

A Comparative Analysis of the Contributions of Mainstream and Alternative Tourism  
Models to Development: A Case Study of Tourism Operations in Penang, Malaysia

by  
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## **Abstract**

**A Comparative Analysis of the Contributions of Mainstream and Alternative Tourism  
Models to Development: A Case Study of Tourism Operations in Penang, Malaysia**

**By Tim Ley**

Tourism development is vigorously pursued the world over for its economic benefits. This development takes very different forms, from all- inclusive beach resorts to family run guesthouses, and their respective impact is oftentimes just as different. However, it is not as simple as to say one form is good, the other bad. In reality there is sufficient evidence to suggest that particular forms are best suited to particular conditions, and sometimes both and sometimes neither mainstream or new tourism is appropriate. This thesis endeavours to assess the positive and negative impacts of mainstream and “new” tourism development in economic, socio- cultural, and environmental terms.

May 3, 2010

## **Abbreviations**

AD- Another Development

GDP- Gross Domestic Product

IMT- GT- Indonesia- Malaysia- Thailand Growth Triangle

LDC- Less Developed Country

MNC- Multinational Company

NEP- New Economic Policy (Malaysia) (also called OPP1)

NDP- National Development Policy (Malaysia) (also called OPP2)

NGO- Non Government Organization

NVP- National Vision Policy (Malaysia) (also called OPP3)

PDC- Penang Development Corporation

OECD- Organization of Economic Cooperation and Development

OPP1- Outline Perspective Plan 1 (Malaysia)

OPP2- Outline Perspective Plan 2 (Malaysia)

OPP3- Outline Perspective Plan 3 (Malaysia)

SERI- Socio- Economic and Environmental Research Institute

TNC- Transnational Company

UN- United Nations

UNDP- United Nation's Development Programme

UNNHDI- United Nation's Human Development Index

UNWTO- United Nation's World Tourism Organization

WTTC- World Travel and Tourism Council

## **Chapter 1**

### **Introduction**

#### **THE TOURISM REALITY**

Tourism today is one of the largest and fastest growing economic sectors in the world. In international trade terms export income from tourism ranks fourth in total value, behind only fuels, chemicals, and automobiles (United Nation's World Tourism Organization [UNWTO], 2008, p. 2). Furthermore, the UNWTO (2008) predicts international tourism will continue to grow for the foreseeable future, reaching 1 billion international tourist arrivals by 2010 (p. 2). The same report estimates that international tourism receipts for 2007 reached US\$ 856 billion and will continue to increase in line with arrivals (UNWTO, 2008, p. 3). It is also reported that tourism accounts for as much as six percent of all global employment (Mbaiwa, 2005, p. 157) and in some countries tourism employs over half the labour force (Madeley, 1999, p. 136).

In developing countries, it is noted that tourism plays an even more vital role, often as the main income source and number one export (UNWTO, 2008, p. 2). Most importantly for islands in the developing world, gross receipts from tourism have become greater in value than all other visible exports put together (Sharpley, 2003, p. 246).

Examples abound. In the Dominican Republic tourism surpassed agriculture as far back as 1982 as the number one foreign exchange earner in the economy and the third largest source of employment (Freitag, 1994, p. 542). In Costa Rica, a country that has

pursued ecotourism specifically, foreign exchange receipts from tourism have surpassed the earnings from traditional export products such as coffee and bananas, making tourism that country's most important economic activity (Campbell, 1999, p. 535).

There is also evidence from Asia and the South Pacific. In Bali, it has been documented that international tourism of all scales is providing an "ever-growing amount of Indonesia's net foreign exchange earnings" (Rodenburg, 1989, p. 215). In Malaysia, records indicate tourism receipts of US\$ 10.4 billion in 2006 (UNWTO, 2008, p. 7).

Tourism has been embraced in Africa as well. In Botswana, where it is now the second largest economic sector, tourism contributes as much as 4.5 percent to Gross Domestic Product (GDP) (Mbaiwa, 2005, p. 157). Meanwhile in Senegal, tourism is a major economic activity and now contributes "more foreign currency than traditional commodity exports" (Diagne, 2004, p. 472).

Such trends and statistics have long since convinced the World Bank, development agencies, and countries alike to encourage tourism as part of an overall development strategy (Gladstone, 2005, p. 55). While recognizing that some still challenge the orthodoxy of international tourism as a development strategy, the primary purpose of this paper is to analyse mainstream tourism and new tourism options within the dynamics of development.

## **RESEARCH QUESTION**

The research is designed to evaluate the established position of mainstream tourism and compare it to the prospects of new tourism's place in the development process in order to answer the question, *is new tourism better for development than*



*mainstream tourism?* The topic is explored in the realms of economics, socio- cultural structures, and the environment. The forthcoming discussion covers issues of tourism's contribution to economic growth, linkages and leakage and income stream creation, social transformation, identity and participation, and environmental sustainability.

### **THE TOURISM CONTINUUM**

It may be argued that all instances of tourism development can be placed along a continuum spanning two ideal (though perhaps only theoretical) forms of development, with potentially dozens of tourism forms falling in between. Such a continuum could have as its basis any number of characteristics, alone or in combination, and could be displayed linearly or along a two or three- dimensional grid. Furthermore, tourism operations falling along such a continuum might be delineated upon the different characteristics identified among them, as was just described, or the *degree* to which consistent characteristics are found to be in existence across all tourism forms. Such characteristics might include the type of tourist attracted or particular tourist attributes, the cost of accommodation, the nature of ownership, scale, economic integration, environmental impact, level of local involvement, etc. Figure 1 illustrates such a continuum. In this example, economic integration might range from near-complete supply linkages with the local economy at one end, to a case of high economic leakage and isolation from the local economic system at the other end. The tourist type could range from privileged upper class tourists on all-inclusive package holidays that rarely have the need to leave their tourist resort, to young backpackers intending to “connect” with the local community and lifestyle. Clearly, *A* would represent a form of tourism

with high economic integration and a package tourist base; *B* would represent low economic integration with a package tourist base; *C* illustrates where establishments with high economic integration and independent travelers would appear on the continuum; and *D* would represent operations with low economic integration and independent travelers.

While it may be impossible to place any given operation at an exact spot along such a theoretical continuum, the literature on what are described as mainstream and new tourism consistently differentiate them distinctly enough on multiple criteria to make the assertion that they should be placed toward separate ends of any spectrum. This allows for an analysis of variations in their respective contributions to development (assuming any exist).

## **TOURISM FORMS**

In outlining the issues that are relevant to the position of tourism in development it will be of primary importance to further identify some significant differences between ‘mainstream’ tourism and ‘new’ tourism <sup>1</sup>. The following section will begin by outlining what constitutes mainstream tourism because if anything is to be labelled ‘new’ or ‘alternative’, its understanding hinges upon an understanding of what is it an alternative to.

### **Mainstream Tourism**

Mainstream tourism refers to consumer driven, mass tourism- the popular large-scale forms of leisure tourism pioneered in southern Europe and North America in the 1960s and 1970s (Beech & Chadwick, 2005). Mainstream tourism is characterized on the

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<sup>1</sup> “Mainstream tourism is also referred to as mass tourism, resort tourism, and enclave tourism. “New” tourism is employed as an umbrella term where some have used “alternative” tourism. However, keep in mind that the term “alternative” is also used in the literature by some authors (and cited within) in reference to one particular form of tourism- a sub category of new tourism- rather than as an umbrella term.

ground primarily by international hotel chains and beach resorts. In addition to their large scale, these operations are dominated by foreign direct investment, foreign management, and high connectivity to international markets (Cohen, 1989, p. 130). Typically, the owners of these tourism operations enjoy high economic returns on their investments.

Emphasis within mainstream tourism is placed on meeting First World standards of comfort and convenience for tourists with disposable income and in pursuit of personal pleasure and leisure. This group is typically over-represented by upper- middle class, middle- aged couples from developed sender countries, often travelling as part of a package tour. In catering to the needs, wants and expectations of this tourist group, mainstream tourism tends to be highly self contained and self reliant. The tourist is, as Cohen (1989) notes, “ensconced in the ‘environmental bubble’ of his [*sic*] home environment provided by the tourist establishment” (p. 130).

#### **New Tourism**

New tourism is often suggested as the antithesis to that described as mainstream tourism. The recent growth of new tourism, both practically and in research, stems from “dissatisfaction with the nature of mass tourism as it is promoted by the tourist establishment, with its economic, social and cultural consequences” (Cohen, 1989, p. 127). In practice, alternative tourism attempts to invert the values, motives, attitudes and practices of conventional mass tourism. It is founded in part on a critique of industrialized centres creating a neo-colonial dependency of developing countries on the industrialized North. Within this framework, it is emphasized that mainstream tourism is an expression of foreign dominance; it appropriates the amenities of Third World

countries and exploits their peoples and cultures for the pleasures of rich tourists (Cohen, 1989, p. 130).

New tourism also finds theoretical support from theories that share a space under the umbrella of Another Development (AD)<sup>2</sup>. New tourism forms are consistent with ideas encapsulated within AD because they recognize a need to be economically, socially and environmentally responsible and sensitive, while also attempting to include active and meaningful forms of participation. Just as theories of AD recognize that development can and should take multiple forms, as appropriate tourism development, new tourism is best perceived as an “over-arching paradigm within which several different development pathways may be legitimized according to circumstance” (Hunter, 1997, p. 859)<sup>3</sup>.

As an umbrella term new tourism encompasses a dizzying array of forms from appropriate tourism to wildlife tourism. Mowforth and Munt (2003), for example, identify no fewer than 25 forms of new tourism as summarized in Table 1.

This broad employment of the new tourism term presents some problems. For instance, developing a concise definition of new tourism is problematic because these terms have at different times all been used in the tourism discourse but their use has not been consistent.

To illustrate, as a specific form of tourism, alternative tourism has been described by Cazes (1989) as increasingly associated with integration (economic, social, spatial, ecological, urban), local control, and endogenous or self-managed development (p. 122).

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<sup>2</sup> Theories under the Another Development rubric include, inter alia, neo- Marxism, eco- feminism, and community empowerment.

<sup>3</sup> The over-arching paradigm Hunter is discussing is actually Sustainable tourism but here new tourism has been substituted. Within this paper, sustainable tourism falls under the umbrella term of new tourism. The reason for this will become clear as New tourism is discussed further.

Cazes also states that tourism only qualifies as alternative if “actually stimulated, chosen, defined and managed by the local system which really controls the benefits and costs, and which supervises every component and phase in the development process” (Cazes, 1989, p. 123).

While this use of alternative is meant to describe one particular form of tourism, Stronza (2001) uses alternative to refer to a collection of tourism approaches- in much the same way new tourism is being employed here- and adds a host- guest interaction component. For Stronza (2001), alternative tourism includes numerous forms of tourism “that are consistent with natural, social, and community values, and which allow both hosts and guests to enjoy positive and worthwhile interactions and shared experiences” (p. 274).

Furthermore, it has been noted that alternative has also come to relate at different times and in different ways to traveler motivation, a refusal to be identified as part of the mass (as client or consumer), journey destination, type of accommodation, and mode of insertion into the host community (Cazes, 1989, p. 123). Such widespread use of the term has resulted in ambiguity and often, misunderstanding. This is poignantly noted by Brohman (1996), who states that alternative tourism “can mean almost anything to anyone” (p. 64).

Besides the term alternative tourism, ecotourism and nature tourism also fall under the new tourism rubric and are arguably two of the most well- known and most interchangeable terms used in the new tourism discourse. Some definitions put forth include “responsible travel to natural areas that conserves the environment and sustains

the well-being of local people” (The Ecotourism Society, 1992, as cited in Khan, 2003, p. 111), and:

purposeful travel to natural areas to understand the culture and natural history of the environment, taking care not to alter the integrity of the ecosystem, while producing economic opportunities that make the conservation of natural resources beneficial to local people (Goeldner, 2000, p. 556).

Increasingly, definitions of ecotourism also include a greater emphasis on consumer responsibility and improving the economic well-being of communities (Lindberg and Hawkins, 1993; Ziffer, 1989; Walpole and Goodwin, 2000). Walpole and Goodwin define ecotourism as,

Low impact nature tourism which contributes to the maintenance of species and habitats either directly through a contribution to conservation and/or indirectly by providing revenue to the local community sufficient for local people to value, and therefore protect, their wildlife heritage as a source of income (Walpole and Goodwin, 2000, p. 560).

Also under the new tourism rubric is sustainable tourism, which has been defined as:

Tourism which is developed and maintained in an area (community, environment) in such a manner and at such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and well-being of other activities and processes” (Brohman, 1996, p. 58).

At the same time, sustainable tourism has also been defined as “a set of principles, policy prescriptions, and management methods which chart a path for tourism development” (Hunter, 1997, p. 850). Again, this further complicates the term “new tourism”. To these, Cater (1993) adds a need to satisfy the demands of a growing number of tourists in her definition of sustainable tourism (p. 86).

Nonetheless, the diversity of terms associated with new tourism and their multiple uses are all related because, “in some important respects these seek to distinguish themselves from what is referred to as mainstream or conventional mass tourism”

(Mowforth and Munt, 2003, p. 4). Beyond this particular point, and due to the difficulties presented in establishing a definition of new tourism stemming from this multitude of concepts and terms, no precise definition of the term will be offered here. Instead, some fundamental similarities among the forms of new tourism as they are consistently described in the literature are highlighted as a starting point for comparing new tourism with mainstream tourism. It bears repeating that what follows is absolutely not an attempt to define new tourism. It must be remembered that the specifics of the tourism forms falling under the new tourism rubric can be very diverse and sometimes unique. It is not to be assumed or implied that they are synonymous or homogenous.

That said, new tourism operations can be contrasted with mainstream tourism on numerous fronts. First, it is described consistently as being owned and operated locally, whether through private initiative, capital partnerships, or with government support. Second, the literature suggests that the tourist base is more often than not young adults traveling independently, and their length of stay tends to be longer in duration than of those staying at mainstream establishments. Importantly, the scale of these operations is noted as being significantly smaller than mainstream operations and they are more closely connected to both the local economy and host population. Finally, new tourism professes an awareness of and concern for the environment and existing social systems.

#### **PARAMETERS OF THE RESEARCH**

There are a number of difficulties inherent in both the qualitative and evaluative nature of this research. The first of which being what exactly is meant by *better* for development, and indeed, what development itself is taken to mean.

Beginning with development, it is clear that different theories and strategies “have tended to stack up, one upon another, co- existing, sometimes in a very convoluted and contradictory manner” (Potter, 2002, p. 63). Modernization theory emerged dominant after World War II, the economics of which are best described by W.W. Rostow’s five-stage model of growth. This theory came to be challenged in the 1960s with the rise of neo- Marxist dependency theory and World Systems theory. The 1970s saw a shift to more endogenous approaches to development, known collectively as Another Development, which were in turn replaced in the 1980’s with the hegemony of neo-liberalism and its insistence on free market principles and trickle- down growth. Finally, the 1990s saw “a convergence of thinking on development and on the significance of human welfare and human rights” (Mowforth and Munt, 2003, p. 34). This has resulted in a perceptible “shift towards people- focused and participatory approaches to development...the return of *alternative development*” (Mowforth and Munt, 2003, p. 34, their emphasis) <sup>4</sup>.

The predominant idea of development most recently endorsed by the United Nation’s Development Programme (UNDP) finds its roots in the first *Human Development Report* of 1990, which states, “human development is the process of enlarging people’s choices. The most critical ones are to lead a long and healthy life, to acquire knowledge, and to enjoy a decent standard of living (United Nation’s Development Programme [UNDP], 1990, p. 10). This vision retains a powerful resonance today. While it is conceded that the importance of GDP growth and economic

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<sup>4</sup> For more comprehensive coverage of these development theories see Hunt, 1989; and Wilber & Jameson, 1973.



stability cannot be underestimated- especially as a means to an end- the ultimate yardstick for measuring progress remains people's quality of life, and the key to quality of life is the opportunity to have choices (UNDP, 2006, p. 263).

In line with this conceptualization of development but adding a cultural and environmental sensitivity component, development will henceforth be described as collective economic improvements to the lives of individuals or a community in a context of socio- cultural and environmental consciousness and sensitivity. In economic terms development requires income generation and stimulation of the multiplier effect within the host community. In terms of social and cultural systems, rather than an improvement upon them per se, development necessitates the creation of opportunities and incentives to stimulate and promote local cultural and social practices as defined by the host community. The environmental component of development requires sustainable practices with regard to direct and indirect use and impact.

Therefore, to be *better* for development, new tourism must contribute to the local economy and provide new opportunities for individuals, control tourism's inherently transformative nature as it relates to socio- cultural systems, and be environmentally sensitive, all to a degree superior to that of mainstream tourism.

Another limitation of this research stems from the diversity of the concept new tourism. The literature presented explores the issues as they pertain to many of the various forms of new tourism, sometimes individually and at other times collectively. However, the field research that was conducted for this thesis does not cover all these manifestations of new tourism. Indeed, it is restricted primarily to one form of new tourism in Penang, Malaysia- locally run guest houses. Unfortunately, these guest houses

are not representative of the more niche- driven enterprises like some ecotourism operations that constitute other examples of new tourism, potentially limiting the application of any findings.

Third, the hypothesized conditions identified for the success of either tourism form are potentially inaccurate. While every effort was made to identify pertinent criterion based on existing case studies and tourism literature, it is possible that the conditions tested herein are in fact not the most important pieces, or that they are only a part of the picture.

Finally, much of the tourism literature discusses the effects of tourism development as a whole while the intention of this paper requires the isolation of these impacts as they relate to either form of tourism. Ultimately, it also needs to be recognized that it is sometimes impossible to completely isolate the effects of one form of tourism from the other in Penang and by extension, impossible to isolate the effects of tourism development from other influences and factors at play.

## **CHAPTER OUTLINES**

Chapter Two presents a literature review surveying the academic writing on tourism and development in the economic, socio- cultural, and environmental spheres as it pertains to both mainstream and new tourism. It is through the literature review that the pertinent research questions to be addressed within the field are identified.

Chapter Three is the case study of Penang, Malaysia. Both the development context and the tourism industry are introduced for Malaysia generally, and Penang specifically. The methodological approach for the research undertaken is also described

in Chapter Three, including data collection techniques and sources of information. This chapter concludes with a description of the findings from the field research. Chapter Four discusses and analyses the findings of Chapter Three by relating them back to the earlier theoretical and empirical material presented in the literature review. The final chapter, Chapter Five, offers an evaluation of the original research question and offers suggestions for the current situation in Penang.

### **SUMMARY OF FINDINGS**

Many of the differences between mainstream and new tourism that are highlighted in the tourism literature are inaccurate, at least in Penang. Most significantly the type of tourist generally associated with either form of tourism, and their respective length of stay, proved considerably different from that indicated in the literature. Also of note was the fact that the degree of economic integration may not be as different between these two forms as is commonly supposed.

Further, research findings illustrate that the full potential tourism is not being met in Penang though mainstream and new tourism do both benefit the island significantly. First and foremost the growth of secondary industry opportunities pertaining to tourism development are invaluable, particularly for women and those with limited education. The degree of economic integration found in Penang's tourism industry is also an important for the overall economic picture of the island. Tourism's potential to be a force of cultural protection and revival is only being leveraged to a minimal degree. While some cottage industries have been established or revitalized the residents of the island have seen minimal economic return directly from their cultural products and social systems. Environmentally it is clear that the tourism industry, the mainstream operations

especially, are not in line with the needs of development. There is insufficient legislation and enforcement, and limited evidence of any environmental ethos to direct citizens and businesses alike to act in an environmentally conscious manner.

## **Chapter 2**

### **Literature Review**

#### **TOURISM and DEVELOPMENT<sup>5</sup>**

##### **Tourism and the Economy**

For many developing countries “international tourism has become the leading economic sector in terms of the earnings in foreign exchange, contributions to government revenues and the employment opportunities created (Tan, 1992, p. 263). Even back in 1980 Lanfant pointed out that “as international tourism penetrates underdeveloped societies, it brings foreign exchange and capital, which represent growth factors and therefore promote development” (p. 19).

This section discusses the contributions of mainstream and new tourism to the economies of developing countries and host communities. Issues to be dealt with include economic growth, involving discussions of the tourism industry’s earnings and infrastructure development; sector linkages and economic leakage; and participation, including ownership, and income stream creation via direct and indirect employment.

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<sup>5</sup> Before discussing the pro- tourism arguments for mainstream and/or new tourism it must be acknowledged that there is a significant anti- tourism faction represented in the development literature. Much of this anti- tourism position is argued from a dependency theory perspective. Despite the arguments they put forth, tourism is being pursued as part of national and regional development plans and is more gainfully discussed from pro- tourism positions. Hence, the anti- tourism position as represented by dependency theorists will not be examined here. For further reading on the anti- tourism position and the dependency perspective of tourism development see Britton, 1982; Britton, 1989; Mowforth and Munt, 2003; or Gladstone, 2005.

## ***Mainstream Tourism and the Economy***

### ***Economic Growth***

Mainstream tourism represents the preferred form of tourism development for neo-liberal thinkers who conceptualize development in general as economic development, or economic growth (Hunt, 1989, p. 63). Since the 1970s international tourism has grown significantly in the number of tourist arrivals and tourist receipts. In 2006 the UNWTO estimates there were approximately 847 million international tourist arrivals (UNWTO, 2008, p. 4), the estimated value of this tourism activity for 2006 being US\$ 742 billion (UNWTO, 2008, p. 5). Table 2 illustrates some of the specific UNWTO findings.

There is no denying this growth of mass tourism in numbers of visitors and in economic contributions<sup>6</sup>. Worldwide, tourism has grown into one of the largest industries and foreign currency earners for many developing countries and for some countries it is *the* number one foreign currency earner (Sinclair, Alizadeh, and Onunga, 1992, p. 55).

Tourism development in Botswana can be used as a specific national example of the growth in mainstream tourism. As in many developing countries mainstream tourism development in Botswana has followed a path of enclave development (Mbaiwa, 2005, p. 158). The Botswana Tourism Development Programme (BTDP) (1999) reports that such tourism in the Okavango Delta of Botswana was almost non-existent at independence in 1966 but by 2000 had become the second largest economic sector in the country (as cited

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<sup>6</sup> While these figures include more than just mainstream tourism, they are nonetheless illustrative of a trend at a time when mainstream or mass tourism accounted for (by far) the largest proportion of international tourism (Mowforth and Munt, 2003, p. 88; Hampton, 1998; Meijer, 1989).

in Mbaiwa, 2005, p. 157).

There is also the case of the Dominican Republic, where in the late 1970s and early 1980s foreign owned hotel chains, such as Jack Tar, Radisson, Sheraton, Concorde, and Club Med, began to invest heavily in mainstream tourism development (Freitag, 1994, p. 540). The direct result of this is that by 1982 tourism had surpassed agriculture as the number one foreign exchange earner in the Dominican Republic economy and was the third largest source of employment in the country (Freitag, 1994, p. 540).

Such growth, neo- liberals would argue, has only been possible because of the form and structure of mainstream tourism development. The mainstream form of tourism development reflects the broader neo- liberal theory of efficiency in resource allocation (Hunt, 1989, p. 63). In particular, one element that is central to this analysis and especially pertinent to tourism is international trade based on comparative advantage.

The notion of comparative advantage is the justification for a continuing interest in international trade and neo-liberals believe that private producers should specialize according to their comparative advantage in order to compete internationally (Hunt, 1989, p. 305). While this literature refers to comparative advantage as it relates to primary commodities, it can also be extended to include tourism which is normally defined as an export product despite the fact that the tourist comes to the tourism site for consumption. Many Third World countries enjoy a comparative advantage in the production of labour-intensive tourism commodities because they have the “sun, sand, sea, and sex demanded by international travellers” (Gladstone, 2005, p. 55). As Aguilo (2005) states, the mass tourist is in search of “hot weather and a suntan within the framework of a rigidly packaged holiday” (p. 219). This is validated by statistics from the WTO (2001) showing

the growth of tourism as a percentage of GDP in 1996 in such tropical destinations as Antigua and Barbuda (55 per cent), Bahamas (40 per cent), and Barbados (38 per cent) (as cited in Weaver, 1992, p. 163). Further support for the comparative advantage of sun, sand, and sea can be found in recent figures from the World Travel and Tourism Council (WTTC) (2001) which indicates that the top 20 nations ranked according to the contribution of tourism to GDP are all island destinations (as cited in Sharpley, 2003, p. 246).

Neo- liberal theorists would further maintain that mainstream tourism operations represent the model of tourism development most viable for selling the tourism commodity and exploiting their comparative advantage because mainstream tourism provides the efficiencies and economies of scale necessary for profit maximization and for transforming 'backward' societies into modern industrial societies (Rodenburg, 1989, p. 206).

This is most evident when mainstream tourism development takes the form of enclave development, as it often does. As illustration of a large scale enclave tourism development project, the Nusa Dua mega project in Bali, Indonesia, has been central to the industry's ever- growing contribution to Indonesia's net foreign exchange earnings (Rodenburg, 1989, p. 215). In his study on tourism in Bali, it was shown that large industrial tourism, represented by the Nusa Dua project, gave greater gross annual foreign exchange earnings than the same number of rooms in either small- industrial tourism, or craft tourism<sup>7</sup>.

Furthermore, according to Sharpley (2003), the use of more traditional mass

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<sup>7</sup> These are Rodenburg's term. He defines large industrial tourism as hotels of international standards. Small industrial tourism refers to what he calls economy class hotels, and craft tourism corresponds with homestays and independent operations (Rodenburg, 1989).



forms of tourism can be an effective means of “optimizing the contribution of tourism” to development when they are used as economic growth poles (p. 247). This advantage comes from their ability to “spread economic development and reduce inequalities in income distribution by providing employment to people in a particular geographical area” (Mbaiwa, 2005, p. 157). This is especially true when these developments are located away from major population centres. In such cases they are often hailed as catalysts for regional economic development (King, 2001, p. 179). Hainan Island in China, for example, has experienced rapid economic development and government- planned resort developments have played a major role (King, 2001, p. 179).

When developed as enclave resorts, another advantage of such large scale tourism is the ability to attract the business of retailers, owing to their “economic muscle” and international connections (Rodenburg, 1989, p. 208). Wiarda and Kryzanek theorize that the profits from such enclave tourism, acting as a growth pole, can later be redirected towards further diversification of the economy (as cited in Freitag, 1994, p. 540). The Mexican policy of developing large resorts, such as Cancun, is an example of the application of this approach (Sharpley, 2003, p. 248).

A similar situation is presented in the case of Cyprus, where the development of mass tourism as a modernizing growth pole has underpinned the rapid and remarkable economic development of that island since 1974. This development continues to drive economic growth and development today, providing the foundation for broader modernization and development of the island (Sharpley, 2003, p. 249).

Another pertinent point in favour of mainstream tourism, and particularly enclave development, surrounds the issue of infrastructure investment. It is argued that the

massive capital investment requirements for tourism in fact often necessitate mainstream enclave tourism development so that the absolute quantity of money invested is advantageous as compared to other scales of development (Rodenburg, 1989, p. 216). As Gray outlines, a key advantage of enclave resort development in less developed countries (LDCs) is that “infrastructure is geographically concentrated and capable of providing economies of scale” (as cited in King, 2001, p. 184). This is also supported by private investors and Dominican government planners who favour the development of enclave resorts in the Dominican Republic because such projects maximize the benefits from limited finances (Freitag, 1994, p. 540).

King (2001) points out that large- scale tourism development in LDCs may also be the only viable option for countries that lack basic infrastructure (p. 184). Again, this is a function of maximizing returns by concentrating investment dollars in a limited geographical area. Most often, this tourist infrastructure- from transportation networks to communication systems to utilities and services- aims at “a level of quality and sophistication rivalling the standards of Western countries”, a noted goal of many Third World governments (Peppelenbosch and Tempelman, 1989, p. 28).

A ready example is again found in the case of the Nusa Dua project in Bali, Indonesia. To carry out their commitment to the project, the Indonesian government invested US\$ 36.1 million in infrastructure development. This included investment in the “water supply, sewage treatment, solid waste disposal, roads, telephone and telex connections, and a hotel training school...capable of meeting the personnel needs of ‘international standard’ hotels” (Rodenburg, 1989, p. 209).

Of further importance to supporters of mainstream tourism as a means of

economic growth is the nature of the tourist. International mainstream tourism attracts a particular type of tourist, namely those with money to spend in pursuit of personal pleasure and leisure. It is assumed that more money can be earned by attracting these tourists because they can afford luxury goods and services (Scheyvens, 2002, p. 144). The mainstream tourist body is oftentimes comprised of middle- aged couples or retirees, and many travel on package tours organized from their home countries. In part, these foreign tourists are drawn by the comfort of familiar trademarks that multinational enterprises provide to mainstream tourism establishments (Ankomah, 1991, p. 436). They are also attracted to mainstream resorts for their inclusive nature and Western standards, making holidaying easy and hassle- free (Meijer, 1989, p. 227). According to mainstream proponents, the high spending power of this type of tourist makes them attractive clientele for both the tourism establishment where they stay, and the destination economy more generally. Such tourists are in direct opposition to the backpacker segment associated with new tourism and this is perceived as an advantage of mainstream tourism.

A major criticism made of backpackers by the mainstream is that they are excessively concerned with bargain hunting and may regard haggling as a game, “to the extent that they exploit artisans and traders so desperate for a sale that they accept unreasonably low prices for their products” (Goodwin, Kent, Parker, & Walpole, 1998, as cited in Scheyvens, 2002, p. 147). As Riley (1988) notes, “status among travellers is closely tied to living cheaply and obtaining the best ‘bargains’ (p. 320). This is supported by Scheyvens (2002) who cites anecdotal evidence that independent tourists to Indonesia go “to compete with other travellers about how cheaply they can travel” (p. 147).

Generally, hippies and backpackers, who dominate the new tourism facilities, are shunned because they do not bring in much foreign currency (Scheyvens, 2002, p. 145; Meijer, 1989, p. 227).

#### *Industry Leakage and Linkages*

Tourism must be integrated into the local economy and successfully serve to promote other local activities in order to meet development goals (Farrell, 1990, p. 25; Freitag, 1994, p. 539; Matthews, 1978, p. 48). Directly connected to this are issues of backward linkages, and the question of foreign exchange leakage- a number that reflects the amount of tourism- generated money that never makes it into the hands of the host country or community. In broader terms it suggests “the general integration of the tourism industry into a given economy” (Gladstone, 2005, p. 66).

Two sides of the same coin, there is a great deal written on economic leakage and sector linkages in the tourism development discourse (Peppelenbosch and Tempelman, 1989; Madeley, 1999; Gladstone, 2005). Much of the literature on economic leakage is critical of mainstream tourism, noting that the level of leakage is directly related to the ownership characteristics of the tourism establishment:

If this economic sector is dominated by foreign investments in accommodation and transport (international hotel chains, travel agencies and airlines), a major portion of the earnings will flow back to the richer countries in the form of salaries to expatriates, profits, interest on loans, and so on. Also, if catering for tourists cannot be organized locally, and the construction of hotels and infrastructural work has to be left to foreign contractors, the imports of food, beverages, other services and goods for the tourists, as well as building materials, will result in further leakage of receipts from this trade (Peppelenbosch and Tempelman, 1989, p. 28).

What needs to be noted with such a statement however, is that while some leakages occur through choice and planning, others are out of necessity. When a tourist destination lacks

the capacity to support tourism development investors are obligated to spend more on the imports needed to meet their operating requirements. At other times linkages are made and leakage is controlled. In a study of the Mamanuca islands in Fiji, King (1997) found that “despite the strong commercial ethos of the resorts, integration with local Fijian communities was occurring on a significant scale” (p. 237). It can be noted, too, that despite the “problematic nature of developing supply chains linking resorts with nearby agricultural producers in LDCs, in recent years tourism has indeed increased its linkages with many domestic industries, mainly food production” (King, 2001, p. 183). This trend is reflected in research in Kenya by Dieke (1991), which reports that tourism’s food imports have declined steadily, from 77 per cent in 1984 to 14 per cent in 1988 (p. 271). Even when these linkages are not ideal, such as when they need to be made with established wholesale and retail outlets rather than independent local suppliers, such research suggests that certain segments of the economy (and community) can benefit from the introduction of enclave resorts.

#### *Participation*

The entire international tourism industry is dominated by MNCs. They control tourist movements, the definition and promotion of the tourist experience, and the organizational form by which holidays are undertaken (Britton, 1989, p. 94). Given this domination, mainstream proponents argue that MNCs and foreign interests are also best suited to control tourism operations in developing country destinations in order to maximize their integration into this system. Mainstream proponents also suggest that this is the best scenario as the majority of international tourists originate from a few OECD (Organization of Economic Cooperation and Development) countries in the developed

world. Having closer connections to the source, they claim to be in the best position to respond to tourist wants and needs, and suggest they are better attuned to market demands. Furthermore, as Ankomah (1991) notes, tourists are more likely to be comfortable with the familiar trademarks of multinational enterprises when travelling to new and unknown destinations (p. 436).

Opportunities related to mainstream tourism activities are substantial and sometimes represent the only employment opportunities in a community (Peppelenbosch and Tempelman, 1989). In parts of the Caribbean for example, where mainstream resorts are the norm, tourism employs over half the labour force (Madeley, 1999, p. 128). These employment opportunities are categorized by Smaoui (1979) as direct, indirect, and investment related (as cited in de Kadt, 1979, p. 36). Direct employment results from the sale of goods and services to tourists. Indirect employment refers to firms that supply goods and services to the tourist business, and investment employment is mostly in the construction of infrastructure works (de Kadt, 1979, p. 36). The same study by Smaoui (1979) suggests that,

every extra hotel bed creates approximately one hotel job and 1.5- 2 more jobs in the rest of the direct employment category; two additional jobs in the indirect employment sphere and another 1/3 job connected with investments (p. 26).

Examples of investment related opportunities are obvious in some Pacific Island countries like Fiji, Tonga, Vanuatu and Western Samoa, where the growth of tourism has led to a mini construction boom (Madeley, 1999, p. 138). Such evidence has led some to suggest that mass tourism can be a “key catalyst in improving standards of living, bringing them closer to those in tourism-generating countries” (King, 2001, p. 178).

As an employment generator, the growth of mainstream tourism has vastly

increased the number of low-skill jobs available to some communities. Such jobs, while perhaps not desirable jobs in some contexts, are better than no jobs at all and in many circumstances they are considered good jobs. Moreover they may be the only jobs that individuals with little or no education can attain. The Dominican Republic, with its high rate of unemployment and significant mainstream tourism development, is a ready example of exactly such a situation. Wiarda and Kryzanek (1982) report that individuals in the Dominican Republic believe, “any job created in the region is important, even if its not high- paying and subject to seasonal lay- offs, because any type of employment is certainly better than no jobs at all” (as cited in Freitag, 1994, p. 543).

There are also studies that suggest employment within mainstream tourism is in fact relatively skill-intensive. For example, in the Philippines the tourism labour force is 38 per cent semi-skilled, 32 per cent skilled, 14 per cent supervisor, and only 16 per cent unskilled (Sinclair and Stabler, 1991, p. 30). Furthermore, as Weaver (1992) notes, “there is an indisputable correlation that exists between intensively developed tourism sectors and high per capital incomes, giving large resorts a relative advantage over small projects as employment generators” (p. 166). Freitag (1994) supports this position by pointing out that wages at the Luperon Beach Resort Hotel, in Luperon, Dominican Republic, are “high by local standards” and a job at the hotel is “considered desirable” (p. 545).

Also of importance to note, the “common sense notions about economies of scale” do not apply to tourism (Rodenburg, 1989, p. 217). Both total employment per tourism operation and average employment per room increases with scale, as indicated in a study of tourism development in Bali, Indonesia, by Rodenburg (1989). Table 3 summarizes

these employment trends.

### ***New Tourism and the Economy***

#### ***Economic Growth***

In economic terms new tourism proponents base much of their support for mainstream alternatives on evidence suggesting that the nature of the tourist attracted to these enterprises contributes more qualitatively to the economy (Haigh, 1995; Gibbons and Selvarajah, 1994; Hampton, 1998; Goodwin et al, 1998; Wheeler, 1999; and Wilson, 1997). The tourists are typically young, and travelling independently (as opposed to travelling on packaged tours), and according to these authors:

- Spend more money than other tourists because of longer duration of visit;
  - Spend money over a wider geographic area;
  - Do not demand luxury, and therefore spend more on locally produced goods;
  - Facilitate entrepreneurship as individuals with little capital or training can provide desired services or products;
  - Ensure low overhead costs by requiring only basic infrastructure;
  - Induce significant multiplier effects from drawing on local skills and resources;
- (as cited in Scheyvens, 2002, p. 152)

A case- specific example is offered by Pobocik and Butalla (1998), who compare the economic contributions of independent and group trekkers (on pre- paid organized trips) in the Annapurna Conservation Area Project in Nepal. This study reveals that while the group trekkers spent more in a per day analysis (US\$ 31 compared to US\$ 6.50 a day for independent trekkers), the independent trekkers were still found to contribute much more to the local economy. This was because “the groups usually camped and the companies brought in most provisions for their clients, whereas independent trekkers stayed in local lodges, consumed local food and drink, and purchased local souvenirs” (as cited in Scheyvens, 2002, p. 153). The report goes on to conclude that, “group trekkers contribute little to local economies, which is a fundamental factor in the successful



trekking agency management paradigm of supplying all needs and reaping all profits” (as cited in Scheyvens, 2002, p. 153).

A similar situation is reported by Goodwin, Kent, Parker, & Walpole (1998), for tourists visiting the Komodo National Park in Indonesia:

Tourists in the highest spending category visit Komodo from cruise ships which provide all food and accommodation, so that they spend very little on Komodo; and the same applies to those who use charter boats for their visit. Budget tourists, however, use the government ferry, which necessitates a stay of at least one night on Komodo’s main island, and consequently they spend two to three times as much money within the park as do the other tourists (as cited in Scheyvens, 2002, p. 153).

As such, tourists outside of the mainstream structure do more to promote the economic integration, local control, and endogenous or self-managed development that Cazes (1989) uses to characterize alternative, or new, tourism (p. 122).

New tourism can further enhance development when there is infrastructure investment in support of new tourism enterprises, as this form of tourism is spread more widely than the infrastructure projects designed and built primarily to meet the needs of mainstream enclave development (Rodenburg, 1989, p. 220). As is often the situation with mainstream tourism, when the primary consideration in infrastructure development is to “attract investors for hotel construction” (Rodenburg, 1989, p. 209), the corresponding problem arises that the infrastructure fails to fulfill the needs of local communities. As stated by Mansperger (1995), instead of providing services that resident populations need, governments “may allot their limited funds towards construction of the airports, roads, and sewers that mass tourism requires” (p. 92). The Nusa Dua project reported on by Rodenburg (1989) supports this occurrence:

only 22.6 per cent of the planned infrastructure budget was used for multi-purpose roads and it is the only item, with the exception of the extension of water

and electrical supply lines to two local villages, that can be said to serve both the Balinese and the tourist industry (p. 209).

When geographically spread, “better roads, local water projects, and other investments not only help...smaller scale enterprises to compete, they stand to improve the lives of local people” (Rodenburg, 1989, p. 220). Perhaps, as Peppelenbosch and Tempelman (1989) suggest, “it is advisable to consider carefully whether the high priority given to the provision of large infrastructural investments to support a well developed tourist industry is warranted” (p. 28). At the very least it appears to suggest that infrastructure development might better serve local communities when built in support of new tourism.

#### *Industry Linkages and Leakage*

According to sustainable development proponents, another major advantage of new forms of tourism relates to linkages and leakage. As was recorded earlier, there exists a direct correlation between the ownership characteristics and the level of leakage of a tourism establishment (Peppelenbosch and Tempelman, 1989, p. 28). The higher the degree of foreign ownership and control the greater the level of economic leakage out of the host economy.

International hotel chains in particular, are argued to seek diversification in their activities “in order to control as many as possible of the ancillary enterprises associated with the tourist industry in the host country” (Migot- Adholla, 1989, p. 253). In Kenya this trend is illustrated by the investment of British Airways in Serena Hotels and the take- over of two profitable game lodges by a subsidiary of a trasnational firm: the United Touring Company (Migot- Adholla, 1989, p. 253). Urry (1990) echoes this, noting that much of the Dominican tourism market is controlled by Multinational Companies (MNCs) based in North America and Western Europe and they “retain the lion’s share of

profits derived from Dominican tourism” (p. 64). Furthermore, the tour operator is oftentimes a subsidiary of an airline company, which owns hotel chains as well (Meijer, 1989, p. 239).

According to the United Nation’s Centre for Transnationals, some of the reasons why so little of the currency generated from Third World tourism stays in the host country involves direct import requirements for luxury goods and services, and payments abroad (as cited in Roekaerts and Savat, 1989, p. 45). Numerous other authors have weighed in, adding the financial transfer of profits to Transnational Companies (TNCs) with hotel equity, franchise payments, and salaries to expatriate staff (Migot- Adholla, 1989, p. 253); commissions paid to travel agents, imports of food and beverages, and interest payments to foreign banks (Hong, 1985, p. 22-23).

The value attached to these leakages is inconsistent but illustrative nonetheless of the degree of the situation. One account, for example, puts the rate of leakage at between 21 per cent to more than 50 per cent of total tourism receipts (Roekaerts and Savat, 1989, p. 45), while a report published in 1978 by the Economic and Social Commission for Asia and the Pacific estimated that leakage was between 75 and 78 per cent when both the airline and the hotel were owned by foreign companies, and between 55 and 60 per cent in the case of a foreign airline but locally owned hotel (Madeley, 1999, p. 136). Meanwhile, Ankomah (1991) reports that Tanzania retains only 40 per cent of its gross tourism earnings (p. 435).

Community development proponents argue that new tourism, characterized as it is by local ownership and control, prevents most of the leakage associated with the international operations of mainstream tourism. In support of this claim, Gibbons and

Selvarajah (1994) note observational and anecdotal evidence that suggests a lower degree of leakage from the backpacker tourism segment than from any other (as cited in Scheyvens, 2002, p. 153).

New tourism may also present greater opportunities for local level business linkages than mainstream tourism. When local skills and resources are used to provide facilities for new tourism, for example, Cater (1996) claims that there can be important multiplier effects (as cited in Scheyvens, 2002, p. 154). This is clearly presented in the case of Gili Trawangan in eastern Indonesia, where Hampton (1998) reports that backpacker bungalows are built of local bamboo and concrete blocks manufactured in the village. These bungalows are also furnished with bamboo tables and chairs made in neighbouring Lombok, and curtains are made of the traditional ikat fabric (p. 649).

This is in direct contrast with enclave resort development which has been shown by Britton (1982) to promote few economic linkages at the local and regional level (as cited in Freitag, 1994, p. 541). Freitag (1994) even suggests that “hotel management seeks to limit the interaction between tourists and local community to improve its own profits” (p. 551). Migot- Adholla (1989) makes the same assertion arguing that mainstream tourism “does not facilitate the so- called trickle- down effect; instead it tends to aggravate existing patterns of inequality” (p. 254).

### *Participation*

Ownership of the tourism enterprise is considered a requisite for maximizing the potential economic returns from participation in the tourism industry. As was outlined before, mainstream tourism is predominantly foreign owned and controlled, currently limiting that form of tourism’s participation opportunities. On the other hand, with the

growth of the sub-set of tourist who prefer “informal- sector tourism establishments” (Gladstone, 2005, p. 97), there is a growing space for local level ownership of the tourism industry. Accordingly Scheyvens (2002) notes how backpacker tourism has the following positive attributes relating to participation:

- Enterprises catering to backpackers are generally small and thus ownership and control can be retained locally.
- Local people gain self- fulfillment.
- Local people can form organizations which promote local tourism, giving the community power in upholding their interests.
- Local servicing challenges foreign domination of tourism enterprises (p. 152).

Regarding the ownership issue Rodenburg (1980) concludes, “smaller- scale enterprises offer a greater opportunity for profit and control to local people than do enterprises on a larger scale” (as cited in Meijer, 1989, p. 228). Wilson (1997) argues that in general, the beach holiday destination of Goa, India welcomes backpackers “because they can easily service their needs, and this has resulted in an industry characterized by wide local ownership of resources and the broad distribution of benefits throughout the local community” (p. 63).

More generally than the condition of local ownership, sustainable development theory requires new ways of encouraging direct participation of peasant and indigenous communities in a programme of job creation. The aim is to increase incomes and improve the living standard of these groups, and it is argued that new tourism can provide such opportunities.

As a corollary of the reduced leakages associated with new tourism, a greater opportunity for creating income streams exists. Owing to the type of local interaction independent tourists have and the broad spatial distribution of new tourism, local economic benefits may be greater when catering to tourists on a budget, as more

community members can participate (Scheyvens, 2002, p. 154). Large industrial tourism on the other hand, can be expected to concentrate rather than disperse earnings (Rodenburg, 1989, p. 214). While they spend less money than mainstream tourists, the argument runs that it finds its way “directly into the hands of truly local people” (Roekaerts and Savat, 1989, p. 43). A study in Namibia by Ashley and Roe (1999) supports this claim. They found that informal sector activities associated with tourism, including the sale of fuel wood and vegetables to campers, offered a valuable means of enhancing the livelihoods of the poorest groups in society (p. 21). Furthermore, Freitag (1994), in research in the Dominican Republic, notes that “local establishments purchase most of their fresh vegetables, fruits, meat, and fish from local suppliers” (p. 543).

It is also suggested that the quality of employment opportunities created in and around new tourism is preferable to that created by mainstream tourism, even if the quantity of jobs cannot be matched. For example, Goodwin (1998) and Wilson (1997) have found that women, often excluded from formal economic activities, are more likely to operate informal tourism enterprises by selling handicrafts, operating food stalls, or working as beach vendors (as cited in Scheyvens, 2002, p. 154).

Such active and meaningful forms of participation fit well within the human development framework espoused by AD, which encourages having the community as the base of development, popular participation, and local action and control (Veltmeyer, 2000, p. 23). Of particular importance here is that new tourism provides opportunities for those groups that normally exist outside the mainstream market economy to find inclusion within a diverse production structure.

A major concern with the jobs created by mainstream tourism, on the other hand,

is that so few of them can be considered well- paying. As Madeley (1999) politely states, “the remuneration of employees in hotels and restaurants seems to be at the lower end of the salary spectrum” (p. 136). This is also noted by Mansperger (1995), who adds that in addition to being low- paying the jobs are often susceptible to seasonal lay- offs as well (p. 92).

Most employees are also overworked. Diagne (2004) notes that in Senegal, employees at mainstream resorts often put in “over 20 hours a day on the job without benefits such as holidays, medical insurance coverage, payment of costs for transport and subsidized housing” (p. 482). Madeley (1999) supports this with research from Bangladesh comparing the length of the work week in different sectors. He finds that “the weekly hours of work are 56 in the hotel and catering industry, and 45 in banking, construction, printing and other sectors” (p. 137).

Although promoted as an advantage by mainstream tourism proponents, new tourism supporters criticize the fact that the vast majority of jobs created through mainstream tourism are low- skilled (Madeley, 1999; Mansperger, 1995). The majority of the local workers are limited to work as “waiters or waitresses, kitchen help, maids, bell-hops, grounds- keepers, and security guards” (Freitag, 1994, p. 544). Tourism resort properties are alleged to be examples of what MacCannell (1992) describes as “empty meeting grounds”, squeezing the local people out of “every role except the menial positions that they have always occupied” (p. 174). In his research in the Dominican Republic Freitag (1994) notes how higher administration positions are still filled by people brought in from elsewhere in the Dominican Republic (p. 544). The same pattern appears in the Gambia where “almost all hotel positions requiring management and

technical skills are occupied by Europeans” (Ankomah, 1991, p. 435). And in Santa Cruz, Mexico, when a Sheraton hotel opened in 1988 the qualifications needed for front desk jobs included 100 per cent English fluency while maids needed to be 80 per cent fluent (Madeley, 1999, p. 137).

### **Tourism and Socio- cultural Systems**

By the 1970s challenges were being made by sociologists to the narrow economic interpretation of the impact of tourism. Concerns began to arise regarding the impact of tourism on social and cultural systems. It was becoming clearer that tourism links nations not only through economic networks but through cultural and social networks as well (Lanfant, 1980, p. 21). Dean MacCannell (1992) uses the terminology of passive and active transformation to discuss the nature of tourism’s effects on society and culture. The transformative nature of tourism, he argues, must be recognized if the trade- offs involved in community participation in tourism are to be debated.

Many sociologists are concerned that the social and cultural implications for local communities arising out of involvement in tourism activities may be too great a price to pay for tourism development (Smith and Duffy, 2003, p. 73). On the other hand, there are those who contend that tourism can be a positive influence both socially and culturally. Either way, when discussing tourism’s impact on social and cultural systems an important fact to remain aware of, as described by Mansperger (1995), is that cultures are constantly changing and societies and cultures are by their very nature dynamic. They have undergone changes in the past, and will continue to do so with or without the involvement of tourism (p. 92). To contextualize this, de Azeredo Grünwald (2002)



identifies how the Pataxó Indians of Porto Seguro, Brazil, have undergone significant cultural changes in response to their changing circumstances since the time of European 'discovery' in 1500. Their most recent cultural changes, representing just one in a series of on- going adjustments to their situation, have arisen from their increasing role in tourism.

Furthermore, as claimed by van Doorn (1989), there are some critical shortcomings in the sociological and anthropological research into the impacts and transformative nature of tourism. Most notably, he cites a lack of identifiable causal chains between tourism and socio-cultural changes because tourism has not been properly isolated in past studies (p. 74). This claim is illustrated by Migot- Adholla (1989), who notes that while contact with tourists may lead to a change of tastes and consumption habits, "in Kenya it is more likely that the more pervasive and important changes in taste come with the large number of international civil servants, expatriates in government and private service, and with locals returning from visits abroad, rather than tourists" (p. 259).

The following sections will address the debate as it relates to mainstream and new tourism's role in social transformation, including issues of education, land use, and changing lifestyles and attitudes; and cultural identity, including a discussion of cultural revival, preservation, and authenticity.

### ***Mainstream Tourism and Socio- cultural Systems***

#### ***Social Transformation***

Much of the tourism literature tends to overlook areas where mainstream tourism has made constructive contributions to social and cultural systems. In particular, mainstream tourism has played a positive role in schooling patterns in developing

countries. In some instances it has been noted how,

to fulfill the need for employees with different forms of education able to service the great variety of jobs in and surrounding tourism, there has been a corresponding growth in the provision of special courses such as language instruction or botany classes, and specific vocational training such as hotel schools and institutes for higher education in tourism (Peppelenbosch and Tempelman, 1989, p. 31).

Since its inception the Umtali Hotel and Tourism College in Kenya, for example, has trained personnel for the tourism industry in Kenya and countries in the region (Ankomah, 1991, p. 439).

In addition, courses and training programmes such as the aforementioned have served to stimulate entire formal education systems because their specialization often require some level of general, or basic, education (Peppelenbosch and Tempelman, 1989, p. 31). It has also been recorded that the TNCs controlling most mainstream enterprises “can help to upgrade skills (for example, computer skills in the case of hotels), which in turn can help the host country’s economy” (Madeley, 1999, p. 137).

Some mainstream development proponents also contend that local community practices, particularly those of pastoral groups, are unsustainable, inefficient and even destructive (Lamprey, 1983; Bonfiglioli and Watson, 1992; and Dyson- Hudson, 1972). Based on the argument for efficiency of resource allocation and the growth stages of modernization theory, it is suggested that it is both necessary and advantageous to make changes to some traditional systems. Development plans, they suggest, must include new opportunities for these communities such as tourism development, so that they can give up out- dated and potentially deleterious practices and advance their societies (Rodenburg, 1989, p. 206).

There is also the issue of the tourist’s role in social transformation. In making

their case for promoting the mainstream tourist, mainstream proponents present the highly transformative tendencies and negative influences of new tourism travellers (usually backpackers) on host communities. The trend for backpackers to seek out more intensive contact with local people has generally been considered positive in the past but some, including Butler (1991), now recognize that such 'alternative' tourists are also more intrusive (as cited in Scheyvens, 2002, p. 147).

Through a shift of what Butler (1991) refers to as the replacement of the work ethic with a leisure ethic (p. 201), drifters follow a way of life, "alien to the local structure, rarely involving work, study or respect for community customs" (Roekaerts and Savat, 1989, p. 43). These travellers may hang around for months at a time "abusing the hospitality and introducing influences which affect the character of those communities far more profoundly than the superficial passing by of mass tourists can ever provoke" (Roekaerts and Savat, 1989, p. 43). At their worst, it is argued that backpackers and other budget tourists seem not only to disrupt local cultures but often end up abusing them as well. As an example of the abuse of hospitality, the tradition of India's Sikh temples can be cited:

They provide food and lodging to anyone who comes asking, serving thereby as something of a local welfare department. Smelling a bargain, hippie tourists were quick to make a list of these temples...so that the entire system is actually in danger of being broken down and lost (Roekaerts and Savat, 1989, p. 43).

Aziz (1999) and Mandalia (1999) for their parts suggest that the social actions of backpackers and other independent travelers, including drinking and smoking in temples, scanty or excessively casual dress, drug and alcohol abuse, and casual sexual encounters can all cause insult to local residents (as cited in Scheyvens, 2002, p. 148). Arising from these suggestions, Migot-Adholla (1989) adds that the "youthful drifters" and other lone

travelers who most engage in new tourism have “provoked fairly drastic moral panic among the officialdom in Kenya and other Third World countries” (p. 263).

#### *Cultural Identity*

Protagonists of mainstream tourism maintain that “mass tourism will help the Third World countries to discover their national identity, that old and forgotten customs can be revived, that monuments and historical sites can be restored” (Roekaerts and Savat, 1989, p. 41). According to Peppelenbosch and Tempelman (1989) tourism can lead to preservation. They argue that tourism can increase efforts to maintain cultural sites that were otherwise being lost to history. Where monuments form the basis of tourism development many developing countries put great effort toward preserving these relics, primarily for the pleasure of the tourists, but by doing so they also become more aware of their own history and retain concrete links to their collective past for future generations to learn from and enjoy (p. 31).

The highly organized and structured nature of mainstream tourism can be a means by which communities and native groups in fact protect their cultural uniqueness in other ways as well. Mainstream tourism has the volume of visitors, and thus the capacity, to encourage the creation and development of cultural and heritage centres, and can organize trips to traditional villages (authentic or fabricated) as package tour highlights, for example. Cohen (2004) recognizes the value even in the contrived authenticity of a tourist product and the creation of tourist spaces for the reason that they can in fact “protect cultural spaces by keeping them out of the tourist gaze” (p. 14). The point here is that even a created product is valuable in that it allows a separation between social or cultural aspects that will and will not be displayed.

Further, when cultural norms and traditions become economically quantified within the mainstream paradigm, there is a modern- world incentive for local communities to retain cultural distinctions and pass them on to future generations, thus perpetuating the cultural traditions at the heart of local identity. Through such mechanisms, culture, via its production, can continue to provide a basis for community, even in today's complex modern society (MacCannell, 1989, p. 32). This is illustrated in the case of Sri Lanka. According to a spokesman for the Sri Lanka Tourist Board, "thovil ceremonies, Sinhala dances and dramas, gokkola decorations, puppetry and all those languishing arts and artists have been revived because of tourism" (Roekaerts and Savat, 1989, p. 41). In Senegal, Diagne (2004) reports that, "due to the popularity of hand-made articles, tourism is contributing to the expansion of traditional arts and crafts" and "specialists in leatherwork, wood carvers, tailors and jewellers, are on the increase and are profiting from the expanding tourist industry" (p. 483).

It has also been claimed that international tourism might act to improve mutual understanding between different cultures (Peppelenbosch and Tempelman, 1989, p. 30).

In the words of the Sri Lankan Minister of Tourism,

an international movement of people respecting and appreciating the culture and ways of other people could play a significant role for peace in the world. Wars are caused by people who have not seen the people they want to fight (Roekaerts and Savat, 1989, p. 42).

### ***New Tourism and Socio- cultural Systems***

A recent increase in tourist awareness of social and cultural issues has precipitated a move away from the large-scale resort enclaves previously favoured from the 1960s to the 1980s toward new tourism activities, as observed by Gunawan (1997, p. 52). New tourism is the preferred form of tourism for sustainable development proponents because

of a recognized need to be not only economically, but also socially and environmentally responsible and sensitive, and to include active and meaningful forms of participation. They represent the means to sustain, in social and cultural terms, the communities at the base of the development process (Barkin, 2001, p. 3).

#### *Social Transformation*

While mainstream proponents condemn the backpacker segment of the tourist population for its negative impact on social and cultural systems, many of their generalizations are:

derived largely from their recent representations in the popular media and the associated hype, rather than providing an accurate representation of what appears to be developing into an increasingly diverse demographic group (Scheyvens, 2002, p. 150).

Pursuant to this claim, Scheyvens (2002) notes that a “simplistic analysis which asserts that backpackers are all self- centred individuals following each other around the world on a well- trodden route in search of sex, drugs and banana pancakes, is neither correct nor helpful” (p. 158). While it is true that independent tourists do stay longer than group or package tourists, and seek and maintain closer contact with locals, they also tend to seek out more normal interactions and greater understanding and involvement (Rodenburg, 1989, p. 222). From these interactions, at least in Bali, it is reported that there is “no evidence for any breakdown in social organization or families” (Rodenburg, 1989, p. 222).

There is even evidence that backpacker tourism development, particularly when concentrated within a small area, can transform run- down, crime- ridden parts of cities in the Third World. In Yogyakarta, Indonesia, for example,

a kampong (urban village) which formerly housed the red light district and was

characterized by poverty is now a thriving backpacker area with numerous small businesses in a setting of well-kept lanes and houses (Hampton, 1998, as cited in Scheyvens, 2002, p. 157).

While downplaying the negative role of new tourism as it is presented by mainstream proponents, new tourism supporters counter-attack, pointing to a vast literature on the short-comings and outright negative impacts relating to mainstream tourism. People who live in Third World tourist areas, they argue, often have little or no power over an industry which can critically affect them. They can lose their homes, their land and traditional means of livelihood. In research on the resort tourism industry in the Caribbean, Pattullo (1996) found that in many nations:

in one generation, the coming of tourism has changed the...structures of communities forever. Peasant economies have been moulded into service sectors where cane-cutters become bellhops and fishermen are turned into "watersport officers"...and traditional life-patterns are altered as women become wage-earners, often for the first time (p. 53).

For some, mere survival "becomes dependent on serving the wealthy tourists whose demands have upturned their lives" (Madeley, 1999, p. 139).

New tourism proponents argue that central to this is the way mass tourism development alters land use patterns. In studies of Kenya, the upper Amazon, and Yap Island Mansperger (1995) notes that "an important insight that can be singled out of each case study here is that the negative impacts of tourism seem to be positively related to tourist-induced changes in the hosts' relationships to their lands" (p. 94). This is supported by research on tourism development in Senegal where Diagne (2004) notes that "many farmers from Sali Tape have lost their agricultural fields and today have no land for farming" (p. 484).

Many authors suggest the growth of the mainstream tourism industry can cause a

shift from an agricultural-based to a service-based economy as workers are drawn (or forced) out of agriculture and other traditional industries and into the tourism industry (Gladstone, 2005, p. 69; Peppelenbosch and Tempelman, 1989, p. 27; Noss and Cooperrider, 1994, p. 142). Amboseli Park, the Maasai Mara, and Tsavo West Parks in Kenya serve as examples of such a transition. Due to the proliferation of safari tourism resorts and the protected areas they stimulate, many Maasai have lost or are in danger of losing access and rights to much of their land and resources. As a result, their livestock-based livelihood and cultural heritage is in danger of being lost (Berger, 1996, p. 176).

Sometimes, the solution has been for members of such groups to migrate to urban centres in search of work, exacerbating the already desperate conditions in many of the urban centres in these developing countries. As reported by Rodenburg (1989) migration varies directly with the scale of the enterprise, and migration fosters urbanization with its adverse effects on agricultural land, traditional social relations, social organizations, and values (p. 221). Furthermore, at the large industrial level of tourism development there is evidence that such migration has caused “an adjustment in traditional social organization” (Rodenburg, 1989, p. 222). The rural-urban migration issue is well documented by others and offers little of the hope that individuals go in search of. Many are confronted with little or no work, appalling living conditions and generally abysmal circumstances (Collier and Rempel, 1977, p. 202).

Coastal tourism presents a similar situation, as luxury resort developments expropriate the most pristine and picturesque beaches with little or no attention to existing resource uses. Entire fishing communities all over Asia have been evicted from their homes in order to vacate beautiful beaches for holiday resorts (Roekaerts and Savat,



1989, p. 50). As a result, in many cases local fishermen are cut off from the fish they depend upon for their livelihood. In fact, fishing communities often rank among the biggest losers from the tourism trade. At one location in the Philippines, local fishermen were forbidden to fish within 25 miles (40km) of a new hotel complex (Madeley, 1999, p. 137). Nearly the exact sentiment is reported by Diagne (2004), discussing local residents of Sali, Senegal. In this location, local residents, formerly fishermen families, have been resettled in favour of coastal tourism development thus denying them ready access to the sea they depend upon for their livelihoods (p. 485). The same residents are also “prohibited from engaging in traditional activities such as drying and smoking fish on the beach because these activities are regarded as a potential disturbance for frolicking tourists” (Diagne, 2004, p. 485). Ultimately, traditional fishermen are leaving the fishing industry, opting instead to become boat captains for wealthy tourists. This in turn has left the traditional fishing industry near the point of collapse (Diagne, 2004, p. 485).

Expanded to the entire community, such changes in land and resource use may force a reduction in the consumption of local foods and necessitate the purchase of other foods on the market, changing traditional diets and using up valuable and perhaps scarce family income in the process.

Besides the land use issue, Goeldner (2000), among many, has identified other negative social impacts of mainstream tourism, including resentment based on the economic gap between tourists and locals, feelings of inferiority, financial dislocation, the introduction of undesirable activities (i.e. gambling, drinking and prostitution), racial tension, a servile attitude, and trinketization (p. 323). These appear to be most pronounced with mainstream tourism and the archetypical tourists of resort tourism.

Numerous others discuss similar concerns, noting how mainstream tourism “injects the behaviour of a wasteful society in the midst of a society of wants, may introduce illegal and undesirable activities, and may create generational conflicts” (Peppelenbosch and Tempelman, 1989, p. 30).

Mainstream tourism is also criticized for its influence on traditional community structures. Berger (1996) notes how some elders with customary authority in their respective communities have evolved into elite groups and have accumulated power and resources (p. 181). Modern legal contracts have allowed these individuals to claim ownership over rightfully communal land, which have then allowed them to sell the land for personal profit with no compensation to the rest of the community.

Diagne (2004) adds another example of social structures changing from the influence of mainstream tourism. Before the development of the mainstream coastal tourism market in the Senegalese Petit Cote, the older generations wielded traditional power within the community and political and economic power was firmly in the hands of male elders. But with the development of “sun and sea” tourism, “young entrepreneurs with independent sources of income from tourism have taken over as chief decision makers in the traditional villages” (p. 486). These young people also tend to show disrespect toward their elders and “refuse to follow time- honoured traditions and Islamic rules” (Diagne, 2004, p. 486). Furthermore, the author notes how they are often engaged in “dubious activities bound up with the tourism industry, such as ‘beach boy’ flesh peddling or prostitution, forbidden by social tradition” (p. 486).

The demonstration effect, where local consumption patterns change to imitate those of the tourists, has also been identified as a negative consequence of mainstream

tourism and needs to be weighed against its economic benefits (Britton, 1977; Hope, 1980; Mathieson and Wall, 1982). In a country such as Kenya, Migot- Adholla (1989) suggests the demonstration effect arises when large- scale tourism increases contact with locals, suddenly putting them into contact with “large numbers of persons whose standard of living is significantly higher than their own” (p. 259). The nature of these interactions between wealthy tourists and locals tend to:

encourage patron- client relationships in which social status may be conferred upon the local clients, which may in turn lead to delusions, particularly among the youth who see their associations with tourists as providing a channel for their escape to the affluence represented by the tourists’ lifestyles and images of their countries of origin (Migot- Adholla, 1989, p. 261).

Of particular significance within this issue of the demonstration effect is the youth element. It has been noted that “the younger generation is especially attracted by the example shown by tourists, who are invariably considered to be rich, with lots of money for all kinds of whims” (Peppelenbosch and Tempelman, 1989, p. 30). This youth dimension of the demonstration effect simultaneously raises concerns regarding another issue: how these youth attain the means to imitate tourists. The concern is that children “may engage in all sorts of undesirable activities such as petty crime, gambling, drug trafficking and prostitution, to gather the financial means to imitate tourists” (Peppelenbosch and Tempelman, 1989, p. 30). Migot- Adholla (1989) adds that in resort areas, wish- fulfillment stemming from the demonstration effect is “dramatized by the increasing number of young school drop- outs and the ubiquitous ‘beach boys’, as well as pimps and prostitutes” (p. 261). Furthermore, there is an inter-generational tension created as youths attempt to imitate tourists at the expense of their own social and cultural background, and often against the wishes or instructions of their elders.

### *Cultural Identity*

Many of the points supporting mainstream tourism's position relative to the preservation and rejuvenation of culture can also be said of new tourism. Where the discussion about identity diverges is in regards to the degree of authenticity that can be experienced. Regarding the spatial representation of cultural reality in tourism, New tourism is perceived by many proponents as having an advantage, as the new tourism clientele is more interested in real, meaningful experiences. In seeking these out, they allow local communities to maintain their cultural identity beyond the simplistic shows of culture produced for mainstream resorts. In particular, "local hosts may feel empowered by interactions with outsiders to redefine who they are and what aspects of their identity they wish to highlight or downplay" (Stronza, 2001, p. 273). Mainstream tourists on the other hand, are thought to limit themselves to cultural presentations packaged and brought directly to them.

Mainstream tourists, it is argued, prefer representations of the *Other* that "reflect a western, white, male, colonial perspective, whereby...a dynamic First World contrasts itself with a static, timeless and unchanging Third World" (Echtner and Prasad, 2003, p. 661). As a result of such depictions, Cohen (1989) draws on terms attributed to MacCannell to point out the tendency of travelers to view natives as symbols of authenticity which in turn leads to a concern with the "museumization of the lifestyles of such people and with the prevention of change, rather than with their well-being" (p. 132). To illustrate the extent of this, in Benguet in the Philippines, "a local community of Ibaloi people had to make way for the construction of a multi- million dollar resort complex which will contain among other things...an "interpretation" of an Ibaloi village

(Roekaerts and Savat, 1989, p. 51).

Where performances for tourists are reduced and simplified for consumption the result can also be an inaccurate presentation of a culture which by extension, results in a misconception of the local community on the part of the unknowing mainstream tourist. When tourists are in search of a pre-conceived notion of the authentic and this cannot be realized, they go away dissatisfied and possibly harbouring feelings of resentment for the host who could not deliver. In the words of Peppelenbosch and Tempelman (1989), “Many tourists are ill- prepared for their visits to developing countries and are unable to interpret their impressions adequately and often come home with more prejudices than they left with” (p. 30). And where staged experiences do live up to tourist expectations, there is still the risk of perpetuating First World stereotypes of the “Other”. Demonstrations of Luhya circumcision ritual by dancing troupes sponsored by the Kenya Tourist Development Corporation seem to support this claim. These demonstrations, “clearly designed to pander to the stereotyped conceptions of tourists about Africa, cannot but lead to the debasement of living culture” (Migot- Adholla, 1989, p. 262).

There are also concerns that many mainstream destinations are deeply involved in the commercialization of cultures and peoples. Goods such as handicrafts are produced in large quantity, almost to the point of mass production. In a bid to turn a profit, these handicrafts “have been distorted and commercialized with respect to both methods and material” (Diagne, 2004, p. 483). Furthermore, Diagne notes how “native dances have lost their traditional signification, and have been commercialized and distorted as a result of gala concerts and ‘folklore shows’ organized by hotel managers to entertain their European tourist guests” (Diagne, 2004, p. 486).

Roekaerts and Savat (1989) echo these sentiments, claiming that “dances are laid on as showpieces, solemn rituals become cheap entertainment, symbolism an empty, meaningless gesture. Local art forms are undermined and handicraft standards fall as a result of mass production of artefacts” (p. 41).

### **Tourism and the Environment<sup>8</sup>**

The primary focus when discussing tourism and the environment is sustainability. The dominant argument is that big is not beautiful; that the greater the scale, the less sustainable tourism becomes. Thus, mainstream tourism has long been looked upon as being in direct conflict with the environment while new tourism has been lauded as its potential saviour. Now, an international growth in awareness of general environmental issues, together with an evolving environmental ethos within the tourism industry are beginning to re- shape how tourism interacts with the environment (Brennan and Allen, 2001, p. 203).

In exploring the sphere of tourism and environmental sustainability, levels of degradation and exploitation associated with mainstream and new tourism are considered on the one hand, and their respective capacities for environmental conservation are considered on the other.

#### ***Mainstream Tourism and the Environment***

##### ***Toward Sustainability***

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<sup>8</sup> When reading this section it is important to remember that this literature review has attempted to avoid niche tourism activities such as ecotourism per se. While ecotourism falls under the new tourism rubric it is too specific and narrow in its characteristics to be discussed alone, given the aims of this paper. The following section, then, continues to discuss new tourism as it has been discussed in the previous sections- as a collection of various forms of tourism, related by characteristics such as scale, tourist type, ownership structure, etc.

As Weaver (1992) notes, “the same companies that control the mega resorts are probably in the best position to affect the transition toward sustainability” (p. 167).

Middleton and Hawkins (1993) add that, “properties managed by large hotel groups are often best placed to implement environmentally responsible practices because of the superior amount of resources at their disposal” (p. 76).

Mainstream tourism clearly has the capacity and the incentive to promote conservation, the value of which is noted as being directly related to the financial potential of their tourism product. Much of mainstream tourism’s evolving interest and concern with the environment is based on this utility as a means for the success of their product. As Stabler (1997) describes the situation, the “economic incentive of continued tourism will be enough to increase environmental protection where it affects tourism” (p. 14). This is directly related to the recognition that there is a “declining consumer desire to visit polluted environments and such preferences are predicted to be more significant in the future” (Goeldner, 2000, p. 547). Indeed, “profitability in tourism depends on maintaining the attractiveness of the destination people want to see and experience” (Goeldner, 2000, p. 544). Madeley (1999) notes the same implication: “if no measures are taken to conserve the environment, pollution and damage to natural reserves will eventually reduce tourist flows” (p. 141).

Thus, there are increasing efforts in the conservation and sustainable use of resources for the purpose of maintaining economic returns in mainstream tourism. In many countries, tourism plays a major role in the establishment of protected areas and an area’s “tourism potential is an important factor in the selection of an area” (Loon and Polakow, 2001, p. 896). In a cyclical pattern, the tourism potential is fuelling the

increase in protected areas, and these protected areas are improving the tourism product. Migot- Adholla (1989) notes that in Kenya, where the tourism industry continues to rely on mainstream tourism (p. 264), the parklands provide an excellent example of this cycle. Based on earnings from Kenya's parks, it has been derived that each lion is worth US\$ 27,000 per year, and a herd of elephants US\$ 610,000 through tourism activities (Holling, 1996, p. 15). This has led to the expansion of some parks and reserves and the creation of new ones.

This physical extension of parklands has not been the only positive outcome of the tourism industry's involvement in conservation in Kenya. As park receipts from tourism began to rise, a revenue- sharing scheme was implemented and now gives 25 per cent of receipts to people living near parks. In 1991 this constituted just over US\$ 100,000 (Bonner, 1993, p. 230). It was originally envisioned that this money would be used for the construction of schools and cattle dips but instead, the first thing one community decided to do with the money was hire fourteen of their own game rangers to protect the wildlife on their land and out of park jurisdiction (Bonner, 1993, p. 230). This has had the dual effect of furthering conservation efforts while providing jobs.

Furthermore, in 1993 and 1994 revenue- sharing of gate fees funded over fifty projects on ranches around Amboseli National Park. These activities included an ethnobotany programme, management planning initiatives, management of bird hunting, elephant monitoring, and a variety of other conservation related activities (Bonner, 1993, p. 230).

The capacity of these tourism activities for conservation is supported by the relatively high fees that can be charged for mainstream safari tourism in Kenya. While it might be argued that safari tourism constitutes a niche segment, or even a new form of



tourism, the game lodges that provide accommodation for this type of tourism are best described as mainstream. They are expensive and exclusive, and visits are almost entirely sold as part of a package tour or at the very least through a tour company.

As reported by Rainieri (1995), Punta Cana Beach Resort in the Dominican Republic has also contributed to environmental conservation. Among other things, it has:

- Provided jobs for workers from the local charcoal- producing sector, which has been cited as a major factor in local deforestation.
- Allocated 707ha for the establishment of the Punta Cana Ecological Foundation.
- Inaugurated a sea turtle protection programme.
- Constructed an incinerator to dispose of solid wastes
- Established a programme to divert local fishermen away from the nearby coral reef, which was being negatively affected by local fishing activity

(as cited in Weaver, 1992, p. 168).

Facilities such as the Half Moon Golf, Tennis and Beach Club in Jamaica's Montego Bay, Club St. Lucia, St. Lucia, and the Casuarina Beach Club in Barbados have also been recognized in past years for their "efforts to practice sustainable tourism" (Weaver, 1992, p. 168). Trapasso (1994) also observes that resorts in Amazonian Brazil have "contributed to local conservation efforts" (as cited in King, 2001, p. 184).

Additionally, advances are being made at other levels of the industry as individual mass market tour operators, such as Touristik Union International and the Thomson Travel Group, have begun to develop environmental policies (Holden, 2003, p. 103), and hotel groups have adopted environmental auditing practices to improve their operations (Holden, 2003, p. 103).

#### *Away From Sustainability*

The obvious downside of mainstream tourism from an environmental

sustainability perspective is that the natural resources required, and the waste outputs generated, can be significant. Central to the discussion of inputs and outputs is scale. As the number of tourists increases, so too does environmental damage (Madeley, 1999, p. 140). Consequently, it is obvious that large, mainstream tourism establishments typically put more pressure on the environment than do smaller operations. The large volume of tourists they can accommodate often puts these operations beyond the environmental carrying capacities of their locations. This has been noted by Weaver (1992) with regards to unsustainable mass tourism in general, and specifically, citing evidence to suggest that large-scale tourism in the Caribbean has developed along an environmentally unsustainable trajectory” (p. 165).

Environmental destruction arising from mainstream tourism comes in many forms. In just one study of large- scale tourism in the Caribbean for example, the following environmental problems were identified in relation to hotel development: “destruction of coral reefs, deterioration of off- shore water quality, appropriation of high quality farmland, clearance of mangroves, and little compliance with the basic criteria for effluent disposal” (Weaver, 1992, p. 165). Also, in the Cook Islands Madeley (1999) reports that a five-star hotel development, “left a bill of over US\$ 1 million for environmental destruction” (p. 141). Weaver (1992) also states that such environmental destruction is the almost inevitable given the “inherently fragile nature of beaches, coral reefs, dunes, estuaries, mangroves, and other coastal and littoral environments” on the one hand, and “the imperative for resort-based tourism developers to locate their projects as close as possible to the beach and sea in order to maximize their profitability” (p. 166).

Another illustrative case of resort- based tourism adversely affecting the

environment is found in Goa, India, where massive quantities of water are transferred to a resort (comprised of luxury hotels) from nearby natural water sources. This has resulted in the lowering of the water table and community wells running dry (Madeley, 1999, p. 139). In the same publication, the author also notes that “hoteliers are known to drill water within 500 metres of the high tide line, utterly disregarding the fact that this results in irreversible saline water intrusion” (p. 139).

#### ***New Tourism and the Environment***

Ample evidence exists of new tourism advancing conservation objectives by raising awareness and creating jobs while many other cases illustrate its potential to jeopardise environmental goals with unintended side effects. Still other cases illustrate how the term ‘ecotourism’ can be adopted and abused to capitalize on a particular market trend. Finally, some go as far as to question the very nature of the alternative tourism quest.

#### ***Toward Sustainability***

Perhaps the biggest difference between mainstream and new tourism in respect of the environment is new tourism’s proclaimed sensitivity for, and awareness of, the environment for reasons that go beyond the purely economical ones accorded to mainstream tourism. Nonetheless, when discussing new tourism the central pillar of the environmental sustainability issue remains scale. While the scale of most mainstream tourism developments is seen as a negative factor in their interaction with the environment, the scale of new tourism operations, being significantly smaller by comparison, is a quality that is mostly seen to be advantageous. It is generally accepted that as the number of tourists increases so too does the environmental damage associated

with them (Madeley, 1999, p. 140). Tourists want undamaged sites, as supported in a study by Hillery, Nancarrow, Griffin, and Syme (2001), that shows a strong correlation between the number of people at a site and the acceptability of those sites. Naturally, for all the reasons that large scale mainstream enterprises are considered damaging to the environment, new tourism is recognized as being a better approach.

Besides scale and tourist volume, new tourism's suggested superiority over mainstream tourism vis-à-vis the environment is also attributed in part to the simple fact that the backpacker tourist segment associated with new tourism wants to spend less and thus generally consumes fewer resources. Again to use Goa as an example, Noronha (1999) proclaims that backpackers "are content with swimming at the beach and bathing under cold water showers, while other tourists demand hot baths and large swimming pools within their hotel complex" (p. 5). This results in a backpacker market that is very kind to the environment, "especially compared to the resource- guzzling five- star tourists" (Noronha, 1999, p. 5).

Furthermore, Samoa provides another example of a tourism industry characterized by local ownership and participation (characteristics of new tourism), that is a more "ecologically sustainable tourism industry than that found in neighbouring Fiji where much is foreign owned" (Scheyvens, 2002, p. 156).

#### *Away From Sustainability*

All tourism activities, no matter how eco- friendly or environmentally sensitive, will have some degree of cumulative impact on their surroundings (Hillery, Nancarrow, Griffin, and Syme, 2001, p. 854). As new tourism grows in popularity it may paradoxically lead to its own demise (Boo, 1990; Jacobson and Robles, 1992; and

Hillery, Nancarrow, Griffin, and Syme, 2001). As success is realized in new tourism it can be expected that there will be “a correspondingly higher number of tourists, thus intensifying negative impacts such as solid waste generation, habitat disturbance and trail erosion” (Stern, Lassoie, Lee and Deshler, 2003, p. 322). Ecotourism, considered a highly appropriate form of environmentally-friendly new tourism, by its very nature extends tourism into new and sometimes vulnerable areas, consequently exposing fragile ecosystems to degradation and exploitation (Cater, 1993, p. 88). It is also noted that through such extensions the travellers preferring new tourism forms often open up spaces to the mass tourism they condemn and try so hard to avoid (Cater, 1993, p. 88).

Another concern that arises from the growth in popularity of new tourism such as ecotourism and nature tourism is that they present new opportunities for the instrumental use of nature in the pursuit of short- term financial benefits (Holden, 2003, p. 102). Brennan and Allen (2001) go so far as to suggest that “ecotourism is more of a public relations exercise” (p. 210) and King (2001) asserts that “while smaller developments may appear ‘eco-friendly’, in reality they may adopt a less responsible approach to their surroundings (p. 183).

## **REVISITING THE RESEARCH QUESTION**

The original research question was whether new tourism is better than mainstream tourism for development. The foregoing literature identifies numerous points upon which these two forms of tourism can be measured qualitatively and quantitatively, and subsequently compared. The obvious answer at this stage appears to be that sometimes, and in certain regards, new tourism is better than mainstream tourism in the process of

development, and sometimes it is not. What remains now is to identify the required context or conditions that contribute to the success of either form of tourism as a means of development.

Field research was conducted with a view to indentifying the requisite contexts and conditions needed for the success of either form of tourism in meeting specified development outcomes. The questions are:

- 1) When does each form of tourism contribute more to the local economy?
- 2) How is cultural revival stimulated by new and/ or mainstream tourism?
- 3) What are the required conditions to realize tourism's potential benefits for the environment?

## **Chapter 3**

### **Case Study**

#### **OVERVIEW**

The island of Penang serves as a prime case study because of its robust tourism industry, the government's promotion of tourism as a development strategy, and the density of tourism operations. These operations include international hotel chains, major beachside resorts, and numerous locally- owned guesthouses. Furthermore, Penang has a diverse economy beyond tourism and its related businesses. This is important as it provides the employment alternatives required to consider whether employment patterns are a matter of choice or necessity.

Logistically, Penang is also attractive for its relatively easy access (by plane or land), and small size (293km<sup>2</sup>). Furthermore, despite several languages being spoken on the island, Penang is also attractive because English is the lingua franca, thus facilitating the task of gathering information. Finally, many of the goals of Malaysia's development plans, of which tourism plays a central role, coincide with those highlighted in Chapter One.

As this is an exercise in assessing two distinct forms of tourism supported from two distinct theoretical perspectives, no one position drives the field research. The definition of development constructed in the introduction as well as the hypothesized contexts and conditions to be tested by the case study have been shaped from various

theoretical perspectives in the literature and these will ultimately act as the yardstick for determining when one form of tourism is better for development in Malaysia, and by extension, which form is best for other countries, given the existence or absence of particular conditions.

## **Malaysia**

### ***General Description***

Malaysia currently sits 63<sup>rd</sup> on the United Nation's Human Development Index (UNHDI), with Panama situated directly above and Belarus immediately following (UNDP, 2007, p. 245). Malaysia's Gross Domestic Product for 2006 was calculated at RM572.55 billion (CDN\$ 178 billion)<sup>9</sup> (Department of Statistics, 2008a). Manufacturing accounted for 48 percent of GDP, Services 44 percent, and Agriculture 8 percent (Index Mundi, 2007). Manufacturing is based primarily on electronics and production involving Malaysia's natural resources of petroleum, rubber, metals, and minerals. The Service sector is comprised largely of the Wholesale and Retail sub- sector, with the Accommodation and Restaurant sub- sector also playing a significant role (Department of Statistics, 2008b).

While these numbers may suggest that Malaysia is on the cusp of "developed" status according to the definition used by the United Nation's, these numbers are potentially misleading as Malaysia suffers from vast disparities between and among its states and regions. In the United Nation's Human Development Report (2007) Malaysia's Gini Coefficient<sup>10</sup> was calculated at 49.2, putting it in line with countries such

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<sup>9</sup> Malaysian Ringgit: Canadian Dollar Exchange Rate at the time of research was 1: 0.311

<sup>10</sup> A calculation of economic equality among a populace where 0 represents absolute equality and 100 equals absolute inequality.



as Rwanda (46.8, 161<sup>st</sup> on UNHDI) and Niger (50.5, 174<sup>th</sup> on UNHDI) (UNDP, 2007, p. 281).

Malaysia's population was estimated at 27.17 million in 2007 (Department of Statistics, 2008a). Sixty one per cent of the population is identified as Bumiputra (inhabitants of Malay descent and native tribal groups)<sup>11</sup>, twenty four per cent are Chinese, and seven per cent are Indian. The remainder consists of other non- Malaysian groups (Department of Statistics, 2004, p. 47). Ethnic tension has long been an issue in Malaysia stemming from an unequal distribution of wealth and political power, particularly between the Malay majority and Chinese minority (Din, 1989, p. 188). This is considered by many as the most lasting legacy of colonial rule in Malaysia- a political structure controlled by Malay interests and commercial activity controlled disproportionately by the Chinese under which Malays have "continued to stagnate in the rural peasant sector" (Din, 1989, p. 188).

### ***Development in Malaysia***

National development planning can be divided into four distinct phases: planning prior to the New Economic Policy (prior to 1971); the New Economic Policy (NEP), also called Outline Perspective Plan 1 (OPP1) (1971- 1990); the National Development Policy (NDP), or Outline Perspective Plan 2 (OPP2) (1991- 2000); and the National Vision Policy (NVP), or Outline Perspective Plan 3 (OPP3) (2001- 2010). The developed Malaysian nation is envisioned as one that is holistic in nature, developed not only economically, but also in terms of social well- being in all aspects of life (Jali et al., 2003, p. 213).

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<sup>11</sup> Literally, Bumiputra translates as "Sons of the Soil"

These Perspective Plan documents are long- range plans and establish the framework for official five- year development plans for their particular time frame. The current NVP or OPP3, for example, sets the tone and working boundaries for both the 8<sup>th</sup> Malaysia Plan (2001- 2005), and the 9<sup>th</sup> Malaysia Plan (2006- 2010), respectively (see Table 4 for Summary Chart).

The NVP states that development will attempt to “raise economic productivity in all economic sectors” (Consumer’s Association of Penang, 2002, p. 128), and concentrate on “the creation of wealth and promotion of new sources of growth in the manufacturing, services, and agricultural sectors” (Economic Planning Unit, 2001, p. 169). Relevant to this thesis, development strategies include developing strong linkages and further developing the capacity for small and medium scale enterprises (Economic Planning Unit, 2001, p. 169). The service sector, tourism included, is increasingly looked upon as a key driver of economic growth which in turn requires an expansion of infrastructure and utilities coverage, as well as improvements in the efficiency and quality of services (Economic Planning Unit, 2001, p. 170).

### ***Tourism Development***

As exports slowed in the mid 1980s the need to diversify became apparent and tourism was chosen as a promising sector for development (Teo, 2003, p.547). Recognizing Malaysia’s natural endowment of tourist resources and attractions, tourism planning in Malaysia has strived to supply what Din (1989) describes as a marketable tourism ‘product’, a product based on local cultural and environmental resources (p. 193). Since that time tourism has flourished and remains a key sub- sector of the services sector in generating foreign exchange earnings for the country. Throughout the 8<sup>th</sup> Malaysia

Plan (2001- 2005) tourist arrivals and foreign exchange earnings steadily rose at a rate equalling or surpassing expectations, culminating in 16.431 million tourist arrivals and tourism receipts reaching US\$ 8.543 billion in 2005 (UNWTO, 2007, p. 7).

Today the country's main objective for tourism is "fully realising the tourism potential as an important source of growth in terms of foreign exchange earnings, entrepreneurship development and employment generation" (Economic Planning Unit, 2006, p. 200). Malaysia plans to achieve this is by:

- ensuring sustainable tourism development;
  - enhancing development of innovative tourism products and services;
  - encouraging and facilitating domestic tourism;
  - intensifying marketing and promotion activities;
  - enhancing human resource development; and
  - ensuring comfort, safety and the well-being of tourists.
- (Economic Planning Unit, 2006, p. 200)

## **Penang**

### ***General Description***

Located 5° north of the Equator on the north-western coast of the Malay Peninsula and at the entrance to the Straits of Melacca, the State of Penang consists of Penang Island (Pulau Pinang), and a narrow strip of mainland coast known as Port Wellesley (or Seberang Perai)<sup>12</sup>. A bustling port, a heritage city and an industrial base, Penang is the only island state in Malaysia and is widely known as the Pearl of the Orient (Tourism Penang, n.d.).

Though dubbed 'Silicon Island' and the 'Silicon Valley of the East' (Teo, 2003, p.

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<sup>12</sup> It is important to differentiate Pulau Penang from Penang State because the research described here was conducted on Pulau Penang. Within this paper, Penang refers only to the island unless otherwise noted.

545), Penang is not only a centre for manufacturing. Its “idyllic beaches and soothing hills” (Tourism Penang, n.d.) combine with its “natural charms” to make it a tourist haven as well (Yeoh, 1995, p. i). As stated by Teo (2003), it is a “major tourist attraction that blends culture, history, cuisine, and tropical beaches” (p. 545).

As of 2005 Penang boasted a population of 1.47 million, more than half of whom live on the island (Penang State Government, 2005a). As with the rest of the country, Penang’s population is multi- racial, but the ethnic division is significantly different from most of the country. Penang’s Malay population accounts for only 41 per cent of its total population while the Chinese population accounts for 43 per cent, and the Indian population accounts for 10 per cent (recall the national numbers are 61, 24, and 7 per cent, respectively) (Penang State Government, 2005a).

In 2005 state GDP was RM21 128 million (CDN\$ 6.57 million) (Penang State Government, 2005b). The tertiary sector, tourism included, accounted for the greatest proportion of GDP, followed by manufacturing a close second (Penang State Government, 2005b). Much of the manufacturing activity is situated in Penang’s Bayan Lepas Free Industrial Zone, where major international companies including Dell, Intel, Motorola, and Hitachi are established.

### ***Development in Penang***

In 1992 the Penang Development Corporation (PDC) was set up to realize Vision 2020 (Teo, 2003, p. 554). The PDC used the theme “Penang: Into the 21<sup>st</sup> Century” to outline its plan for the following decade and five strategic thrusts were identified (Teo, 2003, p. 554)<sup>13</sup>.

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<sup>13</sup> For a more complete presentation of these strategic thrusts, refer to Appendix 1

Pertinent to this research, these development plans include intentions to promote small and medium scale enterprises; and further promote tourism by improving services and infrastructure, developing new tourism products, and conserving and developing natural and cultural heritage (Koon, 1995, p. 5). A new emphasis was also placed on environmental conservation, proper land use and land development (Koon, 1995, p. 6).

### ***Tourism Development in Penang***

Tourism has long been a central component to Penang's development strategies. The Penang Master Plan of 1970 and its successors, the Penang Strategic Development Plan and Penang Strategic Development Plan II, view the growth of this sector as integral to the growth of the whole economy (Kee, 1995, p. 179).

The primary tourism foci in Penang are nature based products and heritage attractions. Nature products include the beach at Batu Farringhi, mangroves, and a forest reserve. Some of these nature-based products have been developed into cottage industries, including a botanical garden, a spice garden, a butterfly park, and a fruit farm. The Heritage attractions, concentrated predominantly in and around Georgetown, include numerous churches, mosques and temples, museums, heritage buildings, art and craft centres, and the ethnic enclaves of Chinatown and Little India.

The role of tourism development in Penang falls to the Tourism Development Division of the PDC. The first responsibility of the tourism division of the PDC is the development and promotion of tourism products. This includes analysing the potential of developing new tourism products. The second task is promoting and marketing the tourism product. The aim is to study existing tourism products and their potential to be promoted regionally as well as internationally. Their final task is tourism networking-

cooperating and creating good relationships with key tourism players in the industry at the State and Federal levels, including both the public and private sectors (Penang Development Corporation, 2006a).

## **METHODOLOGY REVIEW**

### **Research Framework**

Given that it would be problematic and of little value to attempt to reduce the complex concepts that are the basis of this research to purely numerical values, a mixed research approach is undertaken. Quantitative data collection is combined with systematic qualitative research to form a complete interpretation of tourism development in Penang.

### **Hypotheses**

To reiterate, field research was conducted with a view to confirming the requisite contexts and conditions needed for the success of either form of tourism in meeting specified development outcomes. The questions are: 1) When/ how does each form of tourism contribute more to the local economy?; 2) How is cultural revival stimulated by new and/ or mainstream tourism?; and 3) What are the required conditions to realize tourism's potential benefits for the environment?

The hypotheses for the context and conditions required for the success of either form of tourism are best presented in a table (see Table 5). Arguably many of these conditions are shared or interchangeable while other, perhaps obvious, conditions have been omitted. While acknowledging this, an attempt was made to identify only the most pertinent points for each form of tourism as well as those relating specifically to unique

characteristics of new and mainstream tourism.

### **Indicators**

In determining Penang's capacity to support mainstream tourism the number of tourism- serving businesses is identified. Businesses that serve the mainstream establishments directly, such as retail and wholesalers of food and drink, linens, furniture, and other goods, as well as secondary tourism businesses including restaurants, souvenir shops, food stalls, independent tour operators, miscellaneous vendor stalls, etc., are all identified. Much of this data will be collected through observation but will also rely on secondary data collection. It is expected that a high number of such tourism- serving businesses will be physically evident, and that some of these will have business arrangements with the hotels. Hotel and guesthouse interviews will indicate the nature of any purchasing arrangements in place. Interviews with tourism business owners (secondary industries) will determine their place within the tourism sector. The second component of capacity requires the presence of significant infrastructure. It is expected that this infrastructure will be of modern standards, well- established, and operational on the island. This infrastructure will be quantified through observation while its quality will be established through secondary data collection and interviews.

As an indicator of whether mainstream tourists are package or non- package tourists, quite simply the number of package tourists relative to the total number of visitors will be determined. Ideally, the number of non- package tourists staying at the hotels will be significant and a decline in package tourism will be notable. Also to be considered is the overall flow of tourists to the island, which needs to span the entire year. Tourist interviews and hotel records will serve the purpose of collecting this data.

To explore the final condition required for mainstream tourism to contribute economically the ownership dynamic of Penang's hotels will be reviewed, the indicator of course being that local ownership is present. Hotel interviews will provide some of this information, as will the websites of the major hotel chains found on the island.

The indicator sought in determining Penang's image as a budget tourist destination is first and foremost the presence of budget tourists. Such tourists will either be self- defined or identified through questionnaires on the basis of characteristics generally ascribed to budget tourists. A significant number of such tourists is required, relating to both the total number of tourists to the island and the capacity needs of the guesthouses. This data will provide the evidence needed to confirm or reject Penang's position as a budget tourist destination.

As with mainstream tourism a consistent flow of budget tourists throughout the year is necessary. Tourist interviews and guesthouse records will serve the purpose of collecting this data, and secondary data will also be collected and studied.

To determine whether culture constitutes the tourism product in Penang (a requirement of both mainstream and new tourism) a survey of tourist attractions is necessary. If culture is the basis of tourism one would expect to find a significant number of cultural and heritage- based sites and products as well as a corresponding level of advertising and promotion of these elements. It is also expect that tourist interviews would point to cultural interest as a common reason among those visiting Penang. Direct observation, tourist interviews, key informant interviews, and secondary data collection will all be used to collect the necessary data.

The second prerequisite for mainstream tourism to be successful in conserving



culture is a degree of community control over its use. If there is a sense of cultural worth and local control over the way culture is used, this will be manifest in the arrangements between local artisans and performers and the hotels and their guests. The nature of the products being sold (including performances) will also be investigated to determine how locals perceive and present their own culture. Particularly, research will explore the integrity of the cultural product- the degree to which it is being commercialized at the expense of authenticity, and at whose discretion this is done. Direct observation and interviews with hotels, tourism industry workers, and local residents will be used in collecting data.

To confirm whether the economic value of culture is being realized through mainstream tourism, research will consider the dollar value put on cultural products and where and how these products are being produced. To be successful the products must be produced locally by means other than mass production, and income needs to be generated and distributed to those in the production process. Information will be gathered from interviews with hotels and tourism workers.

As was noted above, the first requirement for new tourism to be successful in stimulating culture is shared with mainstream tourism- the need for culture to be the product. The second requirement for new tourism is that budget tourists must be responsible, considerate, and educated regarding the cultural context of their visit and their place within it. Identifying this need will rely upon an analysis of the budget tourist base. Tourists that are there solely to enjoy the sand and sun by day and bars and clubs by night will be considered to represent the opposite of what is required- a socially aware and sensitive traveller that recognizes their position as a guest. Budget tourists visiting

for the experience of culture and heritage and who demonstrate appropriate dress and behaviour will be regarded as satisfying this requirement. Tourist interviews, direct observation, and local interviews will all be utilized for data collection.

The primary requirement for tourism to provide any benefits for the environment is strong environmental legislation, monitoring, and enforceable consequences that reach all parts of the tourism sector. This applies to both mainstream and new tourism. A review of government documents and a survey of the current state of the island's environment-based tourism attractions will serve as determinants for the effectiveness of existing legislation. If regulation is strong and well monitored it is expected that the land, air and water quality will all be in good condition or at the very least moving toward improvement.

The second requirement for mainstream tourism to benefit the environment is an environmental consciousness on the part of the hotels. Appropriate and effective hotel actions and activities toward protecting or improving the environment will act as indicators of any such consciousness among hotels. If the hotels are using their economic resources and positions of leverage to make lasting improvements to the environment, this will be recognized as meeting the condition of environmental consciousness.

#### **Data Collection Techniques**

This case study incorporates a number of data-gathering techniques in an attempt to provide a holistic description and explanation of the situation in Penang. As much as possible, numerous techniques are used in the collection of each piece of data to allow for triangulation, ensuring greater accuracy in findings.

Research consisted of key informant information gathering, direct observation,

and a combination of questionnaires and semi-structured interviews with community members, tourists, and hotel and guesthouse owners or managers. Research also included secondary data collection from sources such as official development and tourism plans and reports, websites, journals, and newspapers.

Key informants include state tourism officials and others familiar with tourism and development in Penang. Key informants were also sought for their particular expertise, such as those individuals involved in environmental monitoring, and those responsible for culture and heritage preservation activities. Direct observation provided the opportunity to identify physical evidence of points raised through other forms of data collection. It also provided context for comments brought forth during research, and raised new questions for discussion in forthcoming interviews. The collection and use of secondary sources of data included statistics from local and national newspapers, the World Tourism Organization, Malaysia Tourism, and the Economic Planning Unit (responsible for creating Malaysia's official development plans), as well as other existing literature on tourism and development in Penang.

Interviews were conducted on a one-to-one basis. While an interview schedule guided these interviews, the questions were primarily open-ended to encourage participants to discuss the issues in a way they felt comfortable with, and in ways that may have fallen outside the expectations of the researcher. In identifying community members to interview, an attempt was made to ensure a viable cross-section of the adult population, including men and women (those involved directly and indirectly with tourism, as well as those not involved in tourism and related activities). Both mainstream and new tourism staff and management were also targeted, as were tourists staying at

both forms of tourism.

## **FINDINGS**

For mainstream tourism to effectively contribute economically one hypothesis is that the local community must have the capacity to support it, both in terms of supplies and infrastructure. Penang benefits from having a well- developed infrastructure that includes an international airport, shipping facilities and port, and a well- connected road system. Water and reliable electricity also reach all corners of the island.

As infrastructure is of little concern the limiting factor to be considered is the availability of products needed for the daily operation of hotels. This is addressed by the many wholesale and retail outlets in Georgetown through which the internationally rated hotels on the island are able to obtain all or nearly all their supplies. Of the seven internationally rated hotels with which interviews were conducted the overwhelming response was that most purchases were made through local retailers or wholesalers. In fact, in one 3- star hotel the Food and Beverage manager estimates that food and drink requirements are met through local purchasing arrangements 99% of the time (D. Cheng, Personal Communication, June 15, 2006). The manager of a different 3- star hotel supports this notion, claiming that almost everything is available in Penang, adding “even the CCTV is locally made” (W. Zaidi, Personal Communication, June 14, 2006). Furthermore, in instances where supply needs cannot be met locally, they can almost certainly be filled within Malaysia (S. Ong, Personal Communication, June 20, 2006).

However, as the star- rating increases so too does the quantity of goods that must be imported. The issue is that both international industry standards and brand consistency standards must be met, requiring a greater level of importing. While most

food is still purchased through local retailers, core amenities such as beds, kitchen set-ups, etc. become an issue: “If it relates to customer experience we need to import” (Q. H. Lek, Personal Communication, June 22, 2006). But even this leakage is moderated by the fact that international chains are finding it advantageous to have regional or national “hubs” of sorts, to maintain product quality and consistency. All Sheratons in Malaysia, for example, now have one wholesaler in- country for select products in order to maintain their consistency (Q. H. Lek, Personal Communication, June 22, 2006).

The sheer number of secondary tourism businesses is further evidence of the island’s capacity to support the tourism industry. In 2006, the number of hawker stall licences issued totalled 2 279 (Municipal Council of Penang Island, n.d.). Throughout Georgetown and along the main beach where the mainstream hotels are concentrated, there are well- established collections of restaurants, boutiques, shops, and stalls catering to the mainstream tourist.

Another condition for mainstream tourism to effectively contribute to the economy relates directly to the tourist. The stereotypical mainstream tourist visiting on an all- inclusive package needs to be avoided, while other tourist types must form a greater part of the mainstream tourist body. Research conducted at hotels in Penang suggests that these hotels are indeed attracting tourists of all types. One development has been that Europeans are more commonly being identified as walk-ins, or FITs (Free Independent Travellers), rather than as package tour guests (W. Zaidi, personal communication, June 14, 2006). Asians too, once synonymous with package tourism in Penang, are starting to travel independently, or at least on partial tours. Also consistent with the view that the nature of the mainstream tourist is changing, almost 40 per cent of

independent travelers interviewed were found to be staying at hotels rather than guesthouses (though only one stayed at a 5-star resort). To further illustrate how mainstream tourists are moving away from the hotel bubble, it was found that 88 per cent of hotel interviewees ate at hawker stalls or local restaurants more often than they ate at their hotels. And as one hotel manager acknowledges, “even the 5-star hotel guy still drinks at a local coffee shop” (Cheng, personal communication, June 15, 2006).

Some mainstream elements still remain the same however. Older, wealthier couples, for example, still tend to visit on package tours, and still do not spend as much as younger people (D. Cheng, personal communication, June 15, 2006). Package tourist numbers have also remained high generally, especially from important sender countries in the region such as Singapore and Japan (W. Zaidi, personal communication, June 14, 2006; Zakari, personal communication, June 20, 2006). In fact, Asians in general are still recognized as being more likely to travel on all-in tours.

For stability, hotels must also be able to rely on a constant flow of tourists year round. Unfortunately, the rate of hotel development has been such that many hotels, both in Georgetown and at the beach, struggle at different times of the year to meet even their break- even occupancy rate needs, let alone reach an occupancy rate that saves workers from layoffs. There are no fewer than 106 hotels in Georgetown and Batu Farringhi alone, providing over 12 000 rooms. In the high season (July and August, and again in February and March) occupancy rates vary from 70 per cent to full capacity but at other times of the year they can be as low as 20 or 30 per cent. Averaged over the entire year, monthly occupancy rates are commonly estimated to be around 60 per cent. Coupled with break- even estimations ranging from 50- 60 per cent, there appears little guarantee

of year round stability in the industry (data estimations were collected during interviews with hotel management).

For Penang to maximize the earning potential of mainstream tourism local ownership must also be part of the equation. However, of the seven hotels where interviews were conducted, only one was owned and managed by a local group. Two others were under Malaysian ownership and the remaining were all owned and operated by international groups. The PDC acknowledges this short- coming, noting there are very few public or private Malay partnerships in Penang's tourism industry (Z. Siddik, personal communication, June 28, 2006). Currently, however, there is little to suggest that this concern is being addressed.

Of paramount importance for the success of new tourism, Penang must be considered by the independent traveler as a budget tourist destination. This is presumed to be true because new tourism relies almost exclusively on this one particular type of traveler- the young budget tourist. According to guesthouse registration books, interviews with guesthouse owners and traveler surveys, those staying at guesthouses are indeed generally young, independent travelers- usually between 20 and 30 years old.

The majority of guests are European and Australian. Several guesthouse operators indicated that British and German travelers were their most common guests, as well as Australian. Many of those staying at guesthouses also indicated that Penang is one stop on a long term trip, often planned to last longer than 3 months. Traveler age combined with the extended nature of these trips suggests that these travelers are indeed the typical budget traveler new tourism has always catered to.

In terms of the requirement of a consistent, year- round supply of budget tourists

there is some concern. As with all tourism in Penang, there is a significant fluctuation at different times of the year. During peak tourist times (roughly December- March) many of the guesthouses enjoy full occupancy. But for the rest of the year, despite having an average of only 15 rooms many guesthouses are faced with estimated occupancy rates of about 65 per cent, with some owners saying it can be as low as 20 or 30 per cent (personal communications).

For tourism to be effective in cultural preservation or stimulation it is supposed that there are three main requirements that apply equally to both mainstream and new tourism. First, the cultural attributes of the destination must be the basis of the tourism product. Second, there must be local control over the form of the cultural product and tourist interaction. These two requirements cannot be compromised. Third, the direct economic gains derived from culturally based tourism products must be realized by the host population.

In regard to the first of these requirements Penang has situated itself well, as is indicated in a report prepared by the Socio- Economic and Environmental Research Institute (SERI) that lists architecture, heritage, and culture as being leading attractions or qualities commonly cited by tourists to Penang (Socio- Economic and Environmental Research Institute [SERI], 2005, p. 22). Both mainstream and new tourist questionnaires collected during field research support this, indicating that culture is in fact the greatest appeal of the island.

The hotels are well aware of these attractions. According to at least three hotel managers at the beach and in Georgetown, tourists come mostly for food, culture, and history, and less and less for the beach (Rosnah, personal communication, June 14, 2006;



D. Cheng, personal communication, June 15, 2006; Zakari, personal communication, June 20, 2006). Such responses come as no surprise given that Penang boasts so many culturally and historically significant buildings and monuments within a relatively small area. The list of cultural and historical sites includes, *inter alia*, Cheong Fatt Tze Mansion, built in the late 1800s and one of only three of its architectural type found outside China; Fort Cornwallis, located at the site where the British first landed in 1786; a sixty- foot clock tower started in 1897 and completed in 1920, erected in honour of Queen Elizabeth; the well- preserved Chinatown, first established by immigrants in the 1800s; vibrant Little India, with a history of two centuries; and Penang Hill, complete with a funicular train, in operation since 1923.

While it is impossible to isolate tourism as the only force, these cultural attributes of the island that constitute the tourism basis appear to have benefited from the growing presence of tourists and their need for cultural sightseeing. This is consistent with research from Peppelenbosch and Tempelman (1989) and Diagne (2004) who note how mainstream tourism in particular provides the tourist volume and hence the capacity to stimulate preservation and restoration initiatives. Tourism in Penang has resulted in the restoration and maintenance of such historical sites as Fort Cornwallis, the Penang State Museum, the Khoo Kongsi, the Cheong Fatt Tze mansion, and other historical buildings (Tan, 1992, p. 274). Furthermore, the new Heritage Act now protects many of these cultural sites on the basis of their significance (Balachandran, personal communication, June 13, 2006). The Penang Heritage Trust has also been established to help with the new push toward “heritage tourism” (Chua, personal communication, June 19, 2006). In addition, NGOs have become involved in this culturally- based tourism as well. ArtsEd

for example, is a programme now operating and designed to inform visitors about local heritage. One of their projects has been to develop maps for “endangered” traders in Penang (Chua, personal communication, June 19, 2006). The main attractions noted here are frequently found on tour agendas and in advertisements found in guesthouse and hotel lounges alike, and observing tourists at these sights quickly illustrates that they are of interest to both the mainstream and new tourists in Penang.

The second requirement for mainstream tourism to support culture is a degree of control over the terms under which tourism and culture combine. Any community recognition of the intrinsic value of their culture, presuming it exists, is being overshadowed by a lack of indigenous control, manifest in a distinct commercialization of cultural products. While there may be nothing inherently wrong in profiting from cultural representations or marketing cultural products, convenient consumer packaging appears to be coming at the expense of cultural traditions and in fact, at the expense of the very cultural products that make Penang a unique destination. According to Tan (1992) silvercraft, batik- making and painting, kain songket weaving, and kite- making have all been commercialized and have lost their original ‘art’ form (p. 273). He notes that batik- making in particular, is no longer handmade but almost exclusively machine-printed in factories.

Performances at a renowned restaurant presenting nightly cultural shows provide further evidence. According to the restaurant manager and promoter, to make the shows more palatable for his customers, “often the dances are changed... same steps but shorter ‘stage’ version” (Lim, personal communication, June 21, 2006). He adds that

yes its commodified but it’s also a very good way to show you what Malaysia is

about... in urban centres this is the best you can get. It's not hurting those cultures. It spreads the culture to other Malaysians as much as it is shown to tourists (Lim, personal communication, June 21, 2006).

The PDC also acknowledges that culture in Penang has become commercialized though they believe this can also be the basis for maintaining and protecting it. The PDC also acknowledges that culture has become westernized but again, this is tempered by their belief that overall, culture is promoted (Z. Siddik, personal communication, June 28, 2006). One guesthouse owner was less confident, noting only that tourism changes culture by westernizing it: "the world is changing so we have to change too" (Guesthouse Operator F, personal communication, June 22, 2006). In a study conducted by Teo (2003) 40 percent of hotel workers interviewed in Batu Farringhi and 55 percent of Georgetown residents felt a sense of lost identity as a result of tourism on the island. The same study notes that 68 percent hotel workers and 48 per cent of residents felt they were treated like second- class citizens (p. 558).

The final requisite for mainstream tourism to be successful in preserving and stimulating culture is the need for the economic value of culture tourism to find its way into the hands of the local community. In this regard there is more evidence of tourism's general economic benefits for the community than there is evidence of an economic return from culture specifically. One direct contribution, however, is through the payment of performers (mostly dancers) of the nightly cultural shows at the restaurant mentioned earlier. For most of the performers their part in the show is a source of extra income. The performers, mostly women, are rotated in and out in 6- week stints, which helps to spread the income. It should be noted, however, that many of the dancers are

from other parts of the country, recruited to promote the dances and practices of their regional cultures and sometimes dancers are required to perform dances that are not their custom (Lim, personal communication, June 21, 2006). The batik shop in Batu Farringhi is another example of where culture is providing a direct economic payback to the local community. Traditional batik- making has a long history for many in Penang and more widely in Malaysia, but it is a declining art. Now, most batiks are mass produced and printed in factories but the shop in Batu Farringhi has maintained the traditional processes. Owned by a Penang businessman, the shop employs over 40 employees, both men and women, and all are local. Artists are paid by the piece while the printers get a salary and though they may be able to make more working at a hotel, many return to the shop because “they’re happy here” (Tourism Industry Worker A, personal communication, June 19, 2006). There is a showroom where the many batik products they make are for sale, and the staff readily take visitors for tours of the shop, explaining the traditional means they employ and generally promoting the superiority of this traditional process. With the decline in traditional batik making the shop in Batu Farringhi is seen as a vital piece in the preservation of the batik- making art but there is no misunderstanding that without the beach tourist base the shop would likely cease to exist (Tourism Industry Worker A, personal communication, June 19, 2006).

Beyond these examples, however, there appears to be little direct economic return on Penang’s culture. As was noted earlier there is the myriad of small shops and stalls selling trinkets, factory- produced artwork, and the assortment of collectibles commonly found in any tourist area, but these shops and their items are more often than not taking advantage of tourist consumerism rather than preserving and stimulating genuine culture.

Further, the operation of many cultural sites in and around Georgetown, including Fort Cornwallis and the Cheong Fatt Tze mansion, do little to suggest any significant direct economic contribution to the local community. The sites provide few jobs and many, as in the case of Cheong Fatt Tze mansion, are owned privately.

The first requirement that is presumed to lead to the success of new tourism in the preservation and stimulation of culture is the same as that required for mainstream success- culture must be the primary tourist attraction. The second requirement is that the new tourist must be responsible, considerate, and educated about the local culture and their place in it. The second of these requirements is in part to enable the local population to present their culture on their own terms.

The most common criticism of alternative tourists in the past has been the nature of their visits. They have been accused of staying too long, demonstrating and sharing unwanted behaviours such as drinking and drug use, inappropriate dress, and promiscuity, and generally abusing the hospitality of the hosts. Penang, however, suggests that only part of this description is accurate. As illustrated in data collected regarding tourist length of stay, the new tourist is not staying as long as the alternative tourist of the past- those described in the literature as hippies and drifters. Indeed, the new tourists of today are staying for short periods of time- 3.4 days on average. This is only a fraction longer than the length of stay of mainstream tourists. Boundaries appear well established and new tourists are staying in guesthouses and hotels rather than going in search of accommodation with willing (or perhaps unwilling but naturally hospitable) local families. As stated by one local entrepreneur, “we are strong. We have rules and even if they don’t know and do something wrong, we tell them and it’s no problem”

(Guesthouse Operator D, personal communication, June 24, 2006). At the various cultural and historical sites around the island young independent travelers appear to recognize the need for modest dress and appropriate behaviour and interviews with these tourists point to the fact they are generally well informed regarding social, religious, and cultural norms of specific people and places on the island. Most also have a general sense of the historical and current context of the island.

The unwanted social issues of the past, identified as drinking and drug use, inappropriate dress, and promiscuity still exist, however. These issues are most pronounced, and to some degree confined to, the beach strip and one section of Georgetown where most of the guesthouses are concentrated. In these areas disregard for the cultural fabric of Penang is overtly ignored. Drinking at the various guesthouses along Labuh Chulia (Chulia Street), Georgetown is a nightly occurrence and on weekends during the busy season nearby nightclubs are full. At the beach, young women commonly wear the swimwear that will provide them with the closest thing to an all-over tan possible, and seem not to notice the juxtaposition when being served by a woman in full dress and headscarf.

The first condition required for maximizing tourism's benefits for the environment is the same for mainstream and new tourism. What is required is a strong body of legislation regulating all aspects of the tourism industry as it relates to the environment. Unfortunately, environmental regulation and effective monitoring are generally lacking in Penang as they are throughout the country, and so it is with the tourism industry. The consequences of this can be clearly seen around the island. Consider for example, just some of the environmental issues identified by hotel

managers, residents, guesthouse owners, tourists, and tourism officials alike, as listed here: forest clearance, slope exposure, sheet wash and gullyng of the land, surface erosion, siltation along the coast, rubbish in the water and throughout the streets (particularly along the backpacker strip), rodent infestations, an increase in jellyfish, sewage in the water, a decline in water quality, water pollution, and general resource overuse (various personal communications). More quantitative evidence is provided by various studies of water quality in Penang. One study measuring the presence of coliform and E. Coli (associated with human and animal waste), determined that levels were highest in the seawater just off the northern coast where the beach resorts are located (Tan, 1992, p. 268 citing Owen, 1975 study). Another study found that the pollution levels have worsened to the point where pollution is now so serious that the “consumption of marine products is a possible threat to health” (Tan, 1992, p. 268 citing studies from Hong, 1985). Tan then concludes that in the current context, where there is an absence of strict law enforcement, pollution of the waterways and coastal waters in Malaysia is likely to persist.

Further evidence of the lack of regulation in Penang can be found in examples that may not directly contribute to environmental degradation per se, but that illustrate the state of affairs regarding development regulation and control generally. Illegal street vendors and hawker stalls are commonly cited as examples of where government is doing little or nothing to regulate the industry. One guesthouse operator complains that “the authorities are not strict” (Guesthouse Operator C, personal communication, June 16, 2006), a complaint supported by at least one hotel manager at the beach who says there is little or no enforcement or regulation for hawkers or any of the other secondary tourism

businesses spread along the main strip (Cheng, personal communication, June 15, 2006).

Also cited are guesthouses, and though it is usually quite cheap to get a permit there is no real penalty for not having one (Guesthouse Operator C, personal communication, June 16, 2006). As a result, one operator speculated that most of the guesthouse in Georgetown are actually “running illegally [because] there are no checks to stop it” (Guesthouse Operator A, personal communication, June 16, 2006).

However, while the issue of regulation appears overwhelmingly negative, there is some evidence to suggest that what regulation there is in the tourism industry has helped to improve environmental conditions in some instances. According to one hotel manager, the development of large hotels has introduced proper sewage facilities to areas of the island where local sewage was routinely dumped into the ocean. His argument is that building regulations required sewage treatment plants and associated infrastructure be built and these facilities have been extended to incorporate local villages, thereby eliminating the dumping of raw sewage into the ocean (Ong, personal communication, June 20, 2006).

The second condition to enable tourism to benefit the environment, pertaining to mainstream tourism establishments, is the need for a sense of environmental consciousness. Unfortunately, as with regulation, a sense of environmental consideration is seemingly lacking. A common comment made by locals is that there are too few protected ideas and that “no one thinks that way” (Guesthouse Operator F, personal communication, June 22, 2006). According to one woman working in tourism, “they [the industry] just have no concept of what conservation means” (Chua, personal communication, June 19, 2006). The current case of the Shangri-la Rasa Sayang Resort



and Spa describes the situation well. According to their own information package, they cover 30 acres of manicured lawns and gardens, offer three swimming pools, and have a par 3 golf course, all immediately situated on the waters of Batu Farringhi beach. The water requirements and additives (pool chemicals, pesticides, fertilizers) needed to maintain these amenities point to the fact that environmentalism is not a concern. And this is only one of the hotels, albeit one of the most luxurious. The other hotels on the beach strip do not have golf courses but all maintain swimming pools and expansive lawns and gardens.

## **Chapter 4**

### **Discussion**

#### **ECONOMY**

Perhaps the most notable finding from field research pertains to the nature of the tourist in Penang. It is clear from the research that much of the literature reviewed in relation to the tourist is inaccurate. First, the tourist spectrum is not as long as suggested. At one end of the spectrum there no longer seems to be the free- loading hippy travelers that once dominated alternative tourism. At the other end, the presence of the completely encapsulated all- inclusive tourist also seems to have declined. Further, in the middle of the spectrum, the divide between mainstream tourist and budget backpack traveler is not as pronounced as noted in the literature. Both mainstream and new tourism operations have grown to include different tourist types; new tourism now attracts middle aged travelers looking for something a little different, and hotels can attract young, independent travelers. With this in mind, some of the hypotheses that were originally identified for only one form of tourism can now be assumed to apply more broadly across the tourism spectrum.

The hypothesis that hotels need to diversify their tourist base was shaped by factors identified in the literature relating to the shorter stay of package tourists and their limited spending tendencies, beyond the confines of the hotel resort. While findings suggest that the hotels are attracting tourist types beyond just those on package tours, the nature of this emerging mainstream tourist body has only marginally changed the

visitation and spending characteristics of the mainstream group as a whole. This is the result of the fact that these non- package hotel guests are not staying any longer than their tour group counterparts. It is also due to the fact that package tourists, now with fewer tourists isolating themselves entirely to their hotels, spend more in the community than is reported in much of the literature.

Furthermore, and of great importance, hotel guests (both package tourists and the newer non- package segment) do not stay for significantly shorter periods of time than their guesthouse counterparts. Rather, it should be said that new tourists (those staying at guesthouses) do not stay significantly longer than mainstream tourists. Research data indicates that guests at 4 and 5-star hotels stay in Penang on average for 3.3 days, as compared to 3.6 days for guesthouse visitors. Even when independent hotel guests are omitted from calculations, data shows that package tourists alone stay for an average of 3 days, still not a significantly shorter stay than the average 3.6 days of guesthouse visitors. This is in stark contrast to the literature that contends mainstream tourists limit their value, or conversely that guesthouse tourists contribute more economically, based on differences in their respective lengths of stay. That the length of stay for both mainstream and new tourists tends to be short (in addition to also being relatively equal) suggests that it is the statistics in the literature pertaining to new tourists that are most inaccurate, at least in the case of Penang.

If new tourists do not stay for extended periods of time then they are not going to contribute significantly more to the economy than their mainstream counterparts. Indeed, even after deducting the cost of flights<sup>14</sup> (assumed to be lost as leakage), package tourists spent only marginally less over the average duration of stay. Importantly, when package

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<sup>14</sup> The value used for this deduction was US\$957, estimated using airline prices advertised online.

and non- package travel is taken out of the equation and hotel versus guesthouse clientele are compared, hotel guests spent more than twice as much as those staying at guesthouses, both on a daily basis and for the duration of their stay (see Table 6 for a summary). Of course, much of this is accounted for by the difference in cost of accommodation, and it is certain that some of this must be lost as leakage in the case of international chain hotels. Nonetheless, the data still suggests findings that differ significantly from the literature.

With the growth of this non- package mainstream tourism a greater space for secondary tourism business development has grown as well. This is a major advantage of mainstream tourism as claimed by its proponents in the literature. Whether discussed in the context of economic linkage or participation, it cannot be denied that the nature of mainstream tourism in Penang is contributing positively in the economic sphere. Although Penang's small size does not allow for the claim that mainstream tourism along the beach has acted as a growth pole, the significant development of secondary tourism enterprises can still be considered. Along Penang's main beach where the mainstream hotels are concentrated there is a well- established collection of restaurants, boutiques, shops, and stalls catering primarily to the mainstream tourist. For many locals, these businesses represent their main income source (Teo, 2003, p. 557), and as noted by one local community member, with no tourists there is no island economy (Community Member B, personal communication, June 20, 2006). In addition to identifying tourism as the most important industry on the island, one guesthouse owner estimated that more than 50 per cent of people in the tourism industry in fact work in secondary tourism businesses, and that it is common for entire families- children included- to work in

restaurants, hotels, water sports, and so on” (Guesthouse Operator D, personal communication, June 24, 2006). This was supported in an interview with a clothing stall owner located along the main beach strip. Selling almost exclusively to tourists staying at the hotels, the stall was his family’s main source of income, though his wife and daughter also work at shops selling to the beach tourists (Community Member B, personal communication, June 20, 2006).

Beyond the restaurants, boutiques, shops and stalls, the concentration of mainstream hotels at the north end of the island has also spurred the development of several tourism inspired enterprises including a tropical fruit farm, a spice garden, a batik factory, a butterfly park, deep-sea fishing ventures, and jungle trekking (D. Cheng, personal communication, June 15, 2006). These enterprises have in turn contributed to the growth of an increasingly popular employment choice for locals- tour guide (Community Member A, personal communication, June 20, 2006). These examples support claims made in the literature, including those made by Peppelenbosch and Tempelman (1989), de Kadt (1979), and Freitag (1994), that mainstream tourism is an effective employment generator.

In Batu Farringhi the batik factory in particular has benefited and grown as a result of the hotel development along the beach. Now employing nearly 40 locals, the factory makes many of the uniforms for the hotels and sells directly to tourists (Tourism Industry Worker A, personal communication, June 19, 2006). And as commented on by one batik factory employee, “they can make more money at hotels but they come back. They’re happy here” (Tourism Industry Worker A, personal communication, June 19, 2006).

Importantly, this notion of preference and employment choice was often repeated in responses collected from hotel managers, community members, and tourism industry workers alike. Both direct employment at the hotels and work in tourism-related businesses are considered by many in Penang as attractive or preferential employment options, referred to as “good jobs”. This also echoes claims from the mainstream literature that tourism jobs, direct and secondary alike, are “considered desirable” (Freitag, 1994, p.545). Some identify the higher earning potential of employment at hotels, though this is always contingent on occupancy. Others note that there is value in the fact they “don’t require that high education” (Q. H. Kek, personal communication, June 22, 2006). The flip side of this, however, is that without an education options within the hotels are limited. It can also be noted that employment in secondary tourism businesses is often a preferred choice for reasons including the chance to be one’s own boss and to set one’s own hours, and the chance to spend more time with family (Community Member B, personal communication, June 20, 2006).

What this ultimately suggests is that the employment opportunities created via mainstream tourism go beyond the unskilled menial labour jobs identified in the literature. As such, the value of mainstream tourism as an employment and income stream generator is greater than anticipated in Penang. This is particularly evident in the secondary tourism industry where many are working for themselves and disproving the concerns in the literature that mainstream tourism is synonymous with low skilled, low paying jobs with long hours and no sense of satisfaction.

Findings regarding infrastructure and local supply provision capacity together with ownership details provide the basis for a discussion of economic linkage and

leakage, another prominent issue in the tourism literature. The nature of the ownership arrangements at the mainstream establishments in Penang reflect concerns set forth in the literature that mainstream tourism is overwhelmingly dominated by foreign interests (Peppelenbosch and Tempelman, 1989, p.28). Further, nothing was found to discredit the claims that leakage is high where foreign MNCs dominate the industry as a result of expatriate salaries, profit repatriation, or interest payments on loans. However, findings do suggest that many of the concerns about leakages resulting from the operational needs of the hotels- food, linens, supplies, etc.- are unfounded. Supported by sound infrastructure across the island and provided for by numerous retail and wholesale suppliers, leakage resulting from import purchase requirements of Penang hotels has been ameliorated. This finding is consistent with research by King (1997), reporting on the Mamanuca Islands in Fiji where hotels show a significant level of integration with local supply chains; and by Dieke (1991), who notes the linkages made in Kenya between hotels and local food suppliers. As Malaysia's domestic capacity continues to grow, it is expected the large mainstream operations will continue to find it easier and more efficient to purchase locally.

Returning to the nature of the tourist, an additional requirement for new tourism was identified as the need for the destination to be recognized as a budget tourist destination. It was confirmed through the presence of significant numbers of backpacker tourists that Penang is identified as such. This is in no small way the result of the independent traveler's bible, the guide book. These books- including *The Lonely Planet*, and *The Rough Guide*- have established a travel route right across Southeast Asia. They include itinerary suggestions, recommend attractions to visit, and provide lists of

guesthouses and places to eat. Intentional or otherwise, these books have ultimately created a travel prescription for the tourists that read them. In essence, these independent travelers have sacrificed the very independence at the base of their travel aspirations, commonly deferring all decisions to the suggestions found in these travel guides. As Roekaerts and Savat (1989) point out, it cannot be denied that:

these young people (alternative tourists), coming from affluent societies and exploring the Asian world in an unstructured manner, tend to follow the fairly well defined patterns and trails which are ultimately as, if not more, damaging than those of the mass tourist they so readily despise (p. 43).

As long as Penang maintains its place in these guide books it is likely the island will remain on the budget tourist's travel agenda. But if it loses its place- replaced by newly emerging or cheaper destinations that offer the same scope of nature, culture, and heritage- based appeal- then Penang is sure to suffer a decline in backpacker tourists. In this way Penang is highly susceptible to events far beyond its control. Discussed primarily in the context of mainstream tourism, it needs to be recognized that new tourists can also be exceedingly influenced by externalities regarding their travel.

A final point of discussion pertaining to the tourist, both mainstream and new, is the issue of supply, or tourist flow. Tourist destination trends are notoriously inconsistent on many levels- state, national, regional, seasonally, and from year- to- year, and Penang is no exception. This is witnessed by significant seasonal variations in tourist arrivals to the island, and changes from year to year. Most of these trends are comfortably explained- corresponding holiday seasons in prime sender countries, international events such as the 2004 Tsunami in Indonesia, etc., and much of it cannot be controlled. But these trends in and of themselves are not the greatest concern with regard to tourist flows to Penang. What needs to be noted, and addressed, is that tourists are not necessarily



spending less time in Malaysia or even southeast Asia for that matter, only less time in Penang. When calculated on the basis of accommodation, tourists at the 4 and 5- star hotels are spending nearly 12 days in other places in Malaysia (as compared to slightly less more than 3 days in Penang), and an average of 26 days in other countries in the region. Meanwhile, guesthouse visitors spend an average of 17 days elsewhere in Malaysia and 83 days in other countries in the region (Personal Communications). When calculated on the basis of independent and package tourism, regardless of accommodation, the trend remains the same. In varying combinations the most common destinations elsewhere in Malaysia include the Cameron Highlands, Melaka, Kuala Lumpur, and Langkawi. Usually, trips involved three of these four destinations, suggesting that tourists stay a little longer at these other destinations when compared to their stay in Penang. Some in the industry are concerned that the island and its attractions have run their course: “we need more for tourists to do... Nothing new coming up...1980s was the heyday but nothing developed from that... Maintaining what is here now is our biggest problem (Chua, personal communication, June 19, 2006).

## **CULTURE**

To recall, the primary requirement for both new and mainstream tourism to be socially and culturally beneficial to the host community was identified as the need for culture to be the tourism product. When this is the case the literature suggests that efforts toward cultural preservation and restoration will result (Peppelenbosch and Tempelman, 1989; Roekaerts and Savat, 1989). Tourist interviews and questionnaires indicate that culture is indeed a primary drawing card for Penang. However, what is quite important

for discussion is that a growing concern about the future of culture- based tourism in Penang exists. The concern is not that the effects of continued tourism will be negative for the island's cultural sites, but that this type of culturally- based tourism cannot be sustained. Involvement of government agencies is conspicuously lacking in the initiatives outlined in field research and many fear the attractions risk suffering from "product fatigue" as a result (Kee, 1995, p. 181). This was a common complaint made by hoteliers, guesthouse owners, and industry workers alike. One hotel manager states that Penang is "a mature destination that needs to be refreshed, needs new products" (Ong, personal communication, June 20, 2006), while another added that hotel development must cease so that efforts can be redirected toward improving tourist attractions and site quality (Chee, personal communication, June 15, 2006). A suggestion to this effect was offered by one guesthouse owner, who believes that "if government wants to promote culture, they should set up performance area amid hawkers" (Guesthouse Operator D, personal communication, June 24, 2006). It is unlikely, however, that such an area would be successful in light of the fact that a cultural centre did once exist in the tourist area of Batu Farringhi but failed and was subsequently closed. So while tourism is providing a glimpse of its potential to promote the preservation and restoration of its cultural basis, its capacity is currently limited by a combination of factors including ownership characteristics and a lack of effective government involvement.

One final point that can be made is that culture is not the only attraction consistently ranked highly in visitor surveys. The beach, while fading in recent years in its appeal, is still a major pull factor for the island. The sand and sun of the beach is a

draw for a different group of tourists and when culture is not of primary interest, it is more often misunderstood, ignored, exploited, or abused. Discrimination against employees has been noted at some beach resorts, and Madeley (1999) makes reference to locals who are required to act as servants to the very hotel guests who are central to the upheaval of their lives caused by tourism development. In Batu Farringhi this is illustrated where resorts have reserved the stretch of beach in front of their hotels for the exclusive use of their guests. Even the resort's own employees are denied access to these stretches of beach. Not surprisingly then, a survey of 60 hotel workers from the resorts Teo (2003) found that 68.3% of employees felt that they were treated like "second-class citizens there to serve the rich" (p. 557). It may also be telling that while mainstream tourists identify culture and heritage as main reasons for their visits, the majority of mainstream hotels are situated at the beach, far removed from the cultural nucleus of the island, Georgetown.

Given that Penang has a thriving tourism industry and culture is the principle attraction of the island, the economic value of Penang's culture cannot be denied. However, as was noted in the case study much of the economic return on Penang's tourism is indirect. The cultural and heritage sites themselves have limited connectivity with the local community and many are privately owned and operated. When these are profitable there does appear to be an incentive for their continuing preservation but when they prove unprofitable, there is an equally strong inclination to do nothing. And again, with their limited connectivity with the community these individual tourist sites are not stimulating cultural traditions outside their walls. As such it is worth asking whether those involved understand the relationship between the value of tourism to the island and

the value of culture to the island. Nonetheless, they are still the foundation of the tourism industry and as such are responsible for much of the secondary tourism industry found on the island.

Within the secondary tourism industries- where a significant amount of tourist dollars ends up- the situation suggests that broad, community wide control of the cultural products on the island is lacking. With significantly few exceptions vendors are selling identical artefacts, from musical instruments to clothing. As one of these vendors explained it, he gets his products from a distributor in Georgetown as do many in the business. This is resulting not only in the commodification of the culture at the base of Penang's tourism industry, but also the distortion of this culture. The products for sale are no longer of the same quality or even accurate in many regards to their predecessors. This situation echoes claims made by Diagne (2004), and Roekaerts and Savat (1989) who note that culture often succumbs to the effects of commodification as entrepreneurs seek to turn a profit through participation in the tourism industry. As it stands Penang's tourism industry is being exploited rather than used to revitalize and preserve its cultural assets. Ultimately this illustrates that there is a fine line with regard to the economic return from culture based tourism and authenticity. While the monetary value of cultural products may be significant without local control over the product, the economic returns of culture based tourism are not necessarily sufficient for widespread revitalization or conservation.

A final requisite for new tourism success is identified as a responsible, considerate and educated tourist base. This is true for mainstream tourists too, but was presumed to be of greater significance for new tourists due in part to the immediateness of their

desired interactions with their hosts, as described in the literature. Obviously, this loses some of its specificity owing to the fact that independent travelers have been found to stay in Penang for significantly shorter periods than described in the literature. With the decline of the extreme manifestation of the new tourist, concerns such as drug and alcohol abuse, casual sexual encounters, and inappropriate dress put forth by Roekaerts and Savat (1989), and Butler (1991) among others, have been alleviated. Common complaints regarding mainstream tourists and their relationship with locals, where locals are reduced to little more than servants to the rich, are also exaggerated. This is due to the fact that, as with the new tourist, the extreme version of the mainstream tourist is no longer as prevalent in Penang. By the same token the demonstration effect, regularly identified in past studies, seems insignificant in Penang. Not only is there minimal evidence of overt emulation, but what changes that can be seen, particularly in dress, are just as likely to be from the influence of television programming.

From this discussion alone it is arguable whether the tourist body is in fact any more responsible or educated at all. Rather, it appears that the tourist body has improved in this regard by a process of elimination. To this point it can be added that most of the tourists interviewed had some post secondary education or were to start within the year. Of course, there are also the popular travel guides already mentioned. These have improved significantly in terms of their cultural, historical, and social content, which has resulted in better prepared tourists.

## **ENVIRONMENT**

The case study clearly indicates that the need for strong environmental legislation

and monitoring is not met in Penang. Legislation and monitoring are thought to be essential based on the Tragedy of the Commons argument and implies that realizing an economic return from environment- based tourism is not enough to conserve and protect the environment. Ample evidence exists in Penang, where the beach and ocean constitute the common environmental good, to support this notion. Although hotel success in Batu Farringhi is tied to the ability of the beach to attract tourists seeking sand and sun, the case study identifies several situations of environmental concern. While many of these environmental problems in Penang are not necessarily the result of tourism activities, or tourism activities alone, they do suggest that the tourism industry is not a sufficient means of protecting the environment, even when the environment is the basis of its product. This is in direct contradiction of assertions made in support of mainstream tourism that the “economic incentive of continued tourism will be enough to increase environmental protection where it affects tourism (Stabler, 1997, p.14).

According to Tan (1992), there is a lack of overall control and co-ordination by a central agency, and perhaps also a lack of appreciation of the potential negative effects of certain tourism projects (p. 276). In this context a major problem with tourism development in Penang runs parallel to that described by Dieke (1991) in Kenya, where rapid growth and uncontrolled development have had particularly severe ramifications for the environment (p. 273). Through interviews, the problem of the rapid pace of development was substantiated first by a local resident who believed that tourism could be sustained but only if its development slowed down (Community Member B, personal communication, June 20, 2006), and then by a hotel manager who noted how “tourism has developed faster than the economy” (Ong, personal communication, June 20, 2006).

One explanation for the weak nature of legislation and monitoring can be traced back to problems of jurisdiction, which is at times overlapping, disjointed or unclear. At the federal level environmental management is the purview of the Department of Environment (DOE), within the Ministry of Science, Technology and Environment. The DOE deals with matters of air and water quality, industrial waste, noise pollution, and environmental impact assessments (Tan, 2006). However, the constitution gives jurisdiction over land use and natural resource management primarily to respective state authorities. Complicating matters is the array of other Ministries at the federal level, including the Ministries of Primary Industries, Agriculture, Land and Cooperative Development and Transport, which all “exercise supervisory and state liaison roles over the main natural resource sectors” (Tan, 2006). The result is that many sectors with inextricable ties to the environment are within the jurisdiction of different ministries, both federal and state, each with separate sets of regulatory laws (Tan, 2006).

In this absence of legislation not one mainstream hotel has proven themselves aware of their environmental impact nor have any acted on an ethos of environmental consciousness from within their organization, suggesting that no such ethos exists within the industry in Penang. Findings from Penang also illustrate that while Hawkins (1993) may be correct in stating “properties managed by large hotel groups are often best placed to implement environmentally responsible practices because of the superior amount of resources at their disposal” (p.76), such a position is wasted if action is not taken. Ultimately, if this situation continues the result will be along the lines of that described by Goeldner (2000) and Madeley (1999): tourism will decline in correspondence with the deterioration of the environment.

## **Chapter 5**

### **Conclusion**

#### **CONCLUSIONS**

At the outset of this paper the intention was to determine which form of tourism- mainstream or new- was better for development when consideration was given simultaneously to the economy, social and cultural structures, and the environment. The literature review presented in Chapter Two illustrates the fact that the original research question could not be definitively answered. Instead, what became clear was that both mainstream and new tourism have had great successes and failures. Thus, field research attempted to confirm requisite conditions and contexts under which mainstream and new tourism are most successful and beneficial to their host community. The numerous case studies presented through the literature review, both positive and negative, provided the basis for creating the set of hypothesized conditions for the success of either form. Assuming these hypothesized criterion are indeed key elements for success, the results of this exploration make it clear that the full potential of either tourism form is not being met in Penang as not all of the requirements are being fulfilled. That said, both mainstream and new tourism do still enjoy some success and do benefit the island significantly. This Chapter now turns to the task of situating the findings in the context of the universal definitions of development employed at the outset of this paper, and those espoused by Malaysian officialdom, before commenting on the future of tourism in Penang.



Recall that the UNDP defines human development as the process of enlarging people's choices. The goal is improving quality of life by creating opportunities pertaining to health, education, and improving living standards. In this regard tourism in toto in Penang is a positive force. The myriad of secondary industry opportunities provide ample employment choices for all, including those lacking in formal education. Not only does this connect to the goal of improving living standards by providing income, the commentary noted regarding the desirability of employment in the industry points to a qualitative opportunity for improvement. These employment opportunities are also significant for their availability to women. The UNDP's hopes of extending gender equality is aided by the nature of these secondary tourism activities, which lend themselves well to female participation- opportunities of which, it should be noted, the women of Penang are taking advantage.

What tourism in Penang lacks in terms of satisfying the UNDP's goals of development is a clear connection to providing choices in the areas of health and education. The tourism industry has not resulted in any specialized schools or programmes for the provision of tourism employees, nor can it be linked to a growth or improvement in health services. However, it could be argued that improving personal economic opportunities in turn creates opportunities where people can afford to explore new educational and health service opportunities.

The adapted definition presented in the introduction of this paper required "socio-economic improvements to people's lives in a context of social, cultural and environmental consciousness and sensitivity". The economic contributions of Penang's

tourism industry have already been discussed in the context of the UNDP definition of development and apply in the same way here.

Environmentally it is clear that the tourism industry, the mainstream operations especially, are not in line with the needs of development. Until effective legislation and enforcement are enacted throughout the island, and not limited to tourism alone, there is little hope that tourism can be sustainable. Tourism has proven to be incapable of acting as a catalyst for the protection of the environmental product it depends upon. It is, in fact, adding to already significant pollution and degradation issues around the island.

Culturally tourism is walking a fine line between positive influence and destructive force. On the one hand culture is the predominant attraction on the island. Visitors are surrounded by the unique context of the island and come into contact with diverse cultural products and representations. On the other hand however, many of these products, and to a lesser extent many of the representations, are commodified and convenient (for the tourist) manifestations of their originals.

The language of Malaysia's development plans consistently refer to economic and social well-being, stressing economic growth and increased productivity, wealth creation, and social unity and equity. Malaysia identifies increasing domestic investment, linkages, and the capacity of small and medium enterprises (SMEs) as the means for accomplishing the economic goals. Again, the contributions of tourism to both economic growth and wealth creation have been established. However, this has been accomplished in spite of failures to increase domestic investment, or SME capacity. As noted in the case study, ownership and investment in mainstream establishments remains a predominantly international activity. Furthermore, it is recognized that the PDC is failing

in its goal to promote SMEs. There is currently little if any financial or strategic support for local entrepreneurs hoping to infiltrate the industry, or provide services to the tourism industry.

The PDC is also failing in its goals of conserving and developing the cultural and natural heritage of the island as well as its natural environment. It appears that the only activities the PDC is actively undertaking is the development of their own tourism projects and the overall marketing of the island as a tourist destination.

In terms of social unity and equity, tourism is proving effective in terms of opportunity. The result is that all throughout the island Malay, Indian, and Chinese cultural and heritage products can be seen and experienced. Similarly, member from these often competing groups are all integrated directly in the tourism industry as owner and operators of guesthouses, and as employees of all varieties in the hotels. According to Din (1989), participation in tourism from across these groups is facilitated by the presence of the broad spectrum of tourism forms, from the “low capital type” of facility, to the “luxury types”. His claim is that something is provided for everyone:

the former can serve to promote tourism entrepreneurship among the local Bumiputra villagers who generally possess little capital but have been able to set up modest facilities which cater for the needs of budget travellers; whereas the latter can encourage participation from larger Chinese corporations who cater to the bulk of the market and are better equipped to link Malaysia to the international tourist market (p. 195-6).

## **RECOMMENDATIONS**

First and foremost, the rate of tourism development in Penang needs to slow down and be reconsidered in a context of economic sustainability. With so many hotels and guesthouses already competing for a finite number of tourists, it is irrational to suggest

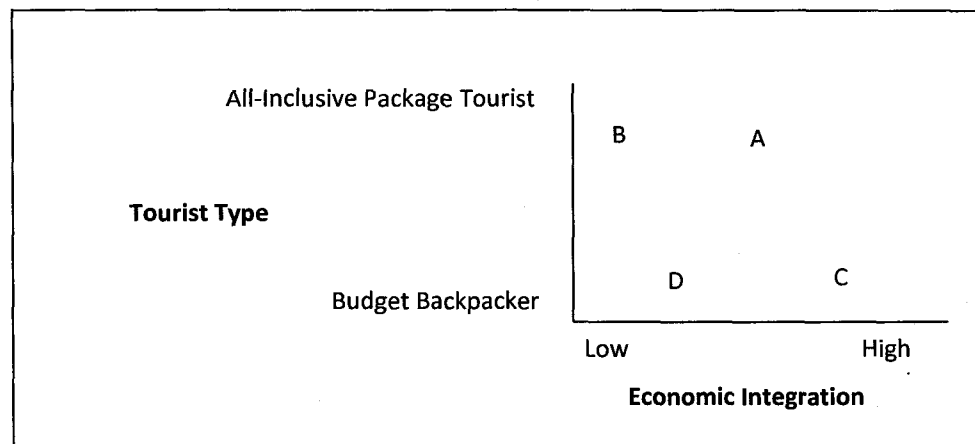
there is a need for more beds. This is especially poignant in light of the fact that some of the large hotels along Batu Ferringhi are now closed and for sale. As many locals and industry workers note, a shift in emphasis away from building and toward product development and improvement is urgent.

This final point is also of significant importance for Penang. The state of the current tourism products- both the cultural and the environmental, as was often noted during research, are at risk of product fatigue. The government needs to take steps to ensure the condition of the current products does not deteriorate. The answer does not lie in privatizing any more of the tourist sites, as this has been shown to detract from the value of the tourist site. Rather, the government needs to provide the means by which these attractions can be restored and maintained or the incentive for other organizations to do the same. For the environmentally based tourism products, a serious commitment must be made by the relevant authorities to legislate and monitor all actions affecting the environment. If this is not addressed in a meaningful manner Penang risks losing its tourist appeal and will eventually be replaced by more desirable or trendy destinations in Malaysia or elsewhere.

Finally, the PDC and Tourism Malaysia need to seriously re-evaluate their role in tourism development on the island. It appears both are ignoring the needs and wants of those in the industry and of those most immediately affected by tourism. Their emphasis on marketing and promotion seem misplaced or at least mistimed given the current situation of tourism on the island as expressed by those involved. If the necessary steps are not taken to protect and better the existing tourism base, the heavy marketing and international promotion activities currently undertaken by these two bodies will prove a

waste of effort as no sales pitch can compensate for an inferior product, particularly in a place of such tourism competition as Southeast Asia.

## Tables and Figures



**Figure 1. Hypothetical Tourism Continuum.** All forms of tourism can be situated within a tourism continuum based on the presence or nature of particular elements. This is one such continuum.

**Table 1**  
*Descriptors of New Tourism Forms*

Academic	Cottage	Risk
Adventure	Culture	Safari
Agro-	Eco-	Scientific
Alternative	Ecological	Soft
Anthro	Environmentally Friendly	Sustainable
Appropriate	Ethical	Trekking
Archaeo-	Green	Truck
Contact	Nature	Wilderness
		Wildlife

*Note:* Adapted from Mowforth, M., & Munt, I. (2003). *Tourism and Sustainability: Development and New Tourism in the Third World*, 2<sup>nd</sup> ed. New York: Routledge. p. 93.

**Table 2**  
*Growth in Tourist Arrivals and Tourist Receipts*

Region	Tourist Arrivals (millions)		Increase in Arrivals (millions)	2006 Tourist Receipts (US\$ billions)
	1990	2006		
Asia and the Pacific	55.8	167	111.2	156.5
Caribbean, Central and South America	21	45.2	24.2	41.6
Africa	15.2	41.4	26.2	24.6

*Note:* Statistics from United Nation's World Tourism Organization (2008). *Tourism Highlights 2008 edition*, p.4-5

**Table 3**  
*Tourism Enterprise Employment Trends, Bali, Indonesia*

Scale of Enterprise	Total Employment	Employment Per Enterprise	Employment Per Room
Large Industrial	2862	572	2
Small Industrial	3542	32	1.5
Craft	595	3	0.5

*Note:* Adapted from Rodenburg, E. (1989). The Effects of Scale in Economic Development: Tourism in Bali. In T. V. Singh, H. L. Theuns, & F. M. Go (Eds.), *Towards Appropriate Tourism: The Case of Developing Countries*. New York: Peter Lang, p. 218

**Table 4**  
*Malaysian Development Policies*

Policy Framework	Period	Components	Period
First Malaysia Plan	1966- 1970	-	-
New Economic Policy (NEP) Also called Outline Perspective Plan 1, or OPP1	1971- 1990	2 <sup>nd</sup> Malaysia Plan 3 <sup>rd</sup> Malaysia Plan 4 <sup>th</sup> Malaysia Plan 5 <sup>th</sup> Malaysia Plan	1971- 75 1976- 80 1981- 85 1986- 90
National Development Policy (NDP) Also called Outline Perspective Plan 2, or OPP2	1991- 2000	6 <sup>th</sup> Malaysia Plan 7 <sup>th</sup> Malaysia Plan	1991- 95 1996- 00
National Vision Policy (NVP) Also called Outline Perspective Plan 3, or OPP3	2001- 2010	8 <sup>th</sup> Malaysia Plan 9 <sup>th</sup> Malaysia Plan	2001- 05 2006- 10

**Table 5***Research Hypotheses: Context and Conditions Leading to Success in Development*

	<b>Mainstream</b>	<b>New</b>
<b>Economic</b>	<ul style="list-style-type: none"> <li>- Capacity of infrastructure and supplies</li> <li>- Reliable supply of non-package tourists</li> <li>- Local ownership component</li> </ul>	<ul style="list-style-type: none"> <li>- Must be viewed as a budget destination</li> <li>- Reliable flow of budget tourists</li> </ul>
<b>Culture</b>	<ul style="list-style-type: none"> <li>- Culture is the product</li> <li>- Local control over the cultural product</li> <li>- Economic value of culture is realized locally</li> </ul>	<ul style="list-style-type: none"> <li>- Culture is the product</li> <li>- Local control over the cultural product</li> <li>- Economic value of culture is realized locally</li> <li>- Responsible, considerate, and educated tourists</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>- Strong environmental legislation</li> <li>- Environmental consciousness on the part of hotels</li> </ul>	<ul style="list-style-type: none"> <li>- Strong environmental legislation</li> </ul>

**Table 6***Tourist Spending Patterns*

<b>Spending Patterns by Accommodation</b>		
	<b>Average/ Day (US\$)</b>	<b>Average/ Duration of Stay (US\$)</b>
<b>4-5 Star Hotels</b>	52	173
<b>Guesthouse</b>	25	90
<b>Spending Patterns by Independent Traveler vs Package Tourist</b>		
	<b>Average/ Day (US\$)</b>	<b>Average/ Duration of Stay (US\$)</b>
<b>Independent</b>	44	159
<b>Tour</b>	50	150



## Appendix 1

### Penang Development Thrusts

Thrust	Specifics
1: To foster a more dynamic, progressive and resilient economy.	<ul style="list-style-type: none"> <li>- deepen and broaden the industrial base to make it more capital, skills, and technology intensive.</li> <li>- promote small and medium scale enterprises.</li> <li>- revive and enhance the service sector.</li> <li>- promote tourism by improving services and infrastructure, developing new tourism products, conserving and developing natural and cultural heritage, and exploring new tourism markets.</li> <li>- modernize the agriculture sector.</li> </ul>
2: To further environmental conservation, and the provision of facilities for waste management and treatment, as well as proper land use and land development.	<ul style="list-style-type: none"> <li>- projects to improving the basic infrastructure of Penang, namely, road, rail, sea and air transportation, water and electricity supply, telecommunications, etc.</li> </ul>
3: To promote a more equitable, integrated, and caring society.	<ul style="list-style-type: none"> <li>- eradicate "hard- core" poverty and reduce relative poverty.</li> <li>- promote more effective and meaningful participation by all social groups.</li> <li>- address increasing demands for affordable housing.</li> <li>- provide more social- civic and sports amenities, better health care services, greater provisions for occupational safety.</li> <li>- cater more effectively to the welfare of the needy, the elderly, the handicapped, and the special needs groups.</li> </ul>
4: To enable Penang to become a regional centre for key economic sectors of manufacturing, tourism, trade, transportation, business, professional and medical services, as well as for the development of human resources, technology and research	<ul style="list-style-type: none"> <li>- promote and participate in regional co- operation in development.</li> <li>- promote the concept of the Indonesia- Malaysia- Thailand Growth Triangle (IMT- GT).</li> </ul>

<p>5: To set up a more efficient and effective government.</p>	<ul style="list-style-type: none"> <li>- strengthen the administrative structure and improve the state planning machinery.</li> <li>- rationalize the roles of public sector agencies and privatize some of their services.</li> <li>- improve implementation of projects.</li> <li>- strengthen the financial position of the State Government.</li> </ul>
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*Note:* Koon, K. T. (1995). The Penang Strategic Development Plan. In Asian Strategy and Leadership Institute, *Penang: Into the 21<sup>st</sup> Century*. Kuala Lumpur: Pelanduk Publications, p. 5-7

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