private sector, and NGOs involved in the tourism industry. The provincial government provides a strong overall policy for ecotourism, which is the basis for ecotourism development in all the municipalities. The role of the Offices within the provincial government is to provide technical support in ecotourism development.

4 National Ecotourism Steering Committee and Ecotourism Technical Working Group (2002), *National Ecotourism Strategy*, (online), available at: <http://bmb.gov.ph> (04-06-2017).

5 Provincial Government of Bohol and German Development Service (2006), *Biodiversity Conservation and Ecotourism Framework Plan of Bohol 2006–2015*, Tagbilaran, Bohol.

6 Butcher, J. (2006), *The United Nations International Year of Ecotourism: a critical analysis of development implications*, Progress in Development Studies, volume 6 (2), pp. 146–156.

Box C11.1

Bohol vision, mission and goals

Vision: Bohol is a prime eco-cultural tourism destination and a strong, balanced agro-industrial province, with a well-educated, God-loving and law-abiding citizenry, proud of their cultural heritage, enjoying a state of well-being and committed to sound environmental management.

Mission: To enrich Bohol's social, economic, cultural, political and environmental resources through good governance and effective partnerships with stakeholders for increase global competitiveness.

Goals:

1. Environmental protection and management;
2. Social equity;
3. Delivering quality services;
4. Local/regional economic development and strategic wealth generation; and
5. Responsive, transparent and accountable governance.

Source: Provincial Government of Bohol (2017), *Vision, Mission, Goal* (online), available at: www.bohol.gov.ph (22-02-2017).

Ecotourism or eco-cultural tourism is reflected as a priority in Bohol's vision, mission, and goals (box C11.1). Of the five goals, it is one of the main aims within the Local and Regional Economic Development and Strategic Wealth Creation goal of Bohol's overarching development framework.⁷ Within the development framework strategy, tourism is integrated into other sectors and is paired with livelihood and identified as a way of generating sustainable livelihoods and enterprise. As such, the economic benefits of tourism are the priority. Ecotourism's links to economic development is also emphasised in the Tourism Master Plan,⁸ where it is also considered as a form of pro-poor tourism. Nevertheless, ecotourism is embedded in Bohol's Environment Code which also established the framework for its management. The Code's Implementing Rules and Regulations define ecotourism as "a nature-based activity managed by the local community with government support whose primary goals are conservation and enhancement of natural resources while providing economic benefits to the local community without endangering the socio-cultural practices of its people."

C11.9 Impacts of tourism growth

Bohol won the Philippines' Galing Pook Best Practices in Local Governance Award in 2004 for their Ecotourism Development Program due to successful outcomes both at the provincial and community level. The recognition of Bohol province as an ecotourism destination has given the local people a source of pride and has also fostered a feeling of citizen responsibility. Stakeholders attested that ecotourism has led to positive social change such as pride in culture and place, cultural revival, empowerment and confidence where more and more young people were choosing to stay to be entrepreneurs or work for the Government. Due to an established reputation for credibility, various foreign aid agencies have also been more eager to provide assistance in developing ecotourism in various communities in the province. From the provincial government's

⁷ Provincial Government of Bohol (2010), *Provincial Development and Physical Framework Plan 2010-2015*, Tagbilaran, Bohol.

⁸ Provincial Government of Bohol (2009), *Tourism Master Plan*, Tagbilaran, Bohol.

perspective, ecotourism has improved the economic status of their constituents and has given birth to small industries resulting in more domestic investments, more livelihood, and more people choosing to stay in Bohol and invest in Bohol.

Overall, the successful adoption of ecotourism as a development vision is linked to institutional reforms, facilitated by the GOLD project that enabled an assessment of the competitive advantage of the province through a participatory or multi-stakeholder approach. Ecotourism provided a mutually supportive atmosphere for NGO, private sector, and local government engagement, by bringing together their respective aims of environmental conservation and community development, economic growth or income generation, and poverty alleviation. This resulted in boosting their ecotourism image and gaining recognition as a competitive tourism destination due to increasing tourist arrivals and economic activity. Political support and commitment were also crucial. A shared vision and good working relationship strengthens good governance, accountability and responsibility within the province.

Bohol's tourism arrivals continue to grow and tour offerings, especially community-based and learning tours, have expanded. The Province has also managed successful tourism recovery after a powerful earthquake in 2014 that destroyed infrastructure and significant cultural heritage sites. It is found that Bohol's sustainable tourism governance that helps manage tourism growth is founded on and characterized by a clear, locally focused vision; institutionalized partnership supported by vigilant stakeholders; and timely legislative support. Despite low foreign tourist arrivals, the diversification of economic activities through ecotourism also helped ensure the continuity of ecotourism benefits.

Case 12

Tourism and Environmentalism: The Case of Palompon, Leyte, Philippines

Summary

The Environmental Amelioration for Sustainable Development Program (EASDP) implemented by the Philippines Government, included the formation of a citizens' watch group to assist with law enforcement and monitoring of marine protected areas including banned fishing, activities to rehabilitate coral and mangrove areas and community support programmes and economic opportunities.

Key words

- Tourism development
- Environmental sustainability
- Ecotourism

Key message

An environmental protection programme has created tourism opportunities, improved resident livelihoods and provided protection from extreme weather events.

C12.1 Introduction

With its rich natural and cultural heritage, the Philippine Government has identified tourism as “as an engine of socio-economic growth and cultural affirmation to generate investment, foreign exchange and employment and to continue to mould an enhanced sense of national pride for all Filipinos”¹. The Republic Act 9593 mandates the Philippine Department of Tourism to plan, coordinate, and regulate the development and promotion of the tourism industry development at the national level. Nevertheless, the local government unit has a strategic role in planning and managing tourism development in their areas of jurisdiction.

The Tourism Act emphasizes that national and local governments have shared responsibilities in tourism development planning, collection of tourism statistics, and accreditation of tourism-related enterprises. The Department of Tourism is responsible for national tourism policy and planning, international and domestic marketing, the accreditation of tourism enterprises, and maintaining a national databank of tourism statistics and information. The Department supports the local government units in building their capacity for tourism activities.

On the other hand, the local government units under the Local Government Code² of 1991 continue to be responsible for issuing business licenses for the operation of tourist enterprises, inclusion of tourism in their Comprehensive Land Use Plans (CLUPs) and zoning ordinances, ensuring safety and security in partnership with the Philippine National Police (PNP) and other agencies, and undertaking promotions activities designed to attract tourists to their area.

1 Department of Tourism (2009), *Implementing Rules and Regulations of R. A. 9593, otherwise knowns as the Tourism Act of 2009* (online), available at: www.tourism.gov.ph (04-05-2017).

2 Public-Private Partnership Center (1991), *Local Government Code of 1991* (online), available at: <http://ppp.gov.ph> (04-05-2017).

However, national policy and programme initiatives such as these “provide the opportunity to create wealth (through tourism) but do not themselves create wealth.”³ Local government units need to take the lead role in managing tourism development and achieving sustainability. This was clear in the case of the municipality of Palompon, Leyte, Philippines. The local government of Palompon, Leyte developed and implemented a successful tourism strategy and became a Hall of Fame awardee for best tourism-oriented local government (municipality category) of the Association of Tourism Officers of the Philippines (ATOP) Pearl Award. The municipal mayor attributed the award to the efforts of the municipal officials, the Palompon eco-tourism council and his constituents. He attributed the achievement of the award for three consecutive years to the successful combination of tourism and environmentalism.

C12.2 Profile of Palompon, Leyte

Palompon is a municipality of roughly 56,000 residents in the north-western portion of Leyte Island, the 8th largest island in the Philippines. Leyte Island is located in the Eastern Visayas region of the country, with Cebu and Bohol to the west across the Camotes Sea, Samar Island in the south-east, and Leyte Gulf (part of the Pacific Ocean’s Philippine Sea) to the east. In 1944, Leyte Gulf was the scene of the Battle of Leyte Gulf, the largest naval battle of World War II.

The town of Palompon originated from a settlement named Hinablayan, which is believed to have been established around 1620. In 1737, a Spanish expedition arrived and named the place after bunches of mangrove flowers, called *paung-pung* in the local dialect that they had received from the residents. Over time, the town’s name evolved into its present form, Palompon.⁴ Palompon is governed by the elected Mayor together with the Municipality Council composed of the elected Vice-Mayor, Councillors, the President of the Association of Barangay Captains and the President of the Youth Council. They exercise and perform the legislative powers and duties as provided for by the Local Government Code of 1991.

C12.3 Environmentalism as a development strategy in Palompon, Leyte

A third of Palompon’s total area, roughly 5,508 hectares, is devoted to agriculture – with coconut, rice, and corn as the main commodities. Historically, Palompon has also been a fishing town, with about 50 different identified species found in municipal waters. In 1995, the local government took notice of a growing problem with illegal fishing within its municipal waters. As a result of these activities, local fishers experienced declining catch of rabbitfish (*Siganid spinosus*), called *danggit* in the local Visayan language, the primary source of livelihood in the municipality. The municipal government conducted a series of multi-sectoral consultations, in coordination with the Palompon Community Multi-Purpose Cooperative, Inc. (PACCI), to address these problems. PACCI was the biggest NGO in Palompon. In 1991, it had entered into a stewardship agreement

3 Porter, M.E. (2003), ‘Building the Microeconomic Foundations of Prosperity: Findings from the Business’, in: Cornelius, P.; Schwab, K. and Porter, M.E. (eds.), *The Global Competitiveness Report: 2002–2003*, Oxford University Press, Oxford, pp. 29–56.

4 Municipal Government of Palompon (2016), *Malinis at Masaganang Karagatan Bid Book of the Municipality of Palompon, Leyte*, submitted to the National Search for Outstanding Coastal Community of the Department of Agriculture, Palompon, Leyte.

with the Department of Environment and Natural Resources to manage and protect the Tres Marias Islets⁵.

The Environmental Amelioration for Sustainable Development Programme or EASDP that resulted from this process included the formation of a citizens' watch group called *Bantay Dagat* to assist with law enforcement and monitoring of marine protected areas. EASDP also banned fishing for *danggit* on certain days from February to April, believed to be the peak spawning times for *siganids*.⁶ Palompon also initiated activities to rehabilitate coral and mangrove areas as key spawning and feeding areas of *danggit*, while also declared Tabuk Island – a mangrove and coral atoll in front of the town harbour and one of the Tres Marias Islets – as a bird and fish sanctuary.⁷

Within two years, fish catch improved dramatically. From 3 to 4 kg for 10 hours of fishing, local fishermen averaged 4 to 6 kg of fish from only 6 to 8 hours of effort. The wild duck population in Tabuk Island had increased to 2000 birds, while the use of destructive fishing equipment, as well as coral and mangrove extraction activities were noticeably reduced⁸.

EASDP also focused on broadening community support for the programme and providing alternative livelihood for affected sectors. The creation of a Municipal Livelihood Council in turn led to the emergence of new forms of livelihood such as the production of dried, boneless *danggit*, a popular Filipino delicacy typically served for breakfast. Converting the surplus catch into dried *danggit*, earned the fishers an additional USD 3.40 for every 4 kilos processed.

EASDP also introduced a community-based management system for establishing community-based mangrove nurseries, plantation zones, and the organizing of an annual mangrove planting festival on Tabuk. Through an agreement with the local division of the Department of Education – local students learned about mangroves and coastal resource management, watershed management, as well as local culture and history at the *Mangrovetum* study area on the island.

Ultimately, this “Education for a Cause” programme together with Tabuk Island provided the seeds for what would become Palompon's Sustainable Tourism Program. Raoul Bacalla, Palompon's environment officer recalls that in 1999, the mangrove eco-boardwalks, marine safari, and bat watching activities on Tabuk were educational tools for coastal resource management – not tourist facilities. Their primary functions were to let local communities, other LGUs, as well as researchers learn and understand the impacts of the EASDP conservation measures.⁹

5 Tupa, E.S. (2001), 'Ecological Amelioration for Sustainable Development. A showcase of LGU-Cooperative partnership in Palompon, Leyte', *Cooperative Development Authority and the United Nations Development Programme* (online), available at: www.ombudsman.gov.ph (12-04-2017).

6 Yao, C.E. (1999), 'Palompon, Leyte: A Convincing Case for Conservation', *The Online Magazine for Sustainable Seas* (online), available at: <http://oneocean.org> (04-05-2017).

7 Municipal Government of Palompon (2016).

8 Bacalla, R. (2017), personal communication with the author (15-04-2017).

9 Ibid.

C12.4 Tourism development in Palompon, Leyte

Tourism is a relatively new development strategy for Palompon. In 2010, the municipal government regained ownership and control of Kalanggaman, a 9.82 hectare island some 12 km from the town proper. A private developer had somehow gained title over what was public, inalienable land.¹⁰

A narrow island, with more than 750 metres of powdery white beaches, Kalanggaman is about 12 km from Palompon's port area. It is named for the two distinctive sand bars on its eastern and south-western ends, giving it the appearance of a bird in flight – *langgam*, meaning “bird” in the local dialect. Fishermen from Palompon as well as neighbouring communities had long known of the rich fishing grounds off the island. Dolphin sightings are also quite common in the area. It has thus been a favored resting place for fishermen, as well as Palompon residents.¹¹

With Kalanggaman and Tabuk islands as potential attractions, the local government recognized an opportunity to diversify the local economy and introduce tourism as a supplementary activity for local fishermen.¹² In 2010, it created a Tourism Unit within the municipal Environment Office – an unusual organizational arrangement for Philippine municipalities. Continuing the partnership-based approach of EASDP, the local government also encouraged local businesses to organize the Palompon Municipality Eco-Tourism (PMET) Council, and work with the new tourism office in promoting and developing tourism around the two sites.

The PMET Council began to encourage excursions to the two sites. All visitors were required to register at the Tourism Office before taking pumpboats heading out. Neither island could support the construction of overnight visitor facilities. However, occasional overnight camping by small, select groups for research and other special activities could be allowed on Kalanggaman.

When it started in 2010, the PMET Council received a little more than 5,000 visitors, earning over USD 6,056 in registration fees in the process. From 2011 to 2013, visitor registrations grew rapidly. Palompon had been able to develop some new recreational activities using a few kayaks, stand-up paddle boards and other light recreational equipment acquired with assistance from the national Department of Tourism (DOT) as well as an international development project funded by the Canadian Government. These projects also enabled the fledgling tourism council to link with more established tour operators in Leyte's gateway cities of Tacloban and Ormoc. With marketing support from DOT and these tour operators, Palompon began to generate significant buzz among young domestic tourists from outside Leyte.

The market interest in Palompon gained additional momentum in the summer of 2013 when two cruise ships ferrying a combined total of 561 foreign (mostly German) tourists visited Kalanggaman Island.¹³ In the language of today's social media-driven tourists, Kalanggaman “went viral”.

10 Estorninos, L.D. and De Cadiz, G. B. (2010), *Land Conflict Due to Irregular Ownership of Land: The Case of Kalanggaman Island* (online), available at: www.ssrn.com (04-05-2017).

11 Local Governance Support Program for Local Economic Development (2016), *Updated Completion Report for the Province of Leyte, Development of the Northwest Leyte Tourism Corridor*, Quezon City.

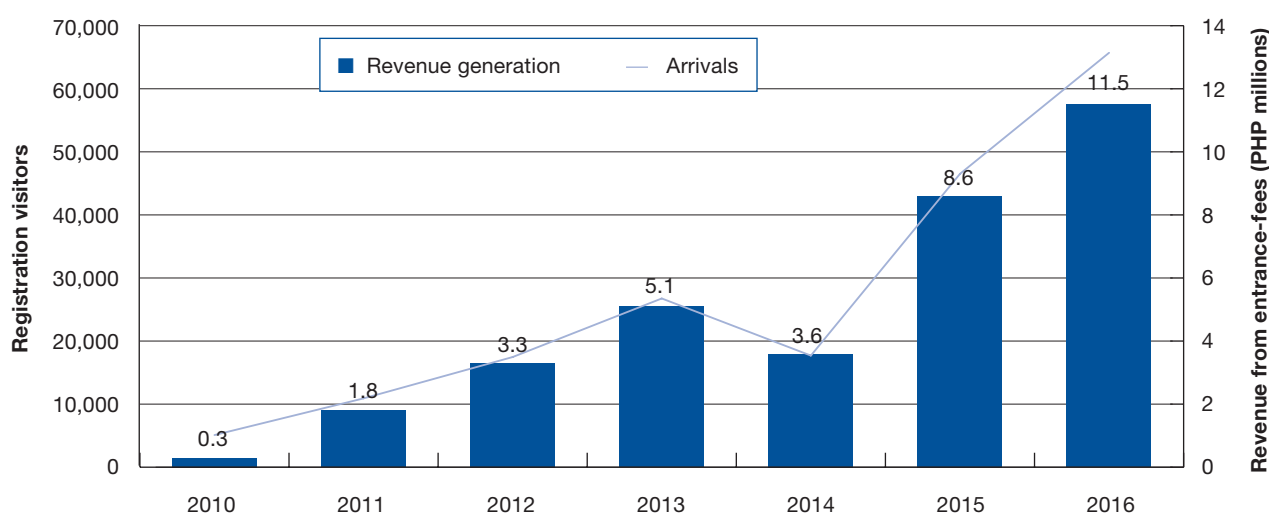
12 Estorninos, L.D. and De Cadiz, G.B. (2010).

13 Local Governance Support Program for Local Economic Development (2016).

In November 2013, Supertyphoon Haiyan (codenamed Yolanda in the Philippines), one of the strongest in recorded history, rampaged through the province of Leyte. Over 80% of local infrastructure in Palompon sustained heavy damage from typhoon winds estimated from 215 to 250 km per hour, and storm surge as high as 3.6 metres. Yet Palompon suffered significantly fewer casualties than its neighbouring towns with only seven deaths in Haiyan's aftermath – four when coconut trees fell on their homes, three from illness or health problems. Palompon escaped because Tabuk Island absorbed most of the waves before they could hit the town. Tabuk's mangrove forest was stripped of almost all its leaves. Ten resident colonies of fruit bats (estimated to have 1,000 bats each) dispersed immediately after the storm (Local Governance Support Program for Local Economic Development, 2016). Nevertheless, as Mayor Ramon Oñate declared, "The mangroves saved us".¹⁴

Tourist facilities on Kalanggaman Island, all made of light materials, were completely destroyed (the island was completely evacuated well before the storm arrived). Though some damage to corals around the island was observed, the local environment office noted that fish diversity remained good. Visitor arrivals to Tabuk and Kalanggaman dropped understandably in the following year. Nevertheless, even with the short-term decline in 2014, the annual average growth rate for all visitors rose by 55.6% per year from 2010 to 2015 (figure C12.1). Revenues from visitor registration rose by an average of 95.65% per year over the same period. If the mid-year trends for 2016 held true, Palompon could likely double the numbers for 2015.

Figure C12.1 Kalanggaman Island Site Arrivals and Revenues, 2010–2016



Source: Municipal Government of Palompon (2016), *Most Tourism Oriented LGU ATOP-DOT Pearl Award. Bid Book of the Municipality of Palompon, Leyte*, Submitted to the Association of Tourism Officers of the Philippines (ATOP) and the Philippine Department of Tourism (DOT), Palompon, Leyte.

Today, Tabuk Island's mangroves have grown back and resident colonies of wild ducks and fruit bats have returned. Kalanggaman has become one of the top excursion sites for cruise ships in the Philippines, with a strong social media image as one of the best sand bars in the country. The municipality of Palompon has won the award, three years running, for the Most Tourist-Friendly

14 Lozada, D. (2014), 'A town saved by mangroves', *Rappler*, 07-07-2014 (online), available at: www.rappler.com (04-05-2017).

Local Government Unit in an annual competition hosted by the national association of local tourism offices and the Department of Tourism.

The impact of Palompon's growth as a tourism destination is visible. From 5 temporary staff at the beginning, the local government now employs 26 people to maintain, manage, and ensure visitor safety on Tabuk and Kalanggaman Islands. There are now 17 boats (each with at least 3 regular crew) transporting visitors from the town to the islands, compared to only 4 in 2010. Since 2012, five new tourist inns have opened for business in Palompon.¹⁵

Nevertheless, Palompon recognizes that such rapid growth is inherently risky and likely unsustainable. Thus, it has adopted several strategies and policies to manage tourism development and growth in line with the overall environmental protection programme. By requiring pre-registration of visitors and boats at the Palompon Tourism Office, the municipality has been able to enforce a carrying capacity limit of 500 people at any one time for Kalanggaman. A similar policy (with a much lower ceiling) is also in place for Tabuk, though they have to yet experience excessive visitor demand in the site.

Palompon has also begun to develop new attraction sites to divert some of the excess demand from Kalanggaman Island, and offer year-round alternatives for when sea conditions may prohibit island crossings. The Eco-Terrestrial Adventure Park has been built from a dormant limestone quarry, offering trekking, rock climbing and rappelling activities for visitors¹⁶. Two mangrove isles, Paraiso and Ascamar, are being outfitted with board walks and landing stations to form a three-pronged Coastal Track that visitors can explore on kayaks and paddle boards. Other new sites include Masaba Falls Ecology Park for canyoneering and trekking, as well as the Buenavista Underwater Cave for technical diving and marine sports.¹⁷

C12.5 Review of visitor experiences

Kalanggaman Island remained one of the most popular destination in the region because of social media. Visitors have been posting images and videos online which shows the beauty of the island and persuading more people to visit the island. The island has been described by bloggers as "A Favourite Island of the Gods";¹⁸ "Leyte's crown jewel";¹⁹ and "Beauty in the middle of nowhere".²⁰

Tourists generally expressed satisfaction with their visit experience at Kalanggaman Island. 182 out of 401 reviews at TripAdvisor.ph were excellent.²¹

15 Municipal Government of Palompon (2016).

16 Salarda, L. (2016), 'Former limestone quarry converted into eco-terrestrial adventure park in Palompon, Leyte', *Interaksyon*, 13-11-2016 (online), available at: www.interaksyon.com (04-05-2017).

17 Municipal Government of Palompon (2016).

18 Romance, A. (2015), *Kalanggaman Island: A favourite island of the Gods* (online), available at: www.adrenalineromance.com (04-05-2017).

19 Laagan, M. (2014), 'Kalanggaman Island: Leyte's Crown Jewel', *The Travelling Panda* (online), available at: www.mikelaagan.com (04-05-2017).

20 Two2travel (2013), *Kalanggaman Island, Leyte: Beauty in the middle of nowhere* (online), available at: <http://two2travel.com/> (04-05-2017).

21 Trip Advisor (2017), *Matareva Beach Fales* (online), available at: www.tripadvisor.com.au/ (14-04-2017).

C12.6 Conclusion

As seen in the case of Palompon, the seeds of its Sustainable Tourism Programme were from the educational tools developed as part of the EASDP to address issues related to coastal resource management. The mangrove eco-boardwalks, marine safari, and bat watching activities on Tabuk were not built as tourism facilities but as educational tools to be used by Palompon in sharing their EASDP conservation measures to interested public (e.g., other local communities, other local government units, and researchers). Although the local government unit did not consider yet tourism as an economic livelihood for the people, the “Education for a Cause” Program in Tabuk Island provided the motivation for people to visit the municipality. Hence, this can be considered as the start of tourism development in the destination and Tabuk Island became an educational eco-tourism destination.

Regaining ownership and control of Kalanggaman Island encouraged the local government to consider tourism as a development strategy. Having experienced the positive impacts of their coastal resource management, the local government led by the municipality Mayor together with Municipality Council decided to adopt tourism and environmentalism as development strategy. The municipality’s tourism plans and programmes were integrated in the local sustainable development programme.

“The tourism programme in Palompon is run by a totally private foundation, the Palompon Eco-Tourism Council and the local government was limited to creating the council and supporting it with regulations and ordinances that PETC officers deem fit to adopt in the municipality”. The municipal mayor believed “that tourism should be totally handled by the private sector and that the LGU should just lend support to its programmes”²².

The case of Palompon demonstrates the strength of having a local government committed to developing tourism with a clear policy focus on environmental protection of natural resources. This was clear in the creation of Palompon’s Tourism Unit within the municipal Environment Office – an unusual organizational arrangement for Philippine municipalities. The local government also encouraged local businesses to organize the Palompon Eco-Tourism Council, and work with the new tourism office in promoting and developing tourism sites and attractions. Palompon recognized that a rapid growth in tourism is inherently risky and likely unsustainable. Thus, it has adopted control strategies and policies to manage tourism development and monitor the growth to be in line with the overall environmental protection programme. By requiring pre-registration of visitors and boats at the Palompon Tourism Office, the municipality has been able to enforce a carrying capacity limit of 500 people at any one time for Kalanggaman and a similar policy (with a much lower ceiling) is also in place for Tabuk. As new attractions and activities are currently being developed, the municipality needs to consider instituting a continual tourism performance monitoring system.

In conclusion, Palompon provides a good example of an approach to sustainable tourism based on environmentalism. Palompon is a nature-based destination whose tourism development and management was led by the local government and enabled by the national government. Palompon has demonstrated what can be achieved from a careful process of working together and building

22 Jimenea, L.M. (2014), ‘Palompon bags Best Tourism Oriented LGU Award’, *Eastern Visayas News*, 12-10-2014 (online), available at: www.evmnews.net (04-05-2017).

partnerships at a local level and not relying solely on the national government to develop and achieve the municipality's common vision.

As seen in the case of Palompon, managing tourism growth sustainably requires long-term political commitment. The vision for sustainability should be subscribed to by all political leaders and tourism stakeholders to ensure that effective initiatives continue and the developmental goals are achieved. Other destinations may benefit from Palompon's experience if they recognize at the beginning of tourism development that the key to realizing wider policy objectives is the integration and cooperation with all government sectors and with all stakeholders continuously involved and accountable.

Case 13

Samoa community-based tourism businesses

Summary

This chapter considers the complexities of managing a community-based and -owned tourism business in a traditional Pacific Island society in Upolu, Samoa. The case highlights issues of community governance of a tourism business as well as the communities' relationship with government agencies mandated to support community-based entrepreneurial initiatives. Community-based tourism businesses being one such initiative.

Key words

- Community governance
- Community-based tourism
- Pacific Island

Key message

Community-based tourism can clash with traditional governance arrangements.

C13.1 Introduction

This chapter explores governance in emerging community-based tourist destinations and its relationships to formal government. It also reviews how the community addresses each challenge, as well as a cursory look at opportunities to improve business effectiveness and subsequent profitability. The case discussion highlights the importance of establishing relationships, networks and trust between community stakeholders, resort management and tourists in order to motivate different community decision makers into supporting tourism ventures. The chapter systems to encourage developing new tourism "products". Sustainable community development and economies require balancing the interests of different factions of community decision makers.

C13.2 Community-based tourism and common governance structures

Sustainable development has become the underpinning principle for tourism planning and management in many cultures and institutional contexts.¹ Community-based tourism arguably provides the local community with tourism receipts through their involvement in local tourism operations. Businesses owned and/or managed by community residents and intended to deliver benefits to a wider group than just those employed in the business operations. Consequently, the community residents assume collective responsibility for all aspects of the business. This form of tourism seeks to encourage collective entrepreneurialism within the 'comfort zone' of the community environment and is in many instances *sold* by trade intermediaries to tourists as an alternative to mainstream travel. To operate successfully, these trade intermediaries must interact with local communities in providing tourists to them.

1 Dredge, D. (2006), 'Networks, Conflict and Collaborative Communities', *Journal of Sustainable Tourism*, volume 14 (6), pp. 562–581.

Since it emerged in the 1990s, the academic literature on sustainable tourism and community-based tourism has highlighted potential benefits for residents. These benefits include helping the “local community to generate income, diversify the local economy, preserve culture, conserve the environment and provide educational opportunities”², as well as limit the negative impacts of tourism on the community and their environmental resources. Community-based tourism also helps to diversify the income-generating base of the area, contributing towards social resilience to climate change impacts.³ However, development of responsible governance and ethics for local communities in undertaking the responsibilities and practices of tourism development and management needs more attention. That is, the success of the community-based business is not only the responsibility of the resort manager, but also the other community stakeholders.

While community-based tourism can generate income for traditional communities in developing countries, it can pose many complex governance issues. These issues can transcend to established administrative and jurisdictional boundaries, particularly problematic in strongly traditional societies in which dual systems of law may operate. There can be many competing local, national and even international decision makers, responsible for aspects of resource management and this complexity can hamper effective governance in inexperienced traditional communities.⁴

Furthermore, tourism business development may involve complicated, arduous and sometimes contentious negotiation processes. Community members have numerous roles reflecting the complexity of power relations within community decision-making bodies. In addition, raising the trust and credibility issues among community members. To obtain successful community-based tourism enterprises governance and legitimate structured roles and unbiased decision making and guidance is ideal. Especially when residents may have a limited network of tourism business contacts, and limited tourism or entrepreneurial experience.

Many community-based tourism enterprises in highly traditional societies, such as Samoa follow hierarchical systems of governance. The ownership, allocation of resources as well as management of assets are the responsibility of the authorities and power structures inherent in the community. Additionally, resource allocation and distribution of tourism business opportunities rely on traditional ownership, hierarchical status, community priorities and finally cooperation among different stakeholders, whereby both individual and common goals are considered. Governance models which the Samoan community-based tourism businesses do not abide by but is in reality a hybrid system.

2 Asia-Pacific Economic Cooperation (2010), *Local Development through Sustainable Tourism* (online), available at: www.apec.org (18-04-2017).

3 Faletese, R. (2017), ‘Social Resilience Framework: Building Social Resilience in Communities to the effects of Climate Change’, *Tonga Climate Resilience Sector Project*, Unpublished Paper.

4 Newig, J. and Fritsch, O. (2009), ‘Environmental governance: participatory, multi-level and effective?’, *Environmental Policy and Governance*, volume 19, issue 3, pp. 197–214.

Ruhanen, L. (2010), ‘Where’s the strategy in tourism strategic planning? Implications for sustainable tourism destination planning’, *Journal of Travel and Tourism Research*, volume 10 (1-2), pp. 58–76.

C13.3 Recent trends in Samoan community-based tourism

Tourism in Samoa has increased markedly since the late 1990s with tourist arrivals growing from 77,926 in 1998 to 135,000 in 2012.⁵ There was a decline in arrivals in 2013 to approximately 124,500, a result of global as well as local causes. However, there has since been an increase in numbers to approximately 143,819 visitors in 2016.⁶ Tourist earnings increased accordingly from approximately USD 79 million in 2005⁷ to USD 153 million in 2016.⁸ This accounts for 20% of GDP, with an average expenditure of approximately USD 1,083 per visitor.⁹ The holiday and visiting friends and family traveller make up the majority of the travellers to Samoa contributing 73%¹⁰ of all travellers.

Most of the community-based tourism businesses in Samoa offer either beach 'fales' (traditional styled houses), or budget bungalows, predominantly in beach locations. In 2013, the budget and occupancy level for beach fales was considerably lower than other touristic resorts as shown in table C13.1 below.

Table C13.1 Accommodation type and occupancy level 2013

Accommodation type	2013 estimated occupancy level (%)
Deluxe	52.1
Superior	57.2
Standard	24.5
Budget	22.6
Beach fale	15.4

Source: Samoa Tourism Authority (2009), *Samoa Tourism Authority Annual Report* (online), available at: www.samoatourism.org (14-04-2017).

Community-based tourism is encouraged in the Samoa Tourism Sector Plan 2014–2019 (STSP) in the Vision as a type of 'sustainable' tourism. The Plan articulates that "by 2019, Samoa will have a growing tourism sector, which engages our visitors and people and is recognized as the leading Pacific destination for sustainable tourism"¹¹. The Plan acknowledges the need to preserve Samoa's 'fragile natural environment, strong communities and a unique culture' for future generations as well as to differentiate Samoa's tourism product. Preserving the fa'a Samoa (Samoan traditions and culture) is an essential part of both Samoan society and the tourism product. Increasing tourist expenditure features significantly in national policies, however in a country where culture

5 Samoa Tourism Authority (2014), *Samoa Tourism Sector Plan 2014 – 2019* (online), available at: <https://pafpnet.spc.int/> (14-04-2017).

6 Central Bank of Samoa (2017), *Visitor Earnings and Remittances* (online), available at: www.cbs.gov.ws (23-04-2017).

7 Samoa Tourism Authority (2009), *Samoa Tourism Authority Annual Report* (online), available at: www.samoatourism.org (14-04-2017).

8 Ibid.

9 Ibid.

10 Ibid.

11 Samoa Tourism Authority (2014).

is part of the tourism product, how sustainable management of traditional society and cultural resources is not well articulated. The Plan does not provide any support, guidance or mechanisms that can encourage communities to engage and manage tourism activities.

Instead, the Plan activity logframe considers community involvement in the following statements:

- Improved community engagement and consultation to gain commitment of community members in order to improve management, access to key sites, and provide ‘greater controls over access fees’, beautification and waste, and control of dogs; and
- Develop opportunities that enable people in communities to experience the implications of tourism in a staged and low impact way. For example, cultural villages in resorts and hotels, and village tours, handicrafts and encourage homestays. Government support to these tourism ventures is limited and focuses on tourist characteristics rather than strengthening operational effectiveness of such resorts. The following case study will highlight some areas that could benefit from greater government support.

C13.4 A Samoa case study: Matareva Beach Fales

Matareva Beach Fales is located on a beautiful secluded beach on the south coast of Upolu in the village of Salamumu. The Matareva Beach Fales is located on a sandy hidden beach cove and contains 15 beach fale and 3 beach bungalows. Matareva receives a mix of local Samoan guests, who generally come as day guests to enjoy time with family and friends; foreign guests who live and work in Apia; and international travellers who book on the websites or go there through word-of-mouth. The Samoa Tourism Authority also refers travellers to the resort. The busiest period for the resort is from April to August. The resort usually restricts the number of guests to approximately 20, despite adequate accommodation for more than double this number. This is due to the kitchen not being currently large enough to cater for more.

Despite limited funds, Tavita, a local community chief has over the last year and a half, turned the resort from a poorly maintained local drinking site into a profitable business and Matareva has become a popular traveller destination for both overseas and local travellers. The resort received accreditation through Samoa Tourism Authority in December 2016, recognizing the business meets stringent international standards in terms of food, cleanliness, price and service. Furthermore, a recent English volunteer on a workaway programme has strengthened the local residents’ knowledge on traveller’ necessities and provides a *bridge* between visitors and local Samoan staff. For example, traveller comments include the following:¹²

- They don’t have a menu and I really like it, it gives “home cooked food” feeling;
- Can come alone and feel safe and enjoy the company of others;
- The price is very fair, the *fales* comfortable and the food delicious;
- There is always cold beer or well chilled white wine; and
- The staff is simply fantastic, hardworking and friendly! They respect your space and privacy but will be there when you need them. They seem to understand well what international tourists find important.

¹² TripAdvisor (2017), *Matareva Beach Fales* (online), available at: www.tripadvisor.com.au/ (14-04-2017).

C13.5 Governance

The resort business is community owned and operated with decisions made within the local community *fono* (community committee) run by *matai*'s (community chiefs) and headed by the village *Sa'o* (paramount chief). Community decision-making is the responsibility of the *fono*. Within the village there are many *matai* who have different levels of status with the *Sa'o* as the paramount chief followed by the *ali'i* (family heads) and other lower level *matai*'s.

Tavita (a community *matai*) was selected by the *fono* in a joint decision of the community *matai*'s, to manage the resorts business. The previous management consisted of community *matai*'s, had failed due to poor decisions and poor management resulting to business failure and no visitor interest and eventual disrepair. A post-mortem on the operations was conducted analysing the Tavita's experience in business management, tourism, as well as his family history in terms of 'roots' within the community hierarchy.

More positively, Matareva Beach Resort provides several benefits back to the community. For example, apart from immediate family members, all staff are from the village, providing them with a source of income. The resort management is also very involved with the local youth group, supporting and supplying equipment to them and even providing them with meals on occasion.

There is visitor concerns about the access to the area as travellers are charged a fee of USD 8 a car for entrance by village chiefs at the main road entrance in the village. While travellers consider this 'gatekeeping' role to be a 'tourist trap', the funds from this fee directly support the locals, the *matai*'s and their families. It is justified as an expense to keep the roads and surrounds clean and inviting. This misunderstanding is largely due to language barriers, whereby the *matai*'s cannot clearly articulate where the money is spent, this is an area that is being addressed currently. For example:

- A written English signage explaining the purpose of the fee to make guests aware;
- The *Matai*'s taking communication skills training;
- Vouchers for overnight guests who also hire a car; and
- Better management of entry points for visitors who enter freely through alternate routes.

C13.6 Discussion

The Matareva Beach Resort currently is a successful community-based tourism business. However, Tavita, the business manager must balance visitor needs with locals needs. Concern about accountability and transparency of the cultural and social structure of the *fa'a Samoa*¹³ needs enforcement by governing bodies and development projects such as tourism businesses. Thus, encouraging tourist awareness and requirements by villagers to diminish locals' fear of foreign influence negatively affecting the *fa'a Samoa*. The application of the local traditional governance system to business development, like other change processes, will take time. There is need for a shift in the mindset of the traditional leaders in communities, such as Salemumu, to accommodate the cultural diversity of travellers and this will take time. The village *matai*'s

13 Amosa, D.U. (2010), 'Local government and good governance', *Commonwealth Journal of Local Governance*, volume 7, pp. 7–21.

are important stakeholders need to be included in business planning in a manner that avoids disagreements.

Lack of operational and marketing experience has caused poor business performance but may be expected to improve over time. However, governance problems need attention and it is important to develop mechanisms that balance the *matai* concerns, whilst still meeting tourist requirements. The *matais* need to feel and be part of the tourism operation and benefits. Currently they feel somewhat alienated from the resort and this has led to charging of a fee at the entrance. This may deter travellers in the longer term if actions are not enforced.

This case strongly emphasises that communities are not homogenous, and there may be traditional governance systems conflicting with the needs of international and local tourists. These cultural and social systems are in part what makes these locations unique and hence their preservation is essential. Adapting traditional systems rather than imposing mainstream models of governance. Tourism businesses and the *fa'a Samoa* need to work better together. Any process of capacity building requires a thorough examination of local governance structures and identification on how the tourism product can leverage off these traditional systems rather than conflicting with them. Here governments have an important role articulate these needs into tourism sector planning in order to strengthen community-based tourism opportunities in Samoa and hence deliver local benefits.

For example, while educating the *matai* gatekeepers is a positive step to address the issue of the entrance fee, there is further need to discuss how these community stakeholders receive tourism benefits. The way forward is likely to be location specific and based upon local culture, tourism products and traveller expectations and needs. Initiatives to address the situation may include:

- The development of the entrance to the resort as a tourist attraction with a small museum of local historic items, handicrafts for sale, stories and legends of the district interpreted, and refreshments served. This offers tourists a valuable experience for their money rather than the current perception of a 'rip off'. This will also attract other passers-by's;
- Government could provide a forum for managing tourist-community problems involving community-based businesses and community representatives; and
- Trade intermediaries could provide a basic understanding of the *fa'a Samoa* as both a cultural experience and a means of helping travellers manage their expectations.

C13.7 Conclusion

The case of Matareva Beach Resort discusses the transition of a community towards integrating and managing a tourism business into daily lives. Governance issues identified include balancing tourist expectations with community traditions. The case shows that location specific governance models may be more useful than mainstream tourism governance models that primarily focuses on governance, allocating and managing resources within the tourism operation, however unlikely to meet the requirements within a traditional system, especially where culture is part of the tourism product. The case of Matareva emphasizes that in order to address potential cross-cultural issues, there is a need to acknowledge, address and balance the different interests and behaviours of stakeholders in community-based tourism in order to meet both community and tourist expectations simultaneously.

Furthermore, the Government needs to recognize all pillars of sustainability in tourism development, recognizing the culture of Samoa (the *fa'a Samoa*) as the differentiating factor from other Pacific Island destinations with similar environmental destinations. Community-based operations such as Matareva provide this unique opportunity to visit the culture and enjoy the natural environment of Samoa. Government support in terms of awareness and training of community stakeholders and even the traveller would assist such resorts provide a 'bridge' between the diverse cultures and transition more easily into a successful tourism business.

Case 14

Sustainable tourism growth: Tanna Island, Vanuatu

Summary

This chapter examines how tourism growth on Tanna Island could be guided sustainably, and what kinds of governance arrangements need to be in place to support this process. It also discusses the necessary monitoring and measuring frameworks that could be used to support a sustainable tourism growth plan, and the array of stakeholders who should be involved in the governance processes. The lessons from Tanna Island could inform other Small Island Developing States (SIDs) that are facing rapid tourism development.

Keywords

- Tanna Island
- Natural ecosystems
- Economic benefits
- Policy development
- Education and training

Key messages

- Tourism is often seen as a way to boost both the formal and informal economies, and to offer new livelihoods, which in turn may reduce the pressure on natural ecosystems.
- Tourism also contributes to serious impacts and exacerbates vulnerability to climate change.
- Planning and policy development on all government levels, training and education can resolve the crisis and promote sustainable tourism development.

C14.1 Introduction

In the Pacific island states and territories, tourism is the only economic sector to grow relatively consistently over recent years. In the Pacific, there is a growing awareness of the need to develop tourism in a sustainable manner, and of being realistic about the constraints. Some of these constraints relate to difficulty in developing infrastructure and services across a large number of remote low-lying islands, lack of sector-specific information on weather and climate trends,¹ high population growth rates exerting increasing pressure on the existing natural resources, high levels of poverty, lack of education and skills,² and complex governance structures.

1 Nalau, J.; Becken, S.; Noakes, S. and Mackey, B. (2017), 'Mapping tourism stakeholders' weather and climate information seeking behaviour in Fiji', *Weather, Climate and Society*, in press.

2 Hay, J.E.; Forbes, D.L. and Mimura, N. (2013), 'Understanding and managing global change in small islands', *Sustainable Science*, volume 8, issue 3, pp. 303–308.

Kuruppu, N. and Willie, R. (2015), 'Barriers to reducing climate enhanced disaster risks in Least Developed Country-Small Islands through anticipatory adaptation', *Weather and Climate Extremes*, volume 7, pp. 72–83.

Pacific islands are vulnerable to cyclones, flooding, drought, tsunamis, volcanic eruptions, and other biophysical hazards.³ Such extreme events cannot only destroy the physical resources on which tourism depends (including built assets),⁴ but also damage the reputation and image of the destination.⁵ Extreme events increase operational costs,⁶ and can lead to business disruption. In this context, encouraging tourism development can be challenging, especially when the rules and governance systems to regulate the industry (directive capacity) are not in place or are insufficiently enforced (directive effectiveness).⁷ Considering the projected effects of climate change in island destinations, these challenges are likely to increase.⁸

Tanna Island is the most populous island (about 30,000 people) in the Tafea Province, Vanuatu, located south of Port Vila. Tanna provides an example of many of these complex issues, as it is on the cusp of rapid tourism growth. This case discusses the challenges relating to fostering tourism on a remote island, which, in addition to constraints common to SIDS, also faced significant development setbacks in 2015, when it was devastated by Tropical Cyclone Pam. We then discuss how some of the emerging tourism trends on Tanna Island could lead to sustainable tourism growth, and the role governance plays in enabling a more just and equal approach to development.

C14.2 Tourism on Tanna Island

Most tourists travel to Tanna Island from Port Vila for a day trip using a local air link to see the Yasur volcano, which erupts every five minutes. Tourists typically spend on average 3.9 nights at Tafea province.⁹ The accommodation sector is only slowly developing, with main resorts on the west side of the island, and with further local accommodations closer to the volcano on the east side in Lenakel. The current linkages between local communities and the tourism industry are relatively undeveloped, except from tourists utilizing roadside stalls and the main market in Lenakel, and the tours on offer on the island. Most resorts source their produce from Port Vila given the limited availability, consistency and quality of local produce. Employees are likewise often sourced from Port Vila given the lack of tourism training programmes on Tanna.

The challenges of sustainable tourism, governance and the impacts of extreme events in Vanuatu, and on Tanna Island in particular, are best understood by looking at the example of Tropical

3 Becken, S.; Mahon, R.; Rennie, H. and Shakeela, A. (2014), 'The Tourism Disaster Vulnerability Framework: An application to tourism in small island destinations', *Natural Hazards*, volume 71, issue 1, pp. 955–972.

Nalau, J.; Becken, S.; Noakes, S. and Mackey, B. (2017).

4 World Tourism Organization and United Nations Environment Programme (2008), *Climate Change and Tourism – Responding to Global Challenges*, UNWTO, Madrid.

5 Jeuring, J. and Becken, S. (2013), 'Tourists and severe weather – An exploration of the role of 'Locus of Responsibility' in protective behaviour decisions', *Tourism Management*, volume 37, pp. 193–202.

6 Becken, S. and Hay, J. (2012), *Climate Change and Tourism: from Policy to Practice*, Routledge, New York, pp. 31–54.

7 World Tourism Organization (2013a).

8 Becken, S. and Hay, J. (2012).

Uyarra, A.; Cote, I.; Gill, J.; Tinch, R.; Viner, D. and Watkinson, A. (2005), 'Island-specific preferences of tourists for environmental features: Implications of climate change for tourism-dependent states', *Environmental Conservation*, volume 32, issue 1, pp. 11–19.

9 Vanuatu National Statistical Office (2016), *November 2016 tourism highlights* (online), available at: <http://vnso.gov.vu> (04-05-2017).

Cyclone Pam (hereafter TC Pam). TC Pam hit on 13 March 2015 and caused significant negative impacts on Vanuatu's environment and society, with significant implications on economic development pathways.¹⁰ Two factors contributed to the magnitude of the impacts: extensively damaged infrastructure and travel warnings. The Port Vila international airport – the main gateway for travellers – was damaged significantly and the first flights to Vanuatu after TC PM were restricted to providing disaster aid supplies. Passenger travel was terminated at least for the first month. Furthermore, three main hotels based in Port Vila received extensive damages and closed down, having to let go off their staff. In addition to these direct impacts, both the Australian and New Zealand Governments issued official travel warnings to deter tourists from travelling to Vanuatu. This led to mass cancellations of travel to Vanuatu, which had severe implications for the national tourism industry. These cancellations impacted all islands, even those that incurred minimal damage from the cyclone, such as Santo north of Port Vila. Tanna was worst affected of all the islands: TC Pam damaged approximately 60–80% of community structures, including livestock, infrastructure and crops.¹¹ Since the tourism industry in Tanna is not yet well developed the direct impact on tourism-based livelihoods was low.

Vanuatu is a popular cruise ship destination and changes in cruise itineraries can have far reaching impacts. Vanuatu's tourism market is dominated by cruise ship visitors (figure C14.1), which is an unusual situation compared with most other destinations. In 2015, and in response to the devastation shown in the media in the aftermath of TC Pam, the cruise ship companies took Vanuatu (Port Vila) off their destination schedules for several months. The drop in arrivals particularly impacted the many small and medium enterprises (taxi and bus drivers, tour operators, restaurants, handicraft sellers) that depend on tourism as their main livelihood. The tourism-based livelihood was suddenly not viable at a time when people needed finances to re-build their homes.¹² While the cruise ships do not stop on Tanna island, the remittances that Tannese people based in Port Vila can send to the island are impacted by such a tourism decline, highlighting the far-reaching implications that both the cyclone (i.e. impacts in Tanna) and undifferentiated media coverage (i.e. showing 'Vanuatu') can have on local communities. Figure C14.1 also shows that tourism numbers have begun to recover in 2016.

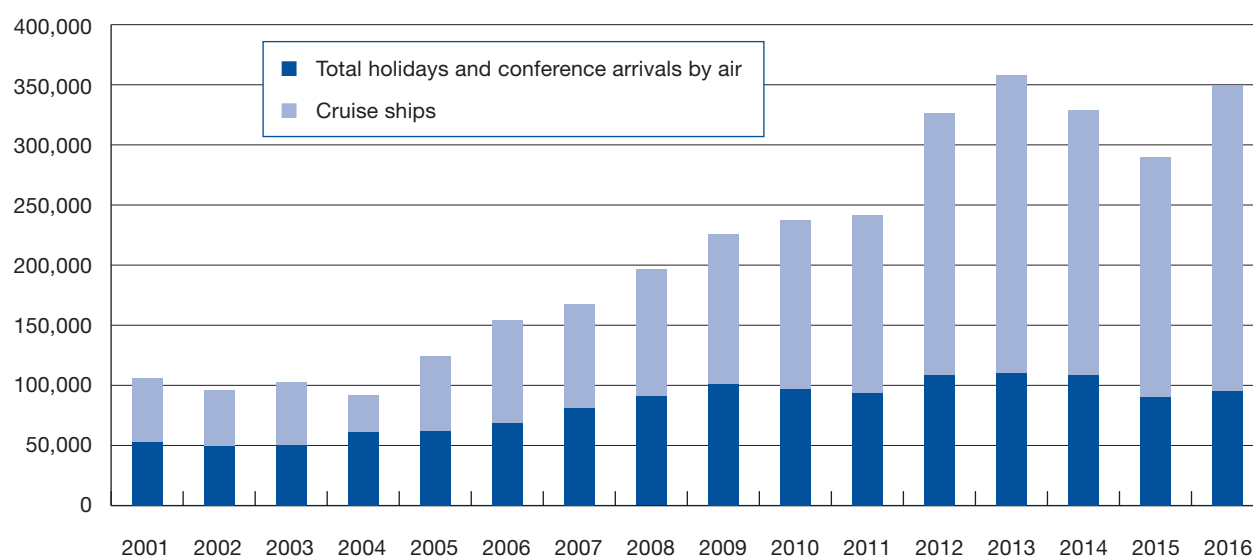
10 Handmer, J. and Iveson, H. (2017), 'Cyclone Pam in Vanuatu: learning from the low death toll', *Australian Journal of Emergency Management*, volume 32, issue 2, pp. 60–65.

Nalau, J.; Handmer, J. and Dalesa, M. (2017), 'The role and capacity of government in a climate crisis: Cyclone Pam in Vanuatu', in: W. Leal Filho (Ed.), *Climate Change Adaptation in Pacific Countries: Fostering Resilience and Improving the Quality of Life*, Springer, Berlin.

11 Tafea Provincial Disaster Committee and CARE International (2015), *Lessons Learnt from Tropical Cyclone Pam for Tafea Provincial Disaster Committee*, Tafea Provincial Disaster Committee and CARE International, Republic of Vanuatu.

12 Nalau, J.; Handmer, J. and Dalesa, M. (2017).

Figure C14.1 Total tourist arrivals by air and cruise ship in Vanuatu, 2001–2016



Source: Vanuatu National Statistical Office (2016), *November 2016 tourism highlights* (online), available at: <http://vnso.gov.vu/> (04-05-2017).

C14.3 Vanuatu's tourism policy context and future prospects of tourism on Tanna

In December 2013, the Ministry of Tourism, Industry, Commerce and Ni-Vanuatu Business released the most recent Vanuatu Strategic Tourism Action Plan (VSTAP), replacing previous tourism master and action plans. The plan identifies priority goals and targets aimed at improving Vanuatu's competitiveness as a destination and to ensure an enhanced distribution of the sectors' benefits to different community groups¹³. The VSTAP is guided by the country's Trade Policy Framework (2012), which highlights the economic importance of tourism for Vanuatu,¹⁴ as well as the Priorities and Action Agenda for Vanuatu 2006–2015 (PAA), which aims to achieve development improvements as outlined in the UN Millennium Development Goals. The National Sustainable Development Plan (NSDP), released in late 2016, now also supports these policies.¹⁵ The majority of these plans do not have a legal status excepting that the regulation of foreign investment under the Foreign Investment Promotion Act and Environmental Impact Assessments are required by certain types of developments as defined in the Environmental and Conservation Act.

Current development issues related to tourism are identified in the plan, including little consideration of sustainability in decision making and planning: "There is no emphasis on managing growth of the tourism market, the safety of consumers and the environment that tourism depends on or on addressing poverty alleviation through tourism development".¹⁶ Hence, one of the principles of

13 Department of Tourism Vanuatu (2013), *Vanuatu Strategic Tourism Action Plan 2014–2018*, Ministry of Tourism, Industry, Commerce and Ni-Vanuatu Business, Port Vila.

14 Vanuatu Government (2012), *Trade Policy Framework, National Advisory Board on Climate Change and Disaster Risk Reduction*, Port Vila.

15 Republic of Vanuatu (2016), *National Sustainable Development Plan (NSDP)*, Office of the Prime Minister, Republic of Vanuatu, Port Vila, Vanuatu.

16 Department of Tourism Vanuatu (2013).

the plan states that “Vanuatu Tourism is an inclusive sustainable industry (economically, socially, culturally and environmentally)”¹⁷.

Some of the actions identified in the VSTAP clearly address the need for sustainable economic, social, cultural and environmental outcomes, for example ensuring tourism development is complying with guidelines of environmental and social impact reports (medium priority), increasing the economic linkages from tourism through import substitution for example (medium priority), and supporting small tourism businesses by providing advisory services (medium priority). However, sustainability is not named as a key factor for consideration when prioritising activities listed in the plan. The majority of activities focus on an increase of investment, the development or upgrade of infrastructure and marketing activities with a focus on Australia, New Zealand and New Caledonia.

Following the VSTAP, tourism plans were developed for some of the provinces, including the Tafea Tourism Plan, which applies to Tanna Island.¹⁸ The Tafea Tourism Plan is a non-legislative strategy that outlines the provincial aspirations for how to manage tourism. In comparison to the national tourism vision, the vision developed for the Tafea Tourism Plan has a strong focus on sustainability, aiming the region to be a “sustainable role model in terms of ‘best quality’ visitor experience”¹⁹. This is to be achieved by developing sustainable ecotourism providing economic benefits, while at the same time protecting both culture and the environment and fostering infrastructure and human resource development.²⁰ The tourism plan has been developed in cooperation with local stakeholders and acknowledges the importance of local customs. Tafea province aims to attract so-called *immersion travellers* and has identified the following four market segments: “ecotourism, the adventure market, cruise ships and yachts”²¹. No further evidence was provided on how to identify immersion travellers and why, for example, cruise ship visitors were classified as such. The plan does not directly address disaster risk reduction in its current form, which in particular after TC Pam should be a focus to strengthen the resilience of the sector. Ignoring risk and crises management is a major shortcoming, as disasters can “threaten the very existence of tourism, whether sustainable or not” as they “completely undermine the efforts that go into improving the sustainability of tourism”²².

Both sustainable tourism and risk mitigation relate closely to infrastructure investment, planning and management. The planning of infrastructure is strongly linked to governing tourism growth as it determines not just accessibility to outer islands but also the type of tourists able to access certain areas. The importance of improved infrastructure for tourism development is also visible in Tafea’s tourism plan, listing several airline, land and sea access needs. In Tanna, several larger development projects are currently on the way or at the concept stage, including the construction of an international airport as well as the proposal for a cruise ship terminal. When planning large infrastructure developments, it is important that the full range of impacts are being assessed carefully, including what type of tourists these developments provide access to. This will ensure

17 Department of Tourism Vanuatu (2013).

18 Department of Tourism Vanuatu (2011), *Tafea Tourism Plan 2011*, Ministry of Tourism, Industry, Commerce and Ni-Vanuatu Business, Port Villa.

19 Ibid., p. 10.

20 Ibid.

21 Ibid., p. 22.

22 Becken, S.; Mahon, R.; Rennie, H. and Shakeela, A. (2014).

that the developments are linked to achieving the aims set out in the tourism plan such as attracting “immersion travellers”.

Following one of the action items of the VSTAP, the Department of Tourism Vanuatu (DoT) is currently implementing a Vanuatu Tourism Accreditation, the first national accreditation programme for tourism operators. The programme has been developed with the assistance of Ecotourism Australia and in consultation with the Vanuatu Tourism Standards Committee (members are representatives from tourism associations, industry sector and relevant Government agencies).²³ It sets a minimum operational standard required from all tourism businesses and provides self-assessment forms for 21 tourism sectors. At this stage, the criteria focus mainly on the quality of the tourism product rather than on sustainability obligations, which highlights the early development stage of the wider tourism industry. The assessment of compliance with the criteria is conducted by the DoT by reviewing the checklist answers; there is no information on third party verification audits. If satisfactory, the business will receive its tourism permit from the DoT, which is needed in order to apply for a Business Licence at the Custom/Provincial Government level which is then issued by the Department of Customs and Inland Revenue.

This programme is seen as a step in the right direction of monitoring tourism operators’ performance at a national level. Once the programme has been fully implemented and an increase in quality standards has been achieved, a number of sustainability criteria should be added to enhance the sustainability performance of individual operators. As part of this process, it may be useful to increase obligations for larger organizations often owned by foreign investors and assistance and supporting resources should be provided to guide organizations through the sustainability criteria. Monitoring sustainability indicators at an operational level will not just provide benefits nationally but will be important to successfully implement the Tanna Tourism Plan.

C14.4 Discussion

As an emerging destination expecting an increase in visitation over the coming years, Tanna island has a small window of opportunity to put a framework in place at regional level that ensures the local tourism industry is developed sustainably without compromising damage to its cultural and natural heritage. Such a regional destination framework would need to be developed with public (governmental) and private (tourism businesses) stakeholders and guided and enforced by a national authority such as the Ministry of Tourism, Industry, Commerce and Ni-Vanuatu Business. The Global Sustainable Tourism Council (GSTC) provides guiding principles for destinations in form of Destination Criteria that any tourism destination should aspire to in order to achieve sustainable economic, social, cultural and environmental outcomes²⁴. The GSTC criteria were developed as a response to the United Nation’s Millennium Development Goals and are addressing the same broad development challenges Vanuatu is aiming to overcome, in particular, poverty alleviation, gender equity and climate change. The management and monitoring of sustainability performance of the destination itself can also be done by joining a GSTC approved programme such as EarthCheck, which provides benchmarking and third party certification options.

²³ Spooner, J (2014), *Vanuatu Tourism Accreditation Information Pack*, Department of Tourism Vanuatu, Port Villa.

²⁴ Global Sustainable Tourism Council (2013), *Global Sustainable Tourism Council Criteria for Destinations (GSTC-D)*, version 1.0 (online), available at: www.gstc.org (21-03-2017).

How the criteria are applied to Tanna, and what sustainability initiatives or programmes are to be implemented can be defined through the development of the framework, however, they should build on the strategic direction the Tafea Tourism Plan provides. In order to ensure the criteria are implemented effectively and to enhance the positive effects of sustainability programmes and initiatives, it is recommended that the destination authority monitors development, sustainability, and quality of tourism products and services by using relevant indicators and reports upon those publically. There are other issues to consider as well, which we briefly cover here: attracting the right type of tourists, impact of governance on tourism, and training and capacity building.

C14.4.1 Attracting the right type of tourists

Tanna Island is at the beginning of potentially rapidly increasing tourism development and this presents an important opportunity to invest into sustainable tourism and governance. Tanna as a destination has a unique tourism product, with beautiful unspoilt environment, interesting cultures, and one of the best accessible volcanoes in the world. Demand for such 'off the beaten track' destinations is globally growing, and Tanna is well placed to take advantage of this trend. Sustainable tourism growth could for example focus on creating tourism products, which are compatible with local customs, culture and the environment. It is important to identify the kind of tourists Tanna should be attracting, and the kinds of travel options that exist to reach the island. Increasing foreign mass tourism, in particular from China with direct flights to Tanna, would have a drastic impact on the current structure of the industry and communities. Mass tourism is unlikely to benefit the smaller tourism establishments, which offer more local style accommodation and services. Thus, marketing, product development, infrastructure projects and accessibility need to work hand in hand.

For example, the existing resorts (both high-end and low-end providers) could be asked to take into consideration more sustainable practices such as installing septic water tanks and sewage treatment systems, inform the guests of the use of water on the island, focus on food linkages with local providers (which would reduce waste packaging and provide more stable income for farmers), and expanding the activities on offer in a manner which could also benefit communities on whose land such activities are undertaken. Marketing strategies should then support this sustainable form of tourism by attracting the type of tourists who appreciates this type of experience, such as adventure or conscious traveller.

C14.4.2 Governance and foreign investment

There are several best practice tourism models, such as that in Bhutan that have managed to develop high yield tourism within limits.²⁵ The Government of Bhutan recognizes that "tourism must be environmentally and ecologically friendly, socially and culturally acceptable and economically viable" in order to positively contribute to people's well-being and happiness. Such models could provide strategic direction for the Tafea province on how to manage the tourism growth in sustainable and equitable terms. Yet, the governance structures are complex and influence how decisions can be made on managing coral reefs, beaches, and forests, which all function

²⁵ Tourism Council of Bhutan (n.d.), *Tourism Policy* (online), available at: www.tourism.gov.bt (04-06-2017).

as attractions for tourism. The difficulty in identifying kastom owners of the land and competing land ownership claims on Tanna is an issue, which can reduce potential benefits accruing from tourism. Agreement on the general vision for Tanna tourism therefore is imperative as different visions ultimately result in favouring different governance arrangements and strategies to bring tourists to the island.

There is also a need for the national and provincial governments to regulate the emerging sector in a more streamlined fashion, which could provide different rules for low-end (local bungalows) to the higher end (international standard resorts) based on their financial capability to undertake such improvements. This is something that the Tafea Tourism Plan for instance needs to take into account. There is also a need to look at how regulations and policies are enforced, and to what extent they are inclusive of the diversity of stakeholders who all influence what tourism looks like on the ground on Tanna.

At this point in time where the investments in particular from Chinese are beginning to manifest themselves on the island, it is important that local benefits are considered from tourism operations, and how local communities in particular could benefit from tourism activities. At the national level, Chinese influence is predicted to grow as the Prime Minister of Vanuatu has signed a strategic cooperation framework with the HNA Tourism Group of China.²⁶ The extent that the Chinese tourism investments can be governed and linked with existing initiatives and regulations is crucial as otherwise these flows and investments might end up benefiting only few operators and could potentially lead to unsustainable development of the industry.

Often Pacific Islands are heavily dependent on external aid and private sector investments,²⁷ which means that the regulations for particular activities might be in place but are not enforced giving the investors significant leeway to make their own decisions. This issue also applies to the decision making process on which projects receive funding, as often, that decision is made by donor organizations rather than the communities and views on priorities do not always align.²⁸

C14.4.3 Training and education

In order to achieve sustainable tourism growth, ongoing training and education needs to be offered to enhance not just the private sector's but also the provincial government's capacity to develop, implement, monitor and enforce tourism plans, policies, frameworks and sustainability initiatives. The existing TVET centre in Lenakel for example could run tourism skills related trainings both for managers or owners of accommodation and activity operators, and for locals who wish to be employed in the sector. The University of South Pacific (USP) satellite campus could also offer some form of training certificates targeting those skills that are necessary for the sector, including sustainability issues. Increasing the local capacity and skill sets is often cited as an important area to make sure both direct and indirect benefits can flow from tourism activities and hence benefit a broader number of people. Identifying which skills sets are most needed and then targeting these

26 Joshua, J. (2017), 'Vanuatu signs strategic cooperation framework with Chinese Tourism group', *Vanuatu Daily Post*, 03-03-2017 (online), available at: www.pireport.org/ (04-06-2017).

27 Kuruppu, N. and Willie, R. (2015).

28 Betzold, C. (2015), 'Adapting to climate change in small island developing states', *Climatic Change*, volume 133, pp. 481–481.

with training opportunities and budget commitments can ensure that at least the opportunities for local benefits increase.

C14.4.4 Future global and local risks

Major disruptions are a key factor that will make or break Tanna tourism, both globally (financial crises) and locally (volcanic eruptions and cyclones). This means that any tourism strategy or policy needs to consider disaster risk reduction and management specific practices and guideline for the sector, and also keep an eye on global trends that influence international tourism. At the global level, long term there may arise issues in relation to carbon taxes, changing social acceptability of air travel, and increase in oil prices.

One strategy to negate this would be to use the 'windfall' of tourism over the next decade or so to harness this growth for infrastructure development (e.g., sewage plants, solar electricity etc.) but simultaneously think about how other livelihoods can be developed to thrive after or independent of tourism. All of these issues therefore need to be wrapped up in the broader context of sustainability, including what 'sustainability' really means in the Tannese context.

Case 15

Stakeholder participation in managing Hoi An city, Viet Nam

Summary

In 2010, a project supported by UNESCO introduced stakeholder participation in tourism management in Hoi An, a heritage tourist destination. This chapter discusses some of the numerous destination management collaborative practices since successfully conducted. Stakeholder participation has proven to be a key success factor for sustainable tourism management.

Key words

- Stakeholder participation
- Destination management
- World heritage site

Key message

Stakeholder participation and lessons learnt in Hoi An, reveal early collaboration successes and continuous information sharing, and capacity building during the collaboration process are some essential steps to sustainable tourism development.

C15.1 Stakeholder participation in heritage tourism management

Stakeholder participation in the management of heritage destinations is crucial for destination sustainability. Destination sustainability requires the engagement of multiple stakeholders, each with different interests, values, and rights, it should not be under the control of any single group or individual.¹ Multiple stakeholder participation in destination management facilitates democratic processes and ownership which are attributes of sustainability.² In heritage tourism destinations, stakeholder collaboration is needed to avoid conflicts between different stakeholder groups and to bridge the gap between “use (for visitation and habitation) and conservation (of biodiversity and culture)”³.

The stakeholders involved tourism development of a destination, include diverse groups of local community (residents), local businesses, national business chains, employees, activist groups

1 Jamal, T. and Stronza, A. (2009), ‘Collaboration theory and tourism practice in protected areas: Stakeholders, structuring and sustainability’, *Journal of Sustainable Tourism*, volume 17, issue 2, pp. 169–189.

2 Bramwell, B. and Lane, B. (2011), ‘Critical research on the governance of tourism and sustainability’, *Journal of Sustainable Tourism*, volume 19 (4–5), pp. 411–421.

3 Jamal, T. and Stronza, A. (2009).

(for instance, NGOs), tourists, government and competitors.⁴ These stakeholders can collaborate through a process of three stages:

- Problem-setting (identifying the problems and key stakeholders involved);
- Direction-setting (identifying, and sharing problem-solving based on collaboration and appreciating a common purpose); and
- Implementation (institutionalising the shared meanings from the collaboration).⁵

This chapter presents how stakeholders participate in tourism management of Hoi An, a heritage tourism destination in Viet Nam.

C15.2 Background

Hoi An is one of the most famous heritage tourism destinations in Viet Nam. In 1999, the ancient quarter of Hoi An was declared a UNESCO World Cultural Heritage Site. This recognition is for its unique and exceptionally well-preserved traditional architecture of a South-East Asian trading port, dating from the 15th to the 19th century. In 2009, Cham Island, a natural protected area in Hoi An was recognized as a World Natural Biosphere Reserve. These designations strengthened the appeal of Hoi An as a popular tourism destination for both Vietnamese and international visitors. Accordingly, tourism development in Hoi An has increased remarkably. Between 2001 and 2009, tourist arrivals increased from 155,729 to 515,166.⁶ In 2014, the number of tourist arrivals reached 1.7 million, 48% of whom were international visitors.⁷

Due to rapid tourism growth, Hoi An has encountered significant management challenges that might affect the sustainability of the destination. A tourism impact assessment conducted by UNESCO and the Centre for Hoi An Monuments Management and Preservation reported that Hoi An tourism development has brought tangible social economic benefits in terms of income, employment and poverty reduction. However, the report stated that rapid tourism development has increased pressure on cultural and natural resources in the region and the communities living in ancient quarter⁸. Tourism development needs to comply with UNESCO regulations.

The challenge of sustainability was exacerbated by cumbersome and ineffective organizations. Many public organizations were involved in the management of tourism and heritage resources in Hoi An, and there was weak cooperation and coordination among them. Other stakeholders such as tourism corporations, local residents, researchers, NGOs and voluntary institutions had little involvement in decision-making processes.⁹ The private sector was proactively promoted tourism investment and business but they were not engaged in planning. To address these challenges, an

4 Sautter, E.T. and Leisen, B. (1999), 'Managing stakeholders a Tourism Planning Model', *Annals of Tourism Research*, volume 26, issue 2, pp. 312–328.

5 Jamal, T. and Getz, D. (1995), 'Collaboration theory and community tourism planning', *Annals of Tourism Research*, volume 22, issue 1, pp. 186–204.

6 Hoi An Bureau of Trade and Tourism (2010), *Annual Report 2010*, Hoi An Bureau of Trade and Tourism, Hoi An.

7 Ibid.

8 Centre for Hoi An Monuments Management and Preservation and UNESCO Asia and Pacific Regional Bureau for Education (2008), *Culture tourism and heritage management in the World Heritage Site of Hoi An, Viet Nam*, UNESCO Bangkok, Bangkok.

9 Sautter, E.T. and Leisen, B. (1999), 'Managing stakeholders a Tourism Planning Model', *Annals of Tourism Research*, volume 26, issue 2, pp. 312–328.

alternative tourism management approach with stakeholder participation approach was adopted by the municipal council of Hoi An and its tourism and heritage management organizations.

C15.3 Stakeholder participation in Hoi An

Stakeholder participation began in 2010 through a UNESCO project to develop a tourism management plan and was adopted throughout the city's tourism management planning process. Since local stakeholders implement tourism management activities, thus their participation should enhance the acceptability and increase the likelihood of the plan being implemented.

Three key public tourism and heritage management organizations were selected to facilitate the tourism management planning process: the Bureau of Trade and Tourism, the Centre for Hoi An Monuments Management and Preservation, and the Management Board of Cham Islands Marine Protected Area. The project provided the coordinators with training courses to build capacity in tourism planning. Training included in heritage tourism planning methodologies, skills in public speaking, and techniques to convene stakeholder participation and collaborative decision-making processes. Stakeholder analysis was then conducted to support the selection of participants in the tourism planning project. The stakeholders selected included public heritage and tourism management organizations, tourism enterprises, NGO and voluntary sector representatives, a historian, heritage and natural resource expert, and local authorities and community representatives.

Twelve participatory workshops were organized throughout the two-year project period to provide a platform for communication. Workshop participants discussed heritage interpretation and communication to visitors; tourism zoning and sector development; tourism products and services; monitoring visitor's impacts; and heritage tourism financing mechanism. The draft plan was shared with wider communities and visitors, then disseminated through presentations in public meetings and workshops to encourage continuous engagement of stakeholders into the implementation process.

This participatory approach resulted in many beneficial outcomes. As well as an agreed tourism management plan for Hoi An, the project developed mechanisms for effective stakeholder collaboration. It provided experience in collaboration, built trust among stakeholders and developed new relationships for future co-operation.

C15.4 Outcomes of stakeholder participation

The stakeholder participation in tourism development planning and decision-making has been intensively applied in Hoi An in the recent years. The Hoi An Bureau of Trade and Tourism and other management bodies have continued to value stakeholder participation in tourism management. It has been used in tourism development planning, new product development, destination marketing, and enhancing responsible tourism practices.

The process of site identification, design and development of an eco-tourism village in Cam Thanh Commune involved a wide range of stakeholder: tourism authorities, urban planning, environmental resource management, and agriculture development. Cam Thanh Commune has become one of the best examples for sustainable tourism development in rural Viet Nam. It involves development

of homestays, maintaining green spaces, protecting wetland forests and environment, and promoting community-based ecotourism activities (e.g., organic agriculture practices, boat trips and tree plantations in wetland forests).¹⁰

Community-based tourism products have been prioritised in tourism development policies in order to benefit local communities, preserve culture and foster community empowerment. These community-based tourism sites also help to reduce environmental and social pressure on Hoi An's Ancient Quarter. Homestays and tourism services in suburban areas are promoted for the same reason. The homestays in Thanh Nam block (Cam Chau commune) have recently been awarded "the ASEAN Homestay" 2017 by The Vietnam National Administration of Tourism.

Public-private partnerships to support community-based tourism entrepreneurship are encouraged. For example, Karma Water, a local tour operator, has been actively engaged in the development of tourism activities with local fishermen in Bai Huong Village of Cham Island. Community-based tourism management committees have been established in Cam Thanh, Cam Kim, Cam Ha, Thanh Ha Communes. The committees support local entrepreneurs in sales and marketing. The Bureau of Trade and Tourism regularly provides local entrepreneurs training and coaching support in managing tourism business, cultural preservation and environment protection.

The launch in 2014 of the "Crafted in Quang Nam" brand, used in marketing handicrafts from Quang Nam province was an outcome of collaboration among UNESCO, ILO, Department of Tourism of Quang Nam and local public stakeholders in Hoi An. In addition, the Bureau of Trade and Tourism and the Management Board of Cham Island Marine Protected Area frequently organize familiarization trips to new tourist sites on Cham Island for tour operators. The purpose is to promote local tourism ventures on the island as well as initiate business partnerships between tourism business and the community.

Collaboration between public stakeholders and development agencies has increased responsible tourism practices among tourism enterprises and tourism employees. For instance, the success of a UNESCO heritage interpretation training programme for tourist guides. SNV Netherlands Development Organisation and International Labour Organization (ILO) have helped hoteliers and tour operators to implement socio-environmentally responsible tourism business practices. The ILO also assisted the tourism business alliance, consisting of appropriate 60 Hoi An tourism enterprises, to become involved in policy-making and visitor management. This association has since undertaken self-financed collaborative product development and marketing projects, developed visitor regulations, and improved environment and heritage protection.¹¹

10 Le, V.B., Head of the Bureau of Trade and Tourism of Hoi An (2017), discussion with the authors (16-04-2017).

11 Ibid.

C15.5 Lessons learnt

Successful stakeholder participation requires identification of stakeholder groups and participants to include. External stakeholders from development agencies can facilitate the initial period of the collaboration process, but local stakeholders ultimately determine its success. Thus, stakeholder analysis in destination planning is essential to identify stakeholders, their desires and their expected contributions.

A coordinator is required for a successful collaborative approach in destination management. Sometimes, external organizations such as universities, development organizations or consultants can assist in bringing stakeholders “to the table”. However, given the complexity of management in heritage and protected areas, a public organization should coordinate the stakeholder participation process. In this case, the Bureau of Trade and Tourism of Hoi An has been proved to possess excellent skills and capacity in facilitating the stakeholder collaboration for destination development.

Early collaboration successes and continuous information sharing and capacity building during the collaboration process are needed. Initial interventions from external stakeholders, especially from development agencies, and based on a well-prepared participatory approach, are essential. The techniques of social learning through these experiments would provide local stakeholders with good lessons in how to successfully collaborate in practice. Information sharing throughout the collaboration process can address problems, disseminate benefits and to change understandings of the involved stakeholders. It is essential for the coordinators and other involved stakeholders to continue to build capacity.

Case 16

Social entrepreneurship in Viet Nam

Summary

Despite its rapid growth, tourism has shown only modest success in addressing the issues of poverty and hunger in Asia and the Pacific. Community-based tourism (CBT) is a type of social enterprise that fosters cross-sectoral partnerships between government, business and the community. This chapter discusses development of 15 sustainable CBT projects in Viet Nam, thus contributing to improvement in the lives of many communities living in poverty-stricken areas.

Key words

- Community-based tourism
- Social entrepreneurship
- Cross-sectoral partnerships
- Profit distribution
- Poverty alleviation
- Scaling-up strategies

Key messages

- Cross-sectoral governance arrangements are important for the development of sustainable CBT.
- Social entrepreneurship has the potential to open up knowledge exchange between diverse actors across sectors.
- Scaling-up tourism social innovations are essential to expand positive tourism impacts.

C16.1 Community-based tourism and poverty alleviation in Viet Nam

Viet Nam, like many developing countries in Asia and the Pacific, faces challenges in reducing the poverty rates amongst its citizens. Macro-economic growth policies implemented over the past few decades have reduced poverty, but are now less effective.¹ The World Bank in 2012 reported that the head count income poverty rate in Viet Nam has fallen from nearly 58% in the early 1990s to 20.7% in 2010.² The remaining 18 million poor however, face extreme hardship, poor health and low levels of education, are often isolated geographically, and are from minority ethnic groups that experience discrimination. These conditions mean further macro-economic growth will be less effective in reducing poverty. In addition, the majority of the poor rely primarily on subsistence agriculture for their livelihoods, exposing them to adverse effects from unpredictable weather conditions and agricultural market fluctuations. It is thus difficult to sustain poverty alleviation improvements, as people in these vulnerable groups are more likely to fall back into poverty.

CBT emerged in the 1970s as a means to reduce poverty in impoverished communities through establishing tourism enterprises.³ CBT considers that participation, ownership, management

1 World Bank (2005), *Pro-poor growth in the 1990s: lessons and insights from 14 countries*, World Bank, Washington DC.

2 World Bank (2012), *Well begun, not yet done: Viet Nam's remarkable progress on poverty reduction and the emerging challenges* (online), available at: www.worldbank.org (15-04-2017).

3 Murphy, P.E. (1985), *Tourism: A community approach*, Methuen, London.

and control of tourism projects by locals, will maximise positive impacts on the community.⁴ In Viet Nam, an increasing number of mountain communities have self-initiated CBT to improve their incomes. The Lac village of Mai Chau district, Hoa Binh province for example, has offered homestays to tourists since 1993. In the last decade, many development agencies (e.g., AusAid, ADB, SNV Netherlands Development Organisation, and ILO) have recognized tourism as a vehicle for poverty alleviation and have provided funding for NGOs to carry out CBT projects as part of their poverty reduction strategies.

However, a number of issues exist with CBT development that have hindered the effectiveness of tourism in its efforts to improve the lives of those in impoverished communities. For instance, a study investigating 150 CBTs in developing countries found that most NGO-led CBT projects lacked connection with the commercial tourism sector and had very low capacity to develop appropriate commercial tourism activities.⁵ This resulted in very low visitor arrivals and limited positive impacts in the majority of CBTs.⁶ In addition CBT ventures that have enjoyed short-term success require sustained efforts to improve products/services and secure support from tourists, tourism operators and travel agencies to guarantee their viability and long-term success. A review of 200 CBT projects across Latin America in 2008 found that most CBT projects lacked financial viability and many collapsed after external funding dried up, mainly due to poor market access and poor governance.⁷ Furthermore, the sole focus on homestays in CBT developments has meant that most immediate CBT profit would be captured by the more well-off community members, whilst the rest of the community could not effectively participate in, and receive benefits from tourism.⁸

C16.2 CBT Travel's first intervention

CBT Travel was established in 2013, following Mr. Duong (the founder)'s first successful intervention in Mai Hich CBT. Mai Hich is a rural remote village located in Mai Chau district, Hoa Binh province, northern Viet Nam. In 2012, Mai Chau district's average annual income per capita was ~USD 1000, with 32.6% of households living in poverty and 24.1% of those households suffering undernourishment between crop harvests.⁹ Mai Hich village is home to the White Thai minority ethnic group and possesses scenic landscapes and a unique indigenous culture. As of 2011, tourism however was still a foreign concept to the local community of Mai Hich village.

Between 2011 and 2013, International NGOs Misereor and Brot für die Welt funded the Mai Hich CBT project. This project was implemented by a local NGO (the Centre for Community Health and Development [COHED]) as part of an integrated community development programme focusing on poverty reduction, social equity and sustainable livelihoods. The implementation of the Mai

4 Mitchell, J. and Muckosy, P. (2008), *A misguided quest: Community-based tourism in Latin America*, Overseas Development Institute (ODI), London.

5 Goodwin, H. (2006), 'Community-based tourism: Failing to deliver?', *ID 21 Insights*, issue 62, p. 6.

6 Goodwin, H. (2006).

7 Mitchell, J. and Muckosy, P. (2008).

8 Blackstock, K. (2005), 'A critical look at community-based tourism', *Community Development Journal*, volume 4 (1), pp. 39–49.

9 Nguyen, D.; Luu, D. and Mac, V. (2014), 'Food Security of Poor Households in Mai Chau District, Hoa Binh Province: Situations and Solutions', *Journal of Science and Development*, volume 12, issue 6, pp. 821–828.

Hich CBT project was hindered by a lack of expertise regarding tourism operations, a lack of understanding of the tourism market and a very weak connection with the commercial tourism sector.¹⁰ The local community were sceptical of promises made by NGO staff and even with technical and partial financial support from COHED, it was hard to convince any community members to invest in building the first homestay for CBT.¹¹

In 2012, Mr Binh Duong (CBT Travel founder and director) was hired by COHED as a consultant and quickly took the lead in the Mai Hich CBT project. Mr Duong recognized the key problems were a lack of communication between the private, public and NGO sectors, along with the lack of participation from the local community. As a retired director of a large tour company, Mr. Duong utilised his tourism expertise and extensive networks to foster communication and connections between the diverse range of actors from the local community, the private sector, the third sector and the public sector involved in the Mai Hich CBT.

Mr Duong encouraged local residents to become major investors in the CBT project. Homestays were designed by Mr Duong based on existing local housing structures and he provided coaching to assist local residents in upgrading or building new homestays to serve as the key product for Mai Hich CBT. Local materials (e.g., bamboo and stones) were incorporated into the designs, which helped to retain authenticity and reduce the investment cost for local residents to between USD 1,000 to USD 4,000 per homestay.

Mr Duong further developed a range of value-added tourism services to provide opportunities for more community members to participate in tourism and increase the attractiveness to tourists. Examples include traditional dance and music performances, local food, trekking, rafting, and motorbike/bicycle rental, as well as locally sourced food ingredients, handicrafts and souvenirs.

In the private sector, Mr Duong persuaded his connections in the private sector, including tourism experts and tourism practitioners (e.g., 5-star hotel chefs) to provide pro bono training/technical support to the impoverished community. He arranged for domestic and international tour companies and tour operators to promote and sell the products developed. These activities were also pro bono, to ensure Mai Hich CBT achieved commercial success and facilitated the reduction of local poverty. He also listened to feedback from tourists, tourism experts and tour companies to continue improving CBT products and services. For instance, he created private spaces for tourists at the homestays and ensured there was good hygiene in bathroom and restaurant areas.

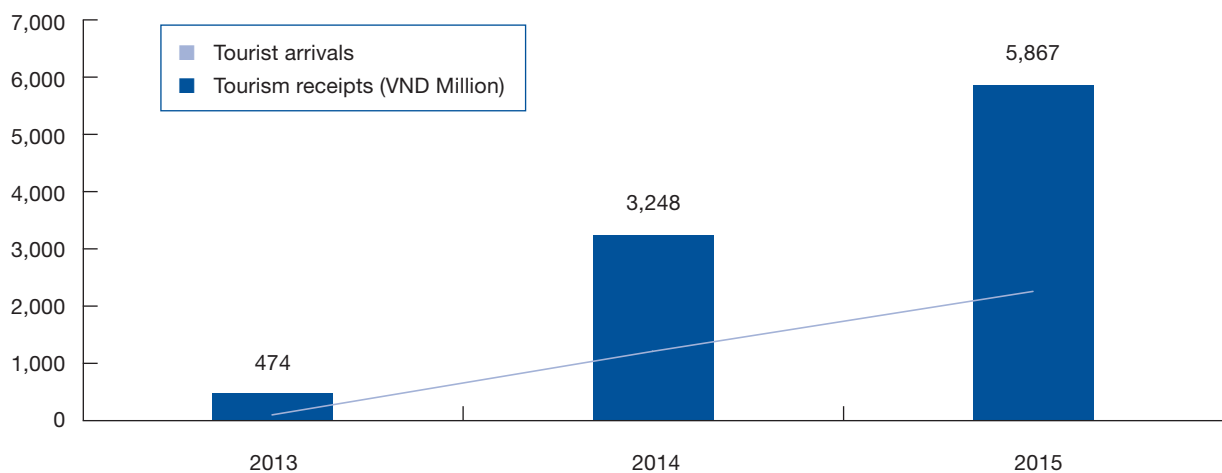
Mr Duong also secured support from local NGO COHED to provide mattresses, bedding, curtains and building materials worth approximately USD 7,500 (VND 150 million). Furthermore, he assisted local government staff and community leaders to establish a tourism management board, to develop and implement enforceable local tourism rules and regulations. These rules helped to ensure that existing and further CBT development in the village was socially and environmentally responsible.

10 Phi, G.; Whitford, M. and Dredge, D. (2017), 'Knowledge dynamics in the tourism - social entrepreneurship nexus', in: Sheldon, P. and Daniele, R. (eds), *Tourism and Social Entrepreneurship*, Springer, New York, pp. 155–172.

11 VTV2 (Creator) (2013), *Community-based tourism in Mai Hich Viet Nam* (video), available at: www.youtube.com/ (15-04- 2017).

Mr. Duong's interventions resulted in the successful development of the Mai Hich CBT, with the opening of three homestays and the provision of a wide range of tourism-related services.¹² Thanks to its strong connection with the private sector and to the appropriate regulations put in place by the local tourism management board, the Mai Hich CBT quickly gained a reputation as a high quality and authentic tourist destination. The number of tourist arrivals in Mai Hich village increased rapidly from 474 in 2013 to nearly 6000 in 2015. Because of the average expenditure of USD 20 (VND 400,000) per tourist, within three years, the Mai Hich CBT directly contributed approximately USD 200,000 to the Mai Hich economy (see figure C16.1).

Figure C16.1 Tourist arrivals and tourism receipts in Mai Hich CBT, 2013–2015



CBT receipts are widely distributed in the Mai Hich community through 79 tourism jobs, including 21 full-time positions in the three homestays and 56 casual positions involved in the other tourism value-added services (see table C16.1). Indirect jobs, such as supplying local produce and handicrafts to tourists, also helped to distribute tourism profits among community members. Mai Hich CBT thus contributed to the diversification of the local livelihoods and reduced the Mai Hich community's financial vulnerability which was associated with fulltime reliance on crop farming. On average, local residents' annual income was five times more in 2015, than it was in 2012.

12 Nguyen, N. (2013), *Mai Chau home-stay proves a hit* (online), available at: <http://vietnamnews.vn> (15-04-2017).

Table C16.1 Number of jobs directly created by Mai Hich CBT, 2015

Type of employment	Number of jobs
Three homestays	
Receptionist	3
Housekeeping	6
Restaurant	12
Other tourism value-added services	
Traditional performance	45
Laundry	2
Tour guide	4
Rafting	4
Motorbike/bicycle rental	3
Total	79

C16.3 CBT Travel's national intervention

The success of the Mai Hich CBT project was recognized by the Centre for Social Initiative Promotion (CSIP) which is a social entrepreneurship (SE) intermediary that aims to raise awareness of SE and provide technical support (e.g., legal advice, SE expertise) in scaling up SE models. Encouraged by CSIP, Mr. Duong established the CBT Travel social enterprise in 2013 with the mission of scaling up the Mai Hich CBT intervention nation-wide. A social enterprise can be defined as an organization that applies market-based strategies to address social and/or environmental issues in specific contexts.¹³ In other words, social enterprises pursue social or environmental missions while also striving to achieve financial self-sufficiency.

In this case, the revenue of the CBT Travel social enterprise comes primarily from providing consultancy in the areas of CBT and strategic tourism development for NGOs, INGOs and provincial governments in Viet Nam. CBT Travel also followed the social enterprise regulation framework set by the Vietnamese Government and committed to invest 51% of the enterprise's profit into activities that directly supported impoverished communities. For instance, CBT Travel social enterprise provided pro bono assistance to the local communities to develop marketing and sale capacity for their CBT products and to connect them with the tour companies. The enterprise has also provided free consultancy, coaching and training services to many impoverished communities that received no support for CBT development from either NGOs or the local governments.

13 Phi, G.; Whitford, M. and Dredge, D. (2017), 'Knowledge dynamics in the tourism - social entrepreneurship nexus', in: Sheldon, P. and Daniele, R. (eds), *Tourism and Social Entrepreneurship*, Springer, New York, pp. 155–172.

Similar to the initial intervention in Mai Hich village, Mr. Duong emphasised the importance of establishing sustainable governance of CBT development at a national level and stated:

“The most important thing is to successfully persuade the local residents, governments at various levels, NGOs, and private tourism companies to work together to develop CBT in Viet Nam.”¹⁴

To achieve this goal, the CBT Travel social enterprise undertook a systematic approach to national CBT development by providing 1) information and technical assistance and 2) creating formal relationships with other organizations.

The CBT Travel social enterprise actively organized seminars, workshops and conferences to introduce the organization's CBT models to a diverse range of actors, including the government at national, province, commune and village levels, international NGOs operating in Viet Nam (e.g., ILO and UNESCO), local NGOs (e.g., COHED), local/regional tour companies (e.g., Phoenix Voyages Vietnam, Asian Trail Vietnam, Vidotour) and local communities in rural/remote communities. CBT Travel personnel also frequently attended and presented at major tourism conferences in Viet Nam (e.g., World Tourism Day 2014 – Tourism and Community Development Conference).

These actions contributed to changing actors' mindsets regarding tourism development for poverty alleviation: Often, Vietnamese tourism actors believed that tourism development could only be carried out with a large financial investment into resorts, hotels or big attractions. As a result of its successful projects, CBT Travel was able to prove that this was not always the case. Indeed, the minority ethnic groups such as Mai Hich community, with very few resources, were able to develop their own CBTs to improve their living standards.

The work of Mr. Duong also educated actors about diverse financing options for CBT development: CBT Travel highlighted a range of financing options that could be adapted to setting up CBT, depending on each local community's context. The financing options that were applied in CBT Travel's projects included: personal investment by local residents (e.g., Ban Buoc CBT, Hang Kia CBT, Mai Hua Tat CBT, Thai Hai CBT), partial low-interest loans from local governments (e.g., Nghia Lo CBT, Sa Dec CBT, Con Phu My CBT, Nga Nam CBT, Cu Lao Dung CBT); partial in-kind support from local NGOs (e.g., Mai Hich CBT, Xuan Giang CBT) and full grant support from INGOs (e.g., Droong CBT).

Importantly, beyond the formal seminars and conferences, CBT Travel also organized practical field trips for government/community leaders, potential local homestay investors and key staff from NGOs to visit the operating CBTs and directly learn by experiencing these models. These activities do not only help to expand the utilisation of CBT as a vehicle for poverty alleviation in Viet Nam but also provide additional revenue for CBT Travel social enterprise.

CBT Travel has also developed its own 'CBT Travel franchise network'. CBT Travel commits to supporting each franchise throughout its planning and development phases and to ensuring all

14 Duong, M., CBT Travel founder and director of CBT Travel (2017), conversation with the authors (17-04-2017).

franchises achieve consistent growth and generate stable incomes for the local communities over the long-term. In particular, CBT Travel follows the four key steps of:

- Developing ‘CBT franchise manuals’: These manuals provide a unified framework for assisting new communities to adapt and replicate the previous successful CBT models;
- Providing practical tourism training to local communities: Beyond personal coaching, modern communication technologies are also employed for training, such as phone, skype and email consultation services;
- Connecting CBT Travel franchises with private tour operators/companies: Helping the local communities to develop contacts within the private tourism market is the key for each CBT project to achieve financial success. In addition, CBT Travel also assists in connecting the products and services of different franchises to develop integrated CBT itineraries for tourists throughout Viet Nam; and
- Monitoring and reinforcing responsible practices for both local CBT Travel franchises and tourists: In collaboration with each community’s tourism management board, CBT Travel assists in the development of rules and regulations for responsible CBT practices to minimise potential negative tourism impacts. Tourists and tourism suppliers that violate these rules may be penalised via a fine by local government, the reduction of CBT Travel marketing support or, in worst-case scenarios, removal from the franchising network.

These strategies have enabled the CBT Travel social enterprise to scale up its CBT interventions at a rapid rate. Between 2013 and 2017, CBT Travel has facilitated the planning, development and management of 15 CBT projects in the north-west, north-east, central and southern regions of Viet Nam. This includes nine completed CBT projects that have been operating successfully and six new CBT projects that are in the planning and/or development phases.

All the above projects are in either mountainous and/or rural areas, where minority ethnic groups with high levels of poverty live. CBT Travel maintains some control over the responsible operations of each CBT, helping to ensure high standards and equitable distribution of tourism profits among the local community members over time. CBT Travel’s existing and future projects thus hold great promise for creating stable jobs, diversifying locals’ livelihoods and improving the living standards of impoverished communities. Within a few short years, CBT Travel’s effective scaling up strategies have also helped to create national synergies in CBT development for poverty alleviation, via the creation of a national CBT ‘community of practices’ wherein individuals can learn from one another and encouraging tourism innovations to generate positive social impacts.

C16.4 Conclusions

This chapter reveals that the success of CBT projects for poverty alleviation requires governance arrangements that allow various actors from the local community, NGOs, tourism businesses and governments to contribute to relevant tasks. Mr Duong provided a central coordination point across these diverse actors in the Mai Hich CBT case, and CBT Travel social enterprise has helped to expand the CBT ‘community of practices’ all over Viet Nam. The case study of Viet Nam suggests the following three key lessons for future practices.

Firstly, it is important to include tourism expertise in CBT projects. In this case, the local NGO COHED's decision to hire Mr Duong (a tourism expert with years of experience in tourism's private sector) and to give him full authority to lead the project, unexpectedly contributed to the expansion of CBT in Viet Nam. Other NGO-initiated CBT projects therefore, should also consider involving experienced experts from the private sector at the very onset of the project.

Secondly, knowledge pertaining to CBT development mentioned in this case is still not easily articulated and mainly resides with Mr Duong (i.e., embodied knowledge)¹⁵. While CBT Travel has recently extended the scope to promote their CBT approaches in other countries (e.g., Thailand, Cambodia), it is important for tourism social innovations such as this to be translated into practical manuals that can be easily accessed by the international communities. CBT Travel is now seeking partners to assist the development of comprehensive CBT manuals in English, which could serve to further increase the positive social impacts of CBT Travel to the international level.

Finally, in enlarging the impacts of tourism social innovations, social entrepreneurship intermediaries such as CSIP, which provide technical assistance to social enterprises, also play an important role. In addition, many social enterprises such as CBT Travel have found it difficult to expand operation in the existing institutional system, which only recognizes either for-profit or not-for-profit organizational status. As these social enterprises often situate between for-profit and non-profit sectors (i.e., pursuing both social missions and financial missions), the governments could facilitate an enabling environment for social enterprises in general, and tourism social enterprises in particular, through both appropriate policies (e.g., Vietnamese Government's regulatory frameworks for social enterprises) and seed funding (e.g., grant for start-up social enterprises or social entrepreneurship intermediaries).

15 Wang, C.L. and Chugh, H. (2014), 'Entrepreneurial learning: Past research and future challenges', *International Journal of Management Reviews*, volume 16, issue 1, pp. 24–61.

Case 17

Institutional response to climate change: Hoi An, Viet Nam

Summary

Climate responsiveness is recognized as vital for the sustainability of the tourism sector¹. This study discusses integration of tourism in the formulation of climate change policies and social economic development plans in Hoi An, Viet Nam.

Key words

- Climate change
- Responsiveness
- Government institutions

Key message

Mitigation of climate change requires improvements in coordination in preparation and implementation of adaptation plans and practices.

C17.1 Tourism development and climate change in Hoi An

Hoi An is the location of a World Cultural Heritage Site, a World Biosphere Reserve, and a wealth of culture and craft industries. These assets form the backbone of the tourism industry in the city. Tourism is the largest economic sector in Hoi An and an important source of income and jobs. Tourism has also helped to preserve the built heritages, promote handicraft production and other small businesses while contributing to the development of urban services, bringing many benefits for local communities.²

However, climate change presents significant challenges for the sustainability of Hoi An's tourism industry. Viet Nam is predicted to be impacted significantly by climate change.³ Within Viet Nam, the central region, where Hoi An is located, will witness more climate change faster than other regions.⁴ Increases in frequency and intensity of weather extreme events in recent years have had significant effects on the tourism sector in Hoi An.⁵ Beach tourism, a tourism subsector that generates most revenue and employment, has severely been affected. Beach erosion has destroyed a number of tourism buildings and other infrastructure along Cua Dai beach, disrupting

1 World Tourism Organization and United Nations Environment Programme (2008).

2 Centre for Hoi An Monuments Management and Preservation and UNESCO Asia and Pacific Regional Bureau for Education (2008).

Division of Trade and Tourism (2016), *Annual Report on trade and tourism sector in Hoi An City*, DOTT, Hoi An.

3 Intergovernmental Panel on Climate Change (2007), *Climate Change 2007: impacts, adaptation and vulnerability: working group II contribution to the Fourth Assessment Report of the IPCC*, Cambridge University Press, Cambridge.

4 Ministry of Natural Resources and Environment (2012), *Climate change, sea level rise scenarios*, MONRE, Hanoi.

5 United Nations Human Settlements Programme (2014), *Hoi An, Viet Nam-Climate change vulnerability assessment*, UN-Habitat, Nairobi.

Department of Culture, Sport and Tourism of Quang Nam Province (2014), *Climate change impact assessment for the tourism sector in Quang Nam province*, DCST, Tam Ky.

the operations of resorts as well as the livelihoods of local people. Flash floods and typhoons have reduced business revenue while increasing costs associated with loss and damage to properties and facilities, response, and recovery. For example, a flood and typhoon in 2009 caused a loss of USD 1.06 million to 22 Hoi An accommodation businesses. Furthermore, warmer temperatures and droughts have damaged tourism resources, including traditional architectural buildings, natural and rural landscapes, and river and coastal ecological systems. Media stories about these events have reduced the attractiveness of Hoi An to tourists. Together these issues raise concerns for the sustainable growth of tourism sector in Hoi An in the face of climate change.

C17.2 Policy making and planning for climate change response

The Government of Hoi An is developing a policy and planning framework setting out how the city responds to climate change. Importantly, climate risks to tourism are being addressed in policy making and planning at both city and sector levels. Three key climate change policies and development plans developed are the “Action plan on responding to climate change and strengthening management of resource and environment protection”,⁶ the “Social economic development plan for Hoi An in the period 2010–2015 and orientation to 2020”,⁷ and the “Hoi An eco-city development plan”.⁸ These plans set out policy direction for sustainable development of the tourism sector in the face of climate change and the management strategies to be taken. These management strategies include the promotion of flood and typhoon resistant tourism construction, development of small-scale tourist accommodation establishment, community-based/ecotourism, management of natural resources and ecological systems, and improved business energy and water efficiency and use of renewable energy. Furthermore, these plans also proposed governance and financial mechanisms that provide a framework for cooperation and coordination among stakeholders in the planning and implementation process.

At the tourism sector level, climate change adaptation strategies identified in the city’s policies and plans have been translated into planning practices for the tourism sector. In response to the severe effects of extreme weather events, since 2006, the Division of Tourism and Trade has facilitated development of disaster preparedness plans at both sector and business levels. These plans outline objectives, principles and actions to enhance proactive preparation and response to extreme climate events. Reports suggest that implementation of these plans has reduced the effects of recent climatic events on tourism sector.⁹

Hoi An’s tourism authority has included climate change response actions into its yearly work plans. Key actions that have been implemented in collaboration with NGOs and relevant public authorities, include: developing of alternative and supplementary tourism sites and products, such as ecotourism in Cam Thanh, ecological tours and homestays in Cham Islands that mitigate the

6 Hoi An Municipal Communist Party (2013), *Decree numbered 23-CTr/TU dated on the 29 October, 2013 on the implementation of the action plan on responding to climate change and strengthening management of resource and environment protection*, HMCP, Hoi An.

7 Hoi An Municipal People’s Committee (2009b), *Social economic development plan for Hoi An in the period 2010–2015 and orientation to 2020*, HMPC, Hoi An.

8 Hoi An Municipal People’s Committee (2009a), *Decree numbered 1970/DA-UBND dated 4 December, 2009 on the approval of the Hoi An Eco City Development Plan*, HMPC, Hoi An.

9 Pham, A. and Dinh, T. (2015), interview conducted by the author (19-06-2015).

effect of beach erosion, training and supporting responsible business practices, strengthening severe weather warning systems, and a regulation and enforcement mechanism to ensure safety in tourism practices.

C17.3 Building institutional capacity for climate change

Improved institutional capacity and arrangements have also been considered to facilitate the planning and implementation of adaptation policies and plans. The Division of Natural Resource and Environment and the Management Board of Cham Island Biosphere Reserve are responsible for providing advice to the Government of Hoi An about environmental and biological resource issues, including climate change. These organizations also engage stakeholders in policy making, planning and implementing actions for climate change response. These organizations have provided the tourism authority, businesses and community with research on climate change impacts on water and biological resources. This research has informed adaptation policies and business practices that protect ground water resource, improve waste water treatment and reuse, and preserve coral reefs and wetland ecological systems.

A number of organizations such as UN-Habitat, Portland University, Action for the Cities and UNESCO have contributed to climate change adaptation planning and implementation in Hoi An. These organizations have provided technical know-how, and helped to expand partnerships and build the capacity of public authorities. In addition, cooperation with NGOs have helped tourism authority to mobilise resources to build awareness for tourism businesses and target communities as well as piloting adaptation measures. For example, thanks to support from UNESCO and Action for the Cities, educational training programmes on climate change and community-based adaptation models were implemented in tourism communities in Cam Thanh commune and the Cham Islands. Furthermore, a number of accommodation businesses have adopted the Green Lotus label incorporating sustainable environmental practices. These efforts have helped the tourism sector to adapt to changes in climate and the environment.

C17.4 Lessons learnt

This case has discussed institutional responses to climate change in Hoi An in general and its tourism sector in particular. The case demonstrates that preparing adaptation policies and plans and improving institutional capacity provides knowledge about how climate will change in the future and help the tourism sector to respond.¹⁰ The implementation of climate change adaptation policies and plans at both the city and tourism sector levels have supported the growth of tourist arrivals and tourism revenue in Hoi An despite recent challenges.¹¹ Key lessons include: the importance of integrating tourism into the city government's climate change policies and local development plans, and the need for institutions to provide advice to local tourism actors and facilitate the engagement of stakeholders into planning and adaptation process in tourism sector. In order to manage climate risks to tourism sector in a longer term, it is essential to continue to promote stakeholder engagement and institutional arrangements to support adaptation

¹⁰ Becken, S. and Hay, J. (2012).

¹¹ Division of Trade and Tourism, (2016).

process. Tourism specific climate change plans could be expanded to address broader issues of sector development such as visitor management, product development, tourist segmentation, and marketing. Furthermore, the city government and tourism sector need to develop a funding scheme to support the implementation of climate change adaptation measures rather than relying on external organizations.

Case 18

Certification and benchmarking

Summary

This chapter discusses voluntary environmental benchmarking and certification programmes and provides examples of benefits to individual businesses in adopting them.

Key words

- Voluntary environmental certification
- Sustainability benchmarking
- Profitability improvement

Key messages

- Use of environmental certification and benchmarking can provide significant improvements in business profitability and meet new corporate accountability standards.
- Individual businesses and tourism destinations should embrace sustainability certification and benchmarking.

C18.1 Introduction

The Rio+20 Forum in 2012 emphasised the notion of corporate accountability. Following the 2015 Paris Climate Agreement leading travel and tourism companies have recognized the need to measure and monitor their carbon emissions. A number of voluntary governance arrangements such as certification and benchmarking can play a part in reducing CO₂ emissions. A number of stock markets including Hong Kong, Singapore and Taiwan are requiring businesses to meet sustainability or 'integrated' reporting requirements.¹

There are currently 465 ecolabels in 199 countries across 25 industry sectors.² Around 60% of these labels and schemes were developed in the last decade. Around 130 of these apply directly to tourism.³ The eco label and eco certification market is fragmented and often confusing to businesses due to the issue of competing programmes. Many having different criteria on what makes a product or business "green". Uncertainty can arise when there are competing schemes in the same sector. Because regulatory frameworks differ from country to country it can be difficult to determine the quality of a scheme.

1 Centre for Education and Research in Environmental Strategies (2017), *Investors have their say on Sustainability and Stock Exchanges: Feedback on the WFE ESG Guidance and Recommendations* (online), available at: www.ceres.org (05-04-2017).

Department of Culture, Sport and Tourism of Quang Nam Province (2014), *Climate change impact assessment for the tourism sector in Quang Nam province*. DCST, Tam Ky.

Becken, S. and Bobes, L. (2016), 'Tourism minds meet for Morocco climate change summit', *Griffith Institute for Tourism* (online), available at: www.griffith.edu.au (03-05-2017).

2 Big Room Inc. (2017), *Ecolabel Index* (online), available at: www.ecolabelindex.com (08-03-2017).

3 Gossling, S and Buckley, R. (2016), 'Carbon labels in tourism: persuasive communication?', *Journal of Cleaner Production*, volume 111, pp. 358–369.

Most ecolabels are regionally or nationally specific and only a handful of certification schemes can be considered as global schemes, which address a set of globally relevant criteria. The Global Sustainable Travel Council⁴ has provided a mechanism to recognize global schemes that meet a high standard of agreed criteria and professional delivery.

There are two sets of GSTC Criteria outlined on the GSTC web site: 'Destination Criteria' and 'Industry Criteria'.⁵ GSTC is an Accreditation Body, informally referred to as the "certifier of certifiers," and is the single Accreditation Body for certification and eco-labelling in the Travel and Tourism Sector.⁶ There are currently only two programmes 'GSTC-Recognized' for destinations (EarthCheck and Biosphere) and five listed or approved and recognized for Hotels and Tour Operators.⁷

C18.2 Certification and benchmarking

EarthCheck Certified is one of a number of global environmental benchmarking and certification programme designed specifically for the travel and tourism industry. This programme is built on Agenda 21 principles and is currently used by 1,500 members, in 6 languages, across 32 sectors in more than 70 countries across the globe.

Earthcheck provides a means of collecting data and benchmarking of individual performance against peers. **Certification** data is entered via an online platform that then provides annual, year to date and monthly benchmarking and performance reports. The data collected is across the following areas: Corporate Governance details; activities, services and facilities; sustainability criteria; benchmarking data (**activity measures** e.g., guest nights, energy consumption, stationary fuels, mobile fuels such as air, road and water; water consumption: potable, recycled, water saving devices, onsite water treatment; **waste** production, waste incinerated and waste recycled; chemical usage, pesticide usage; community contributions, corporate social responsibility, energy per source and total costs, water per unit and total costs, waste per unit and total cost).

The benchmarking software compares individual business inputs with a database of similar companies to determine performance against their peers within a sector, country and region. The EarthCheck energy and carbon calculator can determine CO₂ emissions based on internationally accepted methodologies. EarthCheck Certified is now formally recognized by the Carbon Disclosure Project (CDP) and can also produce GHG reports aligned to the Hotel Carbon Measurement Initiative (HCMi).⁸

4 Global Sustainable Tourism Council (2017a), *Welcome to the Global Sustainable Tourism Council* (online), available at: www.gstccouncil.org (08-03-2017).

5 Global Sustainable Tourism Council (2017b), *What are the criteria?* (online), available at: www.gstccouncil.org (08-03-2017).

6 Global Sustainable Tourism Council (2017d), *What we do* (online), available at: www.gstccouncil.org (08-03-2017).

7 Global Sustainable Tourism Council (2017c), *What is GSTC Recognized?* (online), available at: www.gstccouncil.org (08-03-2017).

8 World Travel & Tourism Council (2017), *Understanding the Critical Issues for the Future of Travel & Tourism* (online), available at: www.wttc.org (03-05-2017).

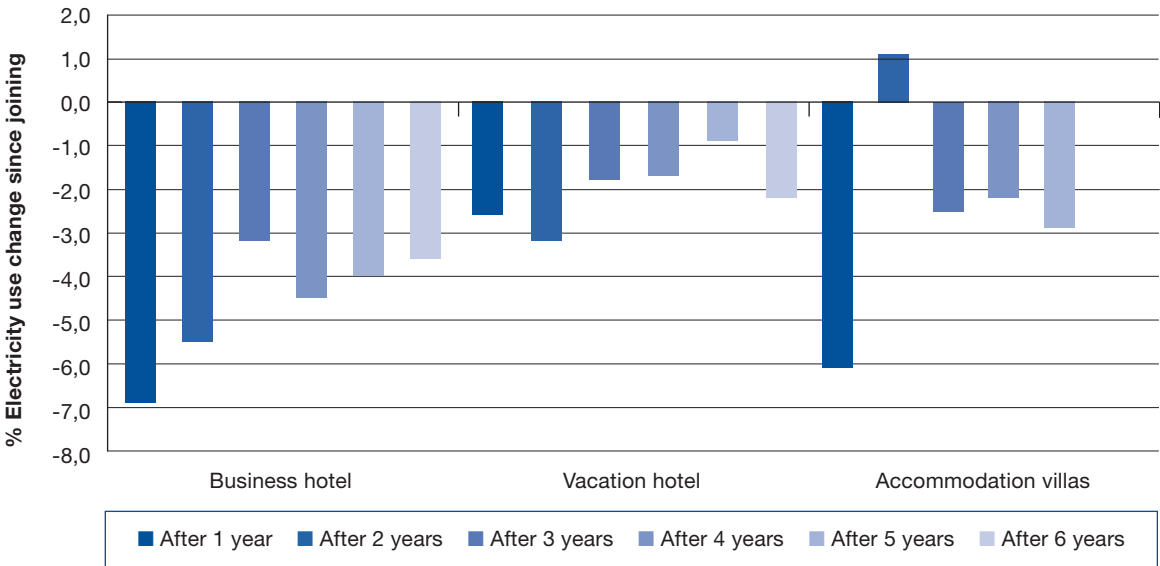
C18.3 Improving operational performance

A recent Griffith University study examined the Earthcheck historic database to determine the effect on businesses of using this certification and benchmarking programme. More specifically, the data were interrogated from three main perspectives. First, to determine total annual consumption levels and associated costs; second to deliver sector-specific benchmarks for resource use per guest night and overall improvement rates; and third, measure resource use reductions on a per-guest night level achieved. The database contains a total of 1,047 businesses, with sufficient data being available for years between 2007 and 2013. The database is characterised by some gaps in performance metrics as not all businesses provided a complete time series.

This analysis indicates that resource costs (electricity, water and waste) for accommodation businesses are substantial, adding up to annual costs in the order of USD 500,000 to USD 1,000,000, or more for some businesses. Electricity reductions achieve the greatest financial benefits for accommodation businesses, but reductions in water and waste costs are also significant. Overall, businesses in the programme managed to reduce resource use annually by as much as 4.2% (water), 5.7% (electricity) and 5% (waste). When converted to financial metrics the data show that financial savings made by businesses are in the order of several tens of thousands of dollars per annum.

Analysis of the annual electricity use and changes of hotels in the certification programme indicated that business hotels can achieve reductions in electricity use per guest night. Substantial reductions were made in the first few years of membership, but reductions were still achieved even after several years in the programme (see figure C18.1).

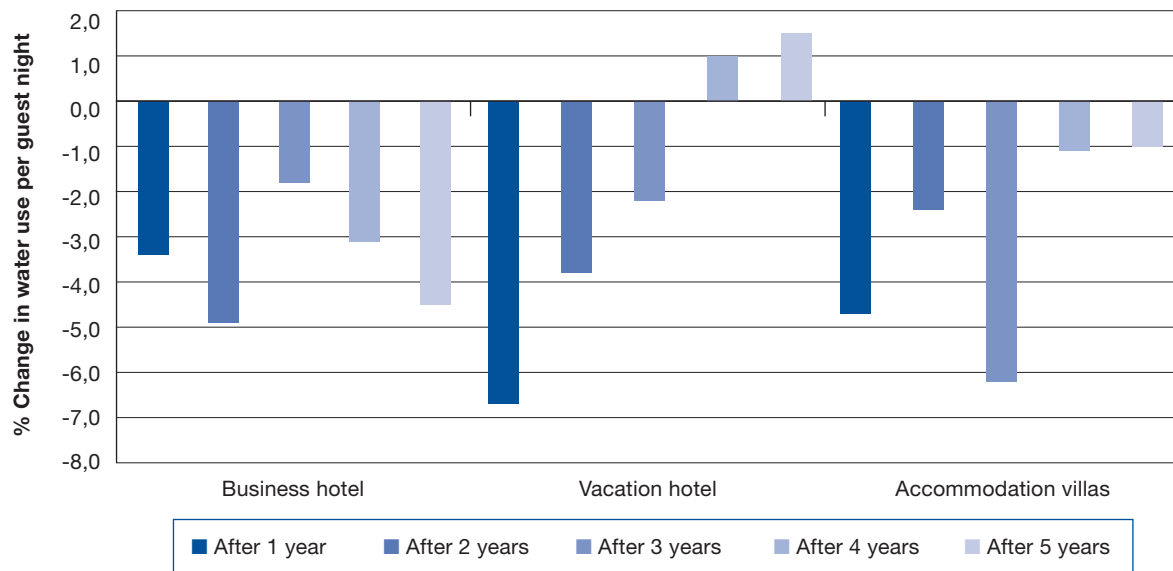
Figure C18.1 Change in electricity use per guest night and accommodation type (%)



Despite notable differences between countries, water use per guest night is lowest in business hotels with an average of 945 litres per guest night. Accommodation villas use substantial

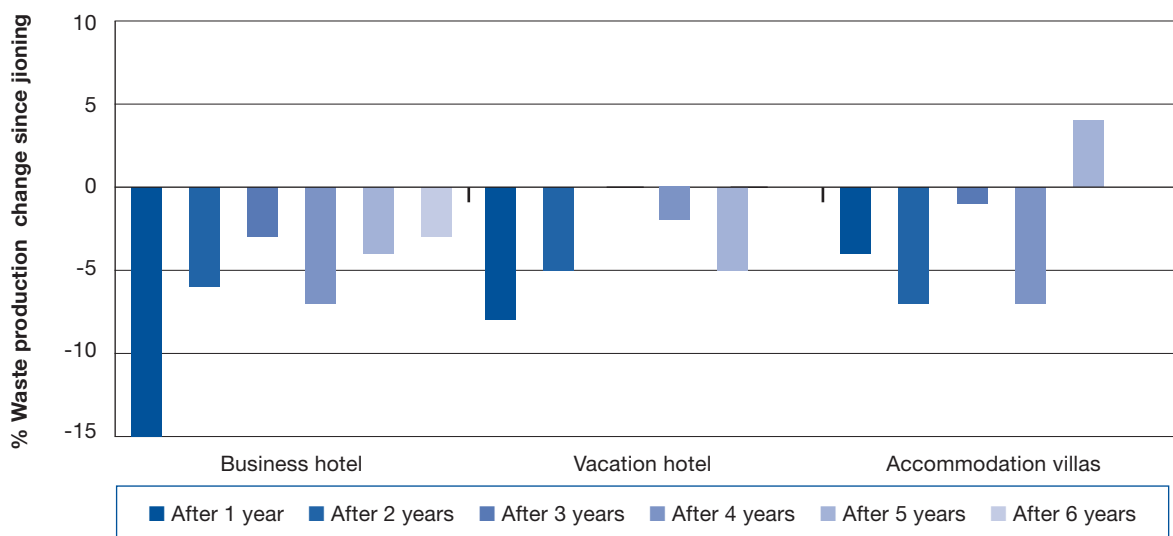
amounts of water per guest night (2,695 litres). Improvement rates were highest for business hotels; achieving an average improvement of 4.2% per annum (see figure C18.2).

Figure C18.2 Change in water use per guest night and accommodation type (%)



On average, businesses produce between 5.1 litres (business hotels) and 6.7 litres of waste per guest night (accommodation villas). All accommodation types have achieved substantial improvements, ranging between a reduction of 12.0% (business hotels) and 6.4% (accommodation villas). In particular, for business hotels that achieved a reduction of 15% after their first year of membership. Improvements continued thereafter at reduction rates between 3 and 7% (see figure C18.3).

Figure C18.3 Change in waste production per guest night and accommodation type (%)



C18.4 Conclusion

There is an increased expectation that tourism as an industry has a responsibility to use fewer resources and to collectively reduce carbon emissions. It needs to do this in a consistent and transparent manner that is supported by consumers and the wider community. Sustainability certification programmes and ecolabels are voluntary governance arrangements that can deliver quantifiable operational and business outcomes for tourism operators who need to meet the needs of the new carbon constrained economy. There is a plethora of different green certification programmes and ecolabels which create confusion and a lack of confidence. There is a lack of standardisation, inconsistencies in the criteria used, and poor metrics. The GSTC has helped to provide some common criteria and to provide a recognition scheme for global leaders. A four way test was created to assist operators and consumers to ask the right questions in selecting a certification and benchmarking programme or label that has substance and integrity (table C18.1).

Table C18.1 **Factors to consider in reviewing and selecting a certification programme and eco-label**

<p>1. Is it the truth?</p> <ul style="list-style-type: none"> – Sustainability programmes must be built on evidence-based and scientific data. – You can't manage what you don't measure. – Data must be collected consistently year on year and verified. Rubbish in will deliver rubbish out. – Deep historical data are essential because they allow performance based trend lines to be mapped. They foster knowledge management. 	<p>2. Is it bankable? Does it meet owners, managers, financial market and consumer needs?</p> <ul style="list-style-type: none"> – Owners want bottom line metrics on the performance of their assets. – Management want practical advice on how to improve resource efficiency and reduce operating costs and external risks. – Consumers want peace of mind and transparency that they are staying in both, a healthy destination and facility which is good for their wellbeing and good for the planet. – Financial markets demand data integrity.
<p>3. Is action tracked – sustainability is not a logo, it is what you do!</p> <ul style="list-style-type: none"> – Does the programme track accurately operational performance against industry and competitor benchmarks and baselines? – Does it have internationally recognized carbon reporting calculators which will allow science based targets to be determined? – Does it provide ISO trained independent auditors which deliver ISO quality reports? A check list is not a report. Anyone can verify data. Auditors have a code of conduct. – Is it comprehensive? This does not equate to having hundreds of criteria particularly if you only need to meet 51% of criteria or less to pass. 	<p>4. Does it have scientific substance? – Strong buildings have strong bones</p> <ul style="list-style-type: none"> – Credible programmes are built on good science and are serviced by trained and talented people who care. Ask who the people are? – Is it holistic? Sustainability is not a linear concept. It needs to have 360° thinking covering design, construction and operations. – Good science needs to be constantly reviewed, questioned and refreshed by independent researchers. – Does it have a SaaS platform which allows data to be seamlessly uploaded and analysed to provide ROI advice?

Conclusions and recommendations

Summary	This chapter provides a summary of the key lessons from the chapters and case studies of this special report.
Key words	<ul style="list-style-type: none">– Good practice– Sustainable tourism development– Soft infrastructure
Key messages	<ul style="list-style-type: none">– Improved governance arrangements can reduce negative impacts and increase positive impacts of tourism.– Improved governance provides arrangements are an essential form of soft ‘infrastructure’ necessary for any tourism destination.– Governments can encourage sustainable tourism through a clear definition of the roles of various levels of government in tourism as well as definition of the roles and functions of the various organizations involved in tourism policy.

Overall lessons from cases

These cases have highlighted a number of ways to reduce negative impacts and increase positive impacts of tourism through improvements in governance.

Clear governance arrangements: The central issue in improved governance arrangements for tourism destinations is to clearly define in detail what task needs to be achieved, who is responsible and how decisions to achieve that task will be made, and performance measured. Many tasks are complex and require the collaboration of many people and organizations, with management of sustainable tourism growth being one of the most complex.

Good governance: Governance arrangements for sustainable tourism growth is a task that must involve the local community as stakeholders. It appears logical that ‘good governance’ arrangements may be the best type to achieve this task.

Government works with industry and community: Central governments, states, communities and private stakeholders all need to work in tandem to ensure tourism and growth are not at odds, growing sustainably rather than destructively, looking beyond the short term to propel positive development at all levels for future generations.

Future orientation: Good governance require ‘forward-looking visions’ and anticipate future problems and issues based on current data and trends. In addition, it is important to develop policies that take into account future costs and anticipated changes (e.g., demographic, economic, environmental changes).

Joined up planning: Many of the case studies in this special report have highlighted the interdependence and interconnectivity of organizations from different levels, geographic and industry backgrounds. Integration of planning and control for the destination's resources is required.

Context matters: There is no 'one size fits all' strategy, especially in a multi-cultural, multi-political, multi-environment region like Asia and the Pacific. Significant differences across countries and regions in terms of laws, social institutions, culture, social norms need to be considered in developing governance arrangements.

Tourism is not the only issue: The effect of tourism on nature and the social environment is difficult to disentangle from other changes due to population growth, rapid developments in housing and cities along with insufficient infrastructure; globalization of a consumer culture; impacts from other sectors.

Performance targets: What gets measured gets done. Many tourist destinations in Asia and the Pacific set targets based only on measures such as visitor numbers. Destinations should consider other economic targets such as visitor expenditure, rather than visitor numbers and consider the distribution of this expenditure to various groups such as residents and the disadvantaged. The proportion of tourist expenditure retained in the destination and by whom should be measured. The performance targets of DMOs should be related to the tasks which they have the capacity and resources to influence. Tourism destinations should also develop targets social and environmental outcomes. These should be quantified and progress towards them related to measured in performance evaluations. The organizations responsible for these targets should be clearly identified and resourced to achieve them.

Measuring environmental sustainability via certification: Mandatory government inspection tends to cover a relatively small number of key impacts that are reflected in regulations, such as waste management and pollution control. Although there are many different green certification programmes and ecolabels, it is important to select a certification and benchmarking programme or label that has substance and integrity.

Good practice for government

The following are good practices for governments that can improve their governance arrangements.

A clear definition of the roles of various levels of government in tourism as well as definition of the roles and functions of the various organizations involved in tourism policy is an area of good practice. In some countries such as Viet Nam and Cambodia, these roles are being specified in law, however some points to consider:

A tourism strategy is commonly used for engaging and co-ordinating government, industry, destination communities and other stakeholders. Development of an effective tourism strategy appears good practice. Many tourism plans or strategies are aspirational provide sufficient funding for its implementation. Communication is an important element of successful implementation of a strategy.

Tourism policy extends across multiple levels of government and requires competent local actors. A variety of tools for capacity building at the national and subnational level and include skills training provided by the national government and other organizations but it is important to tailor training to deliver the skills required. Involvement and capacity building of tourism operators and local government may be enhanced by active 'learning-by-doing'-programmes. Development of human capacity at national and subnational level appears good practice.

Destination management and/or marketing organizations (DMOs) are an important component of effective governance at the subnational level. Their boundaries should reflect both economies of scale in marketing and organization and be based on the travel patterns of travellers. DMOs also provide a subnational focus for policy development and capacity building and a focus for communication with private sector stakeholders. Implementation of a subnational management structures such as DMOs appears good practice for larger countries with larger tourist visitor volumes.

In developing policy and responses to crises, it is good practice for governments to include tourism representatives in decisions due to the horizontal characteristics of the tourism sector.

It is good practice to ensure that relevant data and analysis are available to support tourism policy decisions which in turn may require additional resources and competencies in tourism organizations. It is good practice to ensure that policy decision-making is longer-term, transparent and that outcomes are evaluated.

It is good practice to include community representatives in tourism governance arrangements.

Conclusions

There are many ways to improve and develop sustainable governance of growing tourism destinations in Asia and the Pacific and this chapter has discussed some of these. Development of sustainable governance institutions requires partnerships beyond traditional organizational boundaries to include community and non-governmental actors in decision-making. The necessary governance arrangements may differ by task to be undertaken. They may require new ways of thinking and collaborating. However, implementing sustainable governance will benefit current and future generations.

List of acronyms and abbreviation

ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
ATOP	Association of Tourism Officers of the Philippines
AusAid	Australian Agency for International Development
BAC	Burma Airways Corporation
BAFTA	British Academy of Film and Television Arts
BBC	British Broadcasting Corporation
BEDC	Burma Economic Development Corporation
BWLS	Binsar Wildlife Sanctuary
CBE	community-based ecotourism
CBT	community-based tourism
CCT	Cabinet Committee on Tourism
CERES	Centre for Education and Research in Environmental Strategies
CLUPs	Comprehensive Land Use Plans
CO ₂	carbon dioxide
COHED	Centre for Community Health and Development
CPP	Communist Party of the Philippines
CSR	corporate social responsibility
DC	developing country
DOT	Department of Tourism
DHT	Directorate of Hotels and Tourism
DMO	destination management organization or destination marketing organization
DSI	Defence Service Industry
EASDP	Environmental Amelioration for Sustainable Development Program
EIA	Environmental Impact Assessment
EU	European Union
FDI	foreign direct investment
FRH	forest rest house
GATS	General Agreement on Trade in Services
GDP	gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GNH	gross national happiness
GOLD	Governance and Local Democracy
GPS	Gram Paryatan Samiti

GSTC	Global Sustainable Tourism Council
HR	human resources
HRD	human resources development
ICT	information and communication technology
IFC	Irrawaddy Flotilla Company
ILO	International Labour Organization
KCTI	Korea Culture and Tourism Institute
KMVN	Kumaon Mandal Vikas Nigam
KTO	Korea Tourism Organization
LCC	low-cost carrier
LDC	least developed country
LTA	local tourism association
LTO	local tourism organization
MCST	Ministry of Culture, Sports and Tourism
MOHT	Ministry of Hotels and Tourism
MOTAC	Ministry of Tourism and Culture
MSME	micro, small and medium enterprises
NDF	National Democratic Front
NES	National Ecotourism Strategy
NGO	non-governmental organization
NTA	national tourism administration
NTO	national tourism organization
OECD	Organisation for Economic Co-operation and Development
PA	protected area
PNGTMP	Papua New Guinea Tourism Master Plan
PNGTPA	Papua New Guinea Tourism Promotion Authority
PNP	Philippine National Police
PMET	Palompon Municipality Eco-Tourism
PPP	public-private partnership
PSO	Permanent Secretariat Office
PTA	provincial tourism association
PTAs	public tourism administration
PTO	provincial tourism organization
PRSP	Poverty Reduction Strategy Paper
SCTD	Steering Committee on Tourism for Development
SE	social entrepreneurship
SIDS	Small Island Developing States
SME	small and medium-sized enterprise
SNV	Stichting Nederlandse Vrijwilligers (Foundation of Netherlands Volunteers)
SNV	Netherlands Development Organisation
ST-EP	Sustainable Tourism – Eliminating Poverty
STMP	Sustainable Tourism Master Plan

TA	tourism administration
TDMP	Tourism Destination Management Plan
TIS	Tourist Information Service
TSA	Tourism Satellite Account
TFI	Travel Facilitation Initiative's
TWGs	Technical Working Groups
UBA	Union of Burma Airways
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
USAID	United States Agency for International Development
USD	United States dollars
UTDB	Uttarakhand Tourism Development Board
VFR	visiting friends and relatives
VMG	vision, mission, and goals
VTC	Village Tourism Committee
VWC	Village Ways Company
WTO	World Trade Organization

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