

**The Perceived role of Key Stakeholders' Involvement  
in Sustainable Tourism Development**

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## **Abstract**

This thesis considers how to improve levels of understanding of different stakeholders' perspectives and their involvement in sustainable tourism development. Jeju Island has been relying on tourism to support the economy and has consequently emerged as the most developed tourist destination in Korea, launched as a result of growth-oriented regional policies of the central and local government over the last thirty years. For sustainable tourism to be successful, it requires the stakeholders' support in the community to develop tourism in a sustainable manner. Therefore, this study focuses on building knowledge about stakeholder perceptions of government led tourism development by investigating stakeholder groups. Also, for this research aim, a qualitative approach was applied, interviews are used to take information for a specific purpose, and this research used semi-structured interviews to obtain relevant information from 42 key informants. For analysis of the qualitative data from the key informants, this study employed Grounded Theory (GT) as a tool for data analysis and interpretation.

This research is offers a critical evaluation towards the perceptions and impacts of tourism development and involvement, and investigates their relative influence within the collaboration process. To achieve the collaboration between various stakeholders in supporting the goals and objectives of tourism development, the study presents that the local government should involve local residents more actively in the decision-making processes of the tourism development. The study confirms the importance of trust as a key variable in a social exchange relationship between residents' of a host community and government actors and all stakeholders need to be educated and trained to make sustainable tourism development more feasible.

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# CHAPTER 1

## 1.1 INTRODUCTION

According to WTTC (2011), tourism is one of the world's biggest industries accounting for 9% of global GDP and supports huge advantages to increase incomes from the growing number of arrivals especially in developing countries (Harris, 2009). Tourism development has become an important economic development phenomenon to increase the acquisition of foreign currencies and employment opportunities (Shareef *et al.*, 2008). Therefore, governments in developing countries focus on tourism policies for achieving economic benefits (Sharpley, 2002).

At the same time, tourism can have both a positive and a negative impact, with much debate about maximising the benefits whilst minimising the costs, or in other words, tourism development can have negative environmental and socio-cultural impacts on tourist destination. Often, due to their fragile ecosystems, small islands are more vulnerable to environmental damage than other tourist destinations (UWICED, 2002). Therefore, any future development needs to be focused on sustainable development (Kuo and Chen, 2009; UNWTO, 1998, 2002). Telfer and Sharpley (2008) mention that towards the end of the 1980s, with the emergence and growing acceptance of sustainable development in general, the concept of sustainable tourism development became more prominent. The principles of sustainable tourism development, whilst leading to increasing criticism and concerns of mass tourism, were widely accepted and became a more important issue for tourism research; hence further sustainable tourism development is an imperative for island economies. Also, UNWTO (1999)

states that 'Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future.' Additionally, Meethan (2001) suggests that (regarding stakeholder involvement especially), community involvement is a critical part of sustainable tourism development. Southgate and Sharpley (2002) mention that 'stakeholders must be the architects and engineers of sustainable development rather than mere recipients of a model of sustainable development created in the world'.

Moreover, community involvement is key factor in tourism planning and the support of the host community is essential in achieving sustainable tourism development (Bramwell and Sharman, 1999; Hall, 2003; Tosun, 2006). In the case of South Korea, it was one of fastest growing economies in the world between the 1960s and the 1990s, with a strong tradition of centralism. As a consequence, Seoul, capital city of South Korea, is considered to be a leading financial and commercial city, ranking eighth in the Global Cities Index of 2012 (AT Kearney, 2012) and seventh in the Global Power City Index of 2011 (The Mori Memorial Foundation, 2011). However, South Korean democracy was secured from the late 1980s and social and environmental conflicts between stakeholders occurred. From a socio-economic perspective, South Korean society is confronted with serious regional disparities and social conflicts due to government driven development (Choi, 2002). The lack of stakeholders' involvement, especially community participation in the tourism development process, may actually cause negative socio-cultural impacts for surrounding communities interested in developing community-based tourism initiatives.

The case of Jeju Island in South Korea, the research site for this study, exemplifies these issues. For a long time, development policies for Jeju Island primarily emanated from central government with development strategies embodied in national development plans. It was only in 1991 when local assemblies were reinstated after a suspension in 1961, and in 1995 when local chief executives were locally elected, that local governments took on political decision-making powers, though still with substantial central government control. Moreover, Jeju Island government has been involved in the process of development to expand it as an international tourism destination. In addition, the protest movements were in play against the central and local government's tourism development plans already (Bu, 1997; Cho, 2003).

Nowadays, the economy of Jeju Island largely depends on its agricultural and tourism industries. However, WTO (World Trade Organisation) required lower tariff barriers to South Korea and opened the country's markets more to imports from 1995. Consequently the agricultural sector experienced a steady decline over recent years. Therefore, Jeju Island has been relying on tourism to support the economy and has consequently emerged as the most developed tourist destination in Korea, launched as a result of growth-oriented regional policies of the central government over the last thirty years (Choi, 2002). Jeju residents had to follow central government plans to overcome their isolated, limited and peripheral state whilst at the same time trying to balance their local identity. Both small- and large-scale movements have taken place recently, claiming compensation and rejecting central and local governmental development plans. According to Kwon (2008), most tourism development plans for Jeju Island were prepared without paying attention to residents' expectations. Therefore, a government or public sector inspired tourism initiative as a tool of community development, should understand residents' perceptions and attitudes

towards tourism impacts to ensure sustainability in each specific community (Allen *et al.*, 1998; Andereck and Vogt, 2000; Sheldon and Abenoja, 2001; Tosun and Timothy, 2003).

In addition, it is important to understand the stakeholders' perspectives and interests in the planning and management of sustainable tourism (Byrd *et al.*, 2008). For sustainable tourism to be successful, it requires the stakeholders' support in the community to develop tourism in a sustainable manner (Byrd, 2007; Chandralal, 2010; Gunn, 1994). The stakeholder analysis provides a means to start understanding of environmental, developmental and social problems and to identify different stakeholder groups' perspectives and stakeholder interests at different levels (Grimble and Wellard, 1997). However, Freeman (1984) states that stakeholder groups are characterised by their relationships between diverse groups and individuals; from this definition, it is obvious that the views of stakeholders are incredibly broad and diverse subjects.

Furthermore, conflict can occur in the tourism development process among stakeholders with different interests and perspectives (Byrd *et al.*, 2008, Ioannides, 1995; Larson, 2002, Markwick, 2000). According to Carmin *et al.* (2003), community involvement is necessary to reduce conflicts among stakeholders. However, the appropriate research has been conducted only on individual stakeholder groups or between two groups (Byrd *et al.*, 2008). In spite of the growing interest in sustainable tourism studies, most research has had a limited focus on selected issues such as economic impacts; it is therefore argued that the real success of tourism development is achieved through balancing different goals and expectations from various stakeholders, and their participation (Frisby and Getz, 1989). Therefore, this study

focuses on building knowledge about stakeholder perceptions of tourism development by investigating stakeholder groups in one destination. Also, through the perceptions of these groups, both actual and ideal levels of participation will be evaluated to help understand the perspectives of all stakeholders.

It is well known that local residents and government are important stakeholders in tourism development concerning drives toward sustainability (Fredline and Faulkner, 2000; Williams and Lawson, 2001). However, a few previous studies emphasised the role and involvement of government (Sim and Lee, 2003), but did not demonstrate a causal relationship between resident perceptions of government involvement as tourism impacts and resident attitudes towards proposed government driven tourism development. Most studies of tourism impact factors have focused on three categories of benefits or costs, economic, environmental and social, and try to find demographic and situational characteristics affecting attitudes towards tourism development (Sim and Lee, 2003). Although many studies have been carried out to identify residents' perceptions of tourism impacts and attitudes toward tourism, these studies treat perceptions and attitudes at the individual level only. In general, government has been recognised as being the most important authority and the key player in tourism development (Pearce, 1989, Mowforth and Munt, 2009), especially in developing countries where there is a lack of resources and experience for tourism development. Therefore, it is necessary to study the relationship between residents' perceptions of government involvement and their attitudes towards additional proposed tourism development in the context of government driven tourism development.

In sum, community participation and stakeholder' involvement in sustainable tourism development has emerged and been refined in the context of developed countries.

However, there have some differentiations between western development policies and Asia's centrally planned development policies. Tourism development policies in developing countries are largely driven by government and focus on economic impacts rather than social/environmental issues. Yet, regardless of the growing interest in sustainable tourism development studies, most research has focused on limited issues such as economic impacts. Tosun and Timothy (2003) point out that community-based tourism is a sustainable form of development. Moreover, Hall (2003) mentions that without community support there can be no tourism industry. Therefore, stakeholder involvement is an important subject to be explored in relation to this research theme, because community based tourism cannot last without the support from the host community. For these reasons, this research is focused on sustainable tourism development and stakeholder involvement, especially community participation in developing countries. It is important to expand the knowledge of this research area (developing country) and research themes (stakeholders and community involvement) in this area for a deeper understanding. Thus, it has been recommended that most tourism policies in developing countries planned by central government without community participation are hard to achieve and sustain in the long term.

## **1.2 AIM AND OBJECTIVES OF THE RESEARCH**

Tourism has achieved remarkable growth and is considered to be one of the biggest industries in the world. However, tourism has the ability to impact both positively and negatively and therefore, to maximise the benefits whilst minimising the costs, sustainable tourism should be encouraged (Weaver, 2006). Moreover there are lots of possible benefits if the community is involved in tourism planning (Bramwell and

Sharman, 1999; Hall, 2003; Tosun, 2006), therefore, community involvement is an important subject to be explored in relation to this research theme, because a sustainable tourism development cannot last without the support from the host community. Since the rise in popularity and importance of tourism, most decisions are ultimately taken by government or specific authorities designated by government. Even, political and social situations in developing countries have changed rapidly, also, community involvement has played an important role for sustainable tourism. Therefore, the need for sustainable tourism development research on stakeholders and community participation are necessary in developing countries.

For that reason, community participation, especially stakeholder involvement, is an important subject to be explored in relation to this research theme. Also, incorporating stakeholder views can add knowledge and insight which may reduce conflict in the long-term and therefore stakeholder identification and participation is a key step towards achieving community collaboration within tourism (Hardy and Beeton, 2001). Sustainable tourism development research on stakeholders in developing countries could help to fill a gap in this field, both in research themes (stakeholders and community participation) and research areas (developing countries). Therefore, it is necessary to expand the scope of research themes in this area for deeper understanding.

This research is offers a critical evaluation towards the perceptions and impacts of tourism development and involvement, and investigates their relative influence within the collaboration process. Therefore, this research will try to improve levels of understanding of different stakeholders' perspectives and their involvement in sustainable tourism development.

In order to fulfil this goal, six specific research objectives were identified as follows:

- i) To identify key stakeholders involved in sustainable tourism development in Jeju Island in South Korea
- ii) To explore how key stakeholders are involved in sustainable tourism development in Jeju Island in South Korea
- iii) To review and evaluate the key stakeholders' perceptions toward the impacts of tourism development in Jeju Island in South Korea
- iv) To review and evaluate the key stakeholders' perceptions toward the participation in sustainable tourism development in Jeju Island in South Korea
- v) To identify discrepancies between the actual and ideal levels of key stakeholders' participation in sustainable tourism development in Jeju Island in South Korea
- vi) To analyse and synthesise these views in order to build a model which can guide sustainable tourism development in the future.

Therefore, this research intends to examine an area that is under-researched within the context of sustainable tourism development. This is not to say that extensive work has not already been done on communities and stakeholders' involvement in the context of tourism, and indeed much of the discussion is drawn from the tourism literature, but rather analyses an area for improvement; there needs to be a better review of the tourism literature to determine the gaps in discussions on stakeholders and communities in the context of this field of study.

Also, this research contributes to the theoretical development of stakeholder theory and social exchange theory in the field of tourism development. In particular, it

combines the use of stakeholder theory and social exchange theory in explaining cost-benefit relationship between various stakeholders who have different perception of government led tourism development, role of stakeholders and tourism development. Moreover, despite the theoretical contribution, this research also had its practical significances. First of all, it provides tourism authorities a ‘bottom-up’ approach for tourism planning. By exploring the key stakeholders’ perceptions toward the participation in tourism development reported in the present study, the central and local governments would be able to consider the perceived impacts of tourism development in their planning procedures, so that positive impacts could be maximised whilst negative impacts minimised. Furthermore, this research is to examine the challenges to sustainable tourism development in the context of the developing world with special references to South Korea. Therefore, this study fills a notable gap in the literature available on sustainable tourism development in Korea in the English language. This could be a good exemplar not only for other communities within South Korea but additionally for other developing countries wishing to implement collaborative development processes. In other words, by using the Korean example, we can apply this research to a wider context of various other developing countries and draw applicable lessons from it, including discussions on participation and community based tourism.

### **1.3 OUTLINE OF THE RESEARCH**

This dissertation will be presented according to the following structure:

Chapter 2 This chapter contains a critical literary review, which covers the

theoretical framework of the research and moreover provides a theoretical background. The review covers existing written theories to guide the topic of this research and to analyse the findings and knowledge already written on the issues. The chapter starts with a review of the concept of sustainable tourism development, and social exchange theory and stakeholder theory offer an appropriate theoretical approach to explain and understand stakeholders' perceptions of tourism impacts and development. A clear understanding of the perspectives and interests of stakeholders is an important process for the management of sustainable tourism development. Within the stakeholders' involvement in the tourism development process, stakeholders have got different perspectives and interests in the tourism development. Therefore, to achieve the sustainable tourism development, community participation was ensured and collaboration approach was a useful mechanism in achieving community based tourism development.

Chapter 3 The focus of this chapter will be to present and justify the South Korea tourism, thus developing an understanding of South Korea tourism, particularly Jeju Island. This chapter is divided into three major sections, the first reviewing the structure and nature of South Korea, the second showing trends of the South Korea tourism and lastly, the third section showing tourism trends of Jeju Island and background of Jeju Island.

Chapter 4 Chapter four describes and explains the outlining the research process and a research design, philosophy and process of finding a focus,

mapping out the study's guiding assumptions. The methodological strategy comprises a critical review of secondary data, qualitative research carried out through questionnaire-style, semi-structured interviews. Therefore, a discussion of the theoretical consideration is presented along with a description of the methods of data collection and analytic techniques within Chapter five

Chapter 5 This chapter is the first of two analysis chapters, discussing how key stakeholders are involved in sustainable tourism development in Jeju Island. Jeju residents have to follow a central government plan to overcome their isolated, limited circumstance. However, the Jeju local autonomy system is needed to produce 'visible' achievement over a local political term to secure a re-election, explaining why local government focuses on economic growth rather than social and environmental growth. Further, this chapter evaluates the key stakeholders' perceptions toward the impacts of sustainable tourism development in Jeju Island.

Chapter 6 The objective of this chapter is to provide the necessary framework for the findings and analysis of the Jeju Island case, reviewing and evaluating the key stakeholders' perceptions toward the participation in sustainable tourism development in Jeju Island. Moreover, this chapter will show the levels of key stakeholder participation in sustainable tourism development in Jeju Island. Finally, this chapter will assess the problems of collaboration in tourism planning among stakeholders in Jeju Island.

Chapter 7 Chapter seven concludes the research study and summarises the support for the research questions. The theoretical and practical contribution and implications of the study are considered. It also offers the best practice and recommendations for further research and limitation of this research.

## CHAPTER 2

### Sustainable Tourism Development

#### 2.1 INTRODUCTION

The aim of this chapter is to explore the complexities involved with adopting the concept of sustainable tourism development. Therefore, sustainable tourism attempts to incorporate the principles of sustainable development into tourism to minimise its negative effects and maximise benefits. The chapter will start with review of the concept of sustainable tourism development. The initial discussion of this chapter covers sustainable development when applied to tourism.

Another important function of this chapter is to apply some of the theories that are dealt with that have a relevance to this study. Social exchange theory will be explained as a theoretical underpinning for this research and its relationship to tourism development. Next, stakeholder theory will be introduced as a managerial concept applied in tourism research. A number of theories have been suggested to explain the nature of residents' perceptions and attitudes towards the impacts of tourism, such as play theory, compensation theory, conflict theory, dependency theory, network theory, social representations theory and social exchange theory (Ap, 1992; Pearce *et al.*, 1996; Rowley, 1997). However, most of the studies related to relationships between different stakeholders in tourism development, and residents' attitudes and perceptions have utilised the social exchange theory, which has been

considered the appropriate framework to develop an understanding of residents' perceptions and attitudes (Ap, 1992; Perdue *et al.*, 1990).

The last section of this chapter explores stakeholders' involvement, especially community participation within the collaboration approach because there are many possible advantages if the stakeholders are involved in tourism planning. However, conflict can occur in the tourism development process from stakeholder groups with different goals and interests. Therefore, this chapter provides a methodology for a better understanding of the different perspectives and stakeholder interests at different levels using the stakeholder analysis. Also, the collaboration approach may be useful in achieving community involvement in a sustainable manner.

## **2.2 SUSTAINABLE TOURISM DEVELOPMENT**

### **2.2.1 Sustainability and Sustainable Development**

Sustainability is difficult to define and there is still lack of wide acceptance because it is an inherently vague and complex concept (Phillis and Andriantiatsaholiniaina, 2001). According to Swarbrooke (1999), the first reference to sustainability can be attributed to the Roman Empire; the Romans focused on development and settlement of cities and management of farmland with a vision of how future expansion would be conducted. These concepts of sustainability changed with the Industrial Revolution, which led to the urbanisation of larger areas and increased pressure on the natural environment (Murphy, 1985; Phillis and Andriantiatsaholiniaina, 2001). The concept of sustainability was formalised in 1987 with the publishing of *Our Common Future*,

also known as the *Brundtland Report*, by the World Commission on the Environment and Development (WCED). *The Brundtland Report* (1987: 43) defined sustainability to be ‘meeting the needs of the present generation without compromising the ability of future generations to meet their own needs’.

The broad and non-specific definition of sustainability provided by the WCED has resulted in a diversity of interpretations. Stabler (1997) mentions that there was now widespread acceptance by governments and environmental organisations of the Brundtland Report and the principles of sustainability. However, Harrison (1996) argued that the WCED’s definition is questionable. He suggested that acceptance of economic growth has led to criticism and contends the assumption of egalitarianism and equality in the needs of present and future generations underlying the definition. Mowforth and Munt (2009) stated that it is perceived and interpreted differently between individuals, organisations and social groups who have their own agendas.

Also, the variety of definitions and the usage of sustainable concepts have caused sustainability to develop into an uncertain idea whose definition and methods of conducting measurements lack general consensus (Murphy, 1998; Phillis and Andriantiatsaholiniaina, 2001). Furthering this idea, Robson and Robson (1996) state that ‘sustainability’ to be a utopian term. They argued that real sustainability is hard to obtain because any change in the environment or society will impact future generations’ use of the resource. Even through sustainable development can be considered an uncertain concept, it has achieved wide use as a policy objective that integrates environmental and developmental concerns (Alipour, 1996).

Further to the publication of *the Brundtland Report*, a 'blueprint' for implementing sustainable development known as 'Agenda 21', was adopted at the Rio Earth Summit in 1992. If *the Brundtland Report* provided a conceptual definition of sustainability, 'Agenda 21' established a number of tangible strategies for its implementation and an action plan for the concept of sustainable development (Holden, 2000; Landorf, 2009). Also, According to the World Tourism Organisation (1996), 'Agenda 21' identified environmental and development issues which were viewed as a threat to economic and ecological interests around the world. The term 'sustainable development' is used in the Brundtland Report to mean:

'A process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional changes are made consistent with future as well as present needs' (World Commission on Environment and Development, 1987:90).

Hardy *et al.* (2002) mention that the concept of sustainable development, they marked the convergence between economic development and environmentalism. Although the definition considers ecological, social and economic aspects of sustainability, it is still open to interpretations based on a particular industry agenda. Stabler (1997) argues that the definition is not necessarily a problem, as it covers most eventualities and facilitates adaptability and flexibility. Jafari (2000) concurs with this view, arguing that because of the imprecision of the definition, which allows a multitude of interpretations, governments and economic sectors have widely accepted the term. Also, the idea of sustainable development has developed from a strongly environmental concept to a notion that incorporates the issue of equity of access to the natural resources. The equity of access creates human wellbeing and distributes

costs and benefits. Hunter (1997) first highlighted the equity issue, stating that equity implies attempting to satisfy all the basic needs of humans.

Telfer and Sharpley (2008) mention the fundamental question about sustainable development. They pointed out that the two objectives of 'sustainability' and 'development' are hard to be achieved at the same time. Moreover, whilst there is a lack of consensus in relation to how a balance is to be achieved, there is at least growing acceptance that a strategic approach can contribute positively to the sustainable development decision-making process (Hall *et al.*, 2000; Simpson, 2001). According to Murphy (1998), he identified 14 major components of the sustainable development list based on his interpretation of *Our Common Future*. He has refined a widely cited framework of 14 components of sustainable development, ranging from establishing ecological limits and more equitable standards to environmental audit, and including community control and conservation of basic resources. However, Theobald (2005) pointed out that Murphy's list is not designed to be exhaustive but to illustrate the ongoing refinement of the concept of sustainable development and the increasing emphasis on its application.

### **2.2.2 Sustainability and Tourism**

Sustainable development was recognised as a global issue by the WCED (1987). The WCED (1987) indicated the need for all industries to develop practices and principles based on sustainable development ideals. Sustainable tourism has been widely debated within the academic literature and the tourism industry has tried to define or describe sustainable tourism (Butler, 1993; Gunn, 1994; Hunter, 2002; Inskip, 1991; Jackson and Morpeth, 2000; Murphy, 1998; Swarbrooke, 1999; UNWTO, 1998;

Weaver, 2006; Wight, 2002). However, there are too many characteristics and thus no clear definition of sustainable tourism, which leads to confusion about what sustainable tourism means in practice and about how it can be achieved (Butler, 1999).

Butler (1993) mentions tourism is in a form that can sustain its viability in an area for a long period of time. Also, Middleton and Hawkins (1998) said that sustainable tourism means achieving a particular combination of numbers and types of visitors, the cumulative effect of whose activities at a given destination, together with the actions of the servicing businesses, can continue into the foreseeable future without damaging the quality of the environment on which the activities are based. Moreover, Swarbrooke (1999) mentions sustainable tourism is tourism that is economically viable, but does not destroy the resources on which the future of tourism will depend, notably the physical environment and the social fabric of the host community. Also, Inskip (1991) argues that sustainable tourism meets the needs of present tourism and host regions whilst protecting and enhancing opportunity for the future. Therefore, sustainable tourism is considered most as application of the sustainable development idea (Jackson and Morpeth, 2000; Weaver, 2006). However, tourism is a resource industry and cannot be isolated from other resource activities. Therefore, tourism has to share the same resources with other users, and tourism must be involved if sustainable development is to be successful (Gunn, 1994; Murphy, 1998; Wight, 2002).

However, The World Tourism Organisation (UNWTO) (1998) developed the most accepted definition, which stated that:

‘sustainable tourism meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems...’

However, sustainable tourism needs more explanation and precision in order for it to be operational, and this definition is mainly focused on tourist activities (Bramwell, 2004). The term sustainable tourism is adopted from Inskip’s (1991), who defines sustainable tourism as being ‘aimed at protecting and enhancing the environment, meeting basic human needs, promoting current and intergenerational equity and improving the quality of life of all people’ (Inskip, 1991:495).

Inskip (Ibid: 461) suggests that the goals of sustainable tourism are to develop a greater awareness and understanding of the significant contributions that tourism can make to the environment, people, and the economy; to promote equity in development; to improve the quality of life of the host community; to provide a high quality of experience for the visitor; and to maintain the quality of the environment on which the foregoing goals depend.

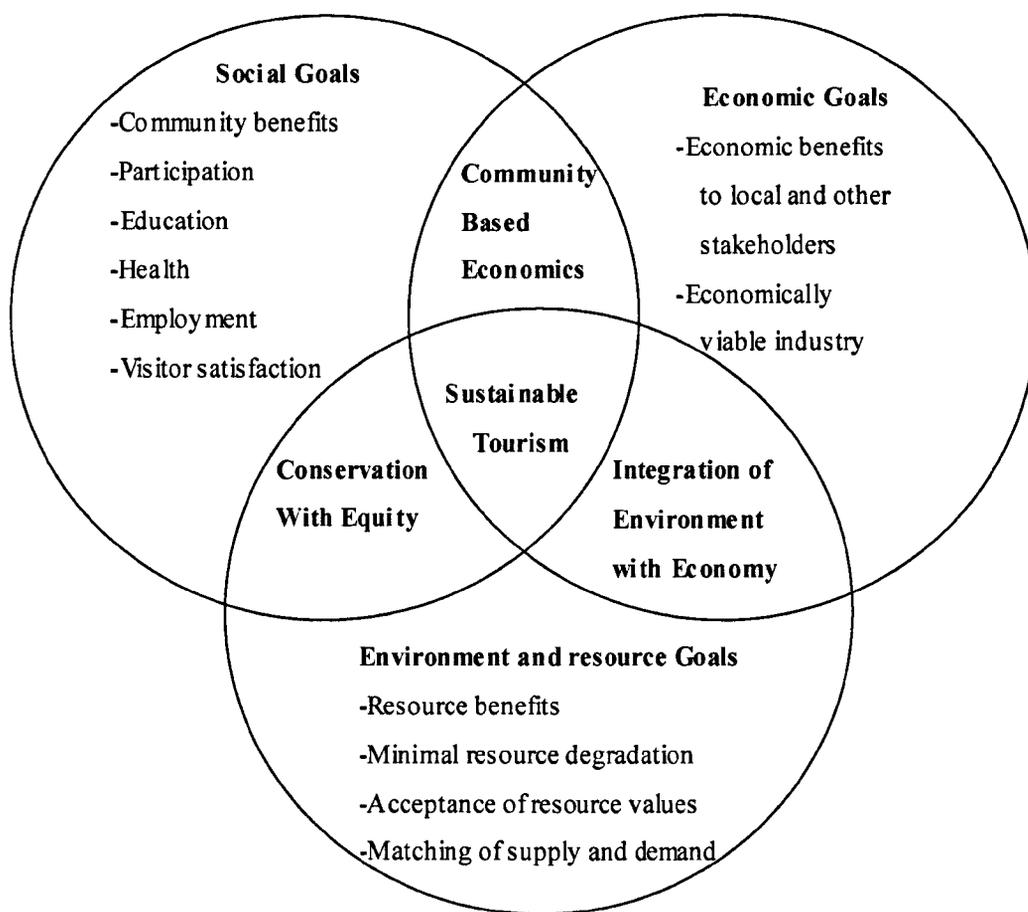


Figure 2.1. A Model of sustainable tourism values and principles  
 Source: Adapted from Hall, Jenkins, and Kearsley (1997)

According to Wight (1997), the important part of sustainable tourism is a set of implicit values related to striving to integrate economic, social and cultural goals. In this point of view, Figure 2.1 indicates that it should be a balance between environment, social and economic goals in order to develop sustainable tourism. Hall *et al.* (1997) point out that when certain environmental, economic and social goals are achieved in conjunction with each other, then sustainable tourism has been achieved. At the point at which social goals and economic goals intersect, community based economics is said to be achieved; at the intersection of social and environmental and resource goals, lies conservation with equity; and when the economy and the environment intersect, there is an integration between the two. The

ultimate state occurs where all three spheres each intersect with the other to form a case of sustainable development at its core.

Moreover, Swarbrooke (1999) states same point of view for achieving sustainable tourism, he suggested that there are three equally important dimensions to sustainable tourism, including the environment, both natural and built; the economic life of communities and companies; and social aspects of tourism, in terms of its impacts on host cultures and tourists, and the way in which those employed in tourism are treated. Finally, in 2002, he reiterated that sustainable development could be divided into three dimensions: the environmental dimensions; the economic dimensions and the social dimensions. In environmental dimensions, the environment has five elements, which are the natural environment, the farmed environment, the built environment, natural resource and wildlife. Those five elements may be impacted upon by tourism and as such should be factored into any sustainable tourism model. Tourism can have a negative impact on the environment. In economic terms, tourism brings both economic benefits and economic costs. Swarbrooke (2002) mentions the benefits to the local economy are that tourism can create jobs; inject income into the local economy through the multiplier effect; can help to keep local businesses viable; regenerate and restructure the economies of cities where other industrial activities are in decline; and stimulate inward and industrial investment.

On the other hand, tourism can bring negative economic impacts as well, such as leakage. Mowforth and Munt (2003) define leakage as consisting of three elements, referring to the purchase of imported goods and services by tourists; covering the import of goods and services by hotels and other tourism establishments; and finally referring to the repatriation of profits by foreign owners of hotels and other services.

Brohman (1996) said economic costs are failure to create adequate levels of local employment and income; worsening of balance of payments and foreign indebtedness; transfer of inappropriate technology; loss of local skills and failure to provide skilled jobs for local population; labour exploitation; and inequitable distribution of the costs and benefits of tourism.

In social dimensions, Swarbrooke (2002) suggests that sustainable tourism means socially fair tourism, which needs what he dubs the 'four E's', namely: equity, equal opportunities, ethics and tourists and equal partnerships between hosts. Pearce (1995) argued that the success of achieving sustainable tourism will only be achieved if attention is directed towards the human resource development needs of tourists, tourism professionals and communities. Also, Bramwell and Sharman (2000) mention the WCED's definition of sustainable development emphasises intra- and inter-generational equity and as such community stakeholders need to be involved in the tourism planning process. They also believe that using a social focus and developing community participation will assist greater understanding of tourism development by communities and result in sustainable outcomes.

According to Swarbrooke (2002), the social dimensions of tourism have been given less attention in the sustainable tourism because the socio-cultural impacts of tourism usually occur slowly over time, and that they are also invisible and intangible. Therefore, most of the research has focused only on the environmental and economic aspects of sustainable tourism (Garrod and Fyall, 1998; Ioannides, 1995; Markwick, 2000; Scheyvens, 1999). Scheyvens (1999) states that social aspects of sustainable tourism are often overlooked, advocates that forms of tourism development such as ecotourism, must carefully looked at the needs of local communities. The social and

cultural elements and associated issues are often missing from the sustainability debate (Butler, 1998; Jackson and Morpeth 2000; Swarbrooke, 2002). Recently, the importance of including community, culture, and social sustainability in tourism planning has been recognised and before a community can support sustainable tourism, they need to know what it is they support. Therefore, it is important to first assess a community's knowledge of the principles of sustainable tourism. This research can provide information about the community and the perception of sustainable tourism. Consequently, this research will focus on social aspects of sustainable tourism.

### **2.2.3 Sustainable Tourism Development**

The contribution of tourism to the economy has been well recognised, therefore governments in the developed and developing countries began pursuing tourism policies as a means of achieving economic growth and diversification (Sharpley, 2002). According to Telfer and Sharpley (2008), the concept of sustainable tourism development came to prominence towards the end of the 1980s. The birth of alternative tourism was due to many concerns and criticism for mass tourism and its negative effects on destination areas. Therefore, the notion of sustainability applied to tourism begins with a consideration of the development of the mass consumption of tourism and its lead into a new form of consumerism in the industry (Mowforth and Munt, 2009). The principles of sustainable tourism development were widely adopted at national and destination levels, as well as by certain sectors of the tourism industry.

Table 2.1 Characteristics of mass vs. alternative tourism

<b>Conventional mass tourism</b>	<b>Alternative forms of tourism</b>
<b>General features</b>	
Rapid development	Slow development
Maximises	Optimised
Socially/environmentally inconsiderate	Socially/environmentally considerate
Uncontrolled development	Controlled development
Short term	Long term
Inappropriate scale	Appropriate scale
Quantitative	Qualitative
Sectoral	Holistic
Remote control	Local control
<b>Development strategies</b>	
Development without planning	First plan, then develop
Project-led schemes	Concept-led schemes
Tourism development everywhere	Development in suitable places
Concentration of 'honeypots'	Pressures and benefits diffused
New building	Re-use of existing building
Development by outsiders	Local developers
Employees imported	Local employment utilised
Urban architecture	Vernacular architecture
<b>Tourist Behaviour</b>	
Large groups	Singles, families, friends
Fixed programme	Spontaneous decisions
Little time	Much time
'Sights'	'Experiences'
Imported lifestyle	Local lifestyle
Comfortable/passive	Demanding/active
Loud	Quiet
Shopping	Bring presents

Source : Adapted from Telfer and Sharpley (2008: 39)

Alternative types of tourism were proposed in the form of 'responsible tourism', 'soft tourism', 'appropriate tourism', 'green tourism', 'eco tourism', 'controlled tourism' and 'small-scale tourism' (Newsome et al., 2002); these styles of tourism collectively represent, literally, an alternative to mass tourism development. The table 2.1 shows that alternative tourism can produce better general features and tourist behaviours than mass tourism. Alternative tourism development is focused on local residents, which means controlled by local residents and developed by local developer for the long term interest and quality of tourism and takes into consideration local

communities. Alternative tourism was used as a hope for proving consistency with natural, social and community values, as alternative tourism could have less negative effects on destination areas, environment and population without diminishing positive economic effects (Smith and Eadington, 1992).

At the same time, designed to minimise tourism's negative impact whilst optimising benefits to the destination, the focus on alternative forms of tourism development has served to amplify the distinction between mass, implicitly 'bad' tourism and alternative 'good' forms of tourism (Telfer and Sharpley, 2008). According to Lane (1990), alternative form of tourism is considered by some to be synonymous with sustainable tourism and there are many contemporary examples of such tourism development in practice. Typically, they tend to be small scale and appropriate to the area, with the emphasis on protecting and enhancing the quality of the tourism resource. However, there is no single definition for the term of sustainable tourism development. Therefore, the World Tourism Organisation (2004) developed the most accepted definition of sustainable tourism development:

'Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability.'

Therefore, sustainable tourism development should be seen simply as a means of achieving sustainable development through tourism. Also, the principle of community

involvement appears to satisfy the specific requirements of self-reliance and endogenous development that are critical elements of the sustainable development paradigm (Telfer and Sharpley, 2008). Sustainable tourism lends itself to the idea of community involvement (Meethan, 2001) and stakeholder involvement becomes more important in the discussion of sustainable tourism development. Telfer and Sharpley (2008) made a summary of principles of sustainable tourism development.

Table 2.2 Sustainable tourism development: a summary of principles

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The conservation and sustainable use of natural, social and cultural resources is crucial. Therefore, tourism should be planned and managed within environmental limits and with due regard for the long term appropriate use of natural and human resources.

Tourism planning, development and operation should be integrated into national and local sustainable development strategies. In particular, consideration should be given to different types of tourism development and the ways in which they link with existing land and resource uses and socio-cultural factors.

Tourism should support a wide range of local economic activities, taking environmental costs and benefits into account, but it should not be permitted to become an activity which dominates the economic base of an area.

Local communities should be encouraged and expected to participate in the planning, development and control of tourism with the support of government and the industry. Particular attention should be paid to involving indigenous people, women and minority groups to ensure the equitable distribution of the benefits of tourism.

All organisations and individuals should respect the culture, the economy, the way of life, the environment and political structures in the destination area.

All stakeholders within tourism should be educated about the need to develop more sustainable forms of tourism. This includes staff training and raising awareness, through education and marketing tourism responsibly, of sustainability issues amongst host communities and tourists themselves.

Research should be undertaken throughout all stages of tourism development and operation to monitor impacts, to solve problems and to allow local people and others to respond to changes and to take advantages of opportunities.

All agencies, organisations, businesses and individuals should co-operate and work together to avoid potential conflict and to optimise the benefits to all involved in the development and management of tourism.

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Source: Telfer and Sharpley (2008: 43)

As is evident from Table 2.2, the conservation of natural resources and the sustainable use of natural and socio-cultural resources are importance. Therefore, sustainable development strategies such as stakeholders' participation in the planning process and education about the sustainable tourism to the stakeholders are necessary for the long term appropriate use natural, and socio-cultural resources whilst consideration is given to equitable access to the benefits of tourism.

In case of the South Korean Government, renamed the Ministry of Culture and Tourism, the development of the tourism industry was made one of its major national policies. Incorporating stakeholder views can add knowledge and insights which may reduce conflict in the long-term and therefore, stakeholder identification and participation is a key step towards achieving sustainable tourism development (Hardy and Beeton, 2001). Therefore, it is necessary to expand the scope of research themes in this area for deeper understanding, and the needs for sustainable tourism development research on stakeholders and community participation are more necessary in developing countries. Also, in terms of stakeholders' perception of the government led tourism development, social exchange theory is an appropriate framework to understand and explain stakeholders' perceptions of tourism development and the government led tourism.

## **2.3 SOCIAL EXCHANGE THEORY**

### **2.3.1 Social Exchange Theory**

Social exchange theory, a model rooted in social psychology, was developed by

Emerson (1962) and has been used with much success. After 30 years, Ap (1992) mentioned social exchange theory, he said social exchange theory is 'a general sociological theory concerned with understanding the exchange of resources between individuals and groups in an interaction situation' (1992: 668).

Further, according to Molm (2003: 2), exchange theories share a common set of analytical concepts: actors, resources, structures, and processes. The actors or people are individuals or groups, whilst their possessions or behavioural capabilities, when valued by other actors in the process, are called resources. Molm (2003) argued that the social exchange resources include tangible goods, services, and capacity to provide social values such as approval and status.

Social exchange theory is a multidisciplinary theory that includes anthropology (Levi-Strauss, 1969), behaviour psychology (Emerson 1976, 1981, Homans 1991), social psychology (Chadwick-Jones, 1976), and economics (Blau, 1994; Cook, 2000; Ekeh, 1974). Whilst Turner (1991) identified the central concept of social exchange theory as 'utilitarianism', Emerson (1981) asserted that the central concept of social exchange theory, which he referred to as 'benefit', has a different name in the various disciplines. From this emanate reinforcement in psychology, value in sociology, utility in economics and decision theory, rewards outcome, or payoff in social psychology.

From the typical economist's viewpoint, people rationally seek to maximise their material benefits or utilities from transactions or exchange with others in a free and competitive marketplace, provided they have access to enough information. They will then presumably make a rational choice (Turner, 1982). The utilitarian's propose that

people will rationally weigh social cost, such as loss of identity, against material benefits such as job opportunities to determine which alternatives will provide them with maximum profit. Additionally, social exchange theorists such as Parsons (1968) and Homans (1991) have attempted to formulate the economic theorists principles, which result in recognition of the cost-benefit interaction, provided that people have access to the information they require for successful participation in benefits and the decision-making process. Indeed, Homans (1991: 198) underpins this point by arguing:

‘While humans do not seek to maximise profits, they always attempt to make some profit in their social transactions with others. While they are not perfectly rational, they engage in calculations of costs and benefits in social transactions. While actors do not have perfect information on all available alternatives, they are usually aware of some alternatives, which form the basis for assessments of costs and benefits. While there are always constraints on human activity, people compete with each other in seeking to make a profit in their transactions. While economic transactions in a clearly defined marketplace occur in all societies, there are only special cases of more general exchange relations occurring among individuals in virtually all-social contexts. While material goals typify exchanges in an economic marketplace, individuals also exchange other, nonmaterial commodities, such as sentiments and services of various kinds.’

Anthropologists, in contrast to economic theorists, have recognised that social exchange or interaction is not only about economic and material exchange, but also refers to emotional/symbolic exchange or a social relationship (Turner, 1982).

Exchange relationships are the result of motives among people to satisfy their needs within the social organisation. The benefits gained by those involved in the interaction process will lead to the institutionalisation of the interaction, which will further lead to not only serving the interests of individuals, but will constrain the social structure, which will emerge in the social system (Turner, 1982). The exchange process available to different groups in relation to the access they have to valued resources, results in different power, prestige, and privilege to different stakeholders (Turner, *ibid*).

Levi-Strauss (1969) opposed the psychological interpretations of the exchange process, especially that advocated by behaviourists. He emphasised the notions of cultural heritage and values possessed by people that distinguish them from other creatures. Levi-Strauss (1969) highlighted three fundamental exchange principles (Turner, 1982:206):

1. All exchange relations involve costs for individuals, but in contrast with economic or psychological explanations of exchange, such costs are attributed to society - to its customs, rules, laws, and values;
2. For all those scarce and valued resources in society, whether material objects or symbolic resources (esteem and prestige), their distribution is regulated by norms and values. Their institutionalisation depends on their abundance or scarcity;
3. All exchange relations are regulated by the notion of reciprocity (exchange of values and interests).

From a behavioural psychology perspective, social exchange theory is based on the

principle that people are seeking reward, and will pursue alternatives that will provide them with the most reward and the least punishment (Chadwick-Johns, 1976). The concept of 'reward' is used to rephrase the concept of 'utility' in economics, whilst 'punishment' is a revised notion of the concept of 'cost' (Ekeh, 1974; Chadwick-Johns, 1976). Modern exchange theorists use the term 'reward' to reinterpret the utilitarian exchange heritage, whilst retaining the concept of 'cost' instead of punishment for the purpose of clarity (Turner, 1982).

Additionally, Homans (1991), contradicting the utilitarian thinking, introduced the concept of 'rationality proposition' of people's psychological exchange behaviour. The concept states that people make calculations about various alternative actions in regard to value and the probability of rewards. He postulated that the more often the action of people is rewarded, the more likely it is that they will perform the action and repeat it. Subsequently, the more valuable the action is perceived to be, the more likely people will perform it repeatedly, for the sake of self-satisfaction.

In discussing the exchange process, Lawler (2001) added a new dimension to the social exchange theories, which he has called the 'affect theory of social exchange'. This conceptualises that 'emotions or feelings are contingent upon the exchange structure, and the outcome of the exchange will influence how stakeholders perceive and feel about their common activities and interactions within their common groups' (Lawler, 2001, p.321). According to Lawler (Ibid), the concepts of his theory are:

- The exchange outcomes (rewards and punishments) have emotional effects that vary in intensity and form; and
- Social exchange is a typical joint activity, but the nature and degree vary from case to case.

Accordingly, emotions/feelings, and group interaction/relations are the salient features of this theory, which brings it to some extent close to anthropologists' interpretations of social exchange.

In brief, social exchange theory rests on the principle that people are reward-seeking and punishment-avoiding creatures, motivated to action by the expectation of profits; that is, rewards minus costs, investments, and foregone rewards (Kayat, 2002). Rewards are not only of a monetary nature, but social, political and/or psychological (Napier and Bryant, 1980). In particular, since the future return from the exchange is not specified, the individual or group decision to engage in the exchange process depends on their expectations of 'perceived' benefits and 'perceived' costs (Skidmore, 1975).

### **2.3.2 Social Exchange Theory and Tourism**

In the application of a social exchange theory to tourism, several researchers have applied this theory to explain residents' perceptions and reactions to tourism planning and development (Ap, 1990, 1992; Jurowski *et al.*, 1997; Lee and Back, 2003, 2006; Lindberg and Johnson, 1997; Madrigal, 1993; Perdue *et al.*, 1987, 1990; Yoon *et al.*, 1999, 2001). Most these studies evaluated residents' perceptions and assessments of costs and benefits of tourism development, and their support for further tourism development in their particular regions. Social exchange theory involves the trading and sharing of tangible and intangible resources between individuals and groups, where resources can be material, social, or psychological in nature (Harril, 2004). Additionally, tourism researchers developed an interest in examining the economic

benefits of tourism development, which may come at the potential detriment of social, cultural, and environmental impacts (Harrill, 2004).

Social exchange theory has been accepted to be the appropriate theoretical means to explain and understand residents' attitudes and perceptions of tourism impacts and developments (Bystrzanowski, 1989; Perdue *et al.*, 1990; Teye *et al.*, 2002). Teye *et al.* (2002) argued that the social exchange theory logic can be applied to residents' attitudes on the basis that residents seek various benefits in exchange for what they are able to offer to different tourism agencies, such as resources provided to tourism developers, tour operators, and tourists; support for tourism development; and being hospitable and tolerating inconveniences and negative impacts created by tourism. The acceptance of local participation and the adoption of a community approach in tourism development and decision-making processes tend to increase the viability of the exchange process and create cohesiveness between residents' expectations and tourism development.

For example, Ap (1990) stated that social exchange theory is concerned with understanding the exchange of resources among parties seeking mutual benefits from the exchange relations and interpersonal situation. For the purpose of tourism sustainability in a community, a certain exchange must occur. Participation of community (residents, government, and entrepreneurs) in tourism development and the attraction of tourists to their communities are mainly driven by the desire to improve the economic and social conditions of the area (Ap, 1992). That is, residents' participation in the tourism planning and development stage, and the operation of tourist attractions could contribute to the wellbeing of the community by maximising benefits to be gained from tourism returns. Furthermore, developing and attracting

tourism to a community has the purpose of achieving outcomes that seem to obtain a better balance between the benefits and costs for residents, visitors and tourism stakeholders. However, residents could act as impediments to tourism development by opposing it or by exhibiting hostile behaviour toward tourism proponents and tourists (Ap, 1992). Additionally, Ap (*ibid*) suggested that residents evaluate tourism in terms of social exchange, that is, in terms of expected benefits or costs obtained in return for the services they supply. Hence, it is assumed that host residents seek tourism development in their communities for the sake of improvements in economic, social, political and psychological needs, satisfaction and wellbeing.

Even when certain organisations or agencies try to impose tourism on local communities against their wishes, there are still some opportunities for communities to experience and evaluate tourism benefits, even in unbalanced terms. Such an exchange might be perceived negatively, but some residents perhaps find that tourism's economic benefits outweigh social or environmental costs. Ap (1992) suggested that inclusion of power is necessary because it determines the exchange partner's ability to take advantage of the outcome of that exchange, stressing that 'power discrepancy variable did not emerge as the most important variable in explaining the variance of perceived tourism impact' Ap (1992 : 680).

Another example of the application of social exchange theory is Perdue *et al.*'s (1990) work on relationships between perceived impacts and the support for additional tourism development in some rural communities in Colorado (USA). They used the logic to explain the differences between tourism perceptions and attitudes based on the notion of residents' participation in outdoor recreation development in rural areas. Perdue *et al.* (1990) concluded that, when judging personal benefits of tourism, perceptions of its impacts were unrelated to socio-demographic characteristics of the

residents. Further, support for additional tourism development was related positively to the perceived positive impacts of tourism, related negatively to the perceived negative impacts, and related negatively to the perceived future of the community. This means that residents appear more likely to support tourism when a rural area's economy is perceived to be deteriorating. Additionally, Perdue *et al.* (1990) found that support for tourism development restrictions and special tourism taxes was positively related to the perceived negative impacts of tourism and the perceived future of the community.

Madrigal (1993) adopted the same social exchange propositions to residents from two Arizona communities, suggesting that positive perceptions of tourism could influence tourism decisions and that tourism-related businesses did not have much of a political influence in their decision-making process. In contrast to Perdue *et al.* (1990), he found that negative perceptions were related negatively to personal influence and related positively to the belief that tourism businesses had too much influence. He believed that the exchange theory is linked to an economic analysis of interaction, which focused on the mutual exchange of rewards and costs between tourism actors. Consequently, residents seem to be willing to exchange with tourists if they can acquire some benefits without incurring unacceptable costs. In contrast to the above findings of Madrigal (1993) and Perdue *et al.*, (1990), Getz (1994) in a study of Scotland's Spey Valley, found that the increased negative attitudes towards tourism development suggested that residents believed that the benefits had declined or had not matched expectations. However, Hernandez *et al.* (1996) took a neutral approach, speculating that residents' feelings towards future tourism development resulted from uncertainty regarding the terms of the exchange.

In a study about the relationship between economic gain as an exchange item and support for tourism development, Jurowski *et al.* (1997) found that the potential for economic gain as an exchange item had a direct and positive effect upon residents' support for tourism. The strongest effect of the economic gain was evident on social impacts, although it had little effect on environmental impact variables. Jurowski *et al.*'s (1997) empirical findings supported their attempt to explain and to demonstrate the existence of interrelationships between how residents weigh and balance seven variables, such as: economic gain, resource use, community attachment, ecocentric attitude and the residents' perception of economic, social, and environmental impacts, and why residents of the same community have different views of tourism development. The principles they suggested were that residents would be willing to enter into an exchange process with tourists and would be less opposed to tourism development if they believed that they can gain some socio-economic benefits from the exchange without incurring unacceptable socio-cultural and environmental costs.

Following the same path, Yoon *et al.* (1999, 2001), studied residents' attitudes and support for tourism development by testing the structural effects of tourism impacts. Residents are likely to participate in an exchange with tourists if they believe that they are likely to gain benefits without incurring huge costs. If they perceive that the positive impacts of tourism development exceed negative impacts, they are most likely to become involved in the exchange and therefore support further tourism development in their community. This conclusion supported the findings of Getz (1994), and the findings confirmed that economic and cultural impacts are positively associated with the total tourism impacts, whilst the social and environmental impacts negatively affect the total tourism impacts. In addition, a perceived environmental impact is found to affect local residents' support for tourism development. There was

also a positive relationship between residents' perceived economic impacts and total impacts. Furthermore, regardless of the perceived benefits of tourism development, residents perceived tourism as a contributor to social problems.

However, McGehee *et al.* (2002), found mixed support for social exchange theory. Although they found a relationship between personal benefit from tourism and support for tourism development, they did not find a relationship between personal benefit from tourism and support for tourism planning. They attributed their findings to the assumption that citizens have limited trust in the ability of the community to plan for tourism, and everyone, regardless of personal benefits, believed tourism planning to be important. In applying social exchange theory attributes, their study showed that attitudes toward the impacts of tourism development are partially based on the economic, social, and environmental trade-offs for this development. On the planning side, the theory's implication suggests that planners have a role to play in educating, or at least informing, those individuals highly attached to their communities about tourism's negative impacts, but also educating long-term residents about the positive impacts of tourism.

From a tourism perspective, social exchange theory postulates that an individual's attitudes toward this industry, and subsequent level of support for its development, will be influenced by his or her evaluation of resulting outcomes in the community. Exchanges must occur to have tourism in a community. Residents must develop and promote it, and then serve the needs of the tourists. Some community residents obtain the benefits, whilst others may be negatively impacted. Social exchange theory suggests people evaluate an exchange based on the costs and benefits incurred as a result of that exchange. An individual that perceives benefits from an exchange is

likely to evaluate it positively; one that perceives costs is likely to evaluate it negatively. Thus, residents perceiving themselves benefiting from tourism are likely to view it positively, whilst those not, negatively. In sum, there has been mixed support for social exchange theory in the tourism literature. Some studies have found support for it whilst others have not been conclusive (Ap, 1992; Gursoy *et al*, 2002; Jurowski *et al*, 1997; Lindberg and Johnson, 1997; McGhee and Andereck, 2004). Social exchange theory is an appropriate theoretical approach for explaining and understanding residents' perceptions of tourism impacts and developments. Moreover, tourism development and tourism management is a very complex process where different stakeholders have to act together with different perspectives and interests. Therefore, the next section reviews literature on stakeholder theory to the identification and evaluation of the stakeholders and their respective perceived stakes.

## **2.4 STAKEHOLDER THEORY**

### **2.4.1 The concept of stakeholder**

The stakeholder theory started to use in the 19th century when the concepts of the cooperative movement and mutuality were to be important (Clark, 1984). The concept of the stakeholder can be traced back to the 1960s when the Stanford Research Institute first proposed that a firm should be responsible not only to its stockholder but also to its stakeholders, whose support was considered critical for the existence of the firm (Stoney and Winstanley 2001). However, the term 'stakeholder' has commonly been used since 1980s when Freeman wrote *Strategic Management: A Stakeholder Approach*. Freeman (1984) stated that an organisation can be characterised by its relationships with the organisation's stakeholders and he (ibid: 46)

defines 'a stakeholder in an organisation [as] any group or individual who can affect or is affected by the achievement of the organisation's objectives' and an organisation as characterised by its relationships with various groups and individuals, including shareowners, employers, customers, suppliers, lenders and society (ibid: 30-31).

Twenty years later, Freeman (2004) has continued to use this definition in a modified form: 'those groups who are vital to the survival and success of the organisation'. Moreover, Gray (1989:5) suggested 'stakeholders are the actors with an interest in a common problem or issue, and include all individuals, groups, organizations directly influenced by the actions others take to solve a problem'. Further, Donaldson and Preston (1995) refined Freeman's definition, stating that to be identified as a stakeholder the group or individual must have a legitimate interest in the organisation. Therefore, a stakeholder is any individual or identifiable group affected by or that can affect the achievement of given objectives.

According to Sautter and Leisen (1999: 314), stakeholder theory aims to redefine an organisation as a 'stakeholders' interests coordinating and optimizing entity'. Following this conceptualisation, two models of the firm can be contrasted which are the input-output model and the stakeholder model of the firm (ibid). Input-output model of the firm (Figure 2.2) exemplifies that a firm is concerned only with maximising the difference between input and output, and that in the long run receives 'normal' or 'market competitive' benefits.

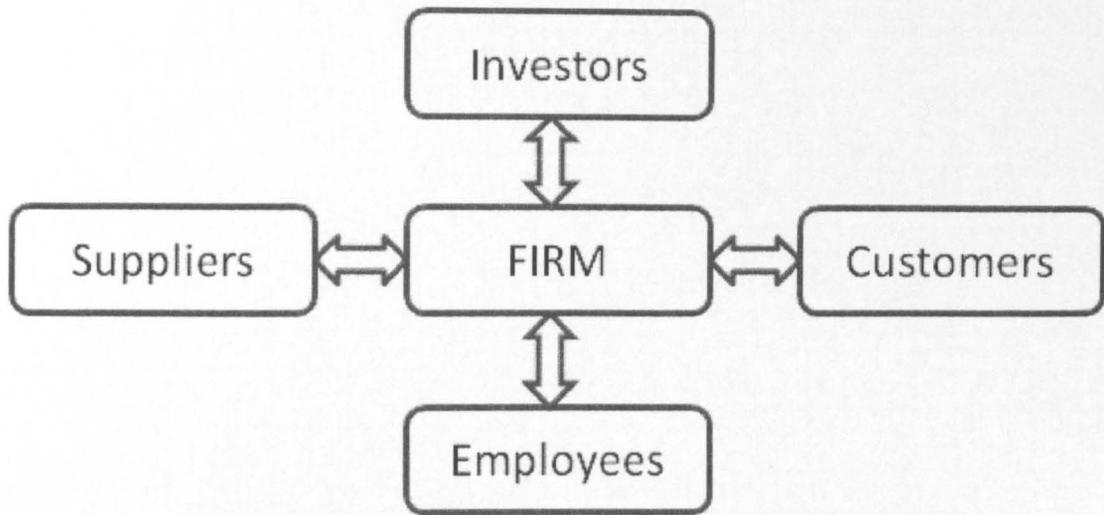


Figure 2.2 The Input-Output model of the firm

Source: Adapted from Donaldson and Preston (1995: 68)

In Figure 2.2, the arrows between the 'firm' and its stakeholders run in both directions. All stakeholder relationships are portrayed in the same size and shape and are of the same distance from the firm, which is in the centre. Applying a stakeholder conception of organizations as opposed to the more traditional input-output perspective implies adhering to a belief where all actors are involved with an organization in order to obtain benefits. This differs from the input-output model that illustrates how certain factors contribute input, which the black box of an organization converts to benefits for its customers (Donaldson and Preston, 1995). A second model (Figure 2.3) describes a series of bilateral relationships in which the input and output of the firm are not limited to participants in the production/sales process but are extended to whoever has a legitimate interest in the activities of the firm (Phillips 2003).

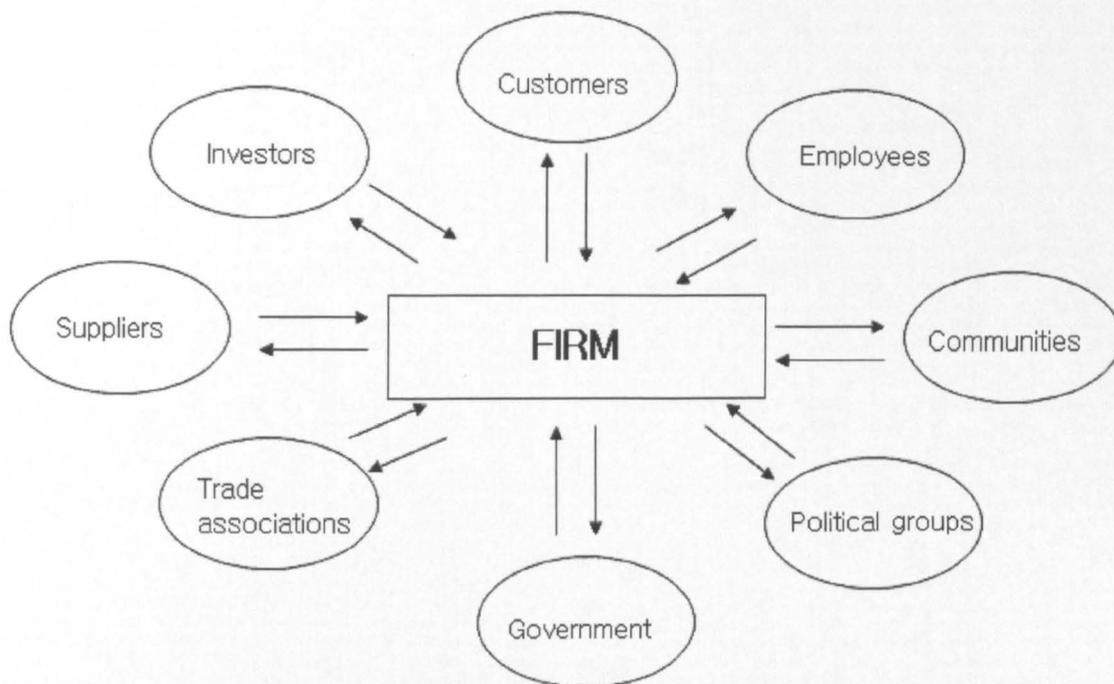


Figure 2.3 The stakeholder model of the firm

Source Adapted from Donaldson and Preston (1995, p. 69)

Since Freeman's first work on stakeholder theory, this model has been incorporated into business studies (Clarkson, 1995; Jones, 1995; Stoney and Winstanley, 2001). Donaldson and Preston (1995) reviewed many of the studies reported in the management literature about stakeholder theory. They developed three aspects to the stakeholder theory. These aspects are the descriptive/empirical, the instrumental, and the normative (ibid). The descriptive/empirical aspect of stakeholder theory is used to describe some characteristic and/or behaviour of an organisation. This aspect is used to examine and explain the past, present and future state of affairs of an organisation and its stakeholders (ibid). Therefore, this theory is concerned with how managers and stakeholders actually behave and how they view their actions and roles. The instrumental aspect is used to identify the connections, or lack of connections, between stakeholder management and the achievement of traditional corporate objectives (ibid). This instrumental aspect deals with how managers should act if they want to flourish and work for their own interests. More recently, the normative aspect

has been used to interpret the function of the corporation, including the identification of moral or philosophical guidelines for the operation and management of corporations (ibid). The normative aspect contains theories of how managers or stakeholders should act and should view the purpose of organisation, based on some ethical principle (Friedman and Miles, 2006). These categories have been used by scholars to describe how they view stakeholder theory and how they think stakeholder theory can contribute. Therefore, the three aspects of stakeholder theory indicate the need to identify the interest of all stakeholders (Byrd, 2007).

#### **2.4.2 Stakeholder Analysis**

The initial step in implementing the stakeholder approach in practice is not easy, yet crucial for its effective application. That is, to identify who is a rightful stakeholder and then to obtain an appropriate sample of this specific stakeholder, one must be careful to look at the various types of persons or groups whom affect or are being affected by the performance of an organization instead of 'a cursory report of only the most obvious stakeholders' (Sautter and Leisen, 1999).

Freeman (1984: 53) identifies three important concepts in the effective management of stakeholders:

- the identification of the stakeholders and their respective perceived stakes;
- the processes necessary to manage the organisation's relationships with its stakeholders;
- management of a set of transactions between the organisation and its stakeholders.

Therefore, the identification of the stakeholder is an essential first step in the effective management of relevant parties. There are many attempts at classifying and identifying the stakeholders using various criteria: their status as internal and external stakeholders depend on if they are those who are members of the company (Zhao, 2006), as well as contractual versus community (Charkham, 1992), direct or indirect (Friedman and Miles, 2006), primary versus secondary (Clarkson, 1995), potential for threat versus potential for cooperation (Savage *et al.*, 1991), etc. These criteria are used to better define who the stakeholders of the firm are and who are not (Mitchell *et al.*, 1997). Most importantly classification of some kind assists in differentiating between less and more important stakeholders that companies accordingly should pay attention to. According to Vos and Achtenkamp (2006), the salience model of Mitchell *et al.*, has developed into one of the main classification models in literature. In figure 2.4, the stakeholder salience model is concluded as being relevant and thus the most useful to examine stakeholder prioritisation regarding theoretical and practical applicability and usage. Therefore, it may provide a useful way of classifying stakeholders and offer guidance to how they may best be approached.

Mitchell *et al.*, (1997) proposed a classification of stakeholders based on their power to influence, the legitimacy of each stakeholder's relationship with the organisation, and the urgency of the stakeholder's claim on the organisation. Further, the relationships between firms and their stakeholders are as complex as the way to manage them.

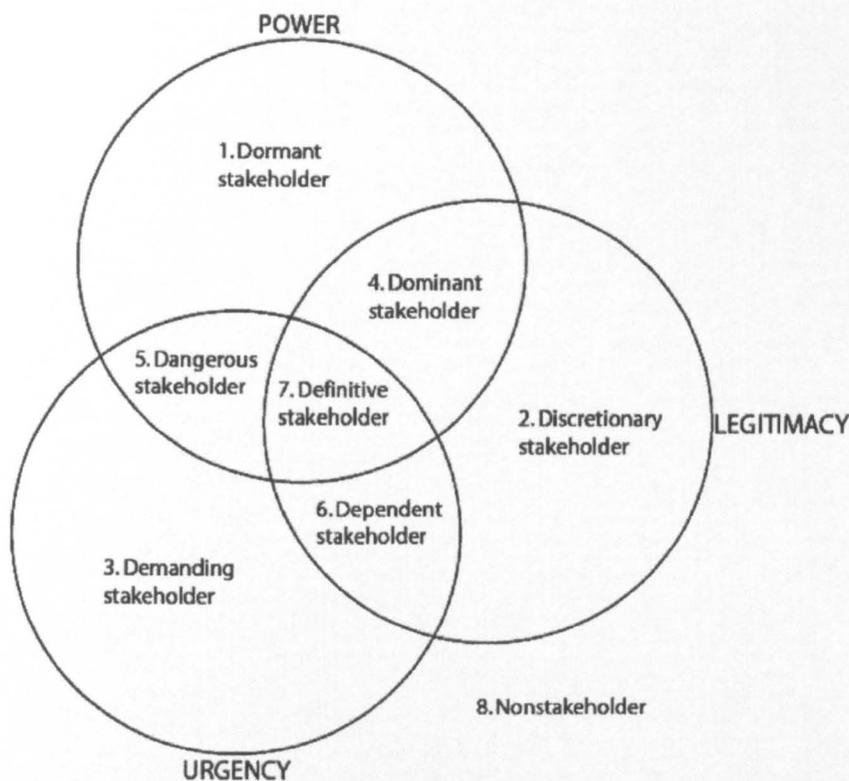


Figure 2.4 Salience Model : Stakeholders classification

Source: Adapted from Michell *et al.*(1997: 874)

Therefore, there is a need to measure stakeholder salience, or the degree to which managers give priority to competing stakeholder claims. They suggest that stakeholders can be identified by their possessions in terms of one, two, or all three of the implications of power, legitimacy and urgency. Mitchell *et al.* (1997), point out the importance of power in stakeholder relations. They articulate that although power is an important factor, it is often neglected in stakeholder relation analysis. However, it is not easy to define power, according to Weber (1947) the idea of power is ‘the probability that one actor within a social relationship would be in a position to carry out his own will despite resistance’.

Also, Foucault (1984: 175) pointed out that, ‘there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations’. Foucault views power as

a relationship rather than an entity where power flows in multiple directions. In addition, Kreisberg (1992: 57) suggested a definition of empowerment based on collaboration, so called 'power with'. He argues that the traditional study of power is predicated upon a definition of power as domination, 'Power over,' and which makes it impossible to achieve democracy. In his words: 'Power with is not a zero-sum proposition where one person gains the capacity to achieve his or her desire at the expense of others. Rather, power with is a developing capacity of people to act and do together'. Obviously, Kreisberg's (Ibid) concept of empowerment tells about the collaboration of stakeholders in community participation. This is emphasised harmony and cooperation rather than power conflicts or power control.

The second attribute of a model is legitimacy, referring to possible claims laid upon the organisation by the stakeholder group, and urgency representing the degree to which stakeholder claims would require immediate action and response (Mitchell *et al.*, 1997). Suchman (1995: 574) defines legitimacy as 'a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs, and definitions'. This definition may be difficult to operationalise, but it contains several good descriptions that will help us identify the stakeholders. Lastly, Mitchell *et al.* (1997) propose that urgency gives the model a more dynamic function. They emphasize that without the urgency attribute, the model will be too static. They define urgency as the degree to which stakeholder claims call for immediate attention. Urgent claims are those that are both time sensitive and of critical importance to a particular stakeholder group. To sum up, Mitchell *et al.* (1997) proposed a model of stakeholder clustering and prioritisation where stakeholder groups are extracted by examining them based on three dimensions: power, legitimacy and urgency. However, the stakeholder salience

theory, power, legitimacy, and urgency are independent attributes. It is thus possible for a stakeholder to have power in the relationship but not have a legitimate or urgent claim on management. Therefore, power by itself is not sufficient for a high degree of stakeholder salience. In the same way, a legitimate claim without power and urgency will possess low stakeholder salience. Therefore stakeholder salience will be positively related to the cumulative number of stakeholder attributes perceived by managers to be present.

### **2.4.3 Stakeholder Theory and Tourism**

Tourism development, especially policy-making and planning, has accepted stakeholder concept because tourism development has been accompanied by complicated stakeholder groups with different interest and ideas about the cost and benefits of the development. A new approach to solving these problems has been pursued, and it is suggested that all stakeholders interested in or affected by tourism activities within a particular market or community, should collectively manage tourism system (Inskeep, 1991). Similarly, Sautter and Leisen (1999) argued that tourism planners should have a full appreciation of all the stakeholders who have interests in the planning, process, delivery and outcomes of tourism services. As Getz (1991) points out, perspectives of stakeholder in tourism development is fundamental, which enforces his attitude toward the development. These perspectives of stakeholders vary because stakeholders have different values regarding matters in which they are involved. According to Henning (1974: 15), Values are 'ends, goals, interests, beliefs that change with human perception and with time, and that have a significant influence on power conflicts relating to policy' Therefore, different stakeholders tend to have different values which have an effect on their perspectives

on development issues, and tourism planners should consider the interests of all stakeholders before proceeding with development efforts (Sautter and Leisen, 1999; Hardy and Beeton, 2001; Vincent and Thompson, 2002). Incorporating stakeholder views can add knowledge and insights of which can reduce conflicts in the long term (Yuksel *et al.*, 1999). In particular, stakeholder identification and involvement is the main step towards achieving community partnerships and collaboration within tourism (Hardy and Beeton, 2001).

Applying the stakeholder theory concepts to tourism would require tourism planners to realise, and be concerned with, the perspectives of diverse stakeholder groups involved in the tourism system (Suatter and Leisen, 1999). Stakeholder theory has been applied in tourism as a planning and management tool by Getz and Jamal (1994), Sautter and Leisen (1999), and Yuksel *et al.* (1999). Meanwhile, Ioannides (2001) applied a stakeholder framework in conjunction with the destination life-cycle concept to analyse varying stakeholders' attitudes toward tourism development at different stages of destination development, with particular reference to some Mediterranean Islands. Also, many authors (Hall 1999; Hardy and Beeton, 2001; Heath, 2003; Howie, 2003; Leiper 2004; Yoon 2002) find that stakeholders' knowledge and experience in tourism management, participation in tourism planning and development processes, and long-term community involvement have played an important role in tourism management.

Further, there are several case studies related to implementation of stakeholder approach in tourism destination management (Burns and Howard, 2003; Byrd and Gustke, 2007; Byrd *et al.* 2009; Jamal and Getz 1995; Li, 2006; Sheehan and Ritchie, 2005; Timothy, 1999; Wisansing, 2008). Wisansing (2008) concluded that the

establishment of appropriate process, criteria, and structure is a must in applying stakeholder approach as a framework in the management of tourism destination. Byrd and Gustke (2006) used a decision tree in order to identify groups of stakeholders supporting sustainable development of tourism. From the aspect of local residents, implementation of stakeholder approach should result in better job opportunities, an easier way of obtaining permits for establishing a business (Timothy, 1999; Li, 2006), quality improvement of different kind of infrastructure, increasing safety measures (Burns and Howard, 2003), etc. Also, Sheehan and Ritchie (2005) applied stakeholder theory and analysis in an empirical study of tourism DMOs, to determine both identify and relative salience. Byrd *et al.* (2009) build upon the literature of stakeholder perceptions of tourism impacts in two rural North Carolina counties. The stakeholder theory focused on the need to include various stakeholder groups in advancing sustainable tourism in those locations between four stakeholder groups: residents, entrepreneurs, government officials, and tourists (Byrd *et al.*, 2009). Timur and Getz (2008) employed the stakeholder approach to identify key actors in a sustainable urban tourism development context. They use social network analysis to help examine the interconnectedness of stakeholders within the urban tourism settings in three North American cities. Their stakeholder identification is based on Mitchell *et al.*'s (1997) stakeholder saliency framework, although Mitchell *et al.* (ibid) base their stakeholder saliency on three attributes of stakeholders, power, legitimacy and urgency.

#### **2.4.4 Governments' involvement in a tourism development**

Stakeholder involvement in tourism development can be found in the early ideas of community participation and public involvement that are central in basic democratic

beliefs (Fiorino, 1990). According to Crosby *et al.* (1986: 171), 'it is an effort to put a representative group of the public in dialogue with public officials so that the officials get the reactions of the public themselves on a particular subject'.

Based on these ideals stakeholder involvement should begin with identifying a diverse group of people in the community and informing them about the issues and topics (Carmin *et al.*, 2003). From the information that the stakeholders are given they should be allowed to make the recommendations that they believe to be the most appropriate for their community (Crosby *et al.*, 1986). However, it was not until the 1990s that community participation began to make major inroads (Steelman, 2001). Most of this growth was at the local levels of government (Crosby *et al.*, 1986). Curry (2001: 561) suggested that the growth was due to the 'inevitable consequences of a mature democracy placing more rights and responsibilities on its citizens and less on the state'. Another reason for the increase in interest in stakeholder involvement was the declining trust the community had in its policy makers (Simrell *et al.*, 1998). Therefore, many policies and development initiatives require some form of participation (Carmin *et al.*, 2003).

Moreover, many authors (Alipour, 1996; De Oliveira, 2003; Gunn, 1994; Inskip, 1991; Meethan, 2001; Murphy, 1985; Southgate and Sharpley, 2002) have indicated the need for governmental involvement in the tourism development process, especially regarding sustainable tourism. Murphy (1985) indicated that tourism is a fundamental part of modern society and must be managed so that it is consistent with society's goals, allowing all benefits to be maximised. Many governments have begun to invest in the development of infrastructure for tourism development (De Oliveira, 2003). Southgate and Sharpley (2002) state that government involvement

'lies at the heart' of sustainable development. Governmental involvement can exist in many forms including environmental planning, regulation, provision and maintenance of infrastructure, financing, building institutional capacity, control of development and tourist flow and the creation of protected areas (De Oliveira, 2003; Ryan, 2002). Ryan (2002) indicates that tourism planning needs to be proactive, which implies acquiring knowledge of a stakeholder's interest and involvement. Externalities and common pool resources are two primary reasons for government involvement in tourism development (De Oliveira, 2003; Briassoulis, 2002). Both reasons are based on the fact that resources that are commonly used for tourism (natural environment, infrastructure, and cultural resources) are also used by other stakeholder groups (Briassoulis, 2002; De Oliveira, 2003; Murphy, 1985). Tourism development, left unmonitored and uncontrolled, can undermine and destroy the resources that are its foundation (Briassoulis, 2002; De Oliveira, 2003).

Gunn (1994: 21) indicated the importance of stakeholder involvement in the tourism planning process stating that community involvement should occur 'early on and throughout the planning process, with a full range of stakeholders'. Success of a stakeholder process is not dependent on the final outcome of the process, but that the interests, opinions and values of the stakeholders are represented in the decision. One aspect of stakeholder management that needs to be understood is the type of involvement the stakeholders will have in the tourism development process. This research focused on broader analysis of the stakeholder theory and how it could be relevant in analysing stakeholders within the government led tourism development. South Korea became westernised and industrialised over very short period, it seems necessary that the tourism development planning authority accommodate the interests of all relevant stakeholders to achieve its planning objectives. In order to gain a better

understanding of different stakeholders' perspectives and their involvement in a sustainable tourism development, it will be necessary to understand the basic nature of key stakeholders' involvement in a tourism development. Also, stakeholders have got different perspectives in the tourism development and stakeholders approach must be preceded within an understanding of the community participation. Therefore, it is necessary to understand the stakeholders' perspectives within context of communities.

## **2.5 COMMUNITY BASED TOURISM**

### **2.5.1 Community**

To discuss community participation in the community-based tourism, it is first necessary to define what a community is. Milne (1998: 40) indicated that researchers usually refer to 'community' as 'a group of people living in the same locality', with some including a notion of ecosystem or habitat. According to the UNWTO (McIntyre, 1993: 28), the concept involves: 'every community, whether city, town, village or rural area, includes the people who live there, the property owners who may or may not be residents, and local government authorities.'

Furthermore, the UNWTO (McIntyre, 1993: 1) mentions the 'local level' of the community, which is 'any homogeneous place capable of tourism development (...) below the national and regional levels of planning and development.' In the context of this research, the following definition of 'local community' is used, combining the definitions of the UNWTO (McIntyre, 1993) and Milne (1998). A local community refers to the people in a designated area who live there, to the property owners who may or may not be residents, and to local government authorities. This shows that a

community is a body of people living in the same locality and having something in common. Urry (1995) identified four different uses of the term of community:

‘First, the idea of community as belonging to a specific topographical location. Second, as defining a particular local social system. Third, in terms of a feeling of ‘*communitas*’ or togetherness; and fourth as an ideology, often hiding the power relations which inevitably underlie communities.’

Therefore, usually, a group can be defined as 2 or more people and a community as a group of people who interact with each other. Thus, the members generally share an interest. In other words, the substance of shared element varies widely from a situation, from interest, to lives and to attitudes and values, and is what makes a group of people a community. Harris and Vogel (2005) consider community-based tourism to be a tool for natural and cultural resource conservation and community development and it is closely associated with ecotourism, sometimes referred to as community-based ecotourism. It is a community-based practice that provides contributions and incentives for natural and cultural conservation as well as providing opportunities for improved community livelihood. Therefore, community-based tourism centres on the involvement of the host community in planning and maintaining tourism development in order to create a more sustainable industry (Hall, 2003). Community-based tourism is managed and owned by the community, for the community, with the purpose of enabling visitors to increase their awareness and learn about the community and local ways of life.

Moreover, community-based tourism provides alternative economic opportunities, which are essential in rural areas. It has the potential to create jobs and generate

entrepreneurial opportunities for people from a variety of backgrounds, skills and experiences, including rural communities and especially women. Harris and Vogel (2005) mentioned that community-based tourism has been implemented in many developing countries, often in support of wildlife management, environmental protection and/or development for indigenous peoples. Community-based tourism occurs when decisions about tourism activity and development are driven by the host community. It usually involves some form of cultural exchange where tourists meet with local communities and witness aspects of their lifestyle.

Ashley and Roe (1998) insisted that wildlife benefits must surpass the cost to the local community, if it wants to be an incentive for them to manage their resources in a sustainable manner. Also, they foresees three probable causes that may hamper tourism provided conservation incentives, namely a lack of sustainable institutions, the unfair distribution of local earnings and the community's limited perception of the link between tourism and conservation, resulting in an unwillingness to change. Clarke (2002) therefore suggests that governments should provide the host community with assistance during times of drought or economic crisis, to supplement their limited resources.

In all of the instances that are of importance to a community-based tourism development programme, the defining characteristics of a community must be represented. The locality that is shared by the community and how it is managed becomes a crucial factor for the success of an ecotourism venture. Economic benefits for stakeholders and how they are distributed means that a community has become an economic unit; and by forging collaborative arrangements between communities,

public and private sector, a community becomes a unit of cultural and social relationships.

## **2.5.2 Community Participation**

A participatory community is a central element in sustainable tourism development (Tosun and Timothy, 2003). Swarbrooke (1999) pointed out that the host community should be dynamically involved in tourism planning and should possibly manage the local tourism industry and its activities. In this point of view, community participation has been widely promoted and debated for several reasons. First, local involvement in development processes is likely to assist the formulation of more appropriate decisions and to generate an increase in local motivation (Hall, 2000). Secondly, support for environmental conservation and protection measures is likely to be greater. Thirdly, as a service industry, tourism requires the goodwill and co-operation of host communities (Simmons, 1994). Additionally, visitor satisfaction is likely to be greater where 'hosts' support and take pride in their tourism (Hall, 1999).

The community must be involved as active participants where local culture and heritage are being built into the tourism mix (Milne and Ewing, 2004). Community participation also supports democracy, ensures that the ones most affected by tourism are heard, uses valuable local knowledge, and involves the residents in setting limits of growth and development (Swarbrooke, 1999; Pavlovich, 2001). Tosun (2000) mentioned that community participation is as an adaptive and definite paradigm that allows local communities in diverse tourist destinations at different levels of development to participate in the decision making process of tourism development

including sharing benefits of tourism development, and determining type and scale of tourism development in their localities.

, Although arguments for community participation in tourism development have been raised, the forms of community participation desired by interest groups in a tourist destination have not been much considered in the literature, which contextualises community participation as a categorical term that allows participation of people, citizens or a host community in their affairs at different levels (local, regional or national) and various forms (manipulative, coercive, induced, passive, spontaneous, etc.) under site specific conditions (Tosun 2006). It may be useful to explain models or typologies of community participation developed by Arnstein (1969), Pretty (1995). According to Arnstein (1969: 216), citizen participation is:

‘the redistribution of power that enables the have-not citizens, presently excluded from the political and economic processes, to be deliberately included in the future. It is the strategy by which the have-nots join in determining how information is shared, goals and policies are set, tax resources are allocated, programs are operated, and benefits like contracts and patronage are parcelled out. In short, it is the means by which they can induce significant social reform which enables them to share in the benefits of the affluent society’

In this definition of participation, the most important point may be the degree of power distribution. Community participation does not only constitute involvement in planning processes, but also the more nebulous term of civic virtue ‘as the common good, a result of people participating together in a shared endeavour which they

perceive to be meaningful' (Arai and Pedlar, 2003). Active involvement by community residents provides a perception of living in a unified community as those involved share a common goal. Even the individual resident who is not an active participant, will ultimately benefit from the increased community togetherness (Wilson and Baldassare, 1996).

In terms of community participation model, Arnstein's (1969) 'Ladder of Citizen Participation' is first model to evaluate of citizen's participation, drawn from experience with the participation programmes of the Great Society in the 1960s. Arnstein (1969), as described in Figure 2.5, has approached this in terms of a ladder or typology of citizen participation including eight levels, which are classified in turn among three categories, which are nonparticipation, tokenism and citizen power, relative to authentic citizen participation.

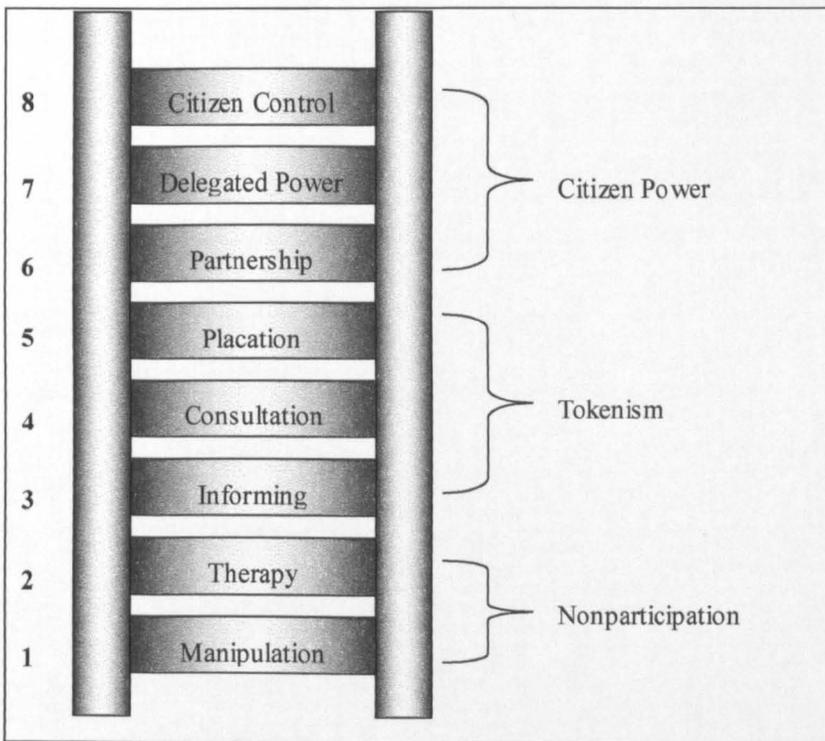


Figure 2.5 Eight rungs on the ladder of citizen participation

Source: Arnstein, 1969: 217

She describes the lowest rungs, 1) Manipulation and 2) Therapy, as methods of non-participation that allow those in power to educate or cure participants. Levels 3) Information, 4) Consultation, and 5) Placation are considered “token” gestures that provide only minimal input at best without changing the system of decision-making. At the higher rungs of 6) Partnership and 7) Delegated Power, participants have an opportunity to make decisions alongside the traditional power holders. At the highest level, 8) Citizen Control, participants have gained full authority for decisions (Arnstein 1969).

Under this typology participation is divided onto three categories: ‘Non-participation’, ‘Degrees of Tokenism’ and ‘Degrees of Citizen Power’. Non-participation describes initiatives that on the surface seem to be a form of public participation. The actual purpose of this type of participation is for planners to explain their independent decisions to the stakeholders who had no input. The next category is Degrees of Tokenism. Degrees of Tokenism are forms of participation in which stakeholders were allowed to voice their interests but have no power to influence the decisions that were being made. The final category is Degrees of Citizen Power. Involvement of this type gives the stakeholders the ability not only to voice their interests but also to influence directly the decisions being made (Arnstein, 1969).

Pretty (1995) suggested seven types of community participations and use of the term participation. These types range from passive participation, which are characterised by a situation wherein people are told what is to happen and making of unilateral decisions, to self-mobilisation, where people are able to take initiatives themselves. In this last type, which represents the highest level of participation in Pretty’s

classification, there is no influence of external institutions over resources, as people take initiatives independently (Table 2.3).

Table 2.3 A Typology of participation

Passive Participation	Participation does not take the responses of the participants into consideration and where the outcome is predetermined. Information shared belongs only to external institutions.
Participation in Information Giving	People give answers to questions where they do not have the opportunity to influence the context of the interview and often the findings are not shared.
Participation by Consultation	People are consulted and their views are taken into account. However, it does not involve their decision-making.
Participation for material incentives	Participation involves people taking incentives in Materials and Incentives cash or kind for their services provided. In such cases the disadvantage is that there is no stake in being involved once the incentives end.
Functional Participation	Participation occurs by forming into groups with predetermined objectives. Such participation generally occurs only after major decisions have been already taken.
Interactive Participation	People participate in information generation and its subsequent analyses that lead to action plans and implementation. It involves different methodologies seeking various local perspectives thereby involving people in decision-making about the use and quality of information.
Self Mobilization	Being independent of any external interventions, people participate and take initiatives to change systems. They develop contacts for external inputs, but retain control over the way resources are managed.

Source: Pretty et al., 1995

Pretty's model describes community participation at seven levels that run from passive participation to self-mobilization. Each level allows for differing degrees of external involvement and local control, and reflects the power relationships between them. These typologies may be a useful tool to identify the spectrum of community participation from the more common passive, manipulative or token forms towards those, which are more authentic and interactive. However, it should be recognised that these models of community participation have some limitations. According to Tosun (2006), they do not consider the number of citizens to be included; no analysis of significant roadblocks (paternalism, racism, gender discrimination, cultural remoteness of local people to tourism, etc.) is made; in reality, there is no overt reference to ownership of services whilst the process or the type of community

participation is apparently considered. Another shortcoming of these practices may be that intensity and longevity of community participation is not adequately addressed. In terms of participation, local people may be placed fairly high up the ladder or rung, but enthusiasm may wane over time, be lower than expected, or be pre-empted by other concerns beyond the community's control, such as political and economic stability.

However, most beneficial in community participation is that local people receive a share of benefits generated, including beneficiary, local inclusion, and that they have decision-making power in management. Thus, for the great participation, all stakeholders such as planners, facilitators, implementers, managers and so on, are advised to look at the value of each broad type and discuss the merits of each with participants in the conservation and development process.

On the contrary, there are limitations to community participation in the tourism development process. Some of the most significant barriers include lack of expertise and training of tourism planning authorities; political traditions that favour centralisation of authority; lack of funding; lack of interest or commitment by stakeholders; competition for the same resources; lack of long-term or strategic planning; and a lack of consensus on specific structures and processes (Butler, 1999; Milne, 1998; Selin and Beason, 1991; Timothy, 2002). It is difficult to deny those limitations about community participation in the tourism development process, but it should be accepted that host communities would learn the politics of tourism development by participating in local institutions and associations that make decisions on tourism projects and other local developmental issues. As a result, the appropriate first steps to increase the level of community participation in the tourism

development process are another way to assess and account for future community based tourism development. It is necessary to identify what resources the community can offer and get all participants involved working together. Secondly, making the community aware of costs and benefits of tourism would be necessary, as well as developing a tourism plan with clear goals and objectives, forming an organisational structure, getting community input and support in tourism development, and identifying key leaders to do the work. Finally, it would be imperative to develop an education and training programme for community, getting the leading institutions and expert assistance to benefit local people (Rocharungsat, 2004). Moreover, collaborative approaches to the tourism development and planning process are the key step for the sustainable tourism development. The next section discusses and reviews literature on collaborative approach to tourism development within context of stakeholders.

## **2.6 Collaborative Approach**

Collaboration in tourism is often seen in the context of community-based tourism and community integration and participation (Mitchell and Reid, 2001; Murphy, 1988; Simmons, 1994; Taylor, 1995; Tosun, 2000) or in relation to sustainable tourism (Aas, Ladkin, and Fletcher, 2005; Bramwell and Lane, 1999; Hall, 2000; Selin, 1999; Simpson, 2001). Jamal and Getz (1995) define collaboration as a process of joint decision making among autonomous, key stakeholders of an inter-organisational domain to manage issues related to the planning and development of the domain. Bramwell and Lane (2000) define collaborative tourism planning as face-to-face interactions between stakeholders who have a vested interest in tourism, which has

the potential to lead to discussion, negotiation and the creation of mutually acceptable proposals regarding how tourism should be developed within a community. Bramwell and Lane (ibid) argue that collaborative approaches to tourism planning have the potential to further the core values of sustainable development on four fronts: 1) Greater consideration for the varied natural, built and human resources within communities; 2) The involvement of stakeholders from a variety of fields and interests may promote more integrative and holistic approaches to policy development; 3) The multi-stakeholder approach should raise awareness of tourism impacts for all stakeholders and may lead to a more equitable distribution of costs and benefits; and 4) The participation of stakeholders in policy making could further democratize decision-making, empower participants and lead to capacity building and skills acquisition among participants and those whom they represent.

Despite the potential for collaborative tourism planning to enhance tourism development, even staunch proponents concede that there are several significant obstacles to successful development and implementation (Bramwell and Lane, 2000; Haywood, 2000; Ritchie, 1999). Haywood (2000) outlines several institutional and systemic obstacles for effective community involvement in the tourism planning process: 1) Tourism planning often falls under the control of multiple levels of government and destination marketing organizations which all share an interest in the destination, yet often have differences in goals and objectives; 2) In many communities comprehensive tourism planning is either absent or ad hoc; 3) Public participation can be viewed as unnecessary, cumbersome, time consuming, and an idealistic dream by developers, businesses, and governments; 4) Concern may exist over adding another complex layer to the planning process and the time, money, and added bureaucracy involved; 5) Worry about the impact of added regulations which

may add to the cost of doing business; and 6) The problem of establishing a buy-in from political leaders, who ultimately control the level of community involvement in the planning process.

In this research, collaboration is taken to mean a process of joint decision-making involving key stakeholders in a problem with a view to resolving conflicts and advancing shared visions (Gray, 1989; Hall, 2000). Cooperation is one of the stages in the collaborative process. Although the benefits of coordination are many, and include integration and efficiency in economic resources in the planning process and the elimination of the overlap of services, coordination does not by itself solve the problem of the fragmented nature of tourism. The problem of bringing various stakeholders and interests together is the first stage in establishing effective collaborative processes (Timothy, 1998).

Himmelman (1996) defined collaboration as ‘exchanging information, altering activities, sharing resources and enhancing the capacity of another for mutual benefit and to achieve a common purpose’, and makes comparisons between collaboration and related terms (Table 2.4).

Table 2.4 Comparison of collaboration and related terms

<b>Definitions and change strategies</b>	
Networking	Exchanging information for mutual benefit
Coordination	Exchanging information and altering activities for mutual benefit and to achieve a common purpose
Cooperation	Exchanging information, altering activities and sharing resources for mutual benefit and to achieve a common purpose
Collaboration	Exchanging information, altering activities, sharing resources and enhancing the capacity of another for mutual benefit and to achieve a common purpose

Source: Adapted from Himmelman, 1996

As shown in Table 2.4, collaboration is regarded as the most developed change strategy, which includes networking, coordination and cooperation. It emphasizes enhancing the capacity of another, which means empowerment of other, usually disadvantaged or powerless stakeholders. Himmelman (1996) maintained that the ultimate purpose of collaboration should be challenging the existing practices of power, and transforming power relations in collaborative efforts. This study adopts the definition of Himmelman (1996), because it encompasses not only joint-decision making, but also stresses the importance of empowering stakeholders, which is related to study themes.

Although there are many definitions for the terms cooperation and collaboration, essentially coordination can be seen as the first steps towards a collaborative process. Mulford and Rogers (1982) argue that coordination is characterised by informal trade-offs and by attempts to facilitate reciprocity in the absence of rules. Collaboration is a more formal institutionalised relationship among existing networks of institutions, interests and/or individuals.

The works of Getz and Jamal (1994, 1995) are representative cases adapting collaboration theory. According to them, emergent tourism settings of today are characterised by 'the presence of numerous organisations, lack a well-defined inter-organisational process and represent under-organised systems'. Interests are not collectively organised and there is a lack of institutions to support tourism. Therefore, these interests from different organisations or stakeholders render these tourism settings complex and ripe for conflict. The various parties who are joined in tourism development bring different values and agendas to these situations. However, power

imbalances among stakeholders are so embedded in society that power relations may alter the outcome of collaborative efforts or even preclude collaborative action (Reed, 1997). He points out that collaboration theory needs to focus on power relations as an explanatory variable that demonstrates why collaboration fails or succeeds.

Hall (1994, 2000) charged that many tourism researchers hold the naive notion about power in tourism communities, that everyone in a community has equal access to power and representation. He argued that power is not evenly distributed within a community and some groups and individuals have the ability to exert greater influence over the tourism planning process than another member. However, Jamal and Getz (1995) argued that it is still possible to facilitate the collaboration process in difficult situations by the mediation of a suitable convener, such as a local authority or a local government. However, local governments often favour the conventional power holders or local elite when there are conflicts among stakeholders. Moreover, local governments historically have used their political influence to emphasise economic growth (Hollingshead, 1990; Herremans and Welsh, 1999).

Therefore, whilst collaboration may be very useful mechanism in achieving community-based tourism development, it is difficult for collaboration to happen in reality when there is power imbalance among stakeholders. It is more likely that the collaboration process will be stuck at early stages unless stakeholder power is carefully considered and addressed.

Several researchers argue that in order to establish effective tourism planning, especially collaborative tourism planning, a clear strategic vision for the future must be developed (Ritchie, 1999; Haywood, 2000; Ritchie, 2000; Ruhanen and Cooper,

2005). Strategic visioning is a bottom-up, democratic, collaborative process, which occurs through public involvement where a group of people work to identify their purpose, core values, and vision for the future (Ruhanen and Cooper, 2005). Under the framework of collaborative tourism planning, strategic vision involves bringing together all stakeholders to work towards establishing a degree of consensus on key issues. One caveat that is sometimes overlooked when discussing community tourism planning is that for it to be effective it should enhance the tourism experience for all stakeholders - residents, businesses, employees, developers, governments, and least not, tourists (Haywood, 2000). Considering the broad range and often conflicting perspectives of tourism stakeholder's consensus building is a very difficult challenge, but the aim of the process is to establish mutually inclusive core values which can then be used to establish a common vision (Ritchie, 1999; 2000).

As a result, collaboration theory has been adapted to a range of fields, such as health care, education and training, community development and public policy, resource management and tourism (Hall and Quinn, 1983; Mulford, 1984; Long, 2000). In case of tourism development, collaboration could be the best mechanism to achieve community based tourism development as well. However, it is really hard to achieve in reality especially in Jeju Island because there is power imbalance among stakeholders and they have no trust each other at the moments. Therefore, achieving collaboration within tourism development, stakeholder identification and involvement is the main step (Hardy and Beeton, 2001).

## 2.7 CHAPTER SUMMARY

The chapter started with a review of the concept of sustainable tourism development, social exchange theory and stakeholder theory, which are appropriate theoretical approaches to explain and understand stakeholders' perceptions of tourism impacts and development. A clear understanding of the perspectives and interests of stakeholders is an important process to the management of sustainable tourism development. Within the stakeholders' involvement in the tourism development process, stakeholders have got different perspectives and interests in tourism development. Therefore, to achieve the sustainable tourism development, community participation was ensured and the collaboration approach was a useful mechanism in achieving community based tourism development. Because, incorporating stakeholder views can add knowledge and insights which may reduce conflict in the long-term and therefore, stakeholder identification and participation is a key step towards achieving sustainable tourism development.

Based on this understanding of the sustainable tourism development, the review explored literature on social exchange theory. The social exchange theory is an appropriate framework for explaining stakeholders' perceptions of the impact of government led tourism development. Stakeholders would evaluate tourism development in terms of expected benefits or costs obtained in return for their services. In other words, stakeholders who perceived personal benefit from tourism development expressed positive attitudes toward it. It is a behavioural theory that attempts to understand and predict the reactions of individuals in an interactive situation (Ap, 1990). The social exchange theory articulates and explains how people

react to and support tourism development (Ap, 1992; Jurowski *et al.*, 1997; Perdue *et al.*, 1990; Yoon *et al.*, 1999, 2000). Empirical findings from these studies have suggested that people will act to maximise benefits and minimise costs in different situations. They also weigh total benefits against total costs that affect their decision to participate in making decisions about development (Kayat, 2002; Lawler, 2001; Yoon *et al.*, 1999, 2001). Stakeholders tend to interact and exchange with tourism at different levels to maximise their perceived benefits and minimise their perceived costs. Stakeholders tend to participate positively if the received benefits from the exchange exceed the unexpected costs. Therefore, the implications of this theory will provide the theoretical underpinning for this study. From a theoretical perspective, the support of the major stakeholders during the exchange process is essential for the legitimisation and success of planning, development and long-term sustainability (Yoon, 2002). In other words, social exchange means that if perception of local residents is based on benefit from an exchange they evaluate it positively and therefore they help to promote and develop tourism; the other way, if their perception is based on costs, their evaluation is negative. Accordingly, residents who have personal benefit or dependency on the industry tend to have more positive perception of impacts.

The final part of the chapter studied the stakeholders' participation in a tourism development. Stakeholder theory has been utilised to a small extent in the tourism planning, policy and strategy development literature (Getz and Timur, 2005). Tourism planners have to seek proactive approaches to accommodate the interests of various stakeholders and to understand their needs, and in addition must effectively manage the relationships among stakeholders to promote better collaboration and sustainable tourism development (Suatter and Leisen, 1999). Also, stakeholders' management is

one of the methodologies used in a framework form within which sustainable tourism development can be delivered (McKercher, 1993; Robson and Robson, 1996). Therefore, stakeholder theory is important in the literature to address a range of tourism management issues and is often specifically mentioned in the context of tourism activities due to the diverse range of stakeholders, those people who have a stake in tourism activities.

Moreover, tourism organisations and/or planning bodies must not underestimate the importance of various tourism stakeholders groups, which affect or are affected by the tourism development and services, or consider only the most obvious and influential groups. As previously indicated, stakeholders must be involved in the planning process (Ryan, 2002; Sautter and Leisen, 1990). Moreover, according to Jenkins (2001), partnership and collaboration need to be challenged by focusing on who is involved in tourism planning and policy processes and who is left out.

A review on related literature on local residents' perception toward tourism development indicate that understanding and assessing tourism development in communities is essential in order to maintain sustainability and long-term success of the tourism industry. Hence, this research by reviewing literature on the local residents' perception and their attributes is proposing social exchange theory as a prevalent theory. The proposed theories that have been drawn from tourism literature need empirical examination to confirm. Based on a review of the literature and of the theoretical concepts and approaches attention, next chapter will be to present and justify the South Korea tourism and general aspects and problems of tourism development in Jeju Island

## **CHAPTER 3**

### **TOURISM IN SOUTH KOREA**

#### **3.1 INTRODUCTION**

The aim of Chapter three is to develop an understanding of South Korean tourism. After the Korean War in 1950, South Korea remained one of the poorest countries in the world. Consequently, the military regimes of both President Park Chung Hee (1961-79) and President Chun Doo-hwan (1980-87) placed emphasis primarily on economic growth, and secondly on democracy, and South Korea is known as one of the fastest growing economies of the world with a strong tradition of centralism. But, at the same time, the Korean people suffered through decades of repression, police control and serious regional disparities and social conflicts due to government driven development.

In terms of tourism development in South Korea, the government has conducted various campaigns to increase international and domestic tourism as a way of boosting the regional economy. Therefore, from 1999, the South Korean government made a Tourism Vision 21 Plan (1999-2003), second Tourism Development Plan (2002-2011), and third Tourism Development Plan (2012-2021). In the case of Jeju Island, tourism development policies primarily emanated from central government, with development strategies embodied in national development plans. However, from 1995 when a local governor was locally elected, that local governments took on political decision-making powers.

This chapter is divided into three major sections. The first section reviews the structure and nature of South Korea, based on review and an understanding of the tourism policy in South Korea, whilst the second section showing trends of the South Korea tourism. Lastly, the third section show tourism trends of Jeju Island and background of Jeju Island.

## **3.2 SOUTH KOREA**

### **3.2.1 Location in South Korea**

South Korean Peninsula lies adjacent to China and Japan in North East Asia. This peninsula itself is surrounded by the Yellow Sea to its west, the East Sea and South Sea. 200 kilometres separate the peninsula from eastern China and from the south-eastern tip of the peninsula; the nearest point on the Japanese coast is also about 200 kilometres away. South Korea lies between 38°N and 33°N latitude and 126°E to 132°E longitude. Unlike Southeast Asian countries such as Thailand, Vietnam, Malaysia, South Korea has a continental climate of very cold, dry winters and very hot, humid summers. The Korean peninsula is roughly 1,030 km long and 175 km wide at its narrowest point. Korea's total land area is 100,033 sq km, and it has a population of 49.8 million people (KNTTO, 2011).



Figure 3.1 The Map of the Korean Peninsula Location

Source: <http://www.korea.net/AboutKorea/Korea-at-a-Glance/Facts-about-Korea>

Because of its unique geographical location, Chinese culture filtered into Japan through Korea; a common cultural sphere of Buddhism and Confucianism was thus established between the three countries (www.korea.net).

The total area of the peninsula, including the offshore islands, is 222,154 square kilometres of which about 45 percent (99,313 square kilometres), excluding the area in the Demilitarised Zone (DMZ), constitutes the territory of South Korea (KNTO, 2011). According to KNTO, the combined territories of South and North Korea are similar to the size of England (244,100 square kilometres) and South Korea alone is about the size of Hungary (93,000 square kilometres). There are about 3,000 islands

belonging to South Korea, mostly off the west and south coast and with the largest being Jeju Island.

In terms of administrative units in South Korea, there are three administrative tiers in South Korea. The highest tier includes seven metropolitan cities and nine provinces. Designated metropolitan cities are those urban areas with a population of over one million. Seoul, the capital of South Korea, is the largest urban centre, having 10 million residents. Busan is the second largest city, with a population of over four million. Daegu, Incheon, Gwangju, Daejeon and Ulsan, in descending order, are each home to more than one million people and Jeju Island is one of the nine provinces of South Korea.

### **3.3. TOURISM IN SOUTH KOREA**

#### **3.3.1 Introduction**

Tourism has emerged as a growth industry in many national economies, UNWTO's Tourism 2020 Vision forecasts that international arrivals are expected to reach over 1.56 billion by the year 2020. South Korea has only recently been regarded as a tourism receiving country because the South Korean government only recognised the tourism industry as a means of increasing foreign earnings in 1989. Since the launch of the new administration in 1998, the Korean government has responded to the growing significance of tourism for the economy by making reforms in tourism policy and changing the name of the ministry responsible for tourism to the Ministry of Culture and Tourism. Moreover, the government realised that outbound tourism

could bring more advantage to future development, so they relaxed limitations on foreign travel.

The government has tried to promote tourism, with efforts including the Tourism Vision 21 (1999-2003) (a five-year plan), and the second Tourism Development Plan (2002-2011) were implemented. Also, the third Tourism Development Plan (2012-2021) has been established to expand facilities in preparation for the 20 million foreign travellers by 2020 (MCT, 2012). Also, South-North Korea tourism exchanges were initiated in 2000, opening a new era for the Korean Peninsula, and consequently the South Korean government tried to further develop the tourism industry. For marketing purposes, 'Dynamic Korea' has established itself as a national brand. In 2007, Korean tourism's brand 'Korea, Sparkling' was also launched, trying to make Korea a tourist attraction to the international community.

### **3.3.2 Tourism Organisation in South Korea**

The Ministry of Culture and Tourism is one of Korea's most important central government agencies (Figure 3.2). The ministry is responsible for culture, arts, religion, tourism, and sports and has one industry office and four divisions related to tourism. The Tourism Industry Office carries out policies under the slogan of 'the Tourism Hub of North East Asia' to increase the number of foreign tourists, expand sightseeing opportunities for Koreans, develop a tour and leisure type industrial city, and promote the tourism industry generally for both domestic and international visitors. The Korea Tourism Organisation (KTO) was established in 1962 as a government organisation to develop Korea's tourism industry. Its main objectives are: i) to promote the Korean tourism industry, ii) to develop resources for Korean

tourism, and iii) to conduct training programmes for human resources in tourism. The KTO's seven major functions are: i) overseas tourism promotion, ii) fostering the convention sector, iii) providing tourism information services, iv) co-operating with local government and the tourism industry, v) promoting the international tourist's satisfaction, vi) promoting tourism between North and South Korea, and vii) resort development. The KTO has 26 overseas offices and is responsible for overseas marketing.

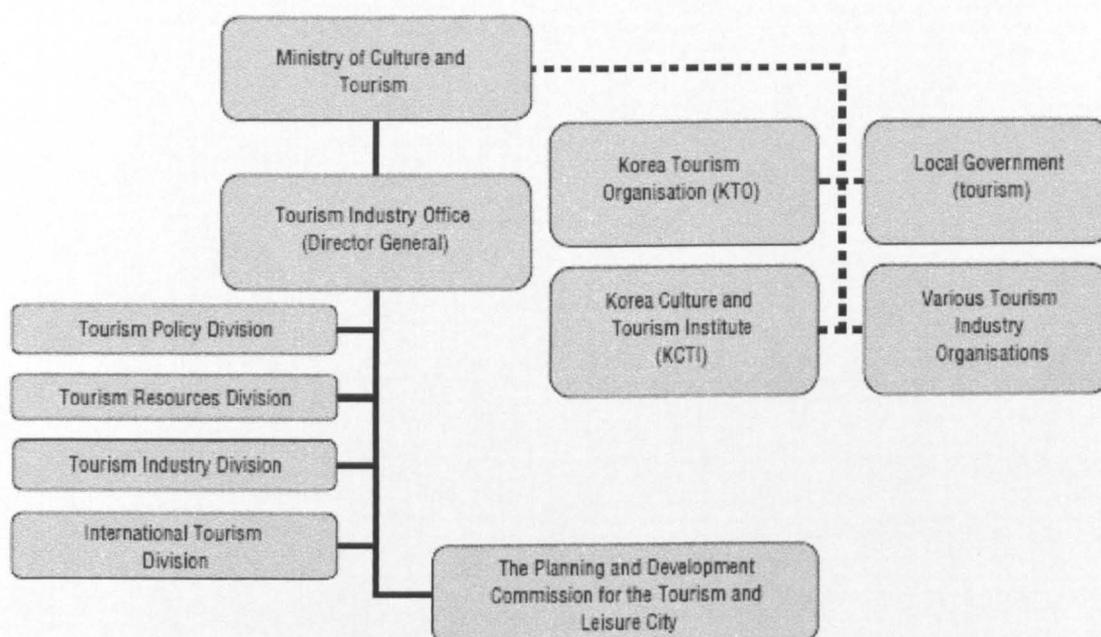


Figure 3.2 Organisational charts of tourism bodies in Korea

Source: Ministry of Cultural and Tourism ([www.mct.go.kr](http://www.mct.go.kr))

The Korea Culture and Tourism Institute (KCTI) is affiliated to the ministry and is responsible for researching, consulting and producing publications related to tourism. The KCTI also sets up information and education networks for collecting, analysing, and distributing information related to tourism policy. Local governments co-operate with the ministry and at the same time develop their own tourism authorities to market and develop international and domestic visits to their own regions. This

decentralised structure has influenced the emergence of local public enterprises and local tourism organisations, and led to an increase in local tourism development, changes in financial operations and greater social diversity.

### **3.3.3 Vision and Objectives of National Tourism Policy**

A five-year plan (1999-2003) named 'Tourism Vision 21' was established in 1999 and plays a pivotal role as the main framework of national tourism policy in Korea. The plan includes sub-goals focusing establishing Korea as a tourism hub in northeast Asia, attracting foreign and domestic investment, and establishing the knowledge-based tourism industry, as well as encouraging domestic tourism by Korean people (MCT website).

In order to achieve the objectives of 'Tourism Vision 21', the government is working on the following initiatives; 1) development of tourism resources, 2) development of differentiated tourism products, 3) improvement of tourism infrastructure, 4) systematic tourism promotional activities, 4) provision of world-class tourism facilities, 5) successful hosting of mega events, including the World Cup and Asian Games, 6) improved quality of life through tourism, 7) expansion of international cooperation and 8) inter-Korean tourism exchanges. Tourism Vision 21 was originally launched with focus on 30 main projects and action plans for each, the long term aim being to attract seven billion arrivals. According to Henderson (2002), the government spent 44.7 billion won on tourism infrastructure in 1998-99 and rules on building, the real estate market and foreign direct investment have been revised in order to encourage private sector financing from domestic and overseas sources. The

KNTO publicises about 68 investment opportunities, most of these being resorts with an additional ten hotels and four condominiums (KNTO website).

In the area of tourism development, the following objectives were established under the second Tourism Development Plan (2002-2011):

Table 3.1 Tourism Development Plan Objectives (2002-2011)

● Establish Korea as an attractive tourism destination with international competitiveness
● Establish Korea as a sustainable tourism destination, which combines and harmonizes development and conservation.
● Establish Korea as a knowledge-based tourism destination, which creates higher value of tourism resources.
● Establish Korea as a domestic tourism destination by encouraging the participation of Korean citizens, thus enhancing Korean quality of life.
● Establish Korea as a tourism destination that will help usher in a peaceful era for the Korean Peninsula.

Source: Ministry of Cultural and Tourism ([www.mct.go.kr](http://www.mct.go.kr))

To effectively carry out the second National Tourism Development Plan, it is necessary to enforce the development of 1) corresponding abilities for the future, 2) systems for deliberating on tourism development plans, and 3) relations between the National Tourism Development Plan and the Regional Tourism Development Plan. The Regional Tourism Development Plan has to be formed by considering environmental concerns, differentiation among regions, possibilities of realization, self-determination on driving the plan, and the corresponding capabilities of the future. Also, the third Tourism Development Plan (2012-2021) has been established. This plan is focused on global competitiveness, the development of tourism resources meeting the age of low-carbon green growth, the expansion of cultural tourism using history, culture, arts, industry, etc., the enhancement of nationwide influence of pending policy tasks, the tourism development of the whole Korean peninsula based

on South and North Korean tourism cooperation and more (Kim, 2009). However, the National Tourism Development Plan is a long-term plan established every 10 years by the central government while the Regional Tourism Development Plan is a plan established every 5 years by local authorities based upon the Tourism Promotion Act.

### **3.3.4 Inbound and Outbound Tourism of South Korea**

Outbound tourism from South Korea has witnessed a very rapid change in recent years. As shown in Table 3.2 the number of Korean departures, which had rapidly increased since overseas travel liberalisation in 1989, plummeted from late 1997 when the nation was struck by the Asian economic crisis. In 1997, South Korea recorded negative growth (-2.3 %) in the number of outbound travellers for the first time in eleven years. The number of outbound travellers from the country was a mere 725,000 in 1988. In 1998, the number reached three million due to the the I.M.F. (International Monetary Fund) period in South Korea, from 1998-1999. In 1998, the number dropped to just over three million (-32.5 per cent). With stability of foreign exchange and the high expectation of the rapid recovery of the South Korean economy, the number of outbound travellers in 1999 reached almost the same level as 1997 with 4.54 million travellers (41.6 % increase over 1998). Korean departures in 2001 numbered 6.08 million, increasing by 10.5%, compared with the previous year. This small increase is regarded to be the result of smaller numbers of Korean tourists (-6.8%) travelling to the United States in the wake of the terrorist attacks in New York in September, 2001. Also in 2003, due to an outbreak of SARS (Severe Acute Respiratory Syndrome) and the Iraq War, the number of outbound travellers recorded negative growth (-3.4%).

In 2005, due to introduction of a five-day working week, the number of outbound travellers reached 10.08 million. Finally, in 2012, Korean departures numbered 13.73 million, doubling since 2001.

Table 3.2 Outbound travellers in South Korea (1961-2008) (Unit: Thousand)

Year	Number of outbound travellers
1961	11
1965	20
1970	74
1975	129
1980	339
1985	484
1988	725
1989	1213
1990	1561
1992	2043
1994	3154
1996	4649
1997	4542
1998	3067
1999	4341
2000	5508
2001	6084
2002	7123
2003	7086
2004	8826
2005	10080
2006	9607
2007	13325
2008	11996
2009	9494
2010	12488
2011	12694
2012	13736

Source: KNTTO, Monthly Statistics of Tourism

Visitor arrivals to South Korea have continued to grow over the past decade. In 1975 South Korea had just 633,000 visitors. However, in the wake of global recession and the 9/11 New York terrorist attacks, foreign arrivals in 2001 have decreased by 3.3% with 5.14 million foreign tourists over the previous year. However, the number of

foreign tourists increased and in 2012, the number of tourists reached 11.14 million, almost doubling the total since 2000.

Table 3.3 South Korea visitor arrivals

(Unit: 1,000 persons)

Year	Visitors
1975	633
1980	976
1985	1426
1988	2340
1990	2959
1992	3231
1994	3580
1996	3684
1998	4250
2000	5322
2001	5146
2002	5346
2003	4752
2004	5818
2005	6022
2006	6155
2007	6448
2008	6890
2009	7817
2010	8797
2011	9795
2012	11140

Source: KTO, Monthly Statistics of Tourism

By region, in 2010, the Asian market accounted for 77.7 per cent (11.1 per cent increases over 2009) of total foreign tourists. Japan, one of the biggest inbound markets, generated the largest proportion (44.2 per cent) of international tourist arrivals. In contrast, China registered a growth rate of up to 58.4 per cent in 2010. International arrivals from other Asian markets have increased. In 2010, the United States showed an increase in arrivals by 7.6% with 813,000 tourists in comparison with 751,000 tourists in 2009. As for the growth rate of international arrivals by region, all regions have increased (Asia: 11.1%, America: 7.6%, Europe: 7.4% and others: 21.8%).

Table 3.4 International Tourist Arrivals by Region

(Unit: Person (Thousand), %)

Region/Country	2009	2010	Growth Rate (2009-2010)
Asia	6074	6838	11.1
Japan	3053	3023	-0.9
China	1342	1875	28.4
Others	1679	1940	13.4
America	751	813	7.6
U.S.	611	652	6.2
Others	140	161	13
Europe	597	645	7.4
Others	389	498	21.8
Total	7817	8797	11.1

Source: KTO, Monthly Statistics of Tourism

Figure 3.3 shows the visitor arrivals by markets. In 2010 visitors from Japan accounted for 3.02 million arrivals (34.4 per cent of total arrivals). Visitors from China numbered 1.87 million arrivals in 2010.

(Unit: %)

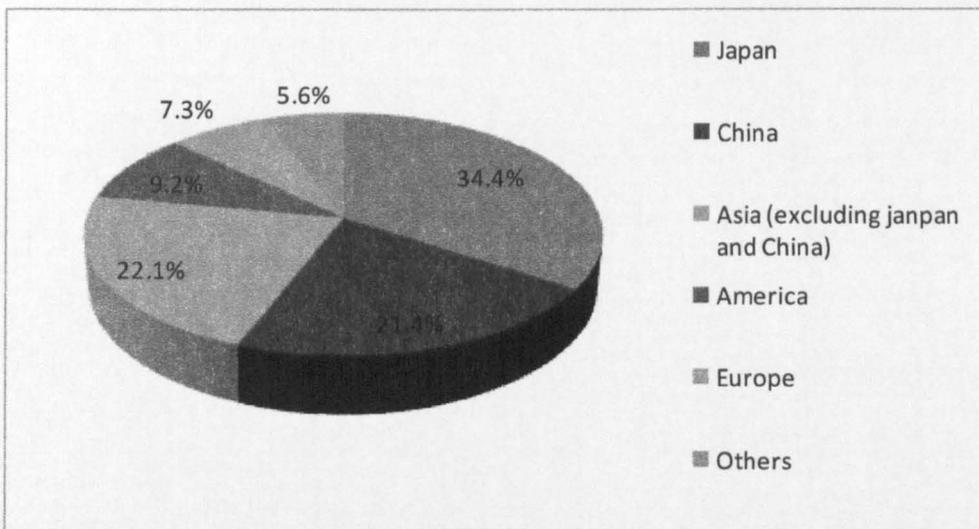


Figure 3.3 The visitor arrivals by markets in 2010

Source: KTO, Monthly Statistics of Tourism

Tourist arrivals occupied a small portion, only five percent in 1998, but in 1999 when South Korea was designated as a destination for liberalised overseas travel for

Chinese people and normalised diplomatic relations, it then increased to 1.16 million in 2002, more than a 13 times increase over in 1992, recording it as the 2nd largest market at the moments.

Tourists from Asia are also increasing. In 2010, visitors from Asia (excluding Japan and China) accounted for 1.9 million arrivals (22.1 per cent of total arrivals), an increase (13.4 per cent) in the number of the previous year, largely due to an expansion in the number of air routes and an intensive off-season campaign by the Korea Tourism Organisation and 'Hallyu'. The 'Korean wave' or 'Korea fever' refers to the significantly increased popularity of South Korean culture around the world since the 21st century, especially among the Net Generation. It is referred to as 'Hallyu' from the Korean pronunciation. Korean TV dramas have been popular throughout Asia in recent years.

### **3.3.5 Domestic Tourism of South Korea**

The South Korea government have tried to increase the quality of life of its people by encouragement an environment conducive to leisure and travel. As shown in Figure 3.4, in 2004, the number of overnight travellers was increased to 3.17 million, which was a 15.8% raise over 2001. The demand for domestic travel was growing instead of overseas travel, and the number of day travellers was 2.62 million in 2011, which showed an increase of 31 per cent over 2010, and overnight travellers were 2.76 million in 2011, an increase of 5 per cent compared to that of 2010.

(Unit: Person (10 Thousand))

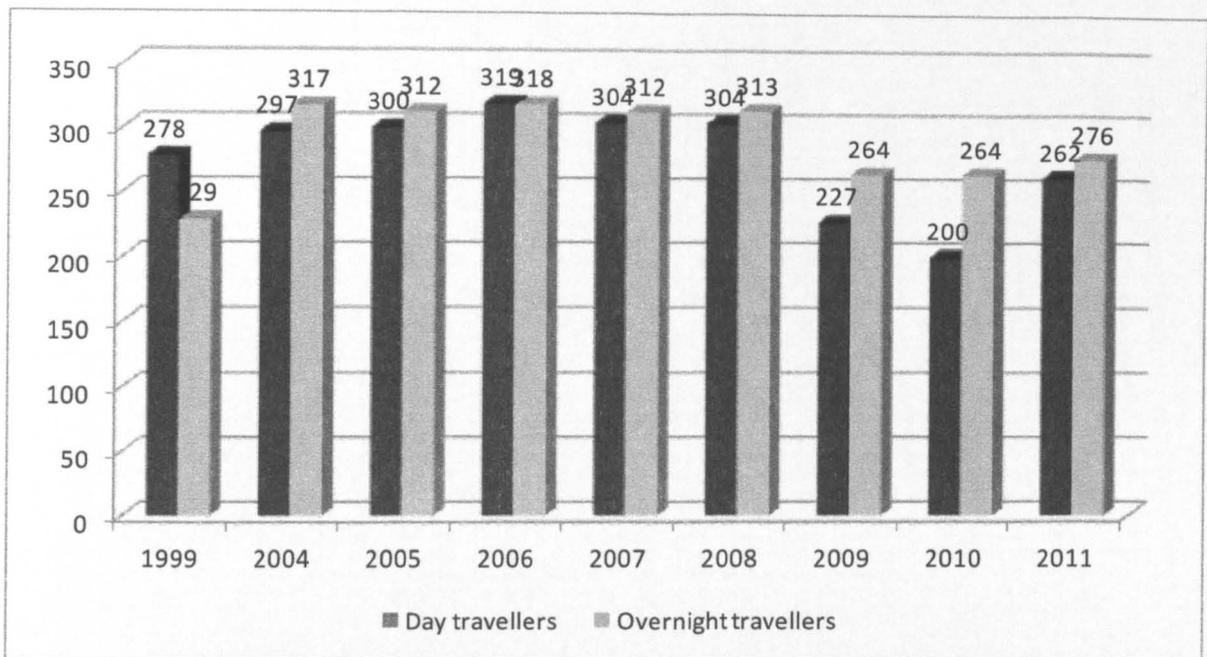


Figure 3.4 Travel experiences of South Korean People (1999-2011)

Source: KTO, The survey on travel experience of South Korean people, 2012

However, compared to the outbound travellers, the numbers of domestic travellers are continuing to decrease, largely due to the availability of low fare airlines and the expansion of a five-day working week, and thus the enhancement of the quality of life. As people's overall standard of living improved, people started going abroad rather than travelling domestically.

The expenditure on holiday for day travellers and overnight travellers was 44,800 won and 161,300 won in 2010, but compared to 2008, both day and overnight travellers spent less. According to an MCT survey (2012), most of preferred areas of domestic overnight destinations in 2011 were: the Kangwon province (13.7 per cent); the Kyongki province (10.5 per cent); and the Kyoungbuk province (10.4 per cent). Jeju Island ranked tenth (5.4 per cent) out of sixteen.

(Unit: Korean Won (100))

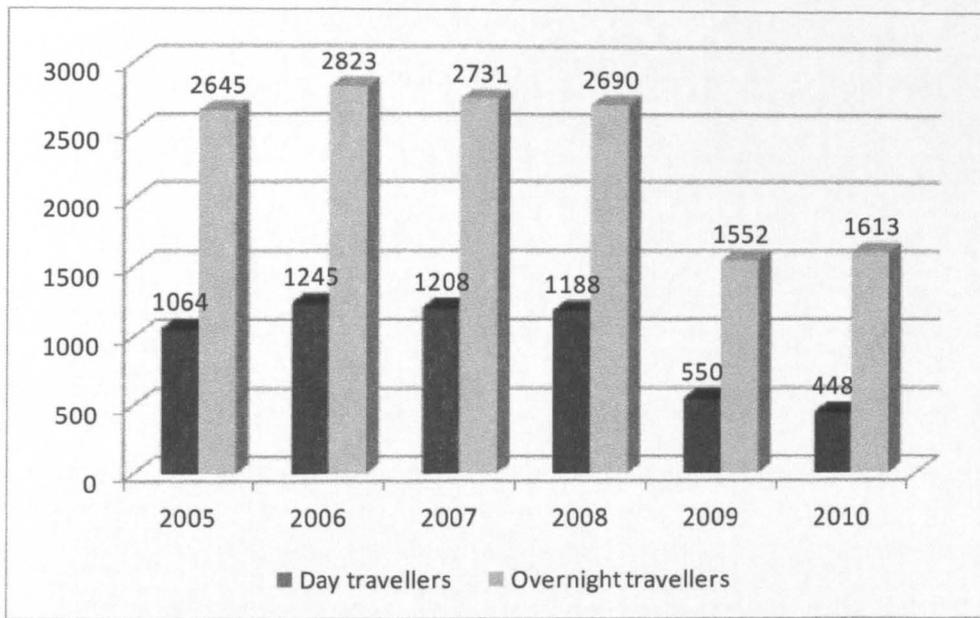


Figure 3.5 Travel expenditure for domestic tourism

Source: KTO, The survey on travel experience of South Korean people, 2012.

### 3.4 JEJU ISLAND

#### 3.4.1. Introduction

Jeju has a mild oceanic climate throughout the year with the smallest annual temperature range in the country. According to Jeju Island official website ([www.jeju.go.kr](http://www.jeju.go.kr)), the temperature for the hottest summer months averages no more than 34.7°C and no less than -1.5°C for winter. The island is 73km wide and 41km long with a total area of 1,848 km<sup>2</sup>, with a population of 565,519 in 2008.

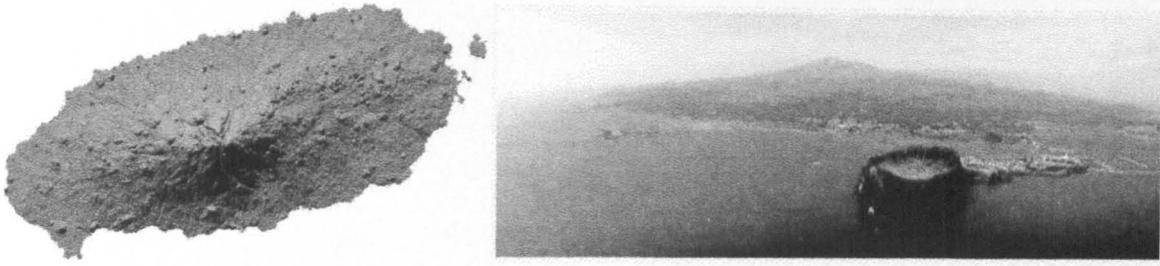


Figure 3.6 Jeju Island

Source: <http://www.jeju.go.kr/contents/index.php?mid=1003>

According to Jeju Island official website ([www.jeju.go.kr](http://www.jeju.go.kr)), constructed upon the 100m deep continental shelf in the Yellow Sea, the actual size of the volcano is presumed to be larger than this when including the submerged part. The island has the typical morphology of a shield volcano, characterised by an overall gentle topography and an elliptical shape elongated in the ENE direction.

Jeju, the largest island in South Korea, came into existence 700 to 1,200 thousand years ago when lava spewed from a sub-sea volcano and surfaced above the waters. Then between 100,000 and 300,000 years ago, another volcanic eruption formed Mt. Halla. The final volcanic eruption that took place approximately 25 thousand years ago creating the Crater Lake, Baekrok-dam, at the summit of the mountain. Mt. Halla was designated as a natural monument (no. 182) in 1966 and a national park in 1970 because the mountain preserves the pristine morphology of a shield volcano unaffected by significant weathering or erosion. The mountain has been protected from human activity since then and is renowned for its unique ecology and biodiversity, and was thus designated as a UNESCO Biosphere Reserve in 2002.

The Seongsan Ilchulbong is a beautiful tuff cone, which stands for the early-stage hydrovolcanism of Jeju Island and represents the about 360 volcanic cones or 'oreums' (Jeju dialect for volcanic cones) in Jeju Island. The tuff cone is renowned

for its breathtaking beauty and scientific value. The Geomunoreum lava tube system is a representative product of the lava effusion, which occurred mostly during the late-stage of Jeju volcanism. The lava tube system is regarded as one of the extremely rare examples of lava tubes that have diverse carbonate speleothems in addition to volcanic speleothems. The extreme beauty and unsurpassed scientific values of these three sites were acknowledged internationally when they were inscribed as a UNESCO World Natural Heritage in June 2007 ([www.jeju.go.kr](http://www.jeju.go.kr)).

### 3.4.2 Location

Jeju Special Self-Governing Province is an isolated island south-east of mainland South Korea. It is located 96 miles from Mokpo, 169 miles from Busan, and 150 miles from Tsushima of Japan. To the east it is facing the Tsushima and Janggi prefecture of Japan with the South Sea and East China Sea in between ([www.jeju.go.kr](http://www.jeju.go.kr)).



Figure 3.7 The location of Jeju Island

Source : [www.jeju.or.kr](http://www.jeju.or.kr)

According to Jeju Island official website ([www.jeju.go.kr](http://www.jeju.go.kr)), Jeju faces Shanghai to the west, and China with the East China Sea in between. To the south is the South China

Sea and to the north is the mainland of South Korea with the South Sea in between. Jeju Special Self-Governing Province's location is southeast of South Korea. Being placed in the centre of Northeast Asia has given it a very important geopolitical location in the past. In 1275 (Empire of Goryeo), the Tamna general headquarters of Won was established here. For more than a century it was the headquarters of the conquering Japanese. In the last Pacific war, many military facilities were established here. During the Korean War, the first army training camp was set up here. Before modern times, Jeju was mainly used as a penal settlement. Jeju Special Self-Governing Province's important location hasn't been greatly used. Even though Korea was very important in geopolitics, this importance was largely ignored. This is related to Korea being deeply absorbed into the Chinese culture band, which slowed Korea's modernisation. The perception of an 'undeveloped island' was widespread, especially when transportation was developed. However, Jeju has developed rapidly since the 1960's and continues to do so today.

### **3.4.2 Visitor Statistics in Jeju Island**

#### **3.4.2.1 Total Number of Visitor in Jeju Island**

The total number of visitors to Jeju in 2011 reached 8,740,976, showing an increase of 13.3 per cent from the year 2010. Whilst the number of foreign visitors corresponds to 1,045,637 in 2011, demonstrating a increase of 25.6 per cent, records for domestic visitors reached 7,695,339, showing an increase of 11.6 per cent from the previous year.

Table 3.5 Jeju Tourist Arrivals 1993-2011

(Unit: Person )

Year	Visitors	Domestic	Foreign
1993	3,463,908	3,186,549	277,359
1994	3,692,548	3,470,106	222,442
1995	3,996,844	3,754,960	241,884
1996	4,143,955	3,934,720	209,253
1997	4,363,192	4,178,789	184,403
1998	3,291,116	3,067,415	223,701
1999	3,666,836	3,419,871	246,965
2000	4,110,934	3,822,509	288,425
2001	4,197,574	3,907,524	290,050
2002	4,515,515	4,226,019	289,496
2003	4,913,390	4,692,373	221,017
2004	4,932,512	4,603,297	329,215
2005	4,020,275	4,641,552	378,723
2006	5,312,998	4,852,638	460,360
2007	5,429,223	4,887,947	541,274
2008	5,822,017	5,281,501	540,516
2009	6,523,938	5,891,584	632,354
2010	7,578,301	6,801,301	777,000
2011	8,740,976	7,695,339	1,045,637

Source: Jeju Special Self-Governing Province, Annual Report on JEJU Tourism 2012

Source: Jeju Special Self-Governing Province, Monthly Statistics of JEJU Tourism, 2012

The growth in the number of foreign in-bound visitors from 2007 to 2008 was largely because of an increase in Chinese visitors, for several reasons. The first is due to direct flights between Jeju and China by China Eastern Airlines in 2005. Moreover, Jeju is geographically close to China and allowed Chinese visitors to travel to the Jeju Island without a visa from 2006. Another is due to a 'Korean Wave' (or Hanryu) sweeping over Chinese culture, due to the popular influence of Korean television programmes.

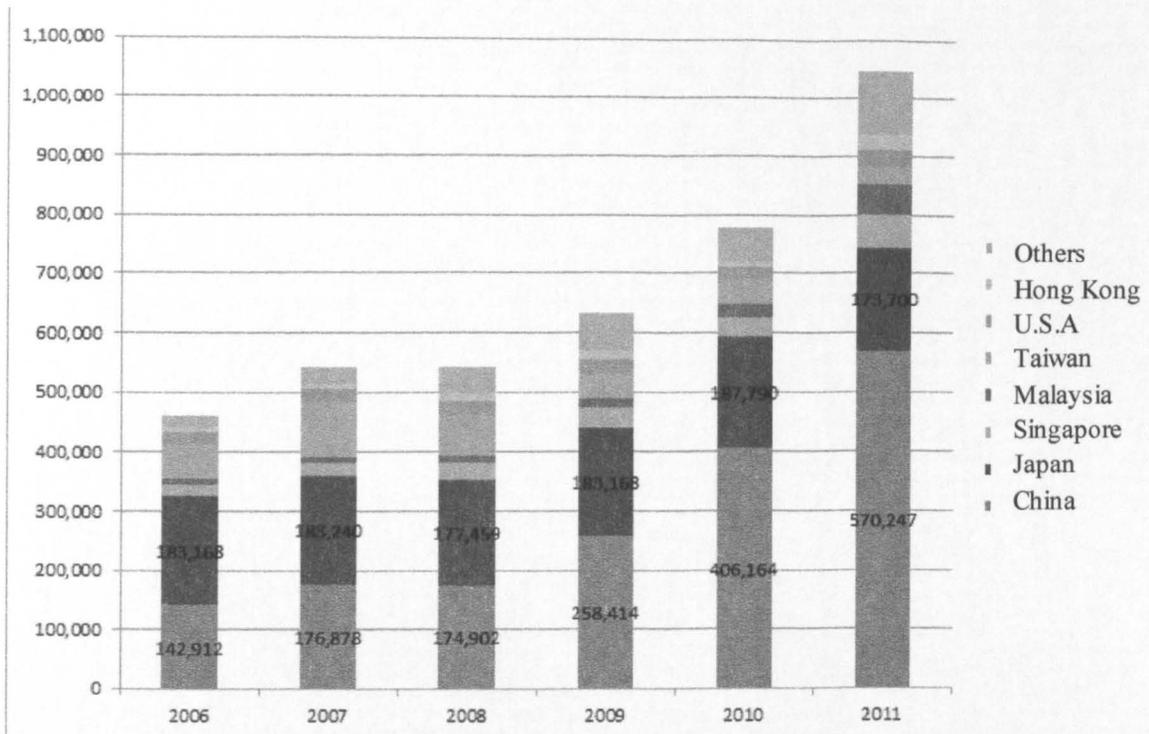


Figure 3.8 Origin of Foreign Visitors 2006 - 2011 in Jeju Island

Source: Jeju Special Self-Governing Province, Annual Report on JEJU Tourism 2012

Also many international meetings, conventions and sports events, such as the ASTA Meeting, UCLG Meeting, 2007 US LPGA Golf Competition, 2008 World Scout Conference, 2008 Convention on Biological Diversity and Korea Open International Judo Competition allowed foreign visitors the opportunity to come to Jeju Island. Coupled with the registration of Jeju as a World UNESCO Natural Heritage in 2007, it is forecast that there will be a continuing growth of tourists from various regions outside of Southeast Asia and Asia, although it occupies a small portion of the total Jeju tourism industry.

Table 3.6 shows that the majority of foreign tourists visiting Jeju Island in 2011 are from Japan and China. Chinese tourists form the largest group at 0.57 million, whilst 0.17 million Japanese, placing them in first and second respectively. As mentioned early, the Chinese are main tourist in Jeju Island at the moment, with the numbers

increasing every year. In 2011, 0.57 million Chinese tourists visited Jeju, more than a six times increase in 10 years compared to 90,000 in 2002.

Table 3.6 International Tourist Arrivals in Jeju Island by Region (Unit: Hundred)

Region/Country	2006	2007	2008	2009	2010	2011
Asia	4269	5023	4855	5663	7270	9717
Japan	1831	1832	1774	1831	1877	1737
China	<b>1429</b>	<b>1768</b>	<b>1749</b>	<b>2584</b>	<b>4061</b>	<b>5702</b>
Singapore	181	216	285	327	314	559
Others	826	1204	1045	920	1016	1719
U.S.A	193	204	233	237	198	266
Others	147	185	317	423	304	473
Total	4603	5412	5405	6323	7770	10456

Source: KTO, Monthly Statistics of Tourism

Source : JTO, Yearly Statistics of Tourism, 2012

### 3.4.2.2 Domestic Visitors

In 1998, when the nation was struck by the Asian economic crisis, Jeju domestic and foreign tourists recorded negative growth. Other than that, there was slow growth in the domestic tourism market to Jeju in recent years. Damages incurred by the typhoon ‘Nari’ in September 2007, as well as the discouraging mood created by the political circumstances of the National Referendum may have negatively affected domestic travel and tourism to Jeju in 2007. In addition, it could be ascribed to a problem of the shortage of seats on airlines connecting Jeju to other domestic cities on the mainland, and a surge of international travelling done by domestic visitors in 2011.

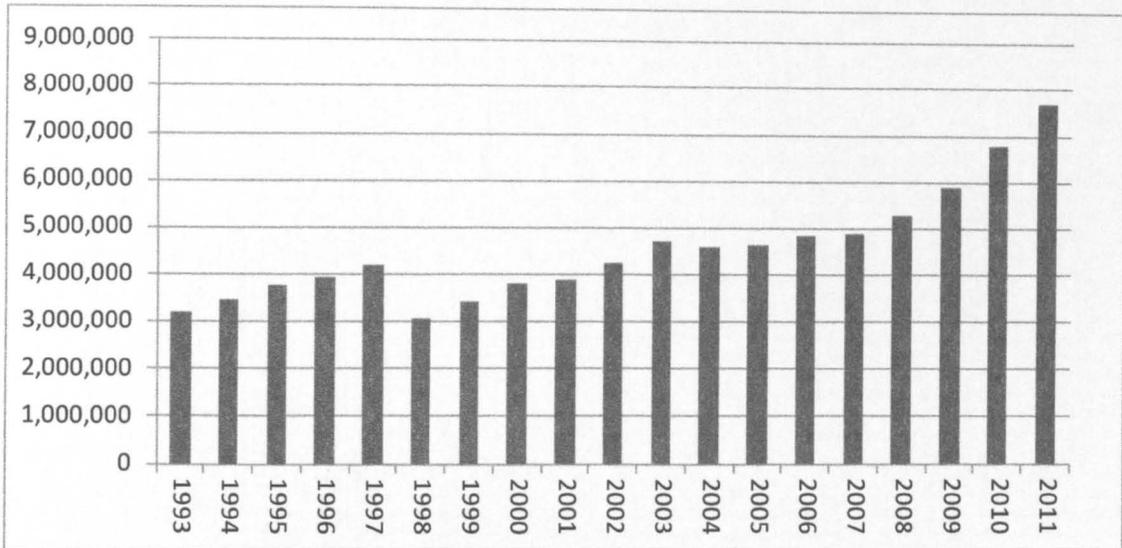


Figure 3.9 Jeju Domestic Tourist arrivals 1993-2011

Source: Jeju Special Self-Governing Province, Annual Report on JEJU Tourism 2007

Source: Jeju Special Self-Governing Province, Monthly Statistics of JEJU Tourism, 2009

The figure 3.10 comprises two types of tourists: individual tourists and group package tourists. In 2010, a total of 4,955,247 tourists (73 per cent) made up the former group, whilst 1,846,054 (27 per cent) represented the figures for group tourists. In 2011, the individual tourists rate was increased to 81 per cent. The majority of tourists are individual tourists, and there is an increasing trend of individual tourism and simultaneously, a decreasing trend in group tourism. In 2011, the individual type of tourist recorded an increase of 28.3 per cent compared with the previous year's record.

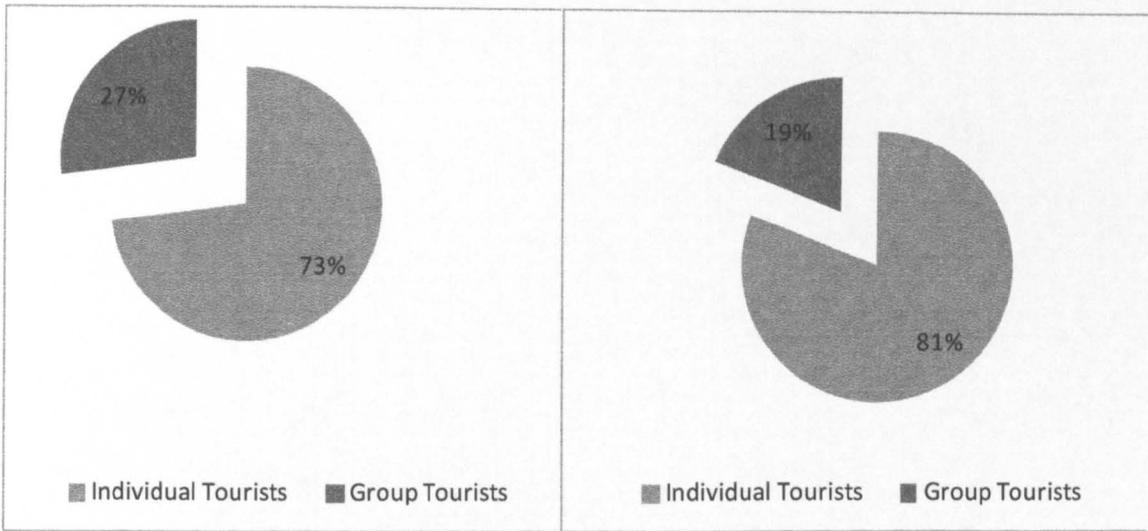


Figure 3.10 Jeju Domestic Tourists arrivals in 2010 and 2011

Among domestic visitors to Jeju, 58 per cent cited ‘holiday’ as their primary purpose of visit, accounting for a total of 4,445,336 visitors. Sport and leisure trips accounted for 18 per cent, business and conferences made up 12 per cent, whilst school fieldtrips accounted for 8 per cent of reasons for visit, showing the main motivations for domestic tourism to Jeju Island.

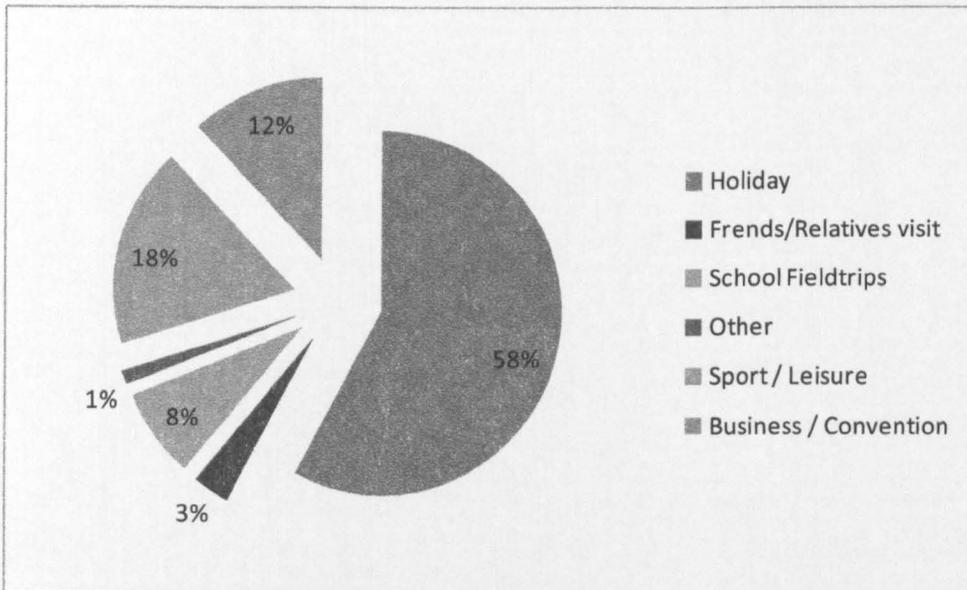


Figure 3.11 Purpose of visit 2011

Source: Jeju Special Self-Governing Province, Annual Report on JEJU Tourism 2012

### 3.5 TOURISM DEVELOPMENT IN JEJU ISLAND

In the case of tourism development in Jeju Island, central government-led tourism development had to be concentrated in a few designated areas due in part to the lack of available funds and the efficient growth-pole theory, which were prominent in the 1970s. Initially, the central government designated three tourist complexes (Jungmun, Pyosun, Seongsanpo) with investments in tourism facilities during the 1970s.

Table 3.7 Complexes / Sites Under Development in Jeju Island

Tourist Complex / Site		Area	Development Cost (USD)	Business	Development Plan
Tourist Complex	Jungmun	3,562,000 m <sup>2</sup>	1,741.4	Korean National Tourism Organization	International Tourist Spot
	Pyosun	526,000 m <sup>2</sup>	135.8	Mayor of Seogwipo City	Traditional Folk Village
	Seongsanpo (Partial)	653,000 m <sup>2</sup> of 4,665,000 m <sup>2</sup>	110	Bogwang Inc.	International Marine Tourist Complex
Tourist Site	Bangae	1,346,000 m <sup>2</sup>	179	Hanhwa Resort Inc.	Tourist Site for Families and the Elderly
	Ora	2,683,000 m <sup>2</sup>	516	Ju Albatross Inc	Tourists Resort
	Hamduk	465,000 m <sup>2</sup>	107.4	Shinsung Inc, Hamdukri	Tourists Resort
	Namwon (Phase 1)	101,000 m <sup>2</sup>	25.7	Hanjo Development Co.	Marine Garden Resort
	Namwon (Phase 2)	100,000 m <sup>2</sup>	203	Kumho Development Inc	Marine Garden Resort
	Tosan	156,000 m <sup>2</sup>	170	Sunong Inc.	All the Year Round Resort
	Michungul	95,000 m <sup>2</sup>	24	Samyoung Tour Co, Ltd	Family Leisure Complex
	Sumang	2,391,000 m <sup>2</sup>	304	Namkwang Construction Industrial Co., Ltd	Family Resort
	Yongmeori	254,000 m <sup>2</sup> of 550,000 m <sup>2</sup>	36	Seogwipo City, Local residents	Ocean Observatory sites
	Sehwa, Songdang	2,363,000 m <sup>2</sup>	1,053.4	Jeju Spa Inc., Jeju Spa Association	Spa Tours Resort
	Donneko	152,000 m <sup>2</sup>	11.5	Seogwipo Mayor	Youth Training Education Center
	Myosanbong	4,665,000 m <sup>2</sup>	900	Enis Inc.	Leisure sports tourist site
	Gwakji	298,000 m <sup>2</sup> of 1,113,000 m <sup>2</sup>	175	Seogwipo city	Tourist Resort
Jaereung	862,000 m <sup>2</sup> of 3,025,000 m <sup>2</sup>	61	Welfare Medical Public Corporation	Tourist Resort	
Total	16 sites	20,490,000 m <sup>2</sup>	5,753		

Source: www.jeju.go.kr

The development goals for tourism and regional development expanded to

designating three tourism complexes and fourteen tourism sites in the 1980s. However, other local residents also requested to be selected as tourist sites to receive the economic benefits.

Table 3.8 Development plans and locals' anti-movement

Year	Plan	Locals' Claim	Remarks
1987-1991	Reclamation of public ocean surface in Tap-Dong, Jeju City	Compensation for the damages in co-operative fishing ground	-Donation of scholarship fund and constructed structures in Jeju City
1990-1991	Jeju Special Development Law	-Facilitating tourism development with no equivalent local concerns -Profits for large outer investors rather than locals	-Passed putting local well-being at the front -Other revisions such as participation of locals in development were cosmetic
1999-2000	Tourism Development in Songak Mountain	-Lopsided local and provincial governments' support to developers	-Defective investor, plan cancelled -growth-oriented local governments
2006 -	Naval Base Establishment	-Local division between proponents vs. opponents -Local sacrifice for the central government need	-Adding private function to the military port -Proceeding with investment for local

Source: Kwon, 2008.

Therefore, the local government added an additional thirteen tourism sites (and later one more) to the previous sites under the comprehensive regional development plan. In 1994, the designated tourism sites were reduced to three large complexes and ten smaller sites to overcome the slow progress. The three large complexes were the tourist centres receiving most of the investments, whilst the first five smaller zones were designated for providing recreational and accommodation facilities, with an additional five zones added to achieve balanced regional development ([www.jeju.go.kr](http://www.jeju.go.kr)). In 2010, this had expanded to include the original three complexes and thirteen smaller sites designated with investments in tourism facilities.

In sum, Jeju Island has been developed by the central government, tourist-oriented

regional strategy and external private groups. Even though the special law for Jeju Island development includes strategies to foster residents' participation, central forces are the initiators, but endogenous forces have been the developmental targets in reality (Kwon, 2008; Lee *et al.*, 2000; Yang, 1995). Thus, Jeju Island tourism has been developed over the past thirty years and is still under construction.

### **3.5.1 Problems of Jeju Island development**

Locals' movements were in play against the central government plans (Bu, 1997; Cho, 2003). Small- and large-scale movements have taken place until recently, claiming compensation and rejecting central and local governmental development plans. According to Kwon (2008), most of tourism development plans for Jeju Island were prepared without paying attention to residents' expectations and Jeju residents have had to follow central government plans to overcome their isolated, limited and peripheral state whilst balancing their local identity. However, some residents and environmentalists in Jeju Island are concerned about the damage to the island's scenery and disturbance to its serenity, for example the waterfront project of Sweogwipo city and Mt. Halla cable-car installation. This is part of the larger issue of environmental conservation versus tourism development. Environmental damage is one of the major problems weakening the identity of the Jeju people, who are trying to minimise the impacts on the environment and place emphasis on ecological sustainability. The early locals' movements were asking for compensation in small local communities for the damages from the development projects including public ocean reclamation and golf course construction. Already with more than 40 golf courses, more are under development or being planned to meet the demands of Japanese tourists, and as shown in Southeast Asia, golf courses are damaging to the

environment in the long term (Wong, 2006). There is also debate on the casinos and their impact; despite the fact that the island's casinos are for foreign tourists, the locals are wary of the development of a gambling mindset among the public and do not see any linkage between tourist increase and foreigner-only casinos (Korean Times, 1.3.2006). Small shop operators are also concerned with the influx of large shopping centres that could threaten their livelihood.

According to Lee *et al.* (2000), the problems arise when the central government is in conflict with the local government in applying the laws to land use. Jeju island has been designated as land deal permit area by the central government in order to prevent investment, which means that when buying and selling land in Jeju Island one must get a permit. This is a typical example of the central government's control over the local government, and general feeling agrees that the arrangement should be made in a way that it reflects the local residents' opinions and contributes to environmental preservation.

Desirable relationships between communities and tourism development continue to be an important issue in tourism development. This is because the result of development affects the quality of life of the community residents when a community becomes a destination (Gursoy, *et al.*, 2002). Also, incorporating stakeholder views can add knowledge and insights which may reduce conflict in the long-term and therefore, stakeholder identification and participation is a key step towards achieving community collaboration within tourism (Hardy and Beeton, 2001).

### 3.6 CHAPTER SUMMARY

Jeju Island is 73km wide and 41km long with a total area of 1,848 km<sup>2</sup>, and a population of 565,519 in 2008. Located south of peninsular Korea, it has 61 islands although of those surrounding the main island of Jeju, only eight are inhabited and 53 are uninhabited. Jeju's natural beauty comes from the 360 volcanic cones ringing the island. In 2002, the UNESCO designated a 'Biosphere Reserve', centred on the core area of Mt. Halla National Park, which was gazetted in 1970, including three uninhabited islets. The biosphere reserve has a diversity of ecosystems with a core area of 15,158 ha and 83,094 ha of buffer and transition zones (UNESCO, 2005), with about 7,500 people living in the transition areas and making their living from tourism, cattle-ranching and agriculture. Fishing and submarine tours take place in the surrounding buffer zones of the islets. In 2007, Mt. Halla, lava caves and tubes and volcanic areas were included in the World Heritage site. These sites totalled 9,475 ha with additional 9,370 ha as a buffer zone.

For several hundred years, Jeju Island ranked one of the poorest regions in Korea. The central government had not often prioritised the development of Jeju Island due to its barren soil and volcanic characteristics, but much more for its history of foreign invasions and civil strife. For a long time, development policies for Jeju Island primarily emanated central government, with development strategies embodied in national development plans. It was only in 1991 when local assemblies were reinstated after a suspension in 1961, and in 1995 when local chief executives were locally elected, that local governments took on political decision-making powers though still with substantial central government control. However, with the world

trend of tourism leading economic development, the central government had a long-term comprehensive plan to develop the island as a tourist-oriented region.

Choi (2002) divided 4 stages for Jeju Island tourism, including a planning stage; introductory period; growth period; and maturity period. Tourism development on Jeju Island began from the middle of 1960s, with the planning stage of development. The period between 1970's and 1983 when the total number of visitors exceeded 1 million can be called an introductory period as a tourist destination. The economic growth of South Korea increased very rapidly from the 1980s, and after this, South Korea began to enjoy travel and leisure activities because of the increased national income.

Tourism development on Jeju Island has concurred with the economic development. The time between 1984 and 1993 was called a growth period and 1993 was the first year that the number of visitors marked 4 million. During 1998 to 2002, the increasing rate of visitors rapidly slowed down due to the economic crisis. The total number of visitors to Jeju Island in 2008 reached 5,822,017 visitors, showing an increase of 6.7% from the year 2007. However, the liberalisation of foreign travels in 1990 made it much easier for Koreans to travel abroad and ignore tourism opportunities within their own country. Therefore, Jeju Island tourism industry experienced a steady decline over the years and at this stage, the question is how long the maturity period will last. The social and economical changes in the tourism market will eventually change the needs of potential tourists. Additionally, the Korean government has declared Jeju Island as a 'free international city' and announced special development plans to develop it as an international tourism destination (Kwon, 2008). However, most development planning will be taken by

central or local government from now on, and government led tourism development will have to be concentrated in a few designated areas. Furthermore, locals' movements and ideas are in play against both the central and local government plans. Consequently, stakeholder identification and participation is a key step towards achieving sustainable tourism development. Based on a review of the literature and problems of Jeju Island in terms of sustainable tourism development, in the following chapter will be attention turns to methodological concerns.

## **CHAPTER 4**

### **METHODOLOGY**

#### **4.1 INTRODUCTION**

This research concerns a critical evaluation of the key stakeholder's perceptions of the impacts of tourism development and stakeholders' attitudes towards additional proposed tourism development in the context of government driven tourism development. Therefore, the aim of this chapter is to illuminate the methodology underpinning this research.

This chapter begins by the outlining the research process and a research design, philosophy and process of finding a focus, mapping out the study's guiding assumptions. The first section considers methodological issues and research paradigm along with looking at the principles of reasoning behind the research, with a particular focus on interviews. The second section outlines the process taken and the methods used to obtain the data, along with identifying the research strategies including ethics approval, access and analysis, and addressing the strengths and weaknesses of the design. In each section a theoretical definition and explanation is given, followed by a coherently chosen approach and methodology.

## **4.2 RESEARCH DESIGN**

### **4.2.1 Research design**

A research design is a logical process, which establishes a link between the data to be collected and the conclusion and results. The purpose of this research is to improve levels of understanding of different stakeholders' perspectives and their involvement in sustainable tourism development. To fulfil this goal, six specific research objectives were identified as follows: i) to identify key stakeholders involved in sustainable tourism development in Jeju Island in South Korea; ii) to explore how key stakeholders are involved in sustainable tourism development in Jeju Island in South Korea; iii) to review and evaluate the key stakeholders' perceptions toward the impacts of tourism development in Jeju Island in South Korea; iv) to review and evaluate the key stakeholders' perceptions towards the participation in sustainable tourism development in Jeju Island in South Korea; v) to identify discrepancies between the actual and ideal levels of key stakeholders' participation in sustainable tourism development in Jeju Island in South Korea; vi) to analyse and synthesise these views in order to build a model which can guide sustainable tourism development in the future. Therefore, the research design of this study is defined by the research problems at hand.

Also, research design involves determining major decisions about the main concern being given to a series of dimensions of the research process, the purpose of who or what will be studied, and the tools to be adopted for practical data collection and

analysis (Churchill and Iacobucci, 2002). The various stages within the overall research process (figure 4.1) will help to understand to the following chapters.

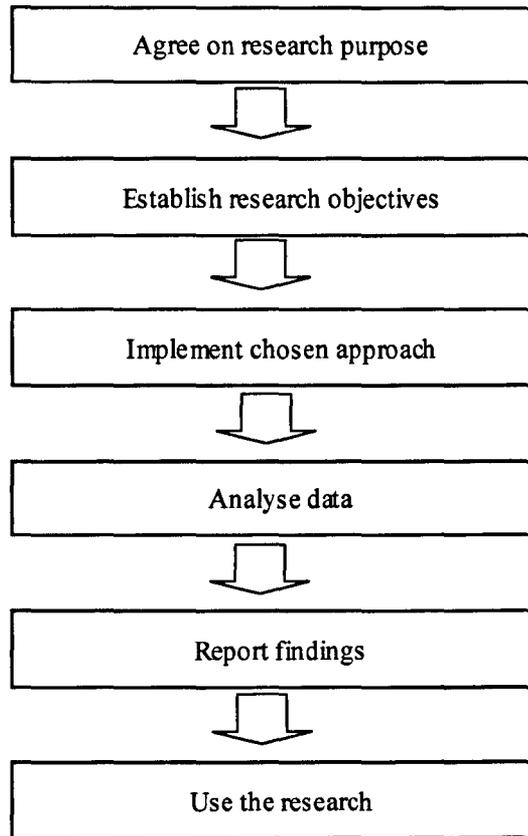


Figure 4.1 Research Process  
Source: Cooper *et al.* (2008)

The first choice with respect to developing a research design is to make a decision as to whether the research will be quantitative or qualitative in nature (Emory and Cooper, 1991), and consequently consideration of the best answers to the research questions is the key focus of the research design. Decades of debate over the two paradigms (quantitative and the qualitative) have not yet settled which method can best discover the truth (Flick, 2002), and these debates have gradually withered (McPherson and Leydon, 2002) as the focus has moved to how best to ensure appropriate research methods rather than more theoretical debates. Within tourism

research, Riley and Love (2000) argue that the growing use of qualitative methods has effectively represented a paradigm shift.

However, most tourism research is still economics-based, and thus treated in a special way to use a quantitative approach based on economic multiplier methodology and visitor survey (Tribe, 2006; Richards and Munsters, 2010). Phillimore and Goodson (2004) mentioned that tourism is a complex phenomenon based on interrelations and interactions, but the tendency in tourism research has been to focus on the tangible, and arguably the ‘objective’ and readily measurable interrelationships and interdependencies between people and places, frequently forming an economical marketing and/or management perspective. Therefore, the emergence of the qualitative research paradigm is evident in the growth of tourism studies based on a qualitative approach. Likewise, Xiao and Smith (2006) indicate that there has been a decline in economically oriented studies and a rise in qualitative studies of socio-cultural issues and community development. As shown in Table 3.1, qualitative and quantitative style has differed in significant ways.

Table 4.1 Quantitative style versus Qualitative style

Quantitative style	Qualitative style
Measure objective facts	Construct social reality, cultural meaning
Focus on variables	Focus on interactive processes, events
Reliability is key	Authenticity is key
Value free	Values are present and explicit
Independent of context	Situationally constrained
Many cases, subjects	Few cases, subjects
Statistical analysis	Thematic analysis
Researcher is detached	Researcher is involved

Source: Neuman, 2000: 16

Recognising the 'truth' as an area of debate in itself, quantitative methods facilitate the examination of the 'truth' through the verification and duplication of observable findings directly regarding perceivable entities or procedures (Clark, 1998), getting quantifiable information about the world (Porter and Carter, 2000). It involves indicators to test the hypotheses, and often aims to identify and explain causal relationships between events; thus, it is best suited for testing an existing theory, to examine cause-effect relationships, to predict and control, and to stress the importance of measurement and explanation (Bryman, 2004; Schutz, 1954). It is useful for examining phenomena through the application of random sampling in order to generate general findings. By its characteristics, it has often been argued that its explanation is not suitable for the actions of humans (Smith, 2008; Porter, 2000; Porter and Carter, 2000); the meanings of behaviours in humans are far more complex than they appear because there may be multiple meanings and interpretations behind the same behaviour.

According to Porter (2000), qualitative methods aim to understand how people perceive and interpret reality by using words, either in the form of speech or writing, to interpret and understand the rationale behind the actions in terms of motives (Porter and Carter, 2000). The paradigm of the qualitative methods is to explore the nature of reality, which could have different interpretations from individual to individual depending on how one interprets the meaning of the interactions with the person involved (Porter, 2000). Also, Denzin and Lincoln (1998: 8) pointed out that qualitative methodology is focused on 'the socially constructed nature of reality, the intimate relationship between the researcher and what is studied, and the situational constraints that shape inquiry'. Accordingly, Phillimore and Goodson (2004) mention that qualitative approaches offer a great deal of potential for helping us understand

the human dimensions of society, which in tourism include social and cultural implications. Moreover, Jennings (2001) argues that a qualitative approach to tourism has the ability to collect data that reflects social reality, including the context and attributes of the phenomenon under study. Also, Ritchie and Lewis (2003: 5) indicate that 'qualitative methods are used to address research questions that require explanation or understanding of social phenomena and their context'.

Researching stakeholder groups and the significance of their interests has been a recurring theme in the tourism literature with qualitative approach (Hardy and Beeton, 2001; Timur and Getz, 2008; Tosun, 2004; Tkaczynski. *et al.*; 2009; Wagner and Peters, 2009; Yuksel *et al.*, 1999). Yuksel *et al.* (1999) examined the use of interviews to identify stakeholders' views on the implementation of proposals contained in a tourism and conservation plan. Hardy and Beeton (2001) explored stakeholders' perceptions of sustainable tourism and in particular the nexus between maintainable tourism. Wagner and Peters (2009) revealed internal stakeholders' perception of two selected destinations using qualitative method. Tosun (2004) examined a nature of community participation with key informant interview. Timur and Getz (2008) identified the current network of inter relationship of stakeholders in destination development.

According to Naslund (2002), selection of research method should be based on the research paradigm due to the fundamental nature of the research processes, which are generally involved with a particular research strategy and method. Also, a paradigm guides how researchers understand a person and the world (Denzin and Lincoln, 2005). Tribe (2001) identifies three research paradigms: scientific positivism; interpretive method and critical theory. Bryman (2004) and Neuman (2006) mention

that there are three paradigms: positivism; interpretivism and critical theory. Moreover, a paradigm consists of several premises including ontological; epistemological and methodological (Denzin and Lincoln, 2005). The definitions of these premises are as follows: (a) ontology refers to ‘What is the nature of reality?’ (b) epistemology indicates ‘What is the relationship between the inquirer and the known?’ and (c) methodology means ‘How do we know the world, or gain knowledge of it?’ (Denzin and Lincoln, 2005: 22).

Table 4.2 Fundamental differences between quantitative and qualitative research

	Quantitative	Qualitative
<b>Principal orientation to the role of theory in relation to research</b>	Deductive; testing of theory	Inductive, generation of theory
<b>Epistemological orientation</b>	Natural science model, in particular positivism	Interpretivism
<b>Ontological orientation</b>	Objectivism	Constructionism

Source: Bryman, 2004: 20.

Mason (2002) and Thomas (2004) have stated that the concept ‘ontology’ is a misty concept to define due to the nature and essence of social elements, which are involved in understanding ‘the chain of being’. In simpler terms, ontology is concerned with the ‘reality’ that researchers aimed to study. However, from an epistemological position, the theory of knowledge underpins the legitimacy and the framework for a process which involves working out exactly how the research would count as evidence of knowledge of social elements (Mason, 2002). In contrast to ontology, epistemology is regarded as ‘knowing’ through imitation of principles, procedures and ethos of the natural sciences (Bryman and Bell, 2007). From this point of view, Denzin and Lincoln (2005: 22) discuss interpretive paradigms viewed as ‘the net that

contains the researcher's epistemological, ontological, and methodological premises may be termed a paradigm'.

Strauss and Corbin (1990) defined interpretive research as any type of research where the findings are not derived from statistical analysis of quantitative data. The interpretive paradigm allows for a reciprocal relationship between the researcher and the researched, thus supporting the dynamic of genuine participation toward the continuous understanding of deeper meanings (Schwandt, 2000). However, most of the research in tourism is highly influenced by positivist research (Davies, 2003) and the reason is that most contributions demand only an elementary understanding of statistics (Riley and Love, 2000).

Moreover, the largely positivist perspectives which dominate fail to adequately explain the depths of meanings and behaviours so critical to industries and research fields concerned with people (Ateljevic 2000, Jamal and Hollinshead 2001). Tribe (2001) mentioned that the use interpretive methods in tourism enable meaning to be understood in terms of the actors in tourism. In case of South Korea, it is known as the world's fastest growing economy from the early 1960s to the late 1990s with a strong tradition of centralism. However, since the late 1980s when democracy was secured through a citizens' struggle, voluntary organisations have emerged and there has been environmental and social conflict between stakeholders.

Also, from a socio-economic perspective, South Korean society is confronted with serious regional disparities and social conflicts due to government driven development. Therefore, a clear understanding of the attitudes and interests of stakeholders is a necessary precursor to the management of sustainable tourism.

Without stakeholder support in the community, it is nearly impossible to develop tourism in a sustainable manner. This study focuses on building knowledge about stakeholder perceptions of tourism development through investigation among stakeholder groups in one destination. From this point of view, the interpretivist paradigm is suitable to understand and explain the depths of meanings and behaviours of the stakeholders for government led tourism development in Jeju Island.

Moreover, Blaikie (2000) suggests that interpretive paradigms in qualitative research can lead to understanding of the social world that is created by humans and in which they live in. Therefore, interpretivists seek to understand human behaviour and the social world (Bryman, 2001). Additionally, Gepheart (2004:457) states that

‘Interpretive research describes how different meanings held by different persons or groups produce and sustain a sense of truth, particularly in the face of competing definitions of reality. And it inductively constructs social science concepts using concepts of social actors as the foundations for analytic induction’ .

Therefore, this study employs qualitative research because it is broadly interpretivist in nature, concerned with how the social world is produced, interpreted and understood. Interpretive research is more suitable to answer ‘why’ and ‘how’ questions (Stokes and Jago, 2007) and interpretive research could provide ‘deep insight’ into the investigated phenomena (Klein and Myers, 1999: 67). Therefore, many qualitative researchers commit to exploring events of the social world through the eyes of the people that they study because they believe that the social world must be interpreted from the perspective of the people being studied (Bryman, 2001). Indeed, according to Hollinshead (2004:65-66) ‘tourism studies is not yet in rude

'qualitative' health' and pays little cross-disciplinary attention to the subjective, the discursive or the interpretive, in short, to those elements which are the essence of qualitative research. With this in mind, this study focuses on stakeholder groups involved in tourism development and the factors that are characteristic of the interpretivist paradigm. It requires an interpretation and an understanding of subjective opinions of actors concerning the activities of others. Therefore, interpretive approaches in their broadest sense are most relevant.

### **4.3 THE RESEARCH PROCESS**

#### **4.3.1 Introduction**

The following section outlines the process taken and the methods used to obtain the data necessary for this study. The section commences with a brief overview of the different interview types regarding primary data collection. A more detailed discussion of the key stakeholders for the interview type is given.

#### **4.3.2 Data Collection Methods**

In many qualitative research methodologies, interviews are used to elicit detailed information about specific research themes. According to Gordon (1992), interviewing can be defined as a conversation between two people in which one person tries to direct the conversation to take information for some specific purpose. Interviewing gives a way of generating empirical data regarding the social world by asking people to talk about their lives (Holstein and Gubrium, 1997). Many writers,

like Bryman (2004), Jennings (2001), and Finn *et al.* (2000), divide the types of the interviews into three types. According to Finn *et al.* (Ibid), semi-structured interview is more flexibility than structured interview.

Table 4.3 Comparison of the different types of interviews.

Type of interview	Advantage	Disadvantage
Structured interviews	<ul style="list-style-type: none"> <li>-Interviewees answer the same questions, increasing the comparability of the responses</li> <li>-Interviewee bias reduced</li> <li>-Data easily analysed using statistical techniques</li> </ul>	<ul style="list-style-type: none"> <li>-Very little flexibility and the standardised wording may inhibit responses</li> <li>-Pre-determined questions may not be relevant</li> </ul>
Semi-structured interviews	<ul style="list-style-type: none"> <li>-Combines the flexibility of the unstructured interview with comparability of key questions</li> </ul>	<ul style="list-style-type: none"> <li>-Bias may increase as interviewer selects questions to probe and may inhibit comparability of responses</li> </ul>
Unstructured interviews	<ul style="list-style-type: none"> <li>-Interviewer responds in a flexible way to the interviewee</li> <li>-Interviewer's role is minimal allowing interviewee to express ideas in his/her own words</li> </ul>	<ul style="list-style-type: none"> <li>-Comparability is much reduced and data analysis is more difficult</li> <li>-Data quality depends on listening and communicating skills of the interviewer</li> </ul>

Source: Finn *et al.*, 2000: 73.

Different interview types have different strengths and weaknesses, and also have different purposes in research. For this study, as a primary research method, the qualitative technique of semi-structured interviews for primary data collection was chosen. According to Patton (2002: 343), semi-structured interview can ‘... explore, probe, and ask questions that will elucidate and illuminate that particular subject ... to build a conversation within a particular subject area, to word questions spontaneously, and to establish a conversational style but with the focus on a particular subject that has been predetermined’. Therefore, advantages of semi-structured interviews are that the researcher can prompt and probe deeper into the given situation.

Moreover, it has been shown that semi-structured interviews are appropriate methods when it is necessary to understand the constructs that the interviewees use as a basis for their opinions and beliefs about a particular matter or situation (Easterby-Smith *et al.*, 1991). One aim of the interview is to develop an understanding of the respondent's 'world' so that the researcher might influence it, either independently or collaboratively as might be the case with action research' (Easterby-Smith *et al.*, 2000:74).

In addition, because the structure and the culture of the organisation using management contracts differ from each other, it was necessary to prepare different questions for each respondent. It has been shown that for a successful semi-structured interview, the researcher may be required to omit some questions in particular interviews, rearrange the order of questions depending on the respondent, and add some relevant questions where necessary (Saunders *et al.*, 2007; Finn *et al.*, 2000).

However, Silverman (2001) suggests that the 'open-endedness' of the question designs run the risk of creating an interpretative problem for the interviewee about what is relevant. Therefore, a second tool of primary research is active interviewing, the reason being that many traditional interview methods posit that interview respondents are passive 'vessels' of information, from which information can be elicited by following precise and iterative interview questions. Such methods follow highly standardised approaches, where the interviewer adheres to structured questions to minimize researcher bias, and to promote the reliability (replicability) and validity (correctness) of the results (Holstein and Gubrium, 1995).

Holstein and Gubrium (1995) mention that whether these interviews take the form of structured, standardised in-person surveys, semi-structured guided interviews, or of free-flowing dialogue, interviews are, by nature, interactional event. Different interview types, certainly, have different strong points and weak points, and also have different purposes in research. Emerging approaches acknowledge the interactional nature of interviews, and more specifically, the depth and quality of information that can emanate from interviews when interaction and interpretation between the interviewer and respondent are facilitated. The narratives that emerge from these events are constructed *in-situ*, through the mutual interaction between the participants (Holstein and Gubrium, 1995). The active interview, on the other hand, can be conceived as a kind of limited ‘improvisational’ performance where the ‘production is spontaneous, yet structured - focused within loose parameters provided by the interviewer’ (Holstein and Gubrium, 1995: 17).

However, according to Lepp (2008), active interviewing takes advantage of the interviewee’s life experience by recognising him or her as an authority on the matter of interest. Moreover, the active interview shows how interview responses are produced in the interaction between interviewer and respondent, without losing sight of the meanings produced or the circumstances that condition the meaning-making process. Therefore, the interviewer’s job is to keep the conversation focused on important areas of interest whilst remaining open to the emergence of important ideas not yet considered. As such, the interviewee is an active participant in the construction of meaning. The idea of active interview is for the researcher to be able to collect extra valuable information and it is flexible in terms of responding to the direction in which interviewees take the interview; it conceivably tends to adjust the

emphasis in the research as a result of significant issues that emerge in the course of interviews.

### **4.3.3 Sourcing Interview**

South Korea became westernised and industrialised over a very short period, and it seems necessary that the tourism development planning authority accommodate the interests of all relevant stakeholders to achieve its planning objectives. The regional planning may also need to be decentralised to cater for the local communities' interests and diversity in regional areas. In order to gain a better understanding of different stakeholders' perspectives and their involvement in a sustainable tourism development, it will be necessary to understand the basic nature of key stakeholders' involvement in a tourism development. Failure to identify the interest of even a single primary stakeholder group may result in the failure of the process (Clarkson, 1995). One common method for coping with multiple stakeholders and their interests is through stakeholder mapping, an analytical tool that provides a means for understanding and developing strategies for managing the relationships between stakeholders (Markwick, 2000). The mapping process is used to assist in identifying different stakeholder groups that result in a two-dimensional matrix that depicts a relationship or association between the two attributes/variables such as power, interest, support and participation (Johnson and Scholes, 1999; DeLopez, 2001).

Results of the mapping process allow planners to categorize stakeholders. For example, a leading stakeholder or group could be identified as having high power and high interest in the economic development of a community through the establishment of new industries. A supportive stakeholder could be identified as having high

support and high interest for a development concept such as downtown revitalisation. Traditional stakeholder mapping techniques, however, have inherent biases, based on the subjectivity of the categorization of stakeholders. The researcher makes subjective judgments about the two variables or dimensions included in the matrix. This procedure relies on the researcher's perceptions and knowledge and underlying factors may be overlooked (Markwick, 2000; Yuksel, Bramwell and Yuksel, 1999).

The tourism stakeholder map of Sautter and Lesin (1999) showed the whole range of potential stakeholders (local business, residents, activist groups, tourists, national business chains, competitors, governments, employees) who might be involved in tourism development. It is true that all the stakeholders shown in the map can be related to tourism development somehow.

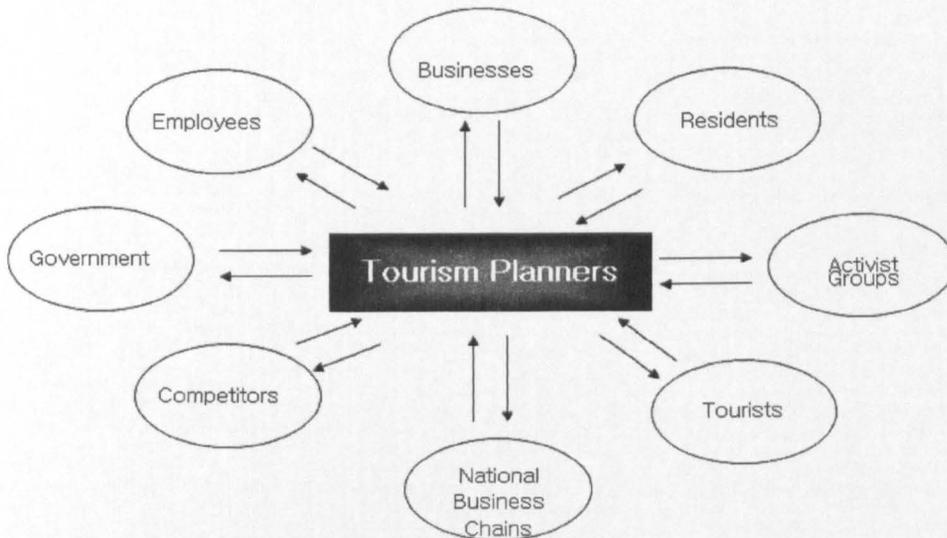


Figure 4.2 Tourism stakeholder map  
Source: Sautter and Leisen, 1999, p.315.

However, the degrees and types of stakeholders' involvement vary. Some stakeholders are more involved in and more directly influenced by tourism development than others and therefore, the tourism stakeholder map for this research will feature the key stakeholders. Although the types of key stakeholders may differ

according to the situation, it is likely that they include the stakeholders situated in the centre of tourism development in the host community. In the case of tourism development in South Korea, the key stakeholder groups to be analysed are as follows: Governments (central, provincial, local, KNTTO); local tourism business; local residents; tourism development agencies; media and NGOs. It is possible that there are other stakeholders such as sponsors but, unlike western cases, most tourism development in South Korea is operated by a governmental sector at this time.

The first step of the interview process is to select key informants to interview. Key informants may be defined as experts in the field and they may emerge from the public sector or from the private sector. They are the people who are particularly knowledgeable and articulate, and whose insights can prove particularly useful in helping a researcher to understand what is happening in the field (Patton, 2002). Therefore, active interviews with key informants may provide not only valuable information which may not be obtained in written documents, but also an enhanced understanding of the specific research situation.

However, the degrees and types of stakeholders' involvement vary, as some stakeholders are more involved in and more directly influenced by tourism development than others. Therefore, the tourism stakeholder map for this research will feature the key stakeholders. Although the types of key stakeholders may differ according to the situation, it is likely that they include the stakeholders situated in the centre of tourism development in the host community.

In South Korea, the tourism policy has been strongly controlled by central government for about thirty years, and provincial and local governments followed the

guidance of the central government in tourism planning. Consequently, the roles of other stakeholders are minimal and secondary. The tourism industry, in order to foster good public relations with local communities and as a prerequisite to action, should fully understand the impacts of their programmes as they affect the residents of these communities. Tourists can be also considered as another stakeholder group, but this study will mainly focus on the supply side. Therefore, this research is that the real success of a sustainable tourism development is achieved through balancing different goals and expectations from various stakeholders, and their participation.

In a qualitative study, sample size is not the critical issue, as the main purpose is to gain relevant rather than representative information (Carson *et al.*, 2001), to provide insights into the phenomenon of interest. Therefore, 42 key-informants are selected to interview by purposive sampling approach. Purposive sampling involves selection of informants based on an important characteristic under study. Purposive sampling approach is researcher decides on the sample based on their own knowledge of the population and the aims of the research (Rubin and Babbie, 2001, Neuman, 2003). Also, a 'snowball' sampling approach was used to identify additional participants: respondents were asked to recommend others that might wish to offer their perspectives.

Table 4.4 Composition of the sample

Stakeholders	Abbreviation	Person	Position
Central government	CG	4	- Ministry of Culture and Tourism(2) - Korea Tourism Organisation(2)
Provincial government	PG	5	- Jeju Province(2) - Jeju provincial tourism association(1) - Jeju Free International City Development Centre(1) - Jeju provincial council(1)
Local governments	LG	6	- Jeju City(2) - Seogwipo City(2) - Jeju office of Korea Tourism Organisation(2)
Local residents	LR	7	-Head of village(7)
Tourism Development Agencies	DA	3	- Tourism development agencies(3)
NGOs	NGO	3	- NGOs(3)
Media	MD	3	- Medias(3)
Local Business	LB	8	- Hotel's association - Restaurant's association - Rent Car association - Owner of Hotel - Owner of restaurant - Owner of Travel agency - Tour operator - Local souvenir shop
Specialists	SP	3	- Korea Tourism Research - Jeju Tourism Research Institute - Jeju national University
<b>Total</b>		<b>42</b>	

Source: Author

#### **4.3.4 The Pilot Interview**

A pilot interview was conducted to ascertain the effectiveness of the Interview Guide, the analysis process and to provide the researcher with the opportunity to experience the process. The pilot survey was conducted on the 28<sup>th</sup> May 2010. The informant is well known to the researcher through working in the same tourism institutions and he has got research and academic experiences regarding qualitative methods. The pilot interview provided the researcher with opportunities to use the methods outlined, including interviewing techniques, such as prompting and probing, to open up new and important information from the informant. The analysis process of the pilot interview data also led to the conceptualising of new themes, sub-themes and relationships between data and as such, proved to be a beneficial activity in developing skills in interviewing coding of data and analysis of the data.

#### **4.3.5 The Interview**

Field research was conducted in South Korea during the period of June 2010. Questions were open-ended in order to gain more spontaneous opinions and to avoid the potential bias from restricting responses to the researcher's own fixed categories. The respondents were contacted in advance via e-mail to arrange a convenient time for an interview, to give them a list of interview themes, and to assure them about confidentiality. Face-to-face interviews were digitally recorded, lasted between 60 and 90 minutes, and did not adhere to any strict timings, thus allowing the interviewee to give full and personal answers. Each participant was greeted and provided with a refreshment/beverage. All the participants were given the same information before the interview began, including the purpose of the study and

reassurance that their identity would not be revealed. The composition of the sample and main interview questions were divided into four parts: background questions; tourism development impacts and sustainable tourism development; impacts of government driven tourism development; and stakeholders' role and involvement. Also, there are full of back up questions and probes to avoid the researcher's bias. Figure 3.3 shows the concept of interview and questions.

All the interviews (in Korean) were digitally recorded and stored electronically as sound files and included the data (for identification purposes) in separate document folders allocated to individual participants. Interviews were transcribed exactly and their summaries typed up as word documents in Korean immediately following the interview. Silverman (1993) outlined that the advantages of working with transcriptions as: providing the researcher with more detail; allowing the reader and the researcher to return to the exact extract to either analyse or refer back to; and permitting the researcher to have direct access to data. After that, the interview transcripts were translated into English for the analysis.

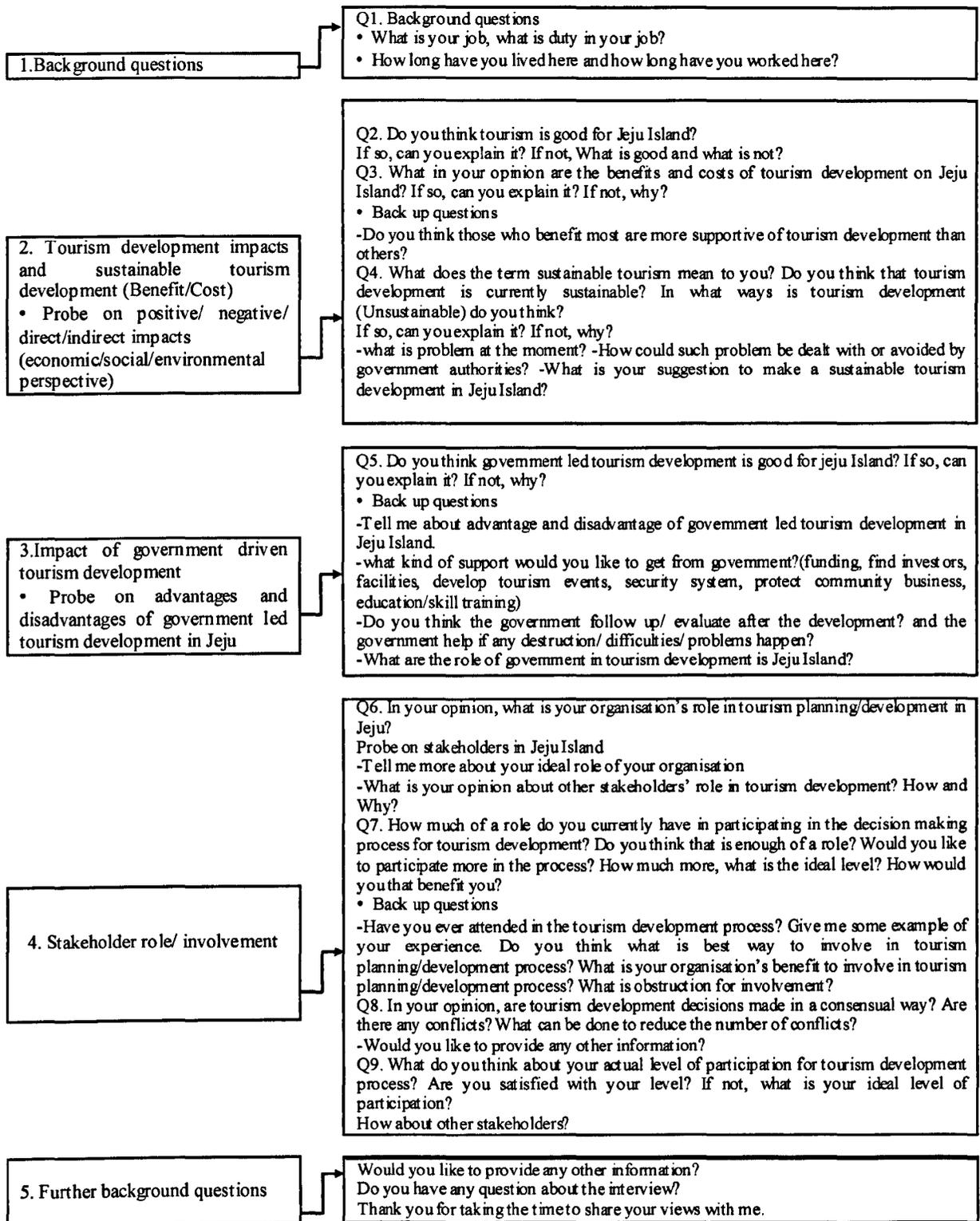


Figure 4.3 The concept of interview and questions

Source: Author

## 4.4 DATA ANALYSIS

### 4.4.1 Analysis of Data

According to Dey (1993), analysis is the process of resolving data into its constituent components to reveal their characteristic themes and patterns because there is not a standardised approach to the analysis of qualitative data. Tesch (1990) groups these strategies into four main categories: understanding the characteristics of language; discovering regularities; comprehending the meaning of text or action; and reflection.

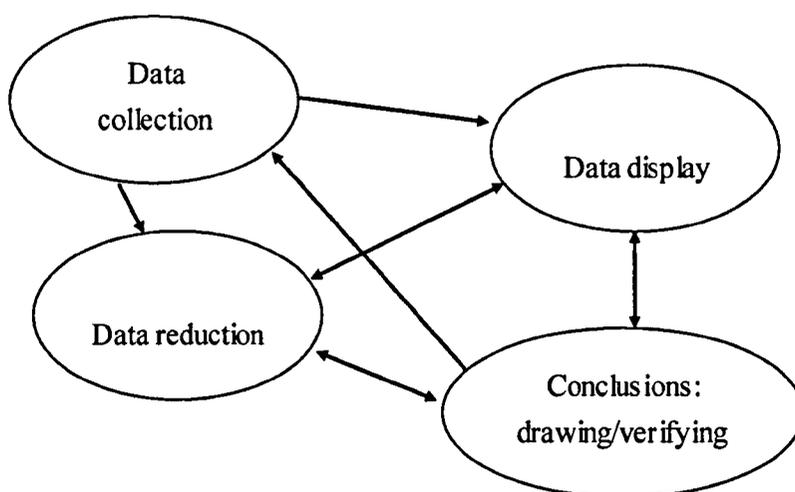


Figure 4.4 Components of data analysis: interactive model

Source: Miles and Huberman (1994: 12)

Miles and Huberman (1994: 12) identify components of data analysis, describing it as a continuous and interactive enterprise. Figure 4.4 illustrates these flows, which are interlinked and synchronised throughout the process of the data analysis. Different scholars have categorised approaches in qualitative inquiry in different manners. For the purpose of this research, Creswell's (2007) framework will be adopted. He identifies five major approaches within the inquiry: narrative research; phenomenology; grounded theory; ethnography; and case study.

In this point of view, this study adopted interpretive approach, qualitative methods, and grounded theory technique to analysis to generative theme. According to Jennings and Junek (2006), Grounded Theory is leading to a broader and more comprehensive understanding of tourism phenomena; it is an innovation and a critical turn from dominant quantifying research methodologies used to understand the human in tourism phenomena (Jennings and Junek, 2006). Researching GT has been a recurring approach in the tourism literature (Connell and Lowe, 1997; Hardy, 2005; Hillman, 2001; Hobson, 2003; Jennings, 1999; Junek, 2004; Mehmetoglu and Olsen, 2003; Riley, 1995; Woodside *et al.*, 2004). Connell and Lowe (1997) point out that GT as an approach is detailed and the analytic process is outlined followed by an application of GT in regard to the lived experiences of 'brand expansion' in a hospitality setting. Goulding (2000) used GT to gain insight into the nature of authenticity as constructed and interpreted by visitor experiences to contemporary heritage attractions. Woodside *et al.* (2004) were employed to understand how the planning for a vacation compared with the lived experience of the vacation. Hardy (2005) examined the use of GT to explore stakeholder perceptions of tourism. Therefore, this research adopted ground theory technique to analysis to generative theme for a critical evaluation of the key stakeholder's perceptions of the impacts of tourism development and stakeholder's attitudes toward tourism development in the context of government driven tourism development.

#### **4.4.2. GROUNDED THEORY TECHNIQUE**

Grounded Theory (GT) is a strategy of inquiry, consisting of a set of data collection and analytic procedures, in which the researcher derives a general, abstract theory of a process, action, or interaction grounded in the views of the participants (Charmaz,

2004; Creswell, 2009). GT methods allow researchers to conduct qualitative research 'efficiently' and 'effectively' because these methods provide systematic procedures for shaping and handling rich qualitative materials (Charmaz, 2004: 497). Charmaz (2002: 675) asserts that 'grounded theory consists of guidelines that help researchers to study social and social psychological processes, direct data collection, manage data analysis, and develop an abstract theoretical framework that explains the studies' process'.

The Grounded Theory was first introduced by Glaser and Strauss (1967) in *The Discovery of Grounded Theory*. They, for the first time, made explicit the analytic procedures and research strategies that previously had remained implicit among qualitative researchers. Nonetheless, Charmaz (2002: 677) points out that all variants of GT share the following characteristics: simultaneous data collection and analysis; pursuit of emergent themes through early data analysis; discovery of basic social processes within the data; inductive construction of abstract categories that explain and synthesize these processes sampling to refine the categories through comparative processes; and integration of categories into a theoretical framework that specifies causes, conditions, and consequences of the studied process. It has been noted by many scholars that GT has been widely adopted by researchers in the fields of nursing, education, and many other disciplines. Miller and Fredericks (1999) state that GT can be used to direct the research process as well as provide a heuristic for data analysis and interpretation.

In tourism research, Burns and Sancho (2003) use an ethnographic approach to interview key stakeholders and use grounded theory principles to present oral data around six themes using direct quotations to allow 'authentic' voices to speak for

themselves. Verbole (2000) undertook a policy orientated study on rural tourism in Slovenia which adopted an 'actor perspective' using Strauss and Corbin's (1998) grounded theory procedures and technique to guide the research process. Thus, this research is valuable as a means of evaluation of key stakeholder's perceptions of the impacts of tourism development to government driven tourism development. This research will improve levels of understanding of different stakeholders' perspectives and their involvement in sustainable tourism development and ground theory will be used as a tool of data analysis.

Dey (2004) points out that there are many versions of GT, for example, Glaser (1978), Strauss (1987), Charmaz (1990), and Strauss and Corbin (1990); this study follows Strauss and Corbin's thesis, which postulates that in GT, analysis involves coding, which is the process of generating, developing and verifying concepts. Therefore, this study employed grounded theory technique to analysis to generative theme. The reason was that among interpretive and qualitative research methods, Grounded Theory offers unique benefits to the researcher. Martin & Turner (1986: 141) mentioned that Grounded Theory 'is an inductive, theory discovery methodology that allows the researcher to develop a theoretical account of the general features of a topic while simultaneously grounding the account in empirical observations or data'. Therefore, Grounded Theory provides a detailed, rigorous, and systematic method of analysis, which has the advantage of reserving the need for the researcher to conceive preliminary hypotheses. As a consequence, Strauss and Corbin's concept of a 'coding paradigm' serves to explicate the construction of theoretical framework necessary for the development of empirically grounded categories in a much more user-friendly way. Strauss and Corbin (1990: 4), define coding as 'the analytic processes through which data are fractured, conceptualised, and integrated to form theory'.

### **4.4.3 GENERATING INITIAL CODE**

The purpose of this section is to provide explanation of how to grounded theory was induced from the data. According to Strauss and Corbin (1998), analysis starts with 'open coding'. Open coding requires a brainstorming approach to analysis in order to open up the data to all potentials and possibilities contained within them. In this process, after having considered all possible meanings, put interpretive conceptual labels on the data. Strauss and Corbin (*ibid*) emphasise that these concepts represent the researchers' impressionistic understanding of what is being described by the participants. Therefore, the primary method of analysis is a continuous coding process. Analysis will begin with open coding - the data are examined line by line to define actions or events within data. This coding analysis will lead to 'refining and specifying any borrowed extant concepts' (Strauss and Corbin, 1998). Next step is the analysis of axial coding, which is aimed to make conceptual connections between a category and its subcategories.

Though open coding and axial coding are treated as if they occur separately, Strauss and Corbin (*ibid.*) point out that the distinctions made between the two types of coding are artificial and for explanatory purposes only. They also stress that whereas open coding is breaking data apart and delineating concepts to stand for blocks of raw data, axial coding is the act of relating concepts/categories to each other. They explain that in the process of open coding, whilst the researchers break data apart and identify concepts to stand for the data, in their minds, they automatically put the data back together and make connections by creating the explanatory descriptors - doing axial coding.

Therefore, after collecting data, each Korean transcript was read before giving initial codes. Whilst familiarising with the data, the initial codes were constructed manually using a system of colour coding and annotations. Before starting a full open coding, only one group of stakeholders was analysed in order to maximise the framework. Table 4.5 showed that how to develop the axial coding from open coding. This group consists of only 5 provincial government officers for the open and axial coding example.

Table 4.5 Open coding for one stakeholder

Axial coding	Open Coding
Government led tourism development	<ul style="list-style-type: none"> <li>- Jeju Special Development Act</li> <li>- Comprehensive Development Planning</li> <li>- 3 complex sites and 20 tourism sites</li> <li>- Mixture method for development planning</li> <li>- The selection of investment sites by the investor</li> <li>- Reckless development</li> <li>- Lacking consideration for environment</li> <li>- Development versus conservation (51 vs 49)</li> <li>- Mainly communal farm land or public land</li> </ul>
Development procedures	<ul style="list-style-type: none"> <li>- A friendship with the community</li> <li>- Mobilisation of development support community</li> <li>- Environmental impact assessment</li> <li>- Public examination</li> <li>- Procedure of public opinions</li> <li>- A complementary report</li> <li>- Final report</li> <li>- Eminent domain</li> </ul>
Complaints from the community	<ul style="list-style-type: none"> <li>- Community complaints</li> <li>- Request to build a gym, community hall, sauna facility</li> </ul>
Financial Talks	<ul style="list-style-type: none"> <li>- Land compensation</li> <li>- Pay or not pay</li> <li>- How much are you willing to pay for the compensation?</li> <li>- Money talks</li> <li>- Collective action by community</li> <li>- Employment</li> <li>- Government prepares the chapter for employment perfunctorily</li> </ul>
Government thinking	<ul style="list-style-type: none"> <li>- Government have wide range of bilateral channels to listen community's voice</li> <li>- There is no control system for other stakeholders' participation in tourism development process</li> <li>- We have such a good system for community participation</li> <li>- Community does not have ability to do it</li> <li>- All routes to participate for tourism development are open to all stakeholders</li> <li>- All stakeholders can participate to tourism development legally</li> <li>- Government encourage stakeholders' participation deregulation</li> <li>- Government can do tourism development after a provincial assembly's approve</li> <li>- Inhabitant Summon Movement</li> </ul>
The problem of government role	<ul style="list-style-type: none"> <li>- Government officers do not want to work where have got lots of complaint from residents</li> <li>- If Government officers work for tourism department, they should have got more benefits than other department</li> <li>- Government needs to employ experts for tourism sector</li> </ul>
Community based tourism	<ul style="list-style-type: none"> <li>- Free rented land to the developer on the premise that employment for community</li> </ul>

development	<ul style="list-style-type: none"> <li>- Olle travel is a non-government idea, but that travel cannot make a big profit</li> <li>- Community can sell their local products</li> </ul>
Why stakeholders' participation did not work well	<ul style="list-style-type: none"> <li>- Local residents have showed an attitude of indifference toward tourism development</li> <li>- Local residents have no ability to promote the tourist destination and management knowhow</li> <li>- The low consciousness of local residents</li> <li>- Local residents have no money</li> <li>- Local residents are egotists</li> <li>- Local residents do not know what democracy is</li> <li>- Local residents do not agree with the democracy process</li> <li>- NGOs always say no</li> <li>- NGOs consider themselves politicians with little experience</li> <li>- Peripheries of power</li> <li>- A few people with power decide a matter in tourism development</li> <li>- Within the small community, a local resident hasn't got freedom to present their negative opinion against another resident's opinion</li> <li>- There is no trust among stakeholders</li> </ul>
The way to increase the participation among stakeholders	<ul style="list-style-type: none"> <li>- Government has to educate and train the residents to help their understanding for government policy and democracy process</li> <li>- A majority vote</li> <li>- Democracy process</li> <li>- NGOs should not get any funds from government</li> <li>- The local residents do not like the top down process because local residents do not believe the government</li> </ul>
Settle a dispute	<ul style="list-style-type: none"> <li>- When destruction and problems happen between local residents and developer, government have to control them</li> </ul>
The level of stakeholders' participation	<ul style="list-style-type: none"> <li>- At the planning stage, government have to do the exclusion of local residents, because if government accepts all opinions, the plans cannot be achieved</li> <li>- The role of a Government Officer is to achieve the government's goal</li> <li>- Governments have to listen all residents' opinions before the tourism development begins</li> </ul>
Investment promotion	<ul style="list-style-type: none"> <li>- Jeju investment promotion zone</li> <li>- Tax benefits</li> <li>- 100% exemption of corporate tax for 3 years</li> <li>- 100% exemption of registration and acquisition tax</li> <li>- 100% exemption of property tax for 10 years</li> <li>- Project manager</li> <li>- One-stop services for administrative works</li> <li>- Provision of basic infrastructure</li> </ul>
Positive impact from tourism development	<ul style="list-style-type: none"> <li>- Income</li> <li>- To improve Road accessibility</li> <li>- Employment</li> </ul>
Sustainable tourism development	<ul style="list-style-type: none"> <li>- We are in a time of transition stage</li> <li>- If government educate and train the stakeholders, we can make the sustainable tourism development</li> </ul>
Negative impact from tourism development	<ul style="list-style-type: none"> <li>- Local residents want money through tourism development. However, local residents do not say money. They mentioned negative impact from tourism development to get more money</li> <li>- There is no major negative impact</li> <li>- Jeju-Island is not a small island but huge island, so no need to worry about destroying the natural environment</li> <li>- If residents were ready to accept tourism development, pollution, litter, noise that kinds of things would not be a big problem, so government has to educate the residents as a host</li> <li>- Groundwater</li> <li>- Development thoughtless for the environment</li> <li>- Speculative investment</li> <li>- There are too many golf courses caused by reckless development, but it is delighting the golfers</li> <li>- Destroying community spirit</li> </ul>

Source: summarised by Author

Then, concepts and sub-concepts are further defined by selective coding, 'an integrative process of selecting the core category, systematically relating it to other

categories, validating those relationships by searching for confirming and disconfirming examples, and filling in categories that needed further refinement and development' (Strauss and Corbin, 1998).

Figure 4.5 is an example of coding step for one stakeholder to develop a theme. The purpose of this section has been to demonstrate how to use grounded theory to develop themes from data. This is an iterative process as the discovery of a grounded theory is a non-linear and inductive process relying much on the ability of the individual researcher. It should be emphasized that it is problematic for any grounded theorists to reveal fully the complex process of inducing a grounded theory from empirical data in its entirety. After full coding step, there are 6 themes developed named by Government driven tourism development (National Development, National tourism development), The historical tourism development issues in Jeju (Jeju free international city), Sustainable tourism development (Economic impact, Characteristics of Jeju development, Social and environment impacts), EIA for the sustainable tourism, Collaboration and conflicts in Jeju tourism development (conflicts, locals' movement, Benefits of collaboration in tourism planning, problems of collaboration in tourism planning), and Stakeholders participation and role of stakeholders (stakeholders participation, the role of stakeholders). This titles and subtitles are across chapters 5 and 6.

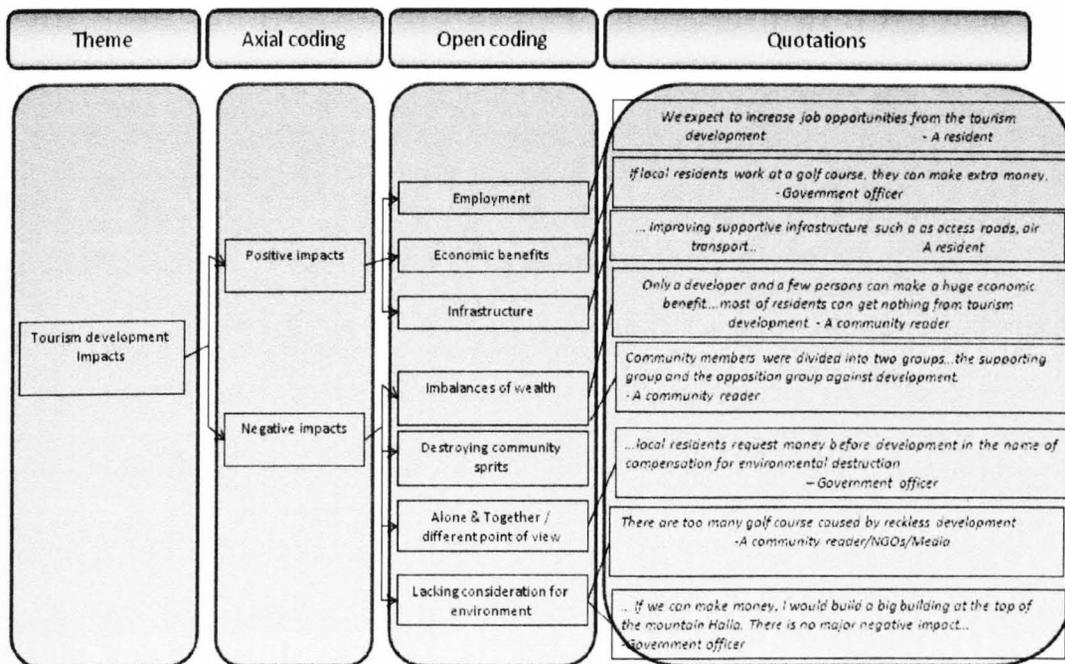


Figure 4.5 Coding step for one stakeholder

#### 4.5 ETHICAL CONSIDERATION

Ethical considerations in research require appropriate treatment of the respondents, and should address all key ethical issues related to the research process, such as anonymity, privacy, deception, accuracy and confidentiality (Neuman, 2003). Therefore, in this research, all participants were informed prior to taking part in interview of the nature and purpose of the research and how the findings would be disseminated. Participants were advised that they could withdraw their consent at any stage. All participants were informed of the format and length of the interview and that subject to their permission it would be recorded. Also, participants were given the right to refuse to answer any particular question and the right to ask that the recorder be turned off. They were advised that the interview was to be transcribed but all identifying information would be removed and that parts of the interview may be used in the thesis and publication only.

Interviews were arranged with people in each stakeholder group, so that they were broadly representative and the opinions expressed could be generalised to the stakeholder group. However, respondents were reluctant to answer sensitive but essential questions for the research; it was expected that the respondents might regard the specific contractual details of management contracts as obviously confidential, and that they might not wish to share the sensitive information, which may negatively affect their organisation. Confidentiality of information gained from respondents might still be expected to influence negatively on the validity and reliability of data, i.e. some respondents might refuse to answer on key issues or give confidential information about the organisation.

#### **4.6 RELIABILITY AND VALIDITY**

The quality of the research depends crucially on the collection of reliable and valid data. Reliability may be referred to as ‘the extent to which research findings would be the same if the research were to be repeated at a later date or with a different sample of subjects’ (Veal, 2006: 41). This is an uncommon occurrence in the social sciences, ‘because they deal with human beings in ever-changing social situations’ (Veal, 2006: 42) Thus, reliability can be defined as the degree of consistency between two measures of the same thing (Black, 2002). Also, Silverman (1993) outlined a number of ways that reliability can be achieved in qualitative research: pre-testing interview protocols and questions; using fixed-choice responses; and systematically collecting, transcribing and reporting field notes and transcripts for others to review as necessary. In this research, reliability was maintained by using interview guides that allowed the data collection and the perspectives of different stakeholders groups within the

fieldwork. Additionally the use of interview guides allowed the same focus areas to be retested at another time or by another researcher. Although the answers from the participant may vary, the data is thus still available to be coded according to strict coding outlines and provide a reliable way to test the perceptions time after time.

According to Black (2002), to ensure validity, any instrument must measure what was intended. In other words, the instrument, as the operational definition, must be logically consistent and cover comprehensively all aspects of the abstract concept to be studied. Also, according to Denzin and Lincoln (2000), qualitative enquiry is more concerned with presenting convincing rich descriptions, which are the outcomes of reflecting on the whole research process, than claiming valid representations of the world as it is. Cresswell (2007) suggests eight strategies for validity, which have been used by different qualitative researchers, and advises the use of at least two in any given study. These strategies are: 'prolonged engagement and persistent observation in the field'; 'triangulation'; 'peer review or debriefing'; 'refining hypotheses as the inquiry advances'; 'clarifying researcher bias from the outset of the study'; 'the researcher solicits participants' views of the credibility of the findings and interpretations'; 'rich and thick description' and 'external audits'. Validity was undertaken in this research through the testing of the accuracy of the data by the allowing the participants to check through transcriptions of the interviews and to incorporate any additional comments about the accuracy of the transcripts or to explain their meanings made during the interview process. These evaluative processes were incorporated into the interpretation and analysis of the data and reported in the findings. In that this research is supervised, there was an element of external audit to ensure that the processes involved in analysis and data reporting were valid and credible.

## **4.7 Health and Safety**

To prevent and reduce the possibility of potential risk, the researcher informed his family and friends of his daily travel route. Each interview was conducted individually and in an enclosed place for recording, whilst simultaneously being conducted in a public place, with one accompanying research assistant. Also, any potential hazards during the research were considered and prevented beforehand. The researcher took the utmost care and preparation both before and during any fieldwork, which was carried out in a safe environment, therefore ensuring that the risks involved in research would be comparatively small. At all times the researcher was contactable by either mobile or e-mail and care was taken to provide the university with an emergency contact number.

## **4.8 CHAPTER SUMMARY**

The chapter outlined and proposed the different methods of data collection, fieldwork and data analysis methods. This research concerns a critical evaluation of the key stakeholder attitudes towards government led tourism development. Therefore, the aim of this chapter is to illuminate the research methodology underpinning this research. A research design is a logical process, which establishes a link between the data to be collected and the conclusion and results.

This research focused on broader analysis of the stakeholder theory and how it could be relevant in analysing stakeholders within the government led tourism development. South Korea became westernised and industrialised over very short period, it seems necessary that the tourism development planning authority accommodate the interests

of all relevant stakeholders to achieve its planning objectives. In order to gain a better understanding of different stakeholders' perspectives and their involvement in a sustainable tourism development, it will be necessary to understand the basic nature of key stakeholders' involvement in a tourism development.

This study focuses on building knowledge about stakeholder perceptions of tourism development through investigation among stakeholder groups in one destination. From this point of view, the interpretivist paradigm is suitable to understand and explain the depths of meanings and behaviours of the stakeholders for government led tourism development in Jeju Island.

Moreover, community involvement is key factor in tourism planning and the support of the host community is essential in achieving sustainable tourism development (Bramwell and Sharman, 1999; Hall, 2003; Tosun, 2006). In the case of South Korea, it was one of fastest growing economies in the world between the 1960s and the 1990s, with a strong tradition of centralism. As a consequence, Seoul, capital city of South Korea, is considered to be a leading financial and commercial city, ranking eighth in the Global Cities Index of 2012 (AT Kearney, 2012) and seventh in the Global Power City Index of 2011 (The Mori Memorial Foundation, 2011). However, South Korean democracy was secured from the late 1980s and social and environmental conflicts between stakeholders occurred. From a socio-economic perspective, South Korean society is confronted with serious regional disparities and social conflicts due to government driven development (Choi, 2002). The lack of stakeholders' involvement, especially community participation in the tourism development process, may actually cause negative socio-cultural impacts for

surrounding communities interested in developing community-based tourism initiatives.

The case of Jeju Island in South Korea, the research site for this study, exemplifies these issues. Jeju Island is a case of unique situation in terms of government led tourism development; also Jeju Island is a case of particular characteristic. For a long time, development policies for Jeju Island primarily emanated from central government with development strategies embodied in national development plans. It was only in 1991 when local assemblies were reinstated after a suspension in 1961, and in 1995 when local chief executives were locally elected, that local governments took on political decision-making powers, though still with substantial central government control. Moreover, Jeju Island government has been involved in the process of development to expand it as an international tourism destination. In addition, the protest movements were in play against the central and local government's tourism development plans already (Bu, 1997; Cho, 2003).

Nowadays, the economy of Jeju Island largely depends on its agricultural and tourism industries. However, WTO (World Trade Organization) required lower tariff barriers to South Korea and opened the country's markets more to imports from 1995. Consequently the agricultural sector experienced a steady decline over recent years. Therefore, Jeju Island has been relying on tourism to support the economy and has consequently emerged as the most developed tourist destination in Korea, launched as a result of growth-oriented regional policies of the central government over the last thirty years (Choi, 2002). Jeju residents had to follow central government plans to overcome their isolated, limited and peripheral state whilst at the same time trying to balance their local identity. Both small- and large-scale movements have taken place

recently, claiming compensation and rejecting central and local governmental development plans. According to Kwon (2008), most tourism development plans for Jeju Island were prepared without paying attention to residents' expectations. Therefore, a government or public sector inspired tourism initiative as a tool of community development, should understand residents' perceptions and attitudes towards tourism impacts to ensure sustainability in each specific community (Allen *et al.*, 1998; Andereck and Vogt, 2000; Sheldon and Abenoja, 2001; Tosun and Timothy, 2003).

Also, for this research aim, a qualitative approach was applied according to the research aim. In many qualitative research methodologies, interviews are used to take information for a specific purpose, and this research used semi-structured interviews to obtain relevant information from 42 key informants. For analysis of the qualitative data from the key informants, Grounded Theory was employed as a tool for data analysis and interpretation. Using open coding and axial coding, the Grounded Theory technique was applied according to breaking data apart and concepts or creating categories to each other. Therefore, there are 6 themes developed named by Government driven tourism development, the historical tourism development issues in Jeju, Sustainable tourism development, EIA for the sustainable tourism, Collaboration and conflicts in Jeju tourism development, and Stakeholders participation and role of stakeholders. In the following chapter attention turns to these titles are across chapters 5 and 6.

# CHAPTER 5 TOURSIM DEVELOPMENT IN JEJU

## 5.1 INTRODUCTION

In South Korea, the government played a key role in initiating and promoting economic development, particularly in the early stage of development (Kim, 2008). The South Korean government established a strong central planning agency, the Economic Planning Board, for its effective implementation and set industrialisation as a primary goal of development policy. Therefore, South Korea's modern economic growth started with a political change in the early 1960s. According to Kim (2008), there was a dramatic change in economic development policy after the military government came to power in 1961, when President Park Chung Hee rose to office. South Korea was one of the poorest countries in the world, and given that the economic conditions in 1961 that were not favourable at all, the strong government intervention in resources allocation was considered indispensable for economic development. His vision was of a government-led development strategy, which could be better carried out through development planning. South Korea's development plan until the early 1980s was very much target-oriented, specifying not only macroeconomic targets, but also sectoral targets to be achieved during the plan period.

The economic growth strategy of the South Korean government in the 1960s and the 1970s achieved rapid economic growth, but increased income inequality. The economic growth strategies of South Korea were generally successful, but the strategies implied some contradictions between growth and income distribution. Strategic support of selected enterprises resulted in the rise of several great

monopolies and the strong alliance of political elites and entrepreneurs was unavoidable.

In case of tourism development, the tourism policy also has been strongly controlled by central government for about thirty years (Kim, 2008). Under the control of the central government, provincial and local governments followed the guidance of the central government in tourism planning. In terms of tourism development in Jeju Island, central government-led tourism development had to be concentrated in a few designated areas due in part to the lack of available funds and the efficient growth-pole theory was prominent in the 1970s. Jeju Island has a history of isolation from the mainland of South Korea and has been well preserved not only in its unique traditional culture, but also in its beautiful natural landscape.

Tourism development on Jeju Island was initiated by the South Korean government in the 1970s and has evolved gradually since that time. For a long time, development policies for Jeju primarily emanated from central government, with development strategies embodied in national development plans (Lee *et al.*, 1997). It was only in 1991 when local assemblies were reinstated after a suspension in 1961, and in 1995 when local chief executives were locally elected, that local governments took on political decision-making powers, though still with substantial central government control. However, with the world trend of tourism leading economic development, the central government had a long-term comprehensive plan to develop the island as a tourist-oriented region. Nowadays, the economy of Jeju largely depends on its agricultural and tourism industries; however, as the agricultural sector experienced a steady decline over the years, tourism has been relied on by the economy with Jeju emerging today as the most developed tourist destination in South Korea, and this

was achieved through growth-oriented regional policies of the central government over the last three decades. Moreover, recently the South Korean government has declared Jeju Island a 'free international city' and announced special development plans to develop it as an international tourism destination.

However, whenever a new governor was elected, the Jeju tourism development policy was changed, and thus, the role of local governments in formulating policy has been significant since local, self-governing legislation was introduced in 1995. The local autonomy system was anxious to produce 'visible' achievement over the term to ensure re-election, and as such the local government tried to find ways to address the economic challenge, with many of them turning their attention to tourism development to demonstrate 'visible' achievements. Therefore, tourism became a beneficial tool for politicians' to show their achievements and local residents did not believe that tourism in Jeju could bring a lot of economic benefits. The major negative impacts still affecting the island are an imbalance of wealth and the threat of collapse from the community. After the announcement of development within a village, support and opposition groups quickly appeared.

Moreover, extending to the stakeholders, local non-landowning residents and NGOs are out of placed outside the economic benefit group, whilst tourism development agencies, local businesses and landowners move within and consequently benefit. Furthermore, those within the economic benefit group neglect to detail the potential negative impacts of tourism development. Thus, it has been recognised that many tourism policies developed from within central government without local involvement fail to cater for the sensibilities and aspirations of the host communities. Community participation is an important subject to be explored in relation to this

research theme, because community based tourism cannot last without the support from the host community, and community participation is a crucial factor sustaining community based tourism in the long term.

Therefore, in the sustainable tourism development, community participation and stakeholder' involvement have been refined in the context of developed countries. However, there have some differentiations between western development policy and East Asia. Tourism development policy in any developing country is government driven and thus more focused on economical impact than social/environmental issues. Therefore, this research is critical in evaluating the perceptions toward the impacts of a tourism development and their involvement, and investigates their relative influence within the collaboration process. Therefore, this research will improve levels of understanding of different stakeholders' perspectives and their involvement in sustainable tourism development.

The degrees and types of stakeholders' involvement vary and therefore, the tourism stakeholder map for this research was used an analytical tool, because some stakeholders are more involved in and more directly influenced by tourism development than others. Also, this research provides recognisable profiles of community segments that enable tourism authorities to easily identify the key people with positive, negative or neutral attitudes towards tourism development.

Therefore, this chapter will examine the government driven tourism development with especial attention given to Jeju Island. To get more broad understanding about government driven tourism development in Jeju Island, the national development plan

will be evaluated. After that, to find out the issues of tourism development, the history and characteristics of tourism development in Jeju Island will be analysed.

## **5.2 GOVERNMENT DRIVEN TOURISM DEVELOPMENT**

### **5.2.1 National Development**

In order to explain government driven tourism development, understanding the national development plans are necessary. After the Korean War, the South Korean government was dedicated to reconstruction of the basic infrastructures and economic development. Therefore, the South Korean government needed national development plans, which were the Ten-Year National Territorial Development Plans and the Five-Year Economic Development Plans. The Ten-Year National Territorial Development Plan is focused on providing infrastructure for economic growth and rearranging spatial structure. Also, from 1962, the government utilised a unique method of implementing series of five-year economic plans to improve their economy. In total seven Five-Year Economic Development Plans were implemented between 1962 and 1996 by the government. The main process of modernisation in South Korea began in the 1960's when the people recognised that it was time to stop being economically dependent on foreign aid and to become independent. Each of them targeted a specific set of industries in South Korean economy and promoted rapid industrialisation and exports.

Also, in the 1960s, the Ministry of Construction together with the National Economic Planning Board led the government's efforts regarding spatial development.

Therefore, the national goal of spatial policy was synthesised into the Comprehensive National Development Plan (CNDP), which presents long-term physical visions for the territory. To use and develop the land effectively, South Korea has been planning and propelling a Ten-Year Synthetic Land Development Plan since 1972 (UNESCAP, 2001).

Table 5.1 Paradigm shift of Territorial Development Policy in South Korea

1st CNDP 1972-1981 (Industrialisation)	Growth pole development (selected areas) -promote selected strategic regions with growth potentials -provide infrastructures for the growth poles (highways, ports)
2nd CNDP 1982-1991 (Localisation)	Multiple growth poles development -develop major cities and surrounding areas, industrial complexes and hinterlands
3rd CNDP 1992-2001 (Globalisation)	Balanced national development with regional competitiveness
4th CNDP 2002-2020 (Green Growth)	-5 year balanced national development plan(2004) -Special act for balanced national development (2004) -Relocate national administrations and public agencies away from the capital -Territorial development for low-carbon green growth -standard, evaluation, predictions and countermeasures for low-carbon green growth to urban planning

Source: adapted from Kim (2012) and Kim and Moon (2012)

In terms of the national development plans, the plans were designed to increase wealth within South Korea and strengthen political stability. The goals of first CNDP (1972-1981) were the development of large-scale industrial bases, the intensification of transportation, and the provision of water resources and energy in order to facilitate economic growth. In contrast to the first CNDP, which focused on industrial development, the national goal for the period of the second CNDP (1982-1991) placed explicit emphasis on balanced regional development, population decentralisation, and the improvement of living standards.

The third CNDP (1992-2001) set targets including regionally decentralised development; efficient land use; improvement of the quality of life; and enhancing amenity and unification of South and North Korea. The intention was to balance regional development by strengthening industrial centres along the west coast and the regional and provincial cities. In order to ensure support for less industrialised areas, the Law on Regional Balanced Development and Promotion of Local Small and Medium-sized Firms was enacted, establishing eight area-wide development plans. The 4th CNDP (2011-2020) has a vision of 'Global Green National Land for South Korea's another jumping-up', and sets out four objectives: comprehensive national land with competitiveness; sustainable green national land; attractive national land with dignity; and national land open to the world.

Therefore, the South Korean economy has made a remarkable growth performance over the past decades. According to the World Bank (2010), South Korea ranks fourteenth in the world by nominal GDP and thirteenth by purchasing power parity in 2010. In the initial stage of economic development in the 1960s and 1970s, big firms worked as an engine for fast economic growth and the South Korea has made remarkable economy growth over the short period with government-led policy. However, the private sector more focused on lobbying activities to strengthen the connection with the government to get support and protection, rather than technological development activities, which later resulted in the withering business innovation, deteriorating consumers' benefits, and increasing the burden on the government (Yoo, 2010).

According to Bae (1993), the South Korean government tried to support the uneven developmental strategy, such as the 'First growth, after distribution' policy. To

support this policy, South government changed labour laws in 1963 and as a result, organised workers' political activities were banned, and legal strike activity was extremely difficult. However, the South Korean government selected several export-oriented industrial sectors as 'priority' sectors (such as automobiles, steel, shipbuilding, machinery and electronics) and provided them with massive aid, notably in terms of financial benefits.

Therefore, with exclusive government support and protection, these big firms grew to be the 'Chaebol', meaning a conglomerate of businesses, usually owned by a single family. The 'Chaebol' led fast industrial growth via monopolistic access to resources. The government gave the right to engage in certain businesses exclusively to the 'Chaebol', which consequently had special privileges and grew large. These harmful effects included excessive and illegal debt financing; boundless expansion of capacity; charging excessively high prices; driving rival firms and small industries out of business through predatory tactics; suppressing technological improvements; persuading government to restrict new entry or open market policies; speculation in real estate and the stock market; and illegal inheritance or transfer of property. This led to the ruin of the national economy and eventually heralded the IMF crisis in 1997 (Lee, 2000).

For the past 40 years, political power and the 'Chaebol' have existed in symbiosis, linking preferential treatment and political funds. The politically powerful have exercised their authority by handing over major projects and concessions to the 'Chaebol', which, in return, have provide the slush funds politicians have needed to maintain their political positions (Kim, 2008). Under this corrupt structure, the domestic economy has experienced fast growth, but this has been merely an

expansion of external structure without increasing core strength. Further, the formation of this 'food-chain' structure was accompanied by the concentration of income in a high-ranking, vested-interest class. The basic framework of industrial development in South Korea has consisted of assembling imported components and equipment using low cost labour for export (Lee, 2000). Lee (2000) stated that the serious dilemma in South Korea is that despite changes in government, the 'Chaebol' remain the same, and their influence grows ever stronger. Whenever a new regime steps in, the 'Chaebol' demonstrate their power to control this new environment. There has been no political regime that did not require the 'Chaebol's help to win election. Therefore, the public protested continuously and ultimately defeated the dictatorship government, but the 'Chaebol's power has continued under the new government. Therefore, South Korea has made remarkable economic growth with government-led policy. However, this has caused unbalanced growth between large enterprises and small-and-medium enterprises, and unbalanced wealth distribution.

## **5.2.2 NATIONAL TOURISM DEVELOPMENT**

In terms of national tourism development, tourism administration policy was first initiated in 1954 when the South Korean Government established a Tourism Bureau within the Ministry of Transportation. In 1994, this responsibility was transferred to the Ministry of Culture and Sports, which was renamed four years later as the Ministry of Culture and Tourism ([www.mct.go.kr](http://www.mct.go.kr)). Thus, government bodies dealing with South Korea's tourism planning and policy include the Korean National Tourism Organisation (KNTO), and the Korean Tourism Research Institute (KTRI). The MCT is involved in establishing a national tourism development plan; managing tourism-related legislation; operating the tourism promotion and development funds;

controlling and supervising the work of KNTA and KTRI; promoting the tourism industry; drafting measures on attracting foreign tourists; carrying out tourism promotions and facilitating the collaboration with international bodies and foreign governments ([www.mct.go.kr](http://www.mct.go.kr)). Also, to achieve these long-term visions, the government has formulated and implemented several policies to foster tourism industry in various fields (Lee, 2000). The central government includes strategic marketing, developing tourism resources on a large scale, and expanding productive welfare through stimulating people's tourism-related activities. Therefore, a five-year plan to promote 'Tourism Vision 21' and various departmental plans have been set up since 1999 (OECD, 2002). The five-year 'Tourism Vision 21' plan was established in 1999 and plays a pivotal role as the main framework of national tourism policy in South Korea.

Moreover, the government has been carrying out several projects including development of the Seven Cultural Tourism Zone (1999-2003), South Coast Tourism Belt (2000-2009), and the Confucian Culture Zone in northern Gyeongsangbuk-do (2000-2010), the Second Tourism Development Plan (2002-2011) and the Third Tourism Development Plan (2012-2021). The government has been carrying out several projects with local government. The Tourism Bureau under the Ministry has 4 divisions and each local government (1 Metropolitan City, 6 Major Cities and 9 Provinces) has its own bureau or department, which regulates tourism. However, these local offices do not have the same constitutions or system. Therefore, it is very hard for local governmental bodies to implement tourism promotions on their own due to a lack of budget and local governments' reliance on the central government. In general, municipal or provincial tourism administration bureaus are composed of 2-3 divisions handling facility management, promotion, and development and planning

tasks under the Department of Tourism. There are 153 laws directly or indirectly related to tourism, which can be divided into 29 areas (Kim, 2001). Therefore, the legal system is too complicated to effectively implement tourism administration. Moreover, the portion of tourism budget in 1999 was 0.09 per cent of the total budget and in 2011 was increased to 0.3 per cent of the total budget, but still remains insufficient.

### **5.3 THE HISTORICAL TOURISM DEVELOPMENT ISSUES IN JEJU**

Jeju Island is the most popular tour and resort city in South Korea and is known as the 'romantic island' because of its nature-blessed environments such as Halla Mountain, volcanoes, forests, and beaches. Jeju has a subtropical oceanic climate with four distinct seasons and preserves a unique culture that is different from other regions of South Korea. The tourism infrastructure included international standard hotels, an airport, and a seaport. Nearly 8.7 million tourists visited Jeju Island including 1,045,000 foreign tourists in 2011 ([www.hijeju.or.kr](http://www.hijeju.or.kr)).

As an island, Jeju had been one of the independent Kingdoms in the South Korean peninsula until the Koryo dynasty (AD. 918-1392). After that, the central government used Jeju Island as a place of exile for anti-politicians for a long time because Jeju was isolated from mainland and had barren, volcanic soil, which made it difficult to cultivate the land. Because of that, it was an isolated agriculture-fishing region until tourism development began in the 1960s by the central government ([www.jeju.go.kr](http://www.jeju.go.kr)).

Table 5.2 Process of Jeju regional development

	Name of planning	Main Strategy
1963	Declaring free - port	No visa for foreigners
1964	Comprehensive plan for Jeju regional development	Tourism development by growth pole
1966	Plan of specific region	Investment and expansion of SOC
1972	Comprehensive plan of Jeju tourism development	Growth pole strategy
1982	The 2nd national land comprehensive plan	Focusing tourist development as independent area
1985	Comprehensive development plan as specific area	Growth pole by 3 complex area and 13 zoning for tourism development
1985	The first Jeju comprehensive plan	Balanced development between tourism and other industry
1994	The special Law for Jeju development	Development by local government with support of central government
1994	The 2nd Jeju comprehensive development plan	Focusing tourism with balance of agriculture and environment
1997	Revision of Comprehensive development plan	Added 10 more zoning for tourism development
2000	Jeju Comprehensive plan for Tourism promotion	Focusing tourism marketing to be a world tourist destination (expansion of tourism infrastructure and foreign tourists)
2002	Special Act on Jeju Free International City	Changing from The special Law for Jeju development to The special law for Jeju Free International City
2003	Comprehensive plan for Jeju Free International city	Tourism promotion zone (various tax benefits including tax exemption for both locals and foreigners, and tax exemptions for national or public properties), 4+1 Core Projects (Tourism, Education, medical services, clean environment, advanced technology)

Source : [www.jeju.go.kr](http://www.jeju.go.kr)

In 1963, the central government had a long-term comprehensive plan to develop the island as a tourist-oriented region. However, this plan was rejected for reasons relating to security, funding and effectiveness (Bae, 1993). However, this planning was updated in the Jeju Free International city plan in 2002. The international free zone plans under central government took on a new transition point with the second popular election of local autonomy groups. The forming plans of the international free zone city taking the domestic and foreign changing conditions into considerable consideration and being carried out with the cooperative relations between the central government and local autonomy groups. (Bae, 1993).

During the 1970s, the central government designated 3 tourist sites with investments in tourism facilities as a growth pole strategy (a comprehensive plan for Jeju tourism development in 1972). In sum, Jeju Island was developed by the central government, through tourist-oriented regional strategy and external private groups; tourism on the island has been developed over the past 30 year and is still under construction.

Since the installation of the 'Comprehensive Plan of Jeju Development' in 1964, there have been five comprehensive development plans for building the basic infrastructure. However the effort to develop Jeju Island an international tourist destination was not fully successful. Therefore, the focus shifted to making Jeju Island a business hub for Northeast Asia, taking advantage of her pristine natural environment and well-established infrastructure (Bae, 1993). The Ministry of Construction and Transportation ordered a research project for feasibility in 1988, as the President of Korea started a new policy for the development of Jeju Free International City (hereafter JFIC). As the results of the research project supported the feasibility of JFIC, the Master Plan of JFIC was been established. The development of JFIC was legally supported by the Special Act on JFIC enacted in December 2001 and launched by the Jeju provincial government on April 1st, 2002. The JFIC Promotion Committee, chaired by the Prime Minister and the working level committee, was organised by the central government in order to promote the development of JFIC. Therefore, the Jeju Free International City Development Centre (hereafter JDC), an actual developer with the commissioned governmental authority, was also established in 2002 as a special corporate entity under the Ministry of Construction and Transportation to carry out the Master Plan of JFIC. The Jeju provincial government and the JDC chose leading and promotion projects based on

the principle of 'choice and concentration'. From this perspective, the JFIC plays an important role within the history of Jeju tourism development and it is important to analyse the JFIC in the tourism manner.

In 2002, JFIC had begun under the sponsorship of Kim Dae-Jung's government, following a similar model to that of Hong Kong and Singapore. Four years later, in 2006, Jeju had entered the era of 'Jeju Special Self-Governing Province' for the first time across the nation.

### **5.3.1 JEJU FREE INTERNATIONAL CITY**

Development policy started from 1963 to develop Jeju by central government when the central government established the Jeju Development Policy Research Committee. Since the installation of the 'Comprehensive Plan of Jeju Development' in 1964, South Korean government try to develop Jeju Island as an international city similar to Hong Kong. Since the installation of the 'Comprehensive Plan of Jeju Development' in 1964, there have been five comprehensive development plans for building the basic infrastructure: an airport, seaports, roads, and tourist sites. However the effort to develop Jeju Island an international tourist destination was not fully successful. After that, the central government made a long-term comprehensive plan for Jeju Island. From 1960's to the 1980', Jeju was developed more vigorously than the mainland (Jeju Province, 1994).

The Ministry of Construction and Transportation ordered a research project for feasibility in 1988 as the President of South Korea started a new policy for the development of JFIC (Yang 2007). Finally, as the results of a research project support

the feasibility of JFIC, the Master Plan of JFIC has been established in 2001. The development of JFIC is a strategy for promoting national development and the survival of Jeju, and therefore it is a strategy for national and local development that raises national and regional competitiveness at the same time. The JFIC aims 1) to make Jeju Island an environmentally friendly tour and resort city in Northeast Asia, 2) to promote Jeju Island as a multi-functional city for business, finance, logistics and knowledge-based industries, and 3) to increase the local resident's income. In sum, it aims to make the island an area where free movement of people, goods and capital is allowed for the convenience of business activities ([www.jdcenter.com](http://www.jdcenter.com)).

Table 5.3 Law and Plan related to Jeju regional development

	Law and Plan	Plan executive (Planner)	Agreement with	Examined by	Approved by
1972-1991	Comprehensive law for land management (1972-1991)	Governor	Minister of interior and construction	Committee of comprehensive plan of nation land planning	Prime minister
1985-1991	Comprehensive plan for special region (1985-1991)	Governor or minister of construction	Related minister in central government	Committee for driving comprehensive special regional development and cabinet council	President of Korea
1994-2001	Special law of Jeju development (1994-2001)	Governor	Council for comprehensive Jeju Development plan in local government	Committee for supporting development directors	President of Korea
2001-2011	The Special Law of Jeju International Free City	Governor	Council for comprehensive Jeju Development plan in local government	Prime minister committee for supporting Jeju development	President of Korea
2006-	Special act on Jeju Free International City	Governor with prime minister	Jeju provincial council and prime minister	Prime minister committee for supporting Jeju development	President of Korea

Source : Yang (2007)

In terms of law and plan related to Jeju regional development, the first piece of legislation brought it towards the autonomy of Jeju-do was the 'Jeju-do Special Development Law' in 1991, and the next one was in 2001 called the 'International Free City Special Law'. The referendum on the full autonomy of Jeju-do was held on July 27, 2005, and after receiving a majority the law to bring Jeju-do full autonomy (or the Special Law on the Administrative System of Jeju-do) was passed in the National Assembly at the end of December 2005. After that, the 'Basic Jeju Special Self-governing Province Development Plan' was confirmed and announced by the Presidential Committee on Government Innovation and Decentralisation, based on suggestions by Jeju Province (May 20th, 2005). Therefore, a special self-governing province is one in which a high level of self-governing authority is endowed and adopted, where decentralisation is promoted and the establishment of an ideal free-market economic model in which the flow of human resources, products and capital is free and the convenience for proper corporate activities is maximised (Yang, 2007).

Therefore, the Jeju provincial government and the JDC choose leading and promotion projects based on the principle of 'choice and concentration'. These are the key strategic projects intended to pave the way for the initial development of JFIC. The master plan of JFIC proposed seven leading projects, which are part of the key development plan.



Figure 5.1 Jeju Island master plan  
 Source : JDC (www.jdcenter.com)

In 2003, new central government announced a comprehensive plan for JFIC with four (plus one) projects to foster and develop Jeju-Island into an international tourist and recreation city as well as an international free city performing the complex functions such as business, high-technology, distribution and financial industry (www.jdcentre.com).

A shopping outlet was proposed to generate new shopping demand by developing world-class luxury shopping facilities satisfying tourists, especially from China, Japan, and other countries. A Resort Type Residential Complex aims to attract high income and elderly people from South Korea and abroad with residential complexes that integrate residential, leisure, and medical services. A Seogwipo tourism port aims to build an international marine tourist complex. An ecosystem-myths-history theme park was proposed to enhance Jeju's attractiveness as a tourism destination, with an internationally competitive theme park based on Jeju's unique natural environment and cultural heritage. A high-tech science and technology complex is intended to

activate the local economy by establishing a science and technology complex combining research, education, and business support facilities.

Table 5.4 Summary of seven leading projects (Central government projects)

Name	Concept	Size and Investment	Main facilities
Shopping Outlet	Premium shopping outlet complex offering luxury brand goods in entertaining street-style space	- Area: Approx. 165,000 m <sup>2</sup> - Period: 2003-2007 - Investment: \$61 Mil.	-Shopping center, specialty shop, food court, restaurants, parking lot, etc.
Resort Type Residential Complex	Master planned residential complex offering a leisure and medical care integrated life style	- Area: Approx. 727,000 m <sup>2</sup> - Period: 2003-2009 - Investment: \$365 Mil.	- Residential: Condominium, garden house - Resort: Golf courses, medical center, sports center, commercial facilities, etc.
Seogwipo Tourism Port	Marine culture based waterfront tourism port	- Area: Approx. 122,400 m <sup>2</sup> - Period: 2003-2010 - Investment: \$106 Mil.	- Hotels, fishing villages, marina, duty free shop, commercial street, ferry terminal and seafood markets, etc.
High-tech Science and Technology Complex	R&D focused BT & IT complex for research, business, start-up and training	- Area: Approx. 1,063,000 m <sup>2</sup> - Period: 2003-2011 - Investment: \$334 Mil.	-Research: BT & IT related facilities, etc. -Education: Foreign language school, etc.
Ecosystem-Myth History Theme Park	Theme park utilising Jeju Island's unique natural environment and cultural heritage	- Area: Approx. 38,794,000 m <sup>2</sup> - Period: 2003-2011 - Investment: \$1.6 Bil.	-Composed of nature Ecology Park & Mythology History Park
Expansion of Jungmun Tourism Complex	Integrated resort & tourism area	- Area: Approx. 101,180 m <sup>2</sup> - Investment: \$184 Mil.	-Commercial: Retail shops, restaurants, duty free shop, etc. -Ocean park: world-class aquarium, exhibition hall, etc.
Establishment of an Airport Free Trade Zone	Basis for the development of logistic industry relating to air cargo	- Area: Approx. 323,400 m <sup>2</sup> - Investment: \$184 Mil.	-Manufacturing and processing facilities, cargo warehouse, office building, etc

Source : JDC (www.jdcenter.com)

These five leading projects will be promoted by the JDC. The Jeju provincial government will carry out the establishment of a Jeju Airport Free Trade Zone, whilst

the Korea National Tourism Organisation will undertake the Expansion of the Jungmun Tourist Complex. Details on the concept, size, development and cost, and facilities for the seven leading projects are summarised in Table 5.4.

In addition to these seven leading projects, four promotion projects are newly proposed in the Execution Plan of JFIC. The new promotion projects were selected in consideration of tourists' needs and potential investors' investment preference. The projects include the development of a health-beauty theme town, international culture and entertainment complex, marine tourist complex, and Leports complex. As project and promotion leader, the JDC will serve investors by providing information, reviewing business opportunities, offering advice on business plans, and matching domestic and foreign business partners. It will also provide 'One-Stop' support during the whole process of investment to insure efficient transfer of information. Therefore, the JDC will play a very important role in the successful promotion of JFIC.

## **5.4 SUSTAINABLE TOURISM DEVELOPMENT**

### **5.4.1 Economic Impact**

South Korea has experienced various conflicts including environmental problems from industrialisation (Lee, 2005). To cope with this, South Korea has begun since the 1990s to take steps towards the achievement of sustainable development by pursuing the combination of environment, economy and equity (Republic of Korea, 2005). In terms of sustainable tourism development, government has been recognised

as being the most important authority and the key player in tourism development (Pearce, 1995, Mowforth and Munt, 2009). Especially, in developing countries where there is a lack of resources and experience for tourism development, government has a strong influence on tourism development. Therefore, tourism development in Jeju Island was considered to lie in its contribution to economic growth rather than focused on social or environmental impacts. Normally, GRDP is a comprehensive economic indicator that shows the size of the economy and income in a specific region. Figure 5.2 shows that Jeju Island's economy has increased more than 430 times from 1970 to 2010.

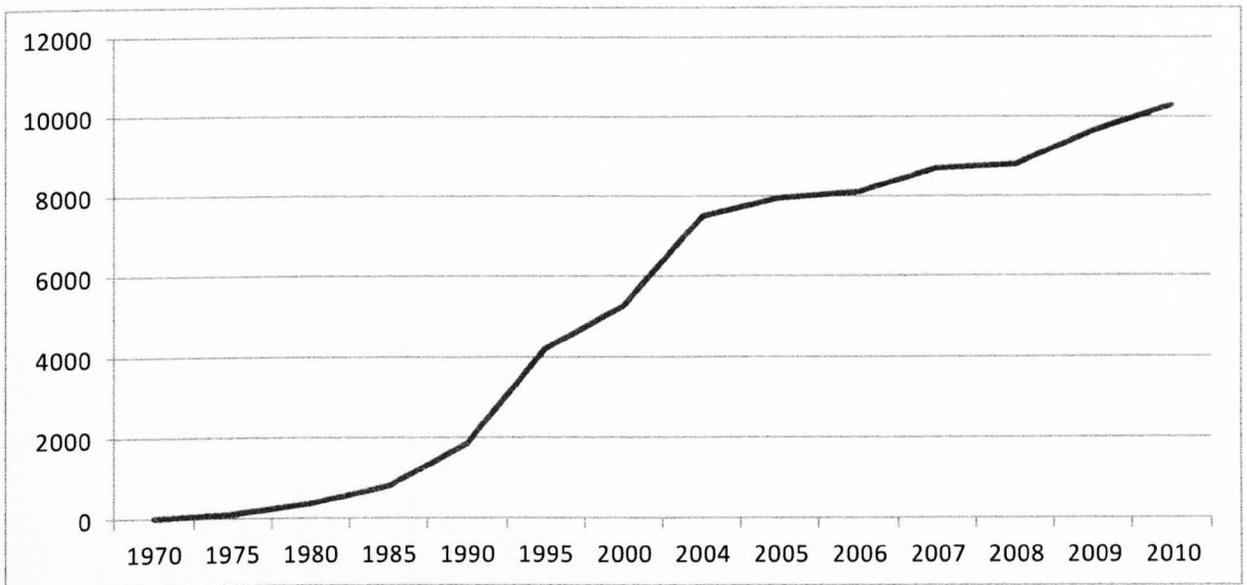


Figure 5.2 GRDP in Jeju Island

Source: [www.kostat.go.kr](http://www.kostat.go.kr)

The economy of Jeju largely depends on its agricultural and service industries. It has a very small manufacturing sector and very limited foreign trade. The agricultural sector puts in 19.0 per cent of the GRDP; however, as the agricultural sector experienced a steady decline over the years, tourism has been greatly relied on by the

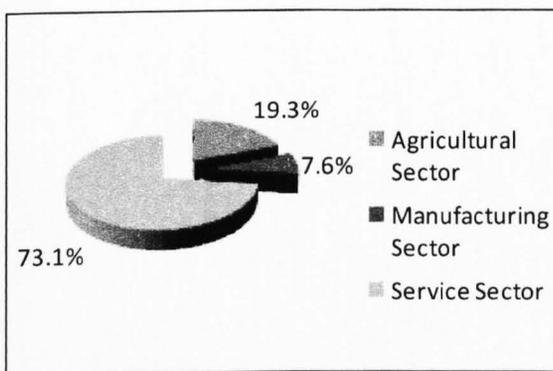
economy with Jeju Island emerging today as the most developed tourist destination in South Korea. An interviewee from local government asserted:

‘Yes! I agreed that Jeju largely depends on tourism industry at the moment. Without tourism industry, it will be really hard to make any economic development. Um....as you know, there are only fishery / agricultural sector and service industry sector in Jeju Island.....and fishery and agricultural sector has been declining at the moment. That is why service sector is really important at Jeju Island.’

*LRG1*

Figure 5.3 shows that the service sector is incredibly important for Jeju Island at the moment. According to GRDP in 2009, 73.1 per cent of people work for the service sector and this GRDP is 76.9 per cent.

Employment in Jeju Island



GRDP in Jeju Island

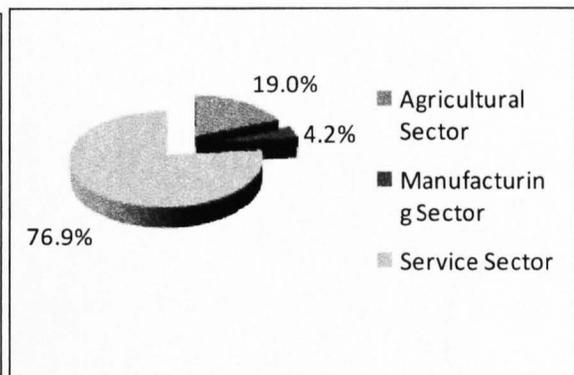


Figure 5.3 Employments and GRDP in Jeju Island (2009)

Source: [www.kostat.go.kr](http://www.kostat.go.kr)

According to Reid and Sindiga (1999), tourism in the developing countries has a double-edged sword, in which it may provide a venue for communities and people to increase their income or livelihood, and therefore the majority of benefits tend to flow out of them. In terms of development in 1960s, most of interviewees had similar opinions and according to interviewee MD 1, the government driven tourism development in 1960's was necessary in Jeju Island, because Jeju Island ranked one of the poorest regions in South Korea at that time.

'In 1960s, it was possible to do the government driven tourism development because at that time South Korea needs a strong leadership to make an economic growth. Moreover, as an Island, it had been an isolated agriculture- We were a very poor city in the beginning of the 1960s, but not anymore because of tourism industry.....I think we have no choice of government led development because we can't make any tourism development without government's willingness to do it.'

*MD1*

Jeju Island was isolated from the mainland and only agriculture-fishery were the main industries at that time. Therefore, Jeju was one of the poorest regions until tourism development began, being led by the central government, as this was necessary to overcome the poverty.

#### **5.4.2 Characteristics of Jeju Development**

In 1963, Jeju was to be developed as a tourist-oriented region by the central government. Kim (2011) mentions 4 types of characteristics of Jeju development,

including Scrape and Built, Big Scale, Reclaim and Cover, and Unbalance. The most typical type is ‘Scrape and Built’ that literally clears out almost everything at the site. Figure 5.4 showed that a development agency and a local government build new buildings and plants new trees with no regard for environmental conditions of the site.

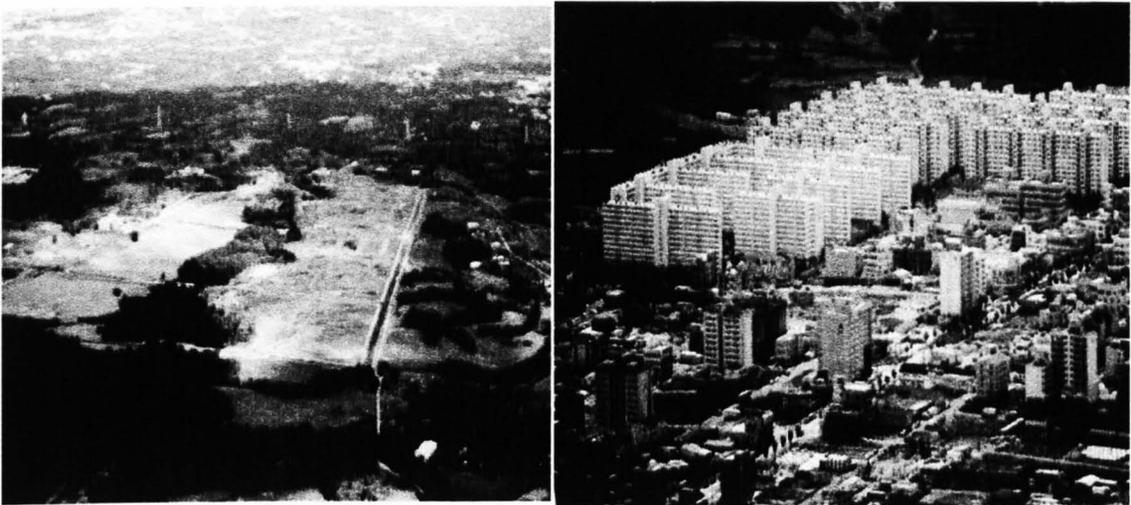


Figure 5.4 Aerial views on the Sci. Complex. Figure 5.5 Big-scale residential cluster complexes

Source: Kim (2011)

‘There must be some sorts of a trace from the past at a site even on meadows that are turned to the residential area such as paths, stone fences and old trees. When these are wiped out, and buildings are built, the beautiful landscape of Jeju disappears, and the prestigious city with the coexistence of the present and past cannot exist any longer.’

- LR 4

The second type is ‘Big Scale’ (Figure 5.5). A number of people have the obsession that they should build as much as possible at a large site. In particular, developers will develop as wide and high as possible in order to make profit as much as they can

from limited space. They prefer their maximised profit to the living environment and landscape of a city. This applies also to administrative agencies that are to place an order for public buildings.

‘At the moments, most of the capital for investment is speculative money. So they want to collect payment as quickly as they can.’

- *NGO2*

NGO2 mentioned that speculative money is big problem in Jeju Island. Realty speculation has been rampant from 1960's and Jeju Island's real estate boom was motivated largely by speculation. However, there were no anti-speculation steps from government, which encouraged speculation rather than real investment. As a result, most big development companies, and a speculator in real estate who had good relationship with government made a profit on the sale of real estate from land speculation illegally.

The third type is ‘Reclaim and Cover’ that covers dried-up stream and fills seas (Kim, 2011). The streams are covered to make parking lots, and the seas are reclaimed to provide residents with places to relax. Consequently the seas cannot be seen, and the streams are placed under the ground. A local government should consider the environment and landscape of a city before development.

The fourth type is ‘Unbalance’ that is caused by building new high-rise buildings and commercial buildings in the area for the residential district with the low density in the first place. It is not surprising to know that local residents distrust the construction and municipal administration.

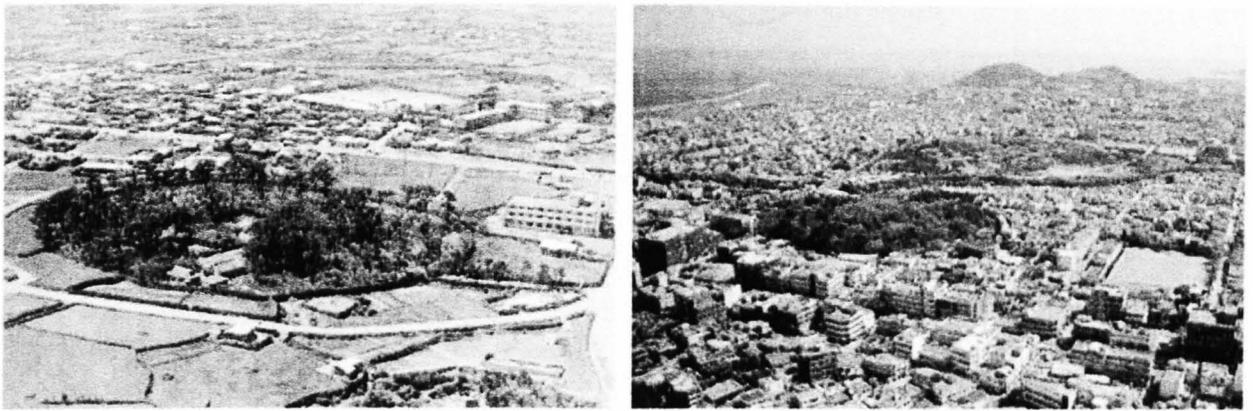


Figure 5.6 Change around Samseonghyeol (left: 1968, right: 1990s)

Source : Kim (2011), Jeju city (1994), 40-year urban planning history

### 5.4.3 SOCIAL AND ENVIRONMENT IMPACTS

Jenkins (1980) suggested that tourism in developed countries could be considered as a social activity with economic consequences; however, in developing countries it is largely an economic activity with social consequences. In Jeju Island, there is a growing awareness of increasing conflict between tourism and its physical and socio-cultural environment in terms of Islands. Jeju Island was just named as one of the provisional winners of the New 7 Wonders of Nature contest in 2011 and it comes as no surprise considering the picturesque volcanic lava rock scenery, ocean cliff views, and beautiful groves of tangerine trees that it was recently designated as Korea's first UNESCO World Heritage Site in 2007. Therefore, Jeju Island is especially vulnerable to ecological degradation. Whilst the government wants to develop it as a tourist destination, it must also take precautions to avoid unsustainable policies. However, there are different points of view regarding sustainable tourism in Jeju Island. Figure 5.7 shows that there are two contrasting points of view to the tourism development in Jeju Island. Local businesses, tourism development agencies and local landowning residents show positive perspectives to the tourism development:

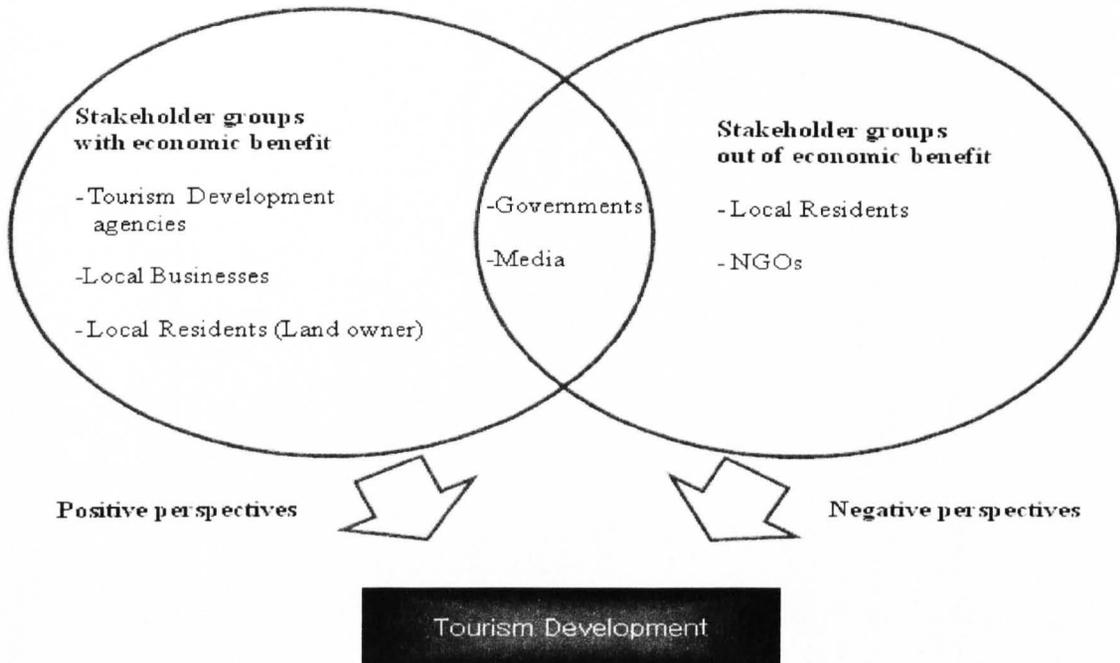


Figure 5.7 Stakeholder groups with economic benefit

A local government officer mentioned that there is no major negative impact from tourism development and thus the area still needs more development for the visitors.

‘One of the best benefits from tourism is economic benefit. If we can make money, I would build a big building at the top of the mountain Halla. There is no major negative impact.....according to NGOs in Jeju, they said tourism development destroyed the natural environment. But that is not true. Jeju-Do is not a small island but a huge island. So, do not worry about destroying the natural environment.’

-LG2

‘Tourism is another benefit for farmers. They can make extra money from tourism industry. If we build a lot of golf courses, most golfers like it because they have lots of choices to play golf.’

-LG1

However, interviewee NG2 strongly argued that there is no protection of the environment because of unsustainable tourism development.

‘...think about it, if Jeju Island had no tourism development at all, Jeju Island would be more famous for its perfect environment. However, tourism development ruined everything now.’

*-NGO2*

The economy and politics of South Korea exhibited the properties of a centralised system. Most of the power and resources had been concentrated in the government until the 1990s when reformation began. However, things changed after reinstatement of local autonomy.

‘...world has been changed, after a local self-governing system in 1990, the central government does not allocate a huge budget to the local government. That is why the local government want to stimulates private sector investment at the moment...’

*MDI*

Moreover, the local autonomy system changed tourism policy quite often and they made pork-barrel projects for elections. Of course, the local government will construct roads, perform town planning, develop residential land and build cultural facilities to meet their people’s demands when these are necessary. However, five leading projects from JDC increased to seven leading projects and three tourist sites increased three complex sites and twenty tourism sites.

‘Whenever a new government came, the tourism policy was changed. They have no Master plan and no philosophy for development. For example, JDC is the actual developer from the central government. At the beginning, JDC had five leading projects, however, after the new president of South Korea was elected, that projects have been changed to 7 leading projects.’

- *NGO3*

‘The government designated 3 complex sites and 20 tourism sites, however, the decision is being criticised for being bureaucratic and ineffective. The private investors requested other places to develop because they want make more profit from it. Therefore, developers want to change the plan such as a golf course instead of a museum. Also, developers want more and more cheap land.’

- *DA 2*

According to Tosun (2001), many other developing countries have got problems such as a high rate of unemployment, rapid growth of the working-age population, high rate of inflation and interest, an increasing rate of deficits in the current account of balance of payments and an increasing debt. Therefore, they will support whatever forms of tourism development are available to them, including those that are unsustainable. Tourism development in Jeju Island has been collapse of community. Smith and Eadington (1992) argued that tourism development creates ‘winners’ and ‘losers’ among local residents. Also, they mentioned that many of the ‘winners’ are outsiders especially in Third World. That is why local residents may feel that the economic benefits of tourism are outweighed by its social and cultural costs. Jeju Island (South Korea) is not a Third World country, yet suffers same problems. Most

residents in Jeju are proud of their community, as over the last twenty years many rural areas in South Korea have experienced dramatic change. Urbanisation has meant that it is hard to find a real community within South Korea.

‘Unproductive land with volcanic contents and limited nature resource of Jeju Island make us to share the resources and work together. Therefore, we organise the communal farm and share the benefits equally. This is the distinctive characteristic of Jeju Island and our community. Also, the young people have to respect and follow the old people without apposing their opinion.’

- LR 1

However, from the 1960s, Jeju Island has developed two big groups regarding economic benefit. Some stakeholder groups have received economic benefit from a tourism development, such as tourism development agencies, local businesses and local landowners. They support the development as it brings economic benefit.

‘...now we have no neighbourhoods anymore within the community. After the announcement of development within my village, there were two groups: the supporting group for development and the opposition group against development. That is tragedy....’

- LR 3

Also, local residents did not believe the impact of economic benefits, because most of local residents did not get any economic benefits directly expect land owners or local businessman who work at tourism industry.

...Also, there are two big problems in Jeju owing to tourism development. The major negative impact is imbalances of wealth. Only a developer and a few persons can make a huge economic benefit. On the other hand, most of residents can get nothing from tourism development. That is why most residents think tourism can't give any direct impact for local residents. Also, destroying the natural environment is a huge problem at the moment.'

- LR3

Moreover, during the tourism development, public meetings were held with a range of stakeholders, but the tourism development agency and the residents who support the project were the only attendees in the public meeting.

'Community members were divided into two groups, and they made their own organisations to create two sets of voices. One group was the landowners' council and the other was the residents' countermeasure council. The landowners' group worked toward individual compensation for land sales. The other group welcomed the development of the new resort because of overall community benefits.'

LR4

Subsequently, the logic and propositions of social exchange theory are generally acceptable as a theoretical framework for research on people's reactions to tourism and its development. Particularly, according to Jurowski *et al.* (1997), people will become involved in exchanges if: 1) the resulting rewards are valued; 2) the continued exchange is likely to produce valued rewards; and 3) perceived costs do not

exceed the perceived rewards (Skidmore, 1975). Thus, the basic principles and assumptions of social exchange theory were applied as the conceptual background in this study. Therefore, this study has demonstrated that people will act to maximise the benefits and minimise the costs in given situations and environments and also, people who perceive the benefits from tourism to be greater than the costs will be willing to participate in the exchange, and support tourism development.

One of the main economic concerns with tourism development is the leakage effect, which prevents host countries or communities from holding and retaining the gains from tourism. Mowforth and Munt (2003) define leakage as consisting of three elements: (1) leakage refers to the purchase of imported goods and services by tourists; (2) leakage covers the imports of goods and services by hotels and other tourism establishments; (3) leakage refers to the repatriation of profits by foreign owners of hotels and other services (Mowforth and Munt, 2003). International tourism in Jeju Island accounted for only 10% of total tourists in 2008, but there was different leakage in Jeju. According to media interviewee1, only a developer and a big company from a capital city can bring economic benefits at the moment. A local resident interviewee 2 said that:

‘...We are not poor. Most residents work at a farm or in the fishing industry. They can make enough money to live. I think no one believes that tourism in Jeju brings a lot of economic benefits. Only big companies from Seoul have got economic benefits. That is one of the big problems in Jeju Island at the moment and tourism became a tool for politicians’ benefit to show their achievements...’

*LR 2*

The tourism industry is characterised by a high degree of monopoly, which implies a concentration of services and profits into very few big transnational corporations. In many countries, tourism facilities mostly belong to foreigners, and as a result, a significant amount of foreign exchange revenue leaks from the destination countries (Lacy *et al.*, 2002). However, in case of Jeju Island, most tourists are national tourists. Therefore, there is no significant amount of foreign exchange revenue leaks from the destination countries, but there is different leakage than other countries experience. As stated previously, the 'Chaebol' are operating in many businesses via substantial debt accumulation, and this octopus-like approach has reached a state where the 'Chaebol' have become too big to manage effectively. It is urgent to preserve small, medium sized local businesses and family-owned micro enterprises. Under this system, economic benefits generated by tourism are retained by Jeju Island, rather than benefiting a single, big company or the 'Chaebol'.

According to Echtner (1995), in developing countries, the fundamental goals of tourism education should not only be concerned with improving the efficiency of the tourism sector, but also should address the need to improve living standards in the host community. He mentions that tourism education programmes consist of professional, vocational, and entrepreneurial training. The content of such programmes is highly practical, focusing on specific on-the-job tasks (Cooper and Westlake 1989:72). Such training is critical in order to effectively deliver the products and services required by the tourism industry. However, in most developing countries, there is a chronic shortage of trained local individuals, both on the front line and the supervisory levels (Hegarty, 1988). However, a local government officer

fervently argued that local residents and NGOs needed training for only to become 'kind' hosts.

'Also, if residents are ready to accept tourism development, pollution, litter, noise that kind of thing is not a big problem. So the government have to educate and train the residents as a kind host.....That is important to be developed by the government. Local residents have to trust the government's policy. The tourism development is not for the government but the residents. At the moment, residents show an attitude of indifference toward tourism development. Moreover, residents haven't got any ability to promote the tourist destination. They even have no money to invest in their village.'

- LG1

In terms of education, NGOs and local residents take a different stance to local government. They mention that local residents need educating not only to become kind hosts, but smart residents. According to a local resident:

'We have no idea....Should I sell a land or keep it? What should we do with the land...We have no good example to sell a land. Only thinking is sell a land to get money. If we have a alternative...we want a do something different way. But we have no idea...

That is why we need a training to be good residents...'

- LR4

As a result, the local residents are relegated to the most unskilled, and correspondingly lowest paying, positions. Therefore, vocational training is essential

for the employment and the advancement of local residents and for the prevention of unnecessary cultural frictions.

## **5.5 EIA FOR THE SUSTAINABLE TOURISM**

In terms of sustainable tourism development, there is a big gap between NGOs and local government officers' perspectives in the environmental conservation. Local government officers strongly believe that they are part of a good working system that benefits the environment in accordance with the EIA system.

...in terms of environmental conservation, we did our best to protect the environment...we have to follow the process of EIA which is really good system to protect the environment.

-LG 3

EIA is a procedure is used to assess the likely consequences of tourism projects. According to Harvey (1998: 2), EIA is defined as:

a process of identifying and predicting the potential environmental impacts of proposed actions, policies, programmes and projects, and communicating this information to decision makers before they make their decisions on the proposed actions

In other words, EIAs are undertaken to assess the likely consequences of initiatives so that decisions can be made concerning whether and in what form the initiative should

proceed. Therefore, EIA requires an ability to correct predict the impacts of tourism.

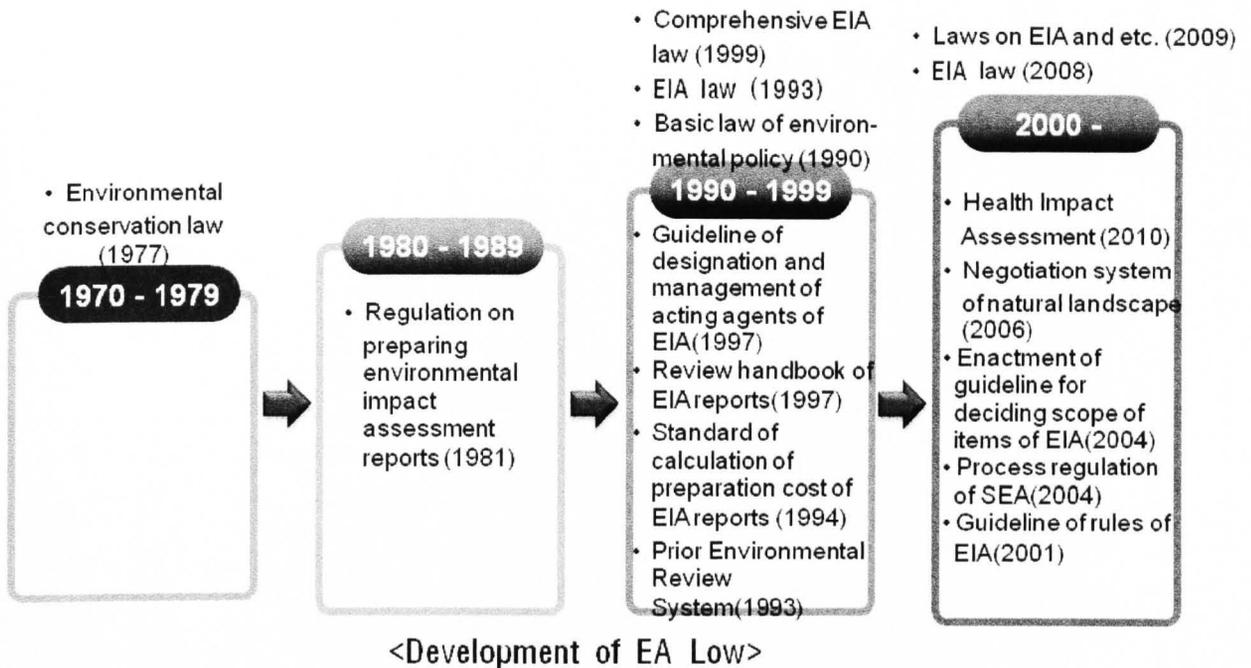


Figure 5.8 Development of EIA in South Korea

Source: www.kei.re.kr

South Korea formally adopted an EIA system in 1977, under the Environmental Conservation Act, and it began conducting EIAs in 1981 (Korea Environment Institute, 2002). The types of projects concerned included: urban development (housing, sewage treatment plants); industrial complexes; energy facilities (power plants, oil storage and distribution); the construction of ports, roads, railways, airports and dams; river development; and land reclamation. The scope was expanded in 1986 to cover tourism complexes and in 1990 to cover sport facilities, changes in mountainous areas (e.g. conversion of forest to grassland), creation of new districts and waste management facilities (e.g. landfills). The 1993 Environmental Impact Assessment Act designated seventeen categories and 64 types of development projects subject to EIA.

In Jeju Island, EIAs are legally required to provide a step in the approval process for new initiatives, and as such, they are undertaken to improve the quality of development and to protect the public interests. Werner (1992) pointed out that EIA could be useful both in analysing specific projects and as a tool at the planning and policy levels of development. However, Wang *et al.* (2003), argue that there are some problems when a country have a limited number of licensed EIA assessors, the licensed EIA assessors may favour the position of the developer in their assessment in order to success business on the developer's future projects. In this Wang *et al.*'s point of view, an interviewee from an NGO has same comments. He argued that even when there is an EIA and the local and national government have to follow set procedure, there have some problems:

'There has no sustainable tourism development ....Who made the EIA...answer is simple. All assessors are part of the government or someone who was designated by the government....that is why I (NGOs) never attend the EIA meeting.....whatever I (NGOs) attend or not, the conclusion of meeting is not changed. They (government) can get always what they want ...'

-NGOI

Mowforth and Munt (2009) mention that EIAs are not an exact science and can be manipulated like most other techniques. Moreover, Li (2008) argues that especially in developing countries, they often makes mistakes to consider impacts, alternatives and public participation whilst EIAs. In Jeju, the EIA system was introduced in environmental conservation law in 1977, and this system increased the demand on professional human resource. Therefore, EIA has been changed and increased by law

and become more refined. However, according to Wallance and Pierce (1996), the involvement of local stakeholders is necessary so that the suite of indicators for EIA can reflect both their aspirations and incorporate local knowledge. Many developing countries have top-down decision making systems and limited expertise in tourism planning. Therefore, the opportunity for local people to participate in decisions concerning tourist development may be minimal. Moreover, the EIA are influenced by such factors as political will and availability of resources (including the availability of expertise). Additionally, EIA is usually a requirement that is mandated by government in order to acquire permission to proceed with a development (Wall and Mathieson, 2006).

In short, EIA in South Korea is good method to improve the quality of tourism development and environmental conservation. The success and sustainability of EIAs depends upon local understanding, approval, and participation in all aspects. In other words, such lack of understanding of environmental issues and promoting sustainable development may be to the advantage of government authorities that wish to ensure successful project implementation. Moreover, consultations with all stakeholders especially government officers, affected communities, NGOs are necessary to ensure that EIA reports are accuracy. Therefore, the lack of public involvement has been attributed to the government-controlled process and remains the prerogative of government agencies and government appointed-committees. However, local resident and NGO participation are not only involved in the process of gathering information at the project planning stage, but also in project design and implementation. Therefore, planners should ensure that incentives for public participation are established.

## 5.6 CHAPTER SUMMARY

For a long time, development policies for Jeju Island primarily emanated from central government, with development strategies embodied in national development plans. It was only in 1991 when local assemblies were reinstated after a suspension in 1961, and in 1995 when local chief executives were locally elected, that local governments took on political decision-making powers though still with substantial central government control. Nowadays, the economy of Jeju Island largely depends on its agricultural and tourism industries. However, the World Trade Organisation required lower tariff barriers to open the country's markets more to imports, and as the agricultural sector experienced a steady decline over the years, tourism has been greatly relied on by the economy with Jeju Island emerging today as the most developed tourist destination in South Korea, through growth-oriented regional policies of the central government over the last thirty years (Choi, 2002).

By the re-enactment of the local autonomy system in South Korea, the political position of provincial governments altered drastically. Before the autonomy system, all the governors of the provinces were appointed by the central government. Accordingly, provincial governments in South Korea were the deputies who followed orders from the central government. However, things changed after re-instatement of local autonomy. Now South Korean provinces have to find their way between the central government and municipalities as mediators to develop the provincial economy with less funding for the central government. Also, the local autonomy system is anxious to produce 'visible' achievements over the term to ensure re-election. As such, the local governments try to find a way to address the economic challenge, and many consider tourism development as the best asset. According to

interviewee DA1, the local government want to ensure huge achievements, and that is why most development plans from development agencies are accepted and Jeju Island is under construction.

‘The current problem from development is we have done it too much and we should retain development space for the next generation.’

- DA1

Moreover, the local government mainly focused on economic growth with government-led policy and it caused unbalanced growth between large enterprises and small and medium enterprises, and unbalanced wealth distribution. In other words, one of the more obvious influences is the revenue tourists bring. How this revenue is attracted and the number of people who reap the benefits varies greatly. At one level, there are large-scale resorts owned and operated by remote corporations, where there is little or no economic impact on the community and people from the community are mostly offered low-skilled minimum wage jobs. In effect there are tourists, but no tourism industry (Hatton, 2001). At the other end of the spectrum there is a dynamic community based tourism industry, which is underpinned by community (local) participation in tourism, and involves a collection of local businesses that create and sell a variety of goods and services to visitors (Hatton, 2001). Such community-based tourism typically subscribes to a number of broadly defined goals. Perhaps most important, community based tourism is socially sustainable and respects local culture, heritage and traditions. This means that tourism activities are developed and operated by local community members, and certainly with their consent and support. The involvement of local communities in travel and tourism not only benefits the community and the environment, but also improves the

quality of the tourist experience (Newsome *et al.* 2002). Communities play an important role as the receivers of tourists (Lindberg 2001).

In terms of sustainable tourism development, local government in Jeju Island pointed out that EIA is an exercise to be carried out before any tourism development project or major activity is undertaken, and to ensure that it will not in any way harm the environment on a short term or long term basis. However, the success and sustainability of EIAs depends upon local understanding, approval, and participation in all aspects. Furthermore, EIA has limited itself to taking local residents' opinions into consideration merely in the decision process of assigning protected areas but never fully involving them in management of that area because the policies to encourage their participation have never been established in the designation of the EIA. As the case study of Jeju Island shows, the idea of obtaining local residents' full participation seems a very unrealistic ideal. The tourism and environment NGO's local post or local community-centred management system can be suggested as a solution. Therefore, the government's role would be to encourage NGOs and community into participating in and monitoring the EIA. In order for central policy to establish and become functional in the regional areas, it must first guarantee that it will actively act upon local community's ideas and concerns.

Moreover, adding environmentally-friendly development programmes into existing education programmes for policy makers, officers in national and local government, tourism operators, etc. is required. For example, tourism education in Korea is biased toward practical education of hotel staff, etc., therefore, adding an environment programme can raise awareness of conservation of biodiversity and the potentiality for development of ecotourism. The purpose of this sort of education is to understand

that biodiversity can be conserved by well-controlled development as well as by regulation and restriction. Interviewee NGO 1 denied economic impact for tourism development, pointing out that

‘...The main money-making is not tourism industry but land sales in Jeju island....’

- *NGOI*

Most of residents who own land have no idea what should they do with it, with most just selling to a developer. That is why vocational training to the local residents is needed. In the long-term, an educational institute should be established to take a role in publishing successful case studies for other communities to follow, as well as playing a straight education role. In addition, meetings should be organised and proposed for local people to meet professionals through public hearings, professional debates, workshops, and seminars.

# CHAPTER 6 STAKEHOLDERS: ALONE & TOGETHER

## 6.1 INTRODUCTION

In many Third World countries, a more appropriately planned tourism development process is needed which would both spread its costs and benefits more equitably and which would be more sensitive to its social and cultural impacts. This would not only reduce the need for local residents to trade quality of life and social costs for economic growth, but would also contribute to a more broadly based positive attitude toward tourism (Masfield, 1992). Brohman (1995) states that the success of a tourism development strategy ought not to be measured just in terms of increasing tourist numbers or revenues, but should also be assessed according to how it has been integrated into the broader development goals of existing local communities, as well as the ways in which tourism-related investments and revenues have been used to benefit those communities. Furthermore, tourism development not only changes the physical landscape of a destination, but also results in changes to the social life of the community (Kang *et al.*, 2008). According to the Goetz and Jenkins (2002), empowerment of people is a vital part of community involvement and participation. This is similar to a statement by the Brundtland Commission, which recognised that:

‘The law alone cannot enforce the common interest. It principally needs community knowledge and support, which entails greater public participation in decisions which affect the environment. This is best secured by decentralising the management of resources upon which local communities depend, and giving these communities an effective say over

the use of the resources. It will also require promoting citizens' initiatives, empowering people's organisations and strengthening local democracy'. (WCED, 1987:63).

Moreover, many residents want to protect their community from negative impacts from tourism development and often work to redirect tourism development to minimise such impacts (Gursoy, *et al.*, 2010). Rosenow and Pulsipher (1979) argued that there is some early insight into understanding the lost sense of a community's identity and change to traditional culture that accompanies a fast-paced tourism development. When local decision-making processes become overwhelmed by outside forces, residents' sense of community is vulnerable to change in ways beyond the control of local people and threatens the quality of life (Snepenger, O'Connell, and Snepenger 2001). Since the late 1980s when democracy was secured through a citizen's struggle, voluntary organisations have emerged and there has been environmental and social conflict between stakeholders. Furthermore, conflict can occur in the tourism development process from stakeholder groups with different interests and ideas about the cost and benefits of the development (Byrd *et al.*, 2008, Ioannides, 1995; Larson, 2002, Markwick, 2000). According to Carmin *et al.* (2003), community involvement can alleviate conflicts among stakeholders and for that reason, many policies and development initiatives require some form of participation.

Participation in tourism by different interest groups varies with differing groups' power, objectives, and expectations from community participation and this shapes their attitudes towards forms of community participation. The results suggest that whilst representatives of the private sector and respondents from central bodies are opposed to community participation in any form, local agencies support community

participation at general consultative level, but oppose community participation at a decisive level. The local agencies wish to share benefits of tourism development, but they also wish to retain the power to decide on how to share, and how much to share, with the local community. Therefore, this study focuses on building knowledge about stakeholder perceptions of tourism development by investigating among stakeholder groups in one destination. These perceptions, the actual and ideal level of participation level, will be evaluated in turn to help with developing a better tourism product and experience for all stakeholders.

This chapter sets out to evaluate the key stakeholders' role and perceptions toward the impacts of government-driven development and to identify discrepancies between the actual and ideal levels of key stakeholders' participation in sustainable tourism development in Jeju Island. The findings of the research are laid out as follows: first, there are different interests in Jeju tourism development among stakeholders and therefore, conflict occurred in the tourism development process between stakeholder groups with different interests and ideas about the cost and benefits of the development. In terms of key interests in Jeju tourism development among stakeholders, the government carries vested political interest, whilst tourism development agencies and local businesses focus on economic interests. In Jeju Island, locals' movements were in play against the central/local government plans as well. Secondly, most stakeholders agree that collaboration in Jeju Island is needed; however, there is currently no trust among stakeholders. According to Hall (2008), whilst trust is a future-oriented concept, it is based on past performance. Trust is one of the basic elements of understanding collaboration and conflict among stakeholders in the tourism planning process (Bramwell and Lane, 2000) and where trust is absent, cooperative or voluntary collective action is impossible, particularly in 'commons'

situations that rely on the ‘curbing of opportunistic impulses toward individual exploitation’ (Millar, 1996). In Jeju Island, collaboration among stakeholders is not easy to promote, as there is no prior experience of collaboration, no mediators among stakeholders, and no education system for collaboration. Third, in terms of stakeholder participation in Jeju Island, all stakeholders display different points of view that conflicts with that of local government. It is an aim of this research to identify and address discrepancies between the actual and ideal levels of key stakeholders’ participation in Jeju Island.

Therefore, this chapter recommends the expansion of the use of public consultation procedures and engagement of all interested groups early in the deliberations on public projects or major permitting decisions, as well as the use of educational communities, local government officers, and tourism development agencies regarding the collaboration in tourism planning and their right role for the sustainable tourism development.

## **6.2 COLLABORATION AND CONFLICTS IN JEJU TOURISM DEVELOPMENT**

### **6.2.1 Conflicts**

According to Kwon (2008), most tourism development plans for Jeju Island were prepared without paying attention to stakeholders’ expectations. Therefore, government or public sector driven tourism development as a tool of community development should preferentially understand stakeholders’ perceptions and attitudes towards the potential impact of tourism, to ensure sustainability in a specific

community (Andereck and Vogt, 2000; Sheldon and Abenoja, 2001). In addition, a clear understanding of the attitudes and interests of stakeholders is a necessary precursor to the management of sustainable tourism (Byrd *et al.*, 2008). Without stakeholder support in the community, it is nearly impossible to develop tourism in a sustainable manner (Andereck and Vogt, 2000; Andriotis, 2005; Ap, 1992; Gunn, 1994; Gursoy, Jurovski and Uysal, 2002). There are different interests in Jeju tourism development among stakeholders. Furthermore, conflict can occur in the tourism development process between stakeholder groups with different interests and ideas about the cost and benefits of the development (Byrd *et al.*, 2008, Ioannides, 1995; Larson, 2002, Markwick, 2000). According to interviewee NGO1:

‘A local government only need a statistical significant to show. Because a governor election is held every 4years and they need an achievement. They show how many visitors come to Jeju Island and how much money they spend.’

- *NGO1*

In developing countries, politicians are tempted to spend as much money as possible on their campaigns, often in excess of official campaign spending limits. According to Blechinger (2002), therefore, candidates need to demonstrate financial achievement to show his or her capabilities before re-election. Also, parties and candidates need money to print posters, brochures and leaflets, or to pay television and radio advertisements to make their message known to voters. They have to pay for staff and equipment to organise and run campaigns and to finance campaign-related travel of candidates and party leaders. Therefore, campaign finance is an important issue in political competition. In their struggle to win, parties and

individual candidates often try to outspend each other, and under financial pressure, both candidates and party leaders might be willing to accept payoffs or illegal donations offered by wealthy donors in exchange for promises of future favours (Blechinger, 2002). In Jeju, whenever the governor election there was heated political competition for governors, which were described by informants working for an NGO and tourism development agency:

‘After starting the local autonomy system, local governor only shows something visible achievement such as number of tourists, number of investment. There has no philosophy and master plan for the tourism development, if developer want to invest to certain area, most of request will be approved by local government. Corruption is a major problem for Jeju Island. That is why developer has a good relationship with local government. They are having a close relationship between political and business circle. For example, a developer supports the government and government give them a special treatment. That is why after governor election, normally, governor announced lots of development plans under name of tourism development for Jeju Island.’

- *NGO2*

According to Transparency International, South Korea ranked 45<sup>th</sup> in corruption index in 2012 (Transparency International, 2012). That is why many people count the cost of corruption in terms of slush funds, abusive business practices, illegal contributions, and needless policies to the public: that arising from the loss of public trust and the desensitisation to justice that corruption brings on.

A development agency agreed with NGO2's interview. Interviewee DA3 pointed out that there are some problems within governor election issues and a solution should be sought to escape from the vicious cycle of politician and developer.

'We have to improve the regional political structure. During the governor election, the candidate needs money and a building contractor supports the election. That is why after the governor election, governor announced development plan and lots of tourism development will be under construction....Yes...I agree...that is problem...but we used to do it....that is kind of tradition...I am a developer but for the future...we have to change this tradition.....Well...to be honest, I am a business person, so making an economic benefit is my goal. However, think about it, if I support the governor election by financial supporting that means I want to pay back my money as soon as possible through the development also, I am going to ask some illegal way during the development process to save time and money.'

- DA3

However, it was hard to secure an interview with a governor, and all other local government officers offered points of view that directly contradicted other stakeholders:

'...who said that.....so we just support to developer because they support the governor's election? It is not possible doing that....That is not true...think about it, Jeju residents have no money to develop their community. That is why we try to find some investors to invest their community. As you know, we don't need a communal farm anymore in the community, so if investor wants make a golf course in that communal farm.

We have to say thank you to choose my village because of the positive impacts such as employments, compensation for the land. I [ a government officer] try to approve most of development plan at the moment. We [government officers] work really hard for local residents' benefits.'

*LGI*

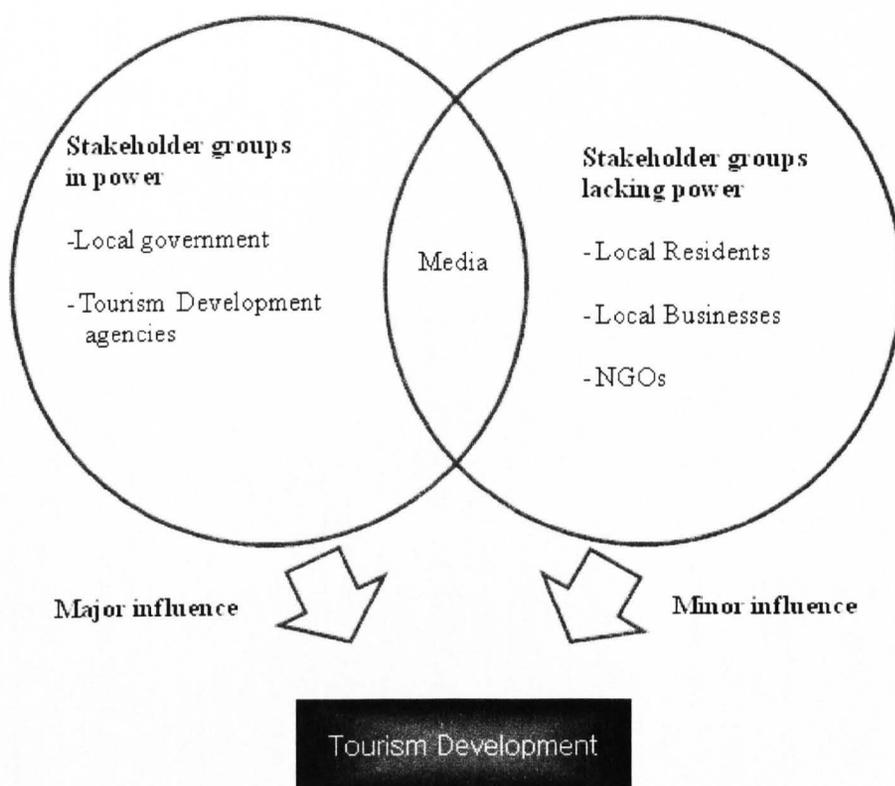


Figure 6.1 Stakeholders' influence in Tourism development

Figure 6.1 shows that there are two main groups regarding stakeholders' influence in tourism development. The 'stakeholder groups lacking power' circle comprises local residents, local businesses, and NGOs. The 'stakeholder groups in power' circle includes local government and tourism development agencies. Moreover, both the local government and tourism development agencies support each other because they have different, yet complimentary, interests in Jeju tourism development (political and economic respectively), and have thus developed a strong working relationship. Hence, the tourism development agencies support local government development

plans, as well as turning a blind eye to illicit funds, whilst the local government offers ‘special privileges’ to the tourism development agencies such as tax redemption, boundless expansion of capacity, charging excessively high prices, and so on.

Table 6.1 Key interests in Jeju Tourism Development among stakeholders

Stakeholders	Key interests in Jeju Tourism development
Governments	Political interests
Tourism development Agencies	Economic Interests
Residents	Economic Interests / Community Participation / Environment Issues
NGOs	Participation / Environment Issues / Political interests
Local Business	Economic Interests
Media	Political interests / Community Participation / Environment Issues

Source: Summarised by Author

If all stakeholders have equal power, they easily make a collaboration process, however, there are different two groups according to their power in reality. Therefore, collaboration in practice can be limited. As stated before, conflict can occur in the tourism development process between stakeholder groups with different interests, power and ideas about the cost and benefits of the development (Byrd *et al.*, 2008; Ioannides, 1995; Larson, 2002; Markwick, 2000). As Millar and Aiken (1995) mention:

‘Conflict is a normal consequence of human interaction in periods of change, the product of a situation where the gain or a new use by one party is felt to involve a sacrifice or changes by others. It can be an opportunity for creative problem solving, but if it is not managed properly conflict can divide a community and throw it into turmoil.’

Millar and Aiken (1995: 620)

## 6.2.2 Locals' Movement

In Jeju Island, locals' movements were in play against the central and local government plans (Choi, 2002; Kwon, 2008). The target of collective action is often directed at eliminating an external threat or reducing the negative impacts on a community's way of life (Hwang *et al.*, 2011). When community-based action demonstrates effective negotiation, a community is usually left stronger and more capable of addressing future development threats and opportunities (Pretty and Ward 2001). However, an interviewee (government officer) offered a different point of view. The interviewee said that when NGOs and residents of communities want something from tourism development that is when they demonstrate collective action.

'...nowadays, they (NGOs) want to be a member of a provincial assembly. Moreover, local residents request money before development in the name of compensation for environmental destruction...I...think that is problem at the moments.'

*LG2*

However, NGOs point out that the reason that they demonstrate collective action is to prevent the negative impacts for the community that is only thing they can do it now. Because, a local government and tourism development agencies are supporting each other and they should be empowered not only regally but also financially. An interviewee from NGOs, argues that

'Compare to a local government and development agencies, we have no power to fight with them. Our last choice is demonstrate collective action.

Yes...sometimes, I would like to be a member of provincial assembly to get a power but please do not confuse a means with a purpose. Please do not mix up a means and a purpose. To be a member of provincial assembly is not my purpose'

NGO4

'Local residents already know If their community have a golf course, local residents can work as a temporary job. For example, at Gang Jung village, they have been demonstrated for the tourism development more than 3 years so far. That is show that they did not want to get more compensation for tourism development but consideration of their community.'

- NGO1

'...We have no choice. If we sell our land to the development agency, we can get money from it. But that is it. There is no sustainability...We learnt from other communities....That is why we are keep asking for the development plan and future plan for the our community to the developer....'

-LR 4

In terms of collaboration, most stakeholders agreed that collaboration in Jeju Island is needed. However, with such an obvious lack of trust existing between stakeholders, there are evident problems. Trust is one of the basic elements of understanding collaboration and conflict among stakeholders in the tourism planning process (Bramwell and Lane, 2000) and where trust is absent, cooperative or voluntary collective action is impossible, particularly in 'commons' situations that rely on the 'curbing of opportunistic impulses toward individual exploitation' (Millar, 1996).

‘It is only a short time since democracy became powerful in this country. Therefore, when government made a decision through democracy as procedure, they (communities and NGOs) have to accept government’s opinion. However, community requests money by reason of compensation not economic benefit but environmental damage and ruined local culture.’

- *LGI*

Similar to the NGO arguments, the military government (formed by military coup in 1968) planned the ropeway on Mt. Halla, with the aim of making the island a favourite tourist destination like Hawaii of the United States. However, the plan was left out because of other priorities and has existed as a potential plan for 40 years. The first plan was planned in 1990 by central government to prevent damage from hiking people but local communities and NGOs reacted strongly against the plan. But, in 2003, local governor decided to build the ropeway again. After that, when the newly governor elected, the governor mentioned the necessity of the ropeway again. Finally, in 2010, a newly elected governor declared not to construct the ropeway. According to an interviewee from NGOs, he state that

‘It was such a long story...We (NGOs, local residents) has to fight our own local government and central government to save the Mt. Halla. We reacted strongly against the plan to protect the Mt. Halla, Finally, we did it’

NGO2

The issue of the ropeway construction became a main controversy and its development continued as follows:

Table 6.2 The issue of the ropeway construction on Mt. Halla

Year	Issues
1990	Jeju government considered the ropeway construction to prevent damage to the environment due to the increase of hiking people
2000	The ropeway construction to revitalise the local economy as tourism resources caused harsh controversy in the local community. In particular, the tourism association and chamber of commerce asserted its necessity. However, NGOs and local media reacted strongly against the plan that would destruct the environment.
2001	The national government formed a review committee composed of 12 members from the environment agency, Buddhist organisation, academic circle, NGOs, economic organisation, tourism organisation, national park service, and local government. The committee reviewed the issue in relations to needs for protecting the Mt. Halla National Park, and decided to build the ropeway
2002	The national government referred the feasibility study to the national disaster institute and private company, they submitted a report of the ropeway construction with directions and methodology to minimise damage to the environment. At that time, only the environment conservation was the main issue, but the scenery and landscape of the environment was not significantly considered. NGOs and movements about the landscape were not strong enough.
2003	Jeju provincial government decided to construct the ropeway with the permission from the environment agency of the central government
2004	There were strong protests of NGOs and change of the stand of the central government due to unique geology of Jeju and its regulations; thus, the local government paused the discussion on the construction. At the end of year 2004, however, the newly elected governor mentioned the necessity of the ropeway and caused the controversy again. The committee got on it session again, and survey was conducted, but it faced difficulty of enhanced policy of the ropeway construction in a national park in December.
2005	A task force was established to review the construction from scratch and decided not to construct the ropeway. The governor who was reported by the task force agreed to the decision.
2008	A new controversy occurred when the controls of the central government on the ropeway construction were loosened.
2009	Unlike the existing committee, a new review committee was established with 15 members from economic, environment and societal field. The new committee reviewed the issue again and advised not to construct the ropeway due to several reasons including especially the landscape and scenery problem.
2010	In June, a newly elected governor declared not to construct the ropeway.

Source: Kim (2011)

The cause of the problems was created by development based on the economic logic with less regard for the local environment. There have been attempts to apply development logic to areas of natural scenic landscape including the recent ropeway

construction controversy on Mt Halla. The Jeju province should also apply the philosophy of ‘Conservation First and Development Afterward’ to large-scale development projects of the road construction and civil engineering works.

‘Jeju has lost a plenty of significant features under the name of development logic such as its beautiful shoreline obstructed by construction of coastal roads, magnificent scenic landscape blocked by commercial buildings and more.’

NGO 3

Moreover, there is conflict between central government and local government as well. According to Lee *et al.* (2000), problems arise when the central government is in conflict with the local government in applying the laws to land use.

Table 6.3 Development plans and locals’ anti-movement

Year	Plan	Locals’ Claim	Remarks
1987-1991	Reclamation of public ocean surface in Tap-Dong, Jeju City	Compensation for the damages in co-operative fishing ground	-Donation of scholarship fund and constructed structures in Jeju City
1990-1991	Jeju Special Development Law	-Facilitating tourism development with no equivalent local concerns -Profits for large outer investors rather than locals	-Passed putting local well-being at the front -Other revisions such as participation of locals in development were cosmetic
1999-2000	Tourism Development in Songak Mountain	-Lopsided local and provincial governments’ support to developers	-Defective investor, plan cancelled growth-oriented local governments
2006-	Naval Base Establishment	-Local division between proponents vs. opponents -Local sacrifice for the central government need	-Adding private function to the military port -Proceeding with investment for Local

Source: Kwon, 2008.

Jeju island has been designated as a land deal permit area by the central government in order to prevent investment, which means that when buying and selling land in Jeju Island one must get a permit. This is a typical example of the central government's control over the local government. Therefore, from the point of local government, they are in conflict with central government. Also, some residents and environmentalists in Jeju Island are concerned about the damage to the island's scenery and disturbance to its serenity, for example the waterfront project of Sweogwipo city and Mt. Halla cable-car installation. This is part of the larger issue of environmental conservation versus tourism development. Environmental damage is one of the major problems weakening the identity of Jeju, and many stakeholders want tourism to minimise the impacts on the environment and place emphasis on ecological sustainability. The early locals' movements were asking for compensation in small local communities for the damages from the development projects including public ocean reclamation and golf course construction.

'I totally agreed that we need more tourism development for tourists in Jeju Island. I think we need a cable-car and casinos for tourists. The local government try to make more facilities to spend money for tourists. However, I really worried about large shopping centre. If large shopping centre is opened that means I have to give up my business....The government supports a small shop like my business.'

*-LB 2*

### **6.2.3 Benefits of Collaboration In Tourism Planning**

Cooperation and collaboration are major issues in the tourism-planning arena, and are linked to the idea of sustainable tourism development (Bramwell and Lane, 1999; Hall, 1999; Timothy, 1999). Also, Goymen (2000), pointed out that national tourism ministries are looking for new ways to facilitate collaboration among the related ministries and to work in partnership with a wide range of actors, including NGOs, the private sector, and professional and voluntary or community groups to implement strategic tourism initiatives. Collaborative tourism planning has been identified by several tourism researchers as a process which has the potential to establish more comprehensive tourism planning, involving a broad range of stakeholders (Bramwell and Lane, 2000; Ritchie, 1999; Ritchie, 2000; Ruhanen and Cooper, 2005). Bramwell and Lane (Ibid) argue that collaborative approaches to tourism planning have the potential to further the core values of sustainable development on four fronts: 1) Greater consideration for the varied natural, built and human resources within communities; 2) The involvement of stakeholders from a variety of fields and interests may promote more integrative and holistic approaches to policy development; 3) The multi-stakeholder approach should raise awareness of tourism impacts for all stakeholders and may lead to a more equitable distribution of costs and benefits; and 4) The participation of stakeholders in policy making could further democratise decision-making, empower participants and lead to capacity building and skills acquisition among participants and those whom they represent.

As shown in Table 6.4 there are some potential benefits of collaboration in tourism planning.

Table 6.4 Potential benefits of collaboration in tourism planning

**Potential benefits of collaboration in tourism planning**

- There may be involvement by a range of stakeholders, all of whom are affected by the multiple issues of tourism development and may be well placed to introduce change and improvement.
- Decision-making power and control may diffuse to the multiple stakeholders that are affected by the issues, which is favourable for democracy.
- The involvement of several stakeholders may increase the social acceptance of policies, so that implementation and enforcement may be easier to effect.
- More constructive and less adversarial attitudes might result in consequence of working together.
- The parties who are directly affected by the issues may bring their knowledge, attitudes and other capacities to the policy-making process.
- A creative synergy may result from working together, perhaps leading to greater innovation and effectiveness.
- Partnership can promote learning about the work, skills and potential of the other partners, and also develop the group interaction and negotiating skills that help to make partnerships successful.
- Parties involved in policy-making may have a greater commitment to putting the resulting policies into practise.
- There may be improved coordination of the policies and related actions of the multiple stakeholders.
- There may be greater consideration of the diverse economic, environmental and social issues that affect the sustainable development of resources.
- There may be greater recognition of the importance of non-economic issues and interests if they are included in the collaborative framework, and this may strengthen the range of tourism products available.
- There may be a pooling of the resources of stakeholders, which might lead to their more effective use.
- When multiple stakeholders are engaged in decision-making the resulting policies may be more flexible and also more sensitive to local circumstances and to changing conditions.
- Non-tourism activities may be encouraged, leading to a broadening of the economic, employment and societal base of a given community of region.

Source: Adapted from Bramwell and Lane, 2000

Collaboration in tourism is often seen in the context of community-based tourism and community integration and participation (Murphy, 1988; Simmons, 1994; Taylor, 1995; Tosun, 2000; Mitchell and Reid, 2001) or in relation to sustainable tourism (Bramwell and Lane, 1999; Selin, 1999; Hall, 2000). Jamal and Getz (1995) define collaboration as a process of joint decision making among autonomous, key stakeholders of an inter-organisational domain to manage issues related to the

planning and development of the domain. Bramwell and Lane (2000) define collaborative tourism planning as face-to-face interactions between stakeholders who have a vested interest in tourism, which has the potential to lead to discussion, negotiation and the creation of mutually acceptable proposals regarding how tourism should be developed within a community. However, in Jeju Island, collaboration among stakeholder is not easy encouraged. There are several reasons such as the lack of trust among stakeholders, the lack of experience for collaboration, the lack of mediators among stakeholders, the lack of an education system for collaboration, and the reluctance of governments and Tourism development agency to share power.

‘Public Private Partnership and governance is new to us. We have no idea how to do it. I think that it will require a lot of time, patience and sincere efforts to clear away mistrust, as it has accumulated through a long-standing confrontational relationship, between private and public. I think that is not easy.’

*NGO 1*

According to NGO and community interviews, it appears that there has been no chance to participate in the development process. However, a local officer points out that:

‘.... nowadays, all planning of development are opened. So there is lots of change to participate the development process. There is no control system for other stakeholders’ participation in tourism development process. If government make a plan, all other stakeholders have to trust the government. However, local residents showed an attitude of indifference toward tourism

development. NGOs are always said NO. I think that is problem. However, we try to listening NGOs voice.'

*LG 4*

#### **6.2.4 Problems of Collaboration in Tourism Planning**

Despite the potential for collaborative tourism planning to enhance tourism development, even staunch proponents concede that there are several significant obstacles to successful development and implementation (Bramwell and Lane, 2000; Haywood, 2000; Ritchie, 1999, 2000). Haywood (2000) outlines several institutional and systemic obstacles to effective community involvement in the tourism planning process: 1) Tourism planning often falls under the control of multiple levels of government and destination marketing organisations which all share an interest in the destination, yet often have differences in goals and objectives; 2) In many communities comprehensive tourism planning is either absent or ad hoc; 3) Public participation can be viewed as unnecessary, cumbersome, time consuming, and an idealistic dream by developers, businesses, and governments; 4) Concern may exist over adding another complex layer to the planning process and the time, money, and added bureaucracy involved; 5) Worry about the impact of added regulations which may add to the cost of doing business; and 6) The problem of establishing a buy-in from political leaders, who ultimately control the level of community involvement in the planning process. As shown in Table 6.5 there are some potential problems of collaboration in tourism planning.

Table 6.5 Potential problems of collaboration in tourism planning.

**Potential Problems of collaboration and partnerships in tourism planning**

- In some places and for some issues there may be only a limited tradition of stakeholders participating in policy-making.
- A partnership may be set up simply as 'window dressing' to avoid tackling real problems head on with all interests
- Healthy conflict may be stifled.
- Collaborative efforts may be under-resourced in relation to requirements for additional staff time, leadership and administrative resources.
- Actors may not be disposed to reduce their own power or to work together with unfamiliar partners or previous adversaries.
- Those stakeholders with less power may be excluded from the process of collaborative working or may have less influence on the process.
- Power within collaborative arrangements could pass to groups or individuals with more effective political skills.
- Some key parties may be uninterested or inactive in working with others, sometimes because they decide to rely on others to produce the benefits resulting from a partnership.
- Some partners might coerce others by threatening to leave the partnership in order to press their own case.
- The involvement of democratically elected government in collaborative working and consensus building may compromise its ability to protect the 'public interest'.
- Accountability to various constituencies may become blurred as the greater institutional complexity of collaboration can obscure who is accountable to whom and for what.
- Collaboration may increase uncertainty about the future as the policies developed by multiple stakeholders are more difficult to predict than those developed by a central authority.
- The vested interests and established practices of the multiple stakeholders involved in collaborative working may block innovation.
- The need to develop consensus, and the need to disclose new ideas in advance of their introduction, might discourage entrepreneurial development.
- Involving a range of stakeholders in policy-making may be costly and time-consuming.
- The complexity of engaging diverse stakeholders in policy-making makes it difficult to involve them all equally.
- There may be fragmentation in decision-making and reduced control over implementation.
- The power of some partnerships may be too great, leading to the creation of cartels.
- Some collaborative arrangements may outlive their usefulness, with their bureaucracies seeking to extend their lives unreasonably.

Source: Bramwell and Lane, 2000: 9

However, Jamal and Getz (1995) argued that it is still possible to facilitate the collaboration process in difficult situations by the mediation of a suitable convener,

such as a local authority or a local government. However, local governments often favour the conventional power holders or local elite when there are conflicts among stakeholders. Moreover, local governments historically have used their political influence to emphasise economic growth (Hollinshead, 1990; Herremans and Welsh, 1999). Therefore, whilst collaboration may be very useful mechanism in achieving community-based tourism development, it is difficult for collaboration to happen in reality when there is power imbalance among stakeholders. It is more likely that the collaboration process will be stuck at early stages unless stakeholder power is carefully considered and addressed.

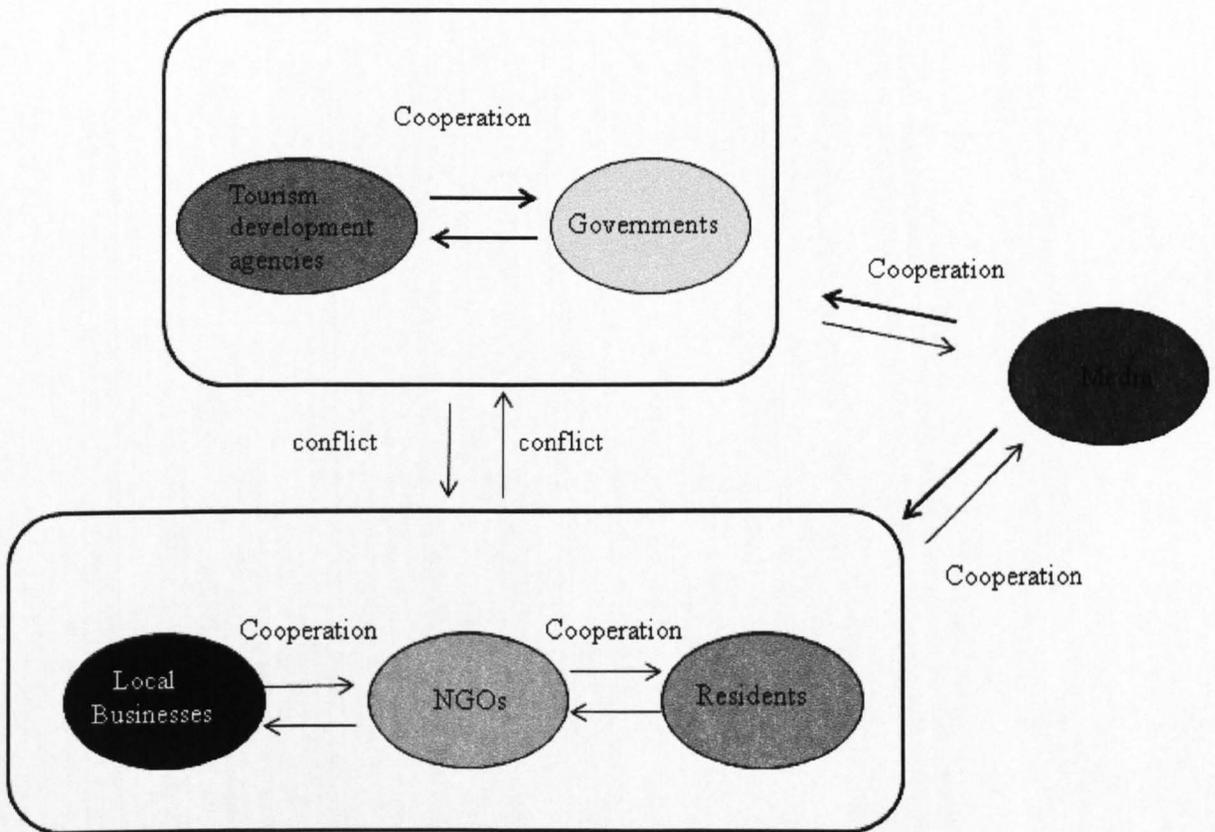


Figure 6.2 Cooperation and conflict among Stakeholders  
Source: Authors field work

Figure 6.2 shows cooperation and conflict among stakeholders. There are two power groups for tourism development in Jeju Island. Local government and tourism

development agencies hold power with legitimate stakeholders because they are directly influencing to tourism development. It is true that local residents, local businesses and NGOs hold little relative power in these circumstances.

Millar and Aiken (1995) highlight conditions for resolving an interest-based conflict: the parties to the conflict identify themselves and are represented; all parties can agree on the 'facts'; there is an urgent need for all parties to arrive at an agreement; the parties want to resolve the matter as soon as possible; all parties are willing to be flexible; all parties can be certain that the other parties will abide by the agreement once it is defined.

Table 6.6 Barriers and problems of partnerships

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<b>Probable barriers and problems appearing within partnerships</b>
<i>Issues related with commitment (in terms of time and resources)</i>
-Lack of commitment
- Resources can be wasted in staff and administration
-Accountability may become blurred as the institutional complexity increases
- Some collaborative arrangements may outlive their usefulness, with their bureaucracies seeking to extend their lives unreasonably (commitment to the resources, not to the partnership aim)
<i>Issues related to public-private differences</i>
-Public and private sectors may be unable to move at the same speed
-There can be irreconcilable social, environmental and economic interests
-Partnership can be a window dressing to avoid treating real problems head on with all interests
-Partnerships between public and private sector may compromise public sector ability to protect the 'public interest'
-There may be fragmentation in decision-making and reduced control over implementation

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Source: adapted from Bramwell and Lane, 2000; Gray and Hay, 1986, in Jamal and Getz, 1995; Becker, 1987; Gray, 1989; Brown, 1991; Turner, 1992

However, Hall (2008) argues that such an approach will work best in relation to a single project, issue or small site; the more complex the conflict becomes, the less

chance there will be for resolving conflicts based on interests. Also, he mentions that the likelihood of interest-based approaches being successful can be expected to fall as the number of stakeholders increases; the size of social groups increases; the membership of social groups becomes more unstable; stakeholders become more geographically dispersed; or the diversity of participants increases. When these limits are reached then government actions and interventions become the order of the day, particularly as government usually seeks to minimise conflict and encourage consensus. However, the institutional arrangements of government, particularly at higher levels, may be at odds with conflicts resolution at the community level. Smith (1992) recommended that decision-making processes be structured around four principles:

1. Real and regular consultation, which seeks to be inclusive of all stakeholders and that begins early in any decision-making process;
2. Development of a common information base;
3. Action plans that also involve multiple stakeholders- whilst more costly in terms of time and often money, savings can be gained in the longer term as parties to any agreement reduce the cost of regulation. Action plans should also seek to encourage ongoing dialogue in order to encourage further cooperation and anticipate difficulties in implementation and/or possible future potential conflict;
4. The use of a variety of effective mechanisms including mediation and zoning.

Gray (1989) defines collaboration as an emergent process composed of three steps as follows: (1) problem-setting - identifying key stakeholders and issues, (2) direction-setting - sharing future collaborative interpretations; appreciating a common sense of purpose, (3) structuring/implementation - institutionalising the shared meanings which emerge as the domain develops (McCann, 1983; Gray, 1985). The whole

process of collaboration takes the form of an evolutionary model (Figure 6.3).

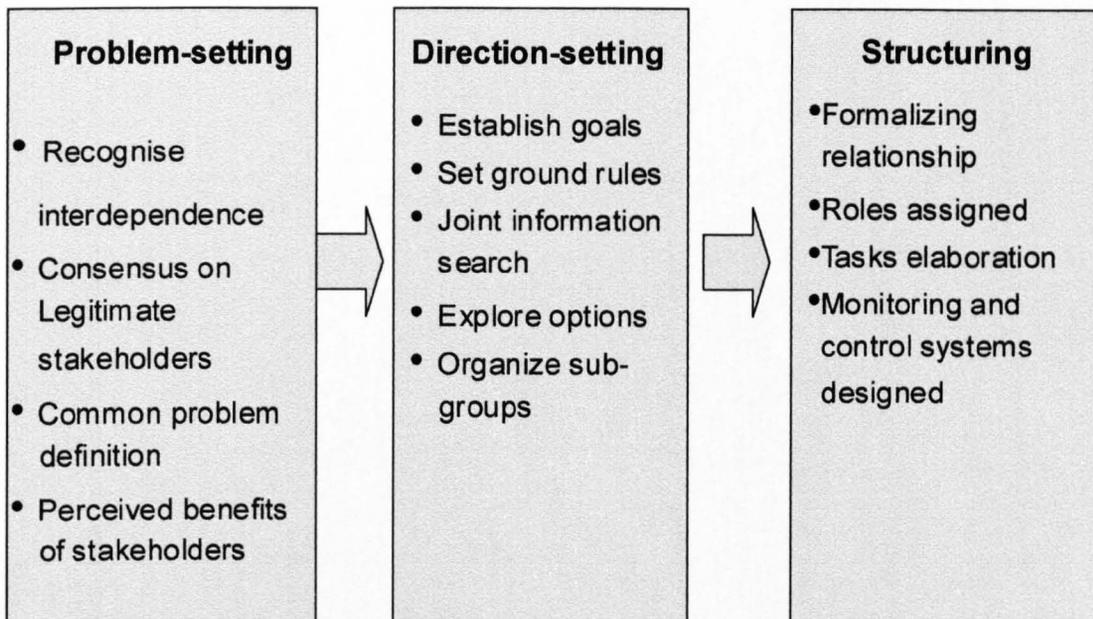


Figure 6.3 Stages of collaboration process (Selin and Chavez, 1995).

As seen in the diagram of the collaboration process, it is not an easy and short-term task, but rather may be a time-consuming and difficult process. It can be justified because collaboration can maximise mutual benefits to stakeholders, and avoid costs of resolving conflicts in the long term (Gray, 1989; Healey, 1998); however, achieving collaboration may be very difficult in reality, especially when stakeholders have differences in perspectives and values regarding matters involving them (Hall, 2000). For this reason, the use of a mediator is often recommended to assist in solving disputes and conflicts, as is the use of a convener to guide and facilitate the process (Gray, 1985; Brown, 1991). As collaboration theory has gained prominence, it has attracted the attention of researchers from a number of disciplinary perspectives seeking solutions to various problems.

## **6.3 STAKEHOLDERS PARTICIPATION AND ROLE OF STAKEHOLDERS**

‘The planning, development and operation of tourism should be cross-sectional and integrated, involving various government departments, public and private sector companies, community groups and experts, thus providing the widest possible safeguards for success’

Wahab and Pigram (1998: 283)

### **6.3.1 Stakeholders Participation**

Tourism development in any destination requires appropriate participation of all stakeholders, particularly local residents’ involvement in decision-making of the tourism development process (Theobald, 2005). Also, Timothy (1998) states that participation in tourism planning by many stakeholders can help to promote sustainable development by increasing efficiency, equity and harmony. Community participation is a central element in sustainable tourism development and the host community should be dynamically involved in tourism planning and should possibly manage the local tourism industry and its activities (Swarbrooke, 1999). Also, Hall (2000) pointed out that community participation has been debated for several reasons. Firstly, local involvement in development processes is likely to assist the formulation of more appropriate decisions and to generate an increase in local motivation. Secondly, support for environmental conservation and protection measures is likely to be greater. Thirdly, as a service industry, tourism requires the goodwill and co-

operation of host communities (Simmons, 1994). Finally, visitor satisfaction is likely to be greater where ‘hosts’ support and take pride in their tourism (Hall, 1999).

In terms of participation levels, Arnstein (1969) has approached this in terms of a ladder or typology of citizen participation including eight levels, which are classified in turn among three categories relative to authentic citizen participation called Arnstein’s Ladder of Citizen Participation. Under this typology, participation is divided onto three categories: ‘Non-participation’, ‘Degrees of Tokenism’ and ‘Degrees of Citizen Power’. Non-participation describes initiatives that on the surface seem to be a form of public participation.

Table 6.7 Typologies of participation in the Tourism development process

7	Self-mobilisation		8	Citizen Control	Degrees of Citizen Power	→	<b>Spontaneous Participation</b> Bottom-up; active par.; direct participation; par. in decision making, authentic participation; self planning;
6	Interactive Participation	←	7	Delegated Power			
			6	Partnership			
5	Functional Participation	←	5	Placation	Degrees of Citizen Tokenism	→	<b>Induced Participation</b> Top-down; passive; formal; mostly indirect; degree of tokenism, manipulation; pseudo-participation; participation in implementation and sharing benefits; choice between proposed alternatives and feedback
4	Participation for material Incentives		4	Consultation			
3	Participation by consultation	3	Informing				
2	Passive Participation	←	2	Therapy	Non-Participation	→	<b>Coercive Participation</b> Top-down, passive; mostly indirect, formal; participation in implementation, but not necessarily sharing benefits; choice between proposed limited alternatives or no choice; paternalism, non-participation, high degree of tokenism and manipulation.
1	Manipulative Participation		1	Manipulation			
Pretty’s (1995) typology of Participation		Arnstein’s (1971) typology of community participation				Tosun’s (1999) typology of community participation	

Source: Adapted from Tosun (2006)

The actual purpose of this type of participation is for planners to explain their independent decisions to the stakeholders who had no input. The next category is

Degrees of Tokenism. Degrees of Tokenism are forms of participation in which stakeholders were allowed to voice their interests but have no power to influence the decisions that were being made. The final category is Degrees of Citizen Power. Involvement of this type gives the stakeholders the ability not only to voice their interests but also to influence directly the decisions being made (Arnstein, 1969).

Pretty's model describes stakeholders' participation at seven levels that run from passive participation to self mobilisation. Each level allows for differing degrees of external involvement and local control, and reflects the power relationships between them. Further, Tosun (1999) developed a typology of community participation specifically for tourism. He classifies types of community participation under three main headings, divided further into subheadings: spontaneous community participation; coercive community participation; and induced community participation. Coercive participation represents lowest rungs of the ladder, manipulation and therapy, in Arnstein's typology, and passive and manipulative participation in Pretty's typology. Induced participation corresponds to degree of citizen tokenism in Arnstein's typology, and functional participation with participation by consultation or participation for material incentives as described in Pretty's model. Spontaneous participation in Tosun's model corresponds to degrees of citizen power in Arnstein's typology, and to self-mobilisation and interactive participation in Pretty's model. These typologies may be a useful tool to identify the spectrum of stakeholders' participation in this research from the more common passive, manipulative or token forms towards those, which are more authentic and interactive.

In terms of stakeholders' participation in Jeju Island, all other stakeholders have got a different perspective to that of the local government. To identify discrepancies between the actual and ideal levels of key stakeholders' participation in Jeju Island, Pretty's (1995) typology of Participation has been used for measuring the participation level. The specific typology of participation is below:

Table 6.8 A Typology of participation

1	Passive Participation	Participation does not take the responses of the participants into consideration and where the outcome is predetermined. Information shared belongs only to external institutions.
2	Participation in Information Giving	People give answers to questions where they do not have the opportunity to influence the context of the interview and often the findings are not shared.
3	Participation by Consultation	People are consulted and their views are taken into account. However, it does not involve their decision-making.
4	Participation for material incentives	Participation involves people taking incentives in Materials and Incentives cash or kind for their services provided. In such cases the disadvantage is that there is no stake in being involved once the incentives end.
5	Functional Participation	Participation occurs by forming into groups with predetermined objectives. Such participation generally occurs only after major decisions have been already taken.
6	Interactive Participation	People participate in information generation and its subsequent analyses that lead to action plans and implementation. It involves different methodologies seeking various local perspectives thereby involving people in decision-making about the use and quality of information.
7	Self Mobilisation	Being independent of any external interventions, people participate and take initiatives to change systems. They develop contacts for external inputs, but retain control over the way resources are managed.

Source: Pretty *et al.*, 1995

The interviewee from local government asserted that they do try to listen all other stakeholders' voices because a local government officer has to act on regulations, and the interviewee satisfied the level of communities' participation at present.

‘...there is no control system for other stakeholders’ participation in tourism development process and we have a wide range of bilateral channels to listen community’s voice. Moreover, all stakeholders can participate to tourism development legally. I think that community did enough participation at the moment...’

- LG1

However, other stakeholders have different perceptions of participation. Local residents and media mentioned the participation in decision-making process, and there the regulation for stakeholders’ participation was met; however, local government merely pretended to act on the regulation because the project will progress in the way that is most favourable to the government anyway, disregarding other opinions. An interviewee from local government states,

‘....when government make a development plan, my job is put a plan into action...to be honest, local residents have no ability to review the plan and we know NGOs will say No. But I have to do my job as a local government officer without any problems....So I think community and NGOs ‘participation in tourism development process are really hard to achieve in reality at the moments’

LG1

‘...there is no way to participation in developing process. The development plan normally go through a public review, however, that public review is just public review. If we made an opposition opinion, government said that

plan will be progress even there are a few opposition opinions though. That public review is just procedure for progression..’

- LR 2

‘...there has no a set of stakeholders’ participation policy, therefore we need a set an institutional grid that enables all stakeholders to involve during the tourism development process. However, that is not easy to make an institutional grid, I guess. The reason is that if local residents sell their land, they can make money without any trouble with communities. That is easy and simple way. Also, if a local government invites investors to make investment in the tourism development successfully, they can make feasible achievement to show to the local residents. Also, a developer wants make a big profit without any trouble with other stakeholders. If there has no strict participation policy from government, everyone is satisfied this procedures. That is why no one wants to raise the issue...’

- MDI

Figure 6.4 shows the actual and ideal levels of key stakeholders’ participation in Jeju Island. Also, this figure shows that there are discrepancies between the actual and ideal levels of key stakeholders’ participation and moreover, that there are different perceptions of different stakeholders point of view from passive participation (no. 1) to self-mobilisation (no. 7).

	Local Residents		Local Government		Development Agencies		NGOs		Local Business		Media	
	Actual	Ideal	Actual	Ideal	Actual	Ideal	Actual	Ideal	Actual	Ideal	Actual	Ideal
Local Residents' Perception	3	7	7	7	7	7	3	7	1	7	6	7
Local Government's Perception	6	7	7	7	7	7	6	7	5	7	7	7
Tourism Development Agencies' Perception	7	7	7	5	7	7	3	5	1	5	7	7
NGOs' Perception	3	7	7	5	7	7	3	7	1	7	3	7
Local Business' Perception	3	7	7	7	7	7	3	7	1	7	7	7
Media's Perception	1	7	7	3	7	7	3	7	1	7	4	7

Figure 6.4 Actual and ideal levels of key stakeholders' participation

Source: Author's field work

Most stakeholders' mention that local government and tourism development agencies are actually participating at the self-mobilisation level. Southgate and Sharpley (2002) state that government involvement 'lies at the heart' of sustainable development. Governmental involvement can exist in many forms including environmental planning; regulation; provision and maintenance of infrastructure; financing building institutional capacity; control of development and tourist flow; and the creation of protected areas (Ryan, 2002; De Oliveira, 2003). A local government officer insists that government driven tourism development is necessary in Jeju Island.

'Local residents have showed an attitude of indifference toward tourism development. That is why government must lead tourism development.'

- LGI

Moreover, local businesses are totally ignored at participation level, even when they are willing to partake in the tourism development process.

‘Government controlled the local tourism business through an administrative regulation, but we need an administrative assistance programme.’

- *LB 3*

‘We would like to make more profits from tourism business but we have no idea what is the best way to do it. For example, we need good advice to make more profits from tourism specialist or experts such as professor in university, tourism researchers. For example, this is more reliable when tourism experts or government make a travel programme than tour operator make it.’

- *LB 1*

Most key stakeholders agree that NGOs and local residents are necessary to participate in tourism development. However, in actuality, the participation level is only meeting ‘participation by consultation’ (No. 3), which means that NGOs and local residents need more participation in tourism development to reach the ideal level of participation: self-mobilisation.

### **6.3.2 The Role of Stakeholders**

Traditional power holders, such as governments, are often hesitant to go beyond the categories of non-participation or tokenism, in the belief that the general public is usually ignorant or apathetic. But, in contrast, local residents are increasingly expecting what they consider to be real participation. Therefore, governments have got an important role in tourism development. The interviewee argued that government have to support the community in good way.

'...to be honest, at the planning stage, government have to do the exclusion of local residents and NGOs, because If government accept all opinions, the plan cannot achieved. Also, I think NGOs always say "No". I think NGOs participated in tourism development too much.'

LG 3

However, Finn (1996) also suggests that problems can arise if some stakeholders are excluded from the early stages of the decision-making. This risks having to begin all over again as members joining at a later stage insist on discussing and negotiating about their understanding of the issues and about their views on planning options (Bryson, 1988; Gray, 1989). Also, Hwang *et al.* (2011) argued that initiating development conversations with residents about their sense of community identity was effective at bringing tourism developers into a sustained conversation about community priorities, which in turn made it easier for community residents to accept tourism development proposals. McIntyre (1993) suggests that local planners should encourage community participation from the early stages of tourism planning to provide residents with realistic expectation.

'Government-led development causes a waste of budget because there is no necessary to save it. Also there is not a continuation due to frequent transfer of personnel. Also, government officers do not want to work at tourism department because they have to settle a civil complaint. If possible, someone who works at tourism department needs to get more incentives than others.'

- DA4

Information from the initial meetings was shared among the townspeople, and residents began to speculate on threats of the proposed development to their way of life. Rather than focusing on opportunities, the fear of negative impacts became the central point (Freudenburg and Gramling 1994) and was partially fuelled by the lack of familiarity and trust with developers from outside the community. For example, the developer JDC (Jeju Free International City Development Center) held public hearings several times for Yere residents and explained their plans for a resort complex, including the location of facilities and contribution to the residents' lives. However, the townspeople remained wary of whether JDC would keep their promises, and a resistance movement grew from this fear and uncertainty.

'A key distinction that separated friendly development processes from conflict-ridden ones was the use of town meetings to share values related to a community's sense of itself and create public value for a community's identity.'

- JDC

'Until beginning of 1980, government encourage in stock raising for Jeju Island, however, stock raising industry had been declined and most of communal farm was turned to golf courses. However these days, local residents want to use the communal farm to golf courses. The reason is that community have no idea how to use the communal farm except a golf course instead. Therefore, there is a big mission for the government. Government have to show the alternative way to use the communal farm to the communities but they didn't. That is one of the big roles of government. Government have to support and educate the community.'

- NGO 3

According to Jenkins and Henry (1982), there are levels of active involvement and passive involvement for government. Active involvement is seen as a deliberate action by government, introduced to favour the tourism sector. Conversely, passive involvement occurs where government undertakes an action, which may have implications for tourism, but is not specifically intended to favour or influence tourism.

Table 6.9 Passive and active involvement for governments

Passive involvement	Active involvement
<p>a. <b>Mandatory:</b> Passive mandatory involvement will usually be linked with legislative provision. Three examples will illustrate this concept. First, a government enacts legislation relating to the employment of foreign nationals within the country. Second, a government introduces legislation offering investment incentives. Third, government negotiates a bilateral air services agreement. In these three examples, government is using mandatory authority to introduce legislation which relates to the country as a whole and is not intended to discriminate in favour of the tourism sector, although these measures may have implications for tourism.</p> <p>b. <b>Supportive:</b> This situation could arise where government does not deliberately inhibit the development of tourism. But neither does it actively encourage it. An example would be where a group of hoteliers and travel businesses establish a 'national' tourist board with the approval of government but lacking any specific governmental input, such as finance. Another example would be where government provides some general, e.g, clerical and vocational courses which may or may not have relevance to the needs of the tourist sector. In an alternative phrase, the World Bank (1972) had described the situation as one of 'benign neglect.'</p>	<p>a. <b>Managerial:</b> government not only sets tourism objectives (possibly in a tourism development plan), but also introduces necessary organisational and legislative support to attain the objectives. In terms of the three examples cited previously, government can discriminate in favour of foreign nationals seeking employment in tourism: second, government could introduce specific tourism investment incentives legislation (and might establish a tourism development bank); and third. It could negotiate bilateral air agreements with the specific interests of tourist traffic in mind. In these circumstances, involvement is essentially selective and specific.</p> <p>b. <b>Developmental:</b> Developmental involvement is seen when government or its agencies undertake an operational role in the tourist sector. This role might be taken because of ideological reasons, as in many centrally-planned economies. However, in developing countries, government usually undertakes this role because of the inability or unwillingness of the private sector to become involved in tourism. In many developing countries, e.g, India and Ghana, government has both financed and operated hotels. Another example would be in Kenya where government has introduced specific training facilities for the tourism industry. In this latter example, it may be argued that it is a function of government to provide training facilities, but to do so specifically for an industry is an example of active government intervention.</p>

Source: Jenkins and Henry (1982)

However, the interviewee (government officer) has a different way of considering the community's training that contrasts with other stakeholder opinions. The government

wants to persuade the residents of the need of tourism development using a training programme.

‘Government have to educate and train the residents to help their understanding for government policy and democracy process.’

- LG 1

As discussed in Chapter 6, local governments want to train the local residents not only to be intelligent, but also to be hospitable and kind when acting as hosts, thus assuming that local residents lacked the knowledge to understand the local governments’ plan. Interviewee LR5 strongly argued that there is no trust between local government and local residents.

‘Government main role for the tourism development is financial support and mediation of a dispute. We do not need a committee like a western style. The reason is that if we consist committee, all members of committee should be consist someone who have got an interests of tourism development such as and a building contractor who supports the governor election.’

- LR 5

As Seckelmann (2002) and Tosun, *et al.* (2003) recognise, the over-centralisation of tourism administration and lack of local participation in tourism is causing a low acceptance rate of centrally-prepared plans and programmes among local residents. Also, Tosun (2000) and Li (2005) point out that a high level of community

involvement is difficult to put into practice in developing countries owing to prevailing socio-economic, political and legislative constraints. Therefore, local residents want to participate in tourism development; however, in reality, they have no way to express themselves and moreover, they need more training regarding tourism development from government and NGOs.

‘We (community) would like to participate on all level of tourism development procedure, but we have no ability to do it. One of important role in government is to educate and train the residents to improve their ability.’

- LG5

According to Telfer and Sharpley (2008), tour operators play a central role in tourism development. They have been described as the ‘gatekeepers’ of the tourism industry, being able to influence the scale and scope of tourism development as well as the volume and direction of tourist flows. Therefore, tour operators are seen as epitomising mass tourism development, providing cheap holidays to mass markets with little regard for the impacts on destination environments and societies (Telfer and Sharpley, 2008).

The private sector seems to recognise the issues of sustainability, and to recognise the importance of the community as a stakeholder in the paradigm of successful tourism, with the more aware operators and investors understanding something about the needs and requirements of the community (Scheyvens, 2002; Swarbrooke, 1999; UNWTO, 2005). The private sector is more sensitive to the market than any other stakeholder; this is of course not surprising as private sector stakeholders are

interested in financial stability, remuneration and economic sustainability. The support and cooperation of the local community is frequently integral to those objectives and the path by which to achieve commercial and economic goals may often involve the preservation of essential natural assets, fundamental to the tourism product, and the maintenance of good relations with communities adjacent to or affected by the tourism initiative (Beeton, 2006; Hawkins and Mann, 2007; Roe, Goodwin, and Ashley, 2002; UNWTO, 2005; Wearing and MacDonald, 2002).

In addition, Tosun, (2000) suggests that there are operational, structural and cultural barriers to community participation in many developing countries. The issue of the restricted community participation may also help in explaining the stakeholder reactions.

Table 6.10 Three themes of community participation's limitation

Barriers	Examples
Operational barriers	These obstacles include the centralisation of public administration of tourism development and Lack of government permission, Mistrust of government to local people (Tosun, 2000).
Structural barriers	Structural barriers are usually associated with institutional and power structures. Tosun describes a few of the relevant barriers such as; elite domination and lack of internal autonomy in decision-making (Murray, 2004; Steven and Jennifer, 2002; Tosun, 2000).
Cultural barriers	There seem to be some cultural factors include apathy and low level of awareness in the local community as obstacles to tourism development (Moscardo, 2008; Tosun, 2000).

Source: Aref *et al.* (2009)

He suggests that although community participation in the tourism development process is highly desirable, there seem to be considerable operational, structural and

cultural limitations to such a tourism development approach in many developing countries. It was also found that although these limitations vary over time according to types, scale and levels of tourism development, the market being catered for, and the cultural attributes of communities, and as such the forms and scale of tourism development are often beyond the control of local communities (Tosun, 2000).

According to Middleton (2002), tourism must have a regulatory framework imposed on it by the public sector. This appears on face value logical and very attractive; however, it fails in islands because the 'public sector' is not an autonomous force equivalent to market forces. It is a small number of politicians, government officials and lawyers in central government, responsible for devising and applying international, national and locally established regulations and policies. A head of village said government driven tourism development nearly failed because of lack of local residents' participation.

'I don't think government doesn't need to involve the development process. From the beginning of tourism development, the developer and local residents have to involve the development process. Government job is going to be an inspector after development. As you know, in Jeju Island, the government designated 3 complex sites and 20 tourism sites however that plan was nearly failed because there have no chance to involve the local residents' idea. Local resident know the local area more than the government officer.'

- LR4

According to Telfer and Sharpley (2008), NGOs are playing an increasing role in influencing tourism. Baker defines NGOs as 'organisations operating at the national and increasingly, at the international level, which have administrative structures, budgets and formal members and which are non-profit-making'. NGOs have taken on a number of different roles within developing countries including providing development relief; raising awareness over specific issues such as environmental concerns or sex tourism; lobbying governments; assisting local communities with projects; and assisting building community capacity (Telfer and Sharpley, 2008).

Burns (1999) suggests that NGOs can often act as a bridge to promote cooperation within communities, establishing initial links with the local and regional government tourism sector to form partnerships. Moreover, NGOs have numerous positive roles to play in the delivery of benefits to communities through tourism initiatives; these roles range from investment and equity holding in projects to capacity building, advocacy, campaigning and consultancy (Kalisch, 2001). The inclusion of NGOs as one of many stakeholders in the processes and management of tourism initiatives can bring about more sustainable and prolonged benefits to communities (Jamal and Getz, 1995; Murphy, 1998). NGOs have a vital role to play in building civil accountability, consultancy, and providing full-spectrum alliances (increasing networking, resource sharing and 'deep engagement') (Jepson, 2005). Compared with other countries, the activity of NGOs in Jeju Island is sluggish due to the lack of legal and administrative support.

'...Yes, we (NGOs) joined the committee and town meeting but they did not listen for our opinion.'

- *NGOs*

‘We did not expect any financial support from the government or developers. Sometimes, a developer tries to give some illicit funds for business favour. But we never get that money. Our interest from involving the tourism development process is increasing partners and the number of members of our NGOs.’

- *NGOs*

Local NGOs should be established to encourage local people to take part in tourism development. NGOs seem to be a good institutional tool to empower indigenous host communities via various educational, organisational, socio-cultural, and political means.

‘...NGOs can support us (community) for training programmes...’

- *LR 3*

There was also scope for greater participation in the project by environmental interests, notably by environmental NGOs. Both NGOs and community groups were mentioned as poorly represented by a number of stakeholders who were interviewed. It is at least reasonable to speculate that people who, rightly or wrongly, believe they are left out of decision making in Jeju tourism development may as a result feel anger and resentment or suffer discouragement, with consequent adverse effects on their work. Perceptions of participation in decision-making are based on individuals’ interpretation of their own and others’ actual participation.

## 6.4. CONCLUSION

In this research collaboration is taken to mean a process of joint decision-making involving key stakeholders in a problem with a view to resolving conflicts and advancing shared visions (Gray, 1989; Hall, 2000). Cooperation is one of the stages in the collaborative process. Although the benefits of cooperation are many, and include integration and efficiency in economic resources in the planning process and the elimination of the overlap of services, cooperation does not by itself solve the problem of the fragmented nature of tourism. The problem of bringing various stakeholders and interests together is the first stage in establishing effective collaborative processes (Timothy, 1998). Also, Hall (2008) argues that collaboration can prove extremely difficult when there are a large number of stakeholders involved in the decision-making process. He said this collaborative approach may well be more time consuming than a top-down approach, but the results of such a process will have a far greater likelihood of being implemented because stakeholders will have a degree of ownership of the plan and of the process. Furthermore, such a process may well establish greater cooperation or collaboration between various stakeholders in supporting the goals and objectives of tourism organisations, and also create a basis for responding more effectively to and for change (Hall and McArthur, 1998).

As Timothy (1999) suggests, community participation in tourism development can be viewed from two perspectives. One is the involvement of locals in the decision-making process, and the other is to plan for the locals to benefit economically from the development of tourism. Traditionally, community participation in tourism has leaned toward the latter, especially in developing countries, the slanting trend tending toward community participation, and focusing on economic benefits for local people

has prevailed. However, Jeju Island's community participation's issue offers a mix of the two perspectives. The local government should involve local residents more actively in the decision-making processes of the tourism development, and thus the starting point should be to provide the local residents with adequate information. Moreover, without a meaningful devolution in public administration, it may not be possible to achieve community participation as a citizen power. In this context, local governments should be re-organised to defend, protect and reflect concerns and interests of local people in their administrative territories.

There are different interests in Jeju tourism development among stakeholders and therefore, conflict occurs in the tourism development process from stakeholder groups with different interests and ideas about the cost and benefits of the development. Therefore, the role of mediators is critical. Meanwhile, the main challenge remains in resolving current conflicts faced by the local residents and the local government, as result of the absence of mediators. The role of a mediator is to bring people together. 'A mediator either makes people favour resolution on their own or else forces people to solve the conflict', (Egeimi, Mohamood and Abdella, 2003:19). Even though local residents in Jeju Island had lost faith in the governments' willingness and ability to solve conflict impartially, the government still has some interest in Jeju tourism development taking place. Interviewee NGO 1 strongly argued that no trust exists between local government and local residents.

'We need an expert in tourism sector to work as a government officer. I think they (government officers) misunderstand that they are the owner of Jeju Island.'

*NGO 1*

The mediators in Jeju Island could be the NGOs, the media, specialist lobby groups, or scholars in a university. Local NGOs should be established to lead local people to take part in tourism development. 'As agents of development for the poor, NGOs are closer to the people and therefore understand them better' (Mathur, 1995: 158). Given the socio-cultural, political, bureaucratic and economic conditions in the field study area, NGOs seem to be a good institutional tool to empower indigenous host communities via various educational, organisational, financial, socio-cultural, psychological and political means to move towards a more participatory tourism development approach. Therefore, the role of NGOs could be found in providing linkages, organising all the chain players, providing alternative viewpoints to the community, help to negotiate benefits and roles, and offer training to communities and other stakeholders in this context. Moreover, the media and specialists or intellectual experts can provide good mediators as well. The role that the media plays in the various aspects of life is increasing each day, especially in spheres like social interaction, and cultural and educational aspects.

Also, the role of government is a matter of great importance to support the community participation and to reduce discrepancies between the actual and ideal levels of key stakeholders' participation in sustainable tourism development in Jeju Island. According to Elliott (1997), public sector involvement is very important to the sustainable growth and development of the tourism industry. A key role of the public sector is to provide basic infrastructure; destination management and marketing; innovation; essential services; and training and education (Elliott, 1997). Governments provide a policy and planning framework for environmental protection and set strategies to encourage the private sector to take the issue of sustainability seriously (Swarbrooke, 1999). Furthermore, it is essential for the government to solve

the problem of social hierarchy. The South Korean economy is highly influenced by the rich from large companies. Since, large companies (Chaebol) possess too much power, they dominate Korea and commit irregularities. Therefore, collusion would be a typical example. Therefore, the government should come up with a solution to control large companies and boost the middle class. Also, the reforms to mitigate corruption require consistent enforcement and renewal and the government try to create a fair system for tourism development process.

Finally, all stakeholders need to be educated and trained to make sustainable tourism development more feasible, with emphasis placed on community participation in the tourism development planning stage. An educational institute should be established to take a role in publishing successful case studies for other communities to follow, as well as playing a straightforward, proactive and dynamic educational role. In addition, meetings should be organised and proposed for local people to meet professionals through public hearings, professional debates, workshops, and seminars as well. Governments are major providers of education and training. They need to support public education programmes to raise awareness of sustainability principles and stakeholders' participation in a tourism development planning stage. Moreover, sustainable development education should be incorporated into the curricula of hospitality, tourism and related courses in colleges and universities.

Therefore, one aspect of stakeholder management that needs to be understood is the type of involvement that the stakeholders will have in the tourism development process. The differing interests of each stakeholder group must be understood for stakeholder involvement to have the greatest chance of success. Based on this understanding, planners can then find indicators of where groups stand and how they

feel about an issue. Multiple techniques have been suggested to assist in understanding stakeholder interests. Hall (2008) argues that ranging from information exchange to mediation involving a neutral third party, in all such situations two primary objectives must be sought. First of all, a definition of resource use must be agreed; and secondly, he emphasises the importance of the creation of a working relationship between the affected parties, which will provide for effective implementation of the resource use agreement, including ongoing monitoring, evaluation and procedural mechanisms for dealing with new problems that might emerge.

Therefore, this chapter recommends the expansion of the use of public consultation procedures and the engagement of all interested groups early in the deliberations on public projects or major permitting decisions; this includes the education of communities; local government officers; NGOs; tour operators; local tourism businesses; and tourism development agencies regarding the collaboration in tourism planning and their right role for the sustainable tourism development.

# CHAPTER 7 CONCLUDING REMARKS

## 7.1 INTRODUCTION

The main aim of this study was to provide a critical evaluation of the stakeholders' perceptions toward the impacts of tourism development and their involvement, investigating their relative influence within the collaboration process. Therefore, this research was aiming to improve levels of understanding of different stakeholders' perspectives and their involvement in sustainable tourism development. In order to achieve this aim there was a need first of all to identify key stakeholders, examine how they were involved and evaluate their perceptions toward the impacts and the participation in sustainable tourism development in Jeju Island. Additionally, in order to ensure cooperation and harmony for future sustainable tourism development among stakeholders, there was also need to identify discrepancies between the actual and ideal levels of key stakeholders' participation in sustainable tourism development in Jeju Island.

In order to evaluate the key stakeholders involved in sustainable tourism development in Jeju, the first step was to identify key stakeholders and understand different stakeholders' perspectives and their involvement in a sustainable tourism development. One of the common methods used for understanding different stakeholders and their interests is through stakeholder mapping which was used as analytical tool and the key stakeholder groups were selected as follows: governments group (central, provincial, local government); local tourism businesses; local residents; tourism development agencies; media; and NGOs. Further 42 key

informants were selected to interview by purposive sampling approach. Guided by the priority of analysing the process of evaluations, data was gathered from field research, from semi-structured interviews with key informants. This resulted in an eclectic mix of rich and detailed data, which was analysed using an approach commonly utilised in Grounded Theory methods. Strauss and Corbin (1998) describe that in Grounded Theory, analysis involves coding which is the process of generating, developing, and verifying concepts. By adopting Grounded Theory procedures and techniques to guide the research process, this research has been found valuable as a means of evaluating key stakeholders' perceptions of the impacts of tourism development to government driven tourism development. Therefore, this research tried to improve levels of understanding of different stakeholders' perspectives and their involvement in sustainable tourism development, and Ground Theory was used as a tool of data analysis.

## **7.2 SUMMARY OF KEY FINDINGS**

### **7.2.1 The Key Stakeholders' perceptions toward the impact of sustainable tourism development in Jeju Island**

In order to explain government driven tourism development, understanding the national development plans were necessary. After the Korean War, the South Korean government was dedicated to reconstructing the basic infrastructures of the country and economic development. In the initial stage of economic development in the 1960s and 70s, big firms worked together as an engine for fast economic growth and South Korea has made a remarkable economy growth over the short period with

government-led policy. South Korea's development plan was very much target-oriented and led by economic growth strategies. However, as a consequence, there were lots of negative impacts such as the private sector becoming more focused on lobbying activities to strengthen the connection with the government to get support, and protection rather than technological development activities, which later resulted in the withering business innovation, deteriorating consumers' benefits, and increasing burden to the government (Yoo, 2010).

According to Bae (1993), the South Korean government tried to support the uneven developmental strategies, such as the 'First growth, after distribution' policy. To support this policy, the government changed labour laws in 1963 and as a result, organised workers' political activities were banned, and legal strike activity was extremely difficult. Therefore, through exclusive government support and protection, these big firms grew to become the 'Chaebol', meaning a conglomerate of businesses, usually owned by a single family. South Korea's anti-corruption policy and regulations are not strong enough, especially for the private sector to combat corruption. Presumably there is strong lobbying or even bribery from the private sector to the public sector. Basically, money talks too much in Korea. Also, illegality is just one factor in government and business relations with an influence on the scale of corruption. Much of the political realm's authority to shield the powerful from the consequences of their crimes is enshrined in law. Therefore, political will is the most key factor in reducing corruption and solving the 'Chaebol's problems.

In terms of tourism development in Jeju Island, central government-led tourism development had to be concentrated in a few designated areas due in part to the lack of available funds and the efficient growth-pole theory. In 1963, Jeju was to be

developed as a tourist-oriented region by the central government. Therefore, development policy started from 1963 to develop Jeju led by central government, and that plan only focused on economic growth rather than on social or environmental impacts. Further, there are different interests among stakeholders and therefore, conflict occurred in the tourism development process from stakeholder groups. According to Yuksel *et al.* (1999), incorporating stakeholder views can add knowledge and insights, which can reduce conflicts in the long term. In particular, stakeholder identification is the main step towards achieving community partnerships and collaboration within tourism (Hardy and Beeton, 2001). Therefore, in the case of tourism development in Jeju Island, the key stakeholder groups are analysed using stakeholder mapping as follows: governments (central, provincial, local); local tourism business; local residents; tourism development agencies; media; and NGOs.

Also, tourism development policies in Jeju Island primarily emanated from central government, but when local chief executives were elected local governments took on political decision-making powers. Moreover, each consecutive new government changed most local tourism plans, the reason being that they were anxious to produce 'visible' achievement over the term to get re-elected. To win the governor election, parties and individual candidates often try to outspend each other, and under financial pressure, both candidates and party leaders might be willing to accept payoffs or illegal donations offered by wealthy donors in exchange for promises of future favours. Therefore, there are stakeholders involved in lobbying and do the necessary deeds for the local government to keep their economic benefits secure. The local government tried to find a way to address the economic challenge, and many of them turned their attention to tourism development to bring about 'visible' achievement. For example, in 1980s, there were three proposed tourism complex and fourteen

tourism sites designated by central government, but the local government took the decision to add thirteen additional sites under the comprehensive regional development plan. After that, in 1997, just a year after the local self-governing system was introduced, ten more sites were added to mitigate local opposition for balanced regional development, mostly in the western part of Jeju Island who were excluded in the original designation. Finally, there were three complexes and small thirteen sites designated with investments in tourism facilities in 2010. According to Jeju Island province (Annual Report on Jeju Tourism, 2012), the total number of visitors to Jeju in 2011 reached 8,740,976, which shows an increase of 13.3 per cent from the previous year. In contrast, there are negative impacts from tourism in Jeju Island, most prominently the current imbalance of wealth.

One more problem for Jeju Island is the collapse of community. When development was proposed within a village, two factions would form, supporting and opposing the plans. Therefore, there are two main groups regarding stakeholders' influence in tourism development. The 'stakeholder groups lacking power' circle comprises local residents, local businesses, and NGOs. The 'stakeholder groups in power' circle is made up of local government and tourism development agencies. Moreover, those with power support each other because they have different, yet complimentary interests in Jeju tourism development, namely the economic interests of the tourism agencies, and the local government's political interests. Tourism development agencies consequently support illicit funds to the local government and the local government offer 'special privileges' to the tourism development agencies such as tax redemption; boundless expansion of capacity; charging excessively high prices; and so on. Moreover, tourism development agencies, local businesses and landowners form a powerful group searching for economic benefits. This 'inner-circle' neglect to

acknowledge the potential negative impacts of tourism development, such as socio-cultural issues or environmental damage, which mean more to those who are not benefiting financially from the development. Therefore, social exchange theory offers a good explanation of the cost-benefit relationships between various stakeholders in the tourism system in Jeju Island. Further, this study has demonstrated that people will act to maximise the benefits and minimise the costs in given situations and that people who perceive the benefits from tourism development to be greater than the costs will be willing to participate in the exchange, and support tourism development.

### **7.2.2 The key stakeholders' participation in a sustainable tourism development**

In Jeju Island, the majority of the Jeju Island government officials participating in the interview support the 'top-down' approach of participation in Jeju Island, although the approach seems somewhat bureaucratic as it requires unrealistic inputs from various stakeholders. Despite this, all interviewees agreed on the importance of involving stakeholders in tourism planning and the development of decision-making processes. Therefore, this study focused on building knowledge about stakeholder perceptions of tourism development by investigating stakeholder groups, as well as their perceptions, including the actual and ideal level of participation level, which were evaluated in turn with the view to a driving forward a better tourism product and experience for all stakeholders.

To identify discrepancies between the actual and ideal levels of key stakeholders' participation in Jeju Island, Pretty's (1995) Typology of Participation has been used for measuring the participation level. There are different perceptions of different

stakeholder's points of view ranging from passive participation (no. 1) to self-mobilisation (no. 7). Most key stakeholders agreed that NGOs and local residents are necessary to participate in tourism development; however, in actuality, participation only occurs by consultation (No. 3). This suggests that NGOs and local residents need more participation in tourism development to reach the ideal level of participation: self-mobilisation. However, other stakeholders have got different perceptions of participation. Local residents and media mentioned that regarding the participation in decision-making process, there is in fact a regulation that demands stakeholder participation, but local government only pretend to act on this regulation.

According to Elliott (1997), public sector involvement is very important to the sustainable growth and development of the tourism industry. However, a key role of the public sector is to provide basic infrastructure, destination management and marketing, innovation, essential services, training and education (Elliott, 1997). Governments provide policies and planning frameworks for environmental protection and set strategies to encourage the private sector to take the issue of sustainability seriously (Swarbrooke, 1999). The role of government is of great importance to support community participation and to reduce discrepancies between the actual and ideal levels of key stakeholders' participation in sustainable tourism development in Jeju Island. NGOs have taken on a number of different roles within developing countries including providing development relief; raising awareness over specific issues such as environmental concerns; lobbying governments; assisting local community with projects; and assisting building community capacity (Telfer and Sharpley, 2008). Burns (1999) suggests that NGOs can often act as a bridge to promote cooperation within communities, establishing initial links with the local and regional government tourism sector to form partnerships.

As traditional power holders, governments are often hesitant to go beyond the categories of non-participation or tokenism, in the belief that the general public is ignorant or apathetic. But in contrast, local residents are increasingly expecting what they consider to be real participation. Therefore, governments will be the most important factor in increasing community and NGOs participation. The interviewee argued that government has to support the community in good way, as community participation is driven by the benefits created by tourism development, highlighted for instance by increased job opportunities and development of small businesses. Furthermore, people have to be tied to their communities through the development of resources and attractions that preserve their culture and identity whilst at the same time improving their standard of living. Moreover, during the process of tourism development, public meetings were held with a range of stakeholders, but only the tourism development agency and the residents who support the project were in attendance. Therefore, it is recommended that all stakeholders especially government officer support for the change against bureaucratic corruption for transparency and justice. Also, the media should be fair and broadly supported by the general public and then investigate certain things and they will have the public's confidence and trust.

In sum, most stakeholders agreed that collaboration in Jeju Island is needed. However, one of the most significant barriers to the tourism development of a collaborative approach might be the lack of trust on the part of most stakeholders in the outcomes of collaborative efforts. Therefore, trust is one of the basic elements of understanding collaboration and conflict among stakeholders in the tourism planning process (Bramwell and Lane, 2000). Whilst collaboration may be a useful mechanism in

achieving community-based tourism development, it is difficult for collaboration to happen in reality when there is power imbalance among stakeholders. It is more likely that the collaboration process will be held up at the early stages unless stakeholder power is carefully considered and addressed. In order to solve these problems, the fundamental thing is that the reforms to mitigate corruption require consistent enforcement and renewal. Prosecuting political and economic leaders who violate national laws and breach ethical practice is a vital first step. Also, according to Hall (2008), whilst trust is a future-oriented concept, it is based on past performance. Therefore, local government, at least once, try to make such a good tourism development case with other stakeholders while the media and NGOs should be supported by the general public and then investigate certain things and local government will have the public's confidence and trust. It will be a good collaboration model for the future tourism development.

### **7.3 CONTRIBUTIONS AND IMPLICATIONS**

Consequently, the government should come up with a solution to control large companies and boost the small and medium sized enterprises. The ownership patterns in Jeju Island tourism would recommend local, often family-owned, relatively small-scale businesses rather than large-scale resorts owned and operated by remote corporations to solve unbalanced wealth distribution. It is urgent to preserve small and medium-sized local businesses and family owned micro enterprises. Also, to increase benefits from tourism, more small-scale tourist facilities and businesses should be developed to create employment opportunities for locals and reduce

leakages from future developments. According to Gannon (1993: 54):

‘Local entrepreneurs of small enterprises can, with modest outlay, contribute considerably to economic growth because they supply smaller markets, demand relatively small amounts of capital, use local resources and raw materials and do not require costly and sophisticated infrastructure’.

Therefore, future small-scale developments in Jeju Island may appear in the form of tourist villages, incorporating small traditional hotels or bed and breakfast establishments, restaurants, shops and various recreational, leisure and sport facilities, owned by local entrepreneurs. Visitors in these villages can be regarded as ‘paying guests of the local community’. Under this system, economic benefits generated by tourism are retained by Jeju Island, rather than being retained by big companies or the ‘Chaebol’.

Moreover, alternative forms of tourism, such as eco-tourism, trekking and bird watching should be encouraged rather than building a tourist complex or any other types of development that destroy the unspoilt environment. The sensitivity of local communities towards the preservation of the natural resources should be ensured through public information campaigns and the introduction of environmental courses into the curricula of schools. A series of thoughtful interpretation strategies, such as car parks, trails, guided walks and signs should be provided to encourage environmentally friendly activities with control and regulation.

There are also implications for local government. A local government has to encourage community participation in local/regional planning concerning tourism and

related development. Also, it would be recommend the local governments take responsibility for providing training centres, for the education of the host communities in terms of hospitality and business planning. A training programme for policy makers within local government is also required, so as to understand sustainable tourism. Once established, they would gain support of the local authorities, tour operators, and NGOs. They may also wish to implement educational programmes, resource monitoring, and development of worker training facilities.

According to Echtner (1995), in developing countries, the fundamental goals of tourism education not only should be concerned with improving the functions of the tourism sector, but also should address the need to increase living standards in the host community. He mentions that tourism education programmes are consisting of professional, vocational, and entrepreneurial training. The content of such programmes is highly practical, focusing on specific on-the-job tasks (Cooper and Westlake 1989:72). Such training is critical in order to effectively deliver the products and services required by the tourism industry. However, in most developing countries, there is a chronic shortage of trained local individuals, both on the front line and the supervisory levels (Hegarty 1988).

Moreover, all other stakeholders would recommend educated and trained by education programmes for the sustainable tourism development planning stage. An educational institute should be established to take a role in publishing successful case studies for other communities to follow, as well as playing a straightforward educational role. In addition, meetings should be organised for local people to meet professionals through public hearings, professional debates, workshops, and seminars. Governments are major providers of education and training, and therefore NGOs

should work together with local government to make training programmes. They should support public education programmes to raise awareness of sustainability principles and stakeholder participation at the tourism development planning stage.

Moreover, sustainable tourism development should be incorporated into the curricula of hospitality, tourism and related courses in colleges and universities. Generally, the local residents are relegated to the most unskilled and correspondingly lowest paying and seasonal positions. Therefore, vocational training is essential for the employment and the advancement of local residents and for the prevention of unnecessary cultural frictions. In addition to these, local tourism planners should also attempt to improve residents' awareness of the sector by placing emphasis on the positive economic and socio-cultural consequences. Educational and internal marketing campaigns that advocate the community benefits of tourism fuel greater support for tourism and generate positive views toward the sector among local residents (Andereck *et al.*, 2005). Improving the positive impacts of tourism is also likely to lessen perceptions of the costs of tourism, because findings suggest that residents' perceptions of the benefits of tourism is negatively related to perceived costs of the sector.

From the point of sustainable tourism, Jeju Island tourism development needs to emphasise sustainability, in both an environmental and cultural sense. Jeju tourism development should avoid the types of environmental damage and conflicts over resource. In Jeju Island, governments legally require EIAs as a step in the approval process for new initiatives, and as such, they are undertaken to improve the quality of development and to protect the public interests. Werner (1992) pointed out that EIAs could be useful both in analysing specific projects and as a tool at the planning and policy levels of development. However, an interviewee from an NGO argued that

even when there is an EIA there have some problems. In short, EIAs in South Korea offer a good method to improve the quality of tourism development. The success and sustainability of EIAs depends upon local understanding, approval, and participation in all aspects. In other words, there is a lack of understanding of environmental issues and promoting sustainable development may be to the advantage of government authorities that wish to ensure that project implementation. Therefore, the lack of public involvement has been attributed to the government-controlled processes and the prerogative of government agencies and appointed-committees. However, local resident and NGO participation should not only be included at the project planning stage, but also in project design and implementation. Therefore, planners should ensure that incentives for public participation are established and moreover, NGOs and the media should have responsibility for monitoring the EIAs process from the outside, as independent watchdogs. Further as mediators, NGOs and the media should assist in solving disputes and conflicts in tourism development process.

Jeju tourism development should not denigrate or damage the host culture; instead, it should try to encourage sensitivity and respect for cultural traditions by creating opportunities for education and cultural exchange through interpersonal dialogue and organised encounters. Therefore, it should provide tourism authorities a 'bottom-up' approach for tourism planning. By utilising community's attitudes towards tourism development reported in the present study, the central and local governments would be able to consider the perceived impacts of tourism in their planning procedures, so that positive impacts could be maximised whilst negative impacts minimised. Therefore, this research has examined an area that is under-researched within the context of sustainable tourism development. This is not to mention that extensive work has not already been done on communities and stakeholders in the context of

tourism. Indeed much of the discussion is drawn from the tourism literature. This leads to an area for improvement; there needs to be a better review of the tourism literature to determine the gaps in discussions on stakeholders and communities in the context of this field of study. Therefore, as well as the theoretical contribution, this research also had its practical significances.

This research contributes to the theoretical development of stakeholder theory in the field of tourism planning and development. In particular, it combines the use of stakeholder and social exchange theory in explaining cost-benefit relationships between various stakeholders in the tourism system and identifying the role of stakeholders in tourism planning and development, which is the core concept of the stakeholder theory. The study showed the link between the two theories, introducing stakeholders as the denominator factor of the two; it further introduces the stakeholder theory to the tourism discipline. Henceforth, this link between the two theories, between stakeholder theory and the tourism planning and development discipline may require further investigation and validation by future tourism planning researchers. All stakeholders should be aware of each other's goals and objectives and their potential roles and responsibilities.

Further, this research set out to examine challenges to sustainable tourism development in the context of the developing world with special reference to South Korea. Therefore, this study fills a notable gap in the literature available on sustainable tourism development in Korea in the English language. Therefore, within South Korea, this research focuses on the implementation of the cooperation between local stakeholders. In the case of this small island, collaboration among stakeholders in the early stages of development was seen to be poor and led to lack of

collaboration and outright conflict. However, the increase in the demand of participation between these parties created a good relationship and better understanding that led to some progress in development activities in the community, and drew on the lessons that they had learnt from the development process within the community. This could be an exemplar for other communities wishing to implement collaborative development processes, thus reducing conflict in the planning stages, minimising negative impacts and maximising the benefits of the development for the local community. In addition, a more broad contribution of this research has been that by placing the Korea example in the wider context and drawing applicable lessons from it, the study constructs discussions on levels of participation in community based tourism in the Island to apply to developing country contexts.

#### **7.4 LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH**

Despite the theoretical and practical contributions of this study, like any other research, it is not without limitations, which readers should take into account when evaluating and using its findings. Although this study has provided insight into community perceptions in the tourism development and planning process and offered proposals for the further development of the island, research is needed to substantiate further the findings of the present study. If one of the goals of tourism development is to achieve sustainability, future research should be directed towards the impacts of tourism development on the local community. Although there are many studies examining the residents' perceptions of tourism impacts and the stages of community transformation from tourism development, most studies have not placed emphasis on

changes in local community attitudes at the different stages of development. Most past research is concentrated on the investigation of residents' perceptions of tourism ignoring the perceptions of other community groups.

The interviews carried out for the purpose of this study were restricted, for time and financial considerations, to the local authorities; NGOs; media; local residents; and the business sector. However, there is a need to collect information from more stakeholder groups. Tourism development directly or indirectly involves the support of many community groups, such as non tourism-related entrepreneurs and managers; tourism employees; tour operators; consultants; airline operators; national government; and transportation experts, whose attitudes should be incorporated into future developments.

Jeju Island is not representative of all South Korea's communities, and there is a need for research into local community attitudes in areas with varying levels of tourism development in order to investigate the extent of tourism development diffusion and its outcomes for these areas. Examinations into the role of communities in tourism development in developed and developing countries, how they derive benefits and what the most appropriate benefits are for different communities are integral to the extension of this research. Additional case studies should be conducted in a range of geographical areas, with communities that are experiencing a variety of tourism developments over varying life cycles; different ownership structures, types of product and sizes of operation with two comparable countries should be examined.

Similarly, despite attempts to investigate local community perceptions of the role of public sector bodies in tourism development, there is a need for further research into

this subject, since support for the local or national government and voting/political preferences may be explanatory of attitudes towards tourism development.

## **7.5 THE FINAL WORDS**

Sustainable tourism development relating to stakeholder involvement becomes more important in the discussion of sustainable tourism development. Moreover, there are many possible benefits if the community is involved in tourism planning, and sustainable tourism development cannot last without the support from the host community. Therefore, this thesis has attempted to provide an example through which an understanding of key stakeholders' perspectives can be gained. Overall, the study confirms the importance of trust as a key variable in a social exchange relationship between residents' of a host community and government actors, and re-affirms its centrality in society as emphasised by several social science researchers. Now is time to consider real sustainable tourism development in practice. The final word on the matter is left to an interviewee (NGOs):

‘...think about it, If Jeju Island had no tourism development at all, Jeju Island would be more famous for its perfect environment. However, tourism development ruined everything now.’

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## Website

Jeju Free International City Development Centre : [www.jdcenter.com](http://www.jdcenter.com)

Jeju Tourism Organisation: [www.ijto.or.kr](http://www.ijto.or.kr)

Jeju Special Self-Governing Provincial Association: [www.hijeju.or.kr](http://www.hijeju.or.kr)

Korea Environment Institute : [www.kei.re.kr](http://www.kei.re.kr)

Korea national tourism organisation : [www.knto.or.kr](http://www.knto.or.kr)

Korea Ministry of Culture and Tourism : [www.mct.or.kr](http://www.mct.or.kr)

Korea national tourism organisation: [www.kto.or.kr](http://www.kto.or.kr)

Ministry of Culture and Tourism : [www.mct.or.kr](http://www.mct.or.kr)

Ministry of Culture and Tourism: [www.mct.or.kr](http://www.mct.or.kr)

Statistics Korea : [www.kostat.go.kr](http://www.kostat.go.kr)

Tourismconcern : <http://www.tourismconcern.org.uk/index.php?page=community-tourism>

# APPENDIX A

## Interview Protocol

### INTERVIEW PROTOCOL

Interviewee : \_\_\_\_\_  
Date/location: \_\_\_\_\_

My name is Kyoung Bae, Kim and I am a research student at the University of Nottingham and this work is part of my data collection process for my PhD thesis. My research looks at different stakeholders' perspectives and their involvement in sustainable tourism development in Jeju Island.

(After greeting the participant and providing he/she with a refreshment/beverage, have them sit down where he/she will be heard by the microphone.)

I would like to have your permission to use a digital voice record for this interview so I can go back to a specific point and refresh my memory. Please listen to the following consent statement. At the end, you will be asked to verbally agreed or disagree to the statement.

*Your participation in this study is voluntary and you may choose not to answer certain questions, and you may discontinue your participation at any time during the interview. If you choose to discontinue at any time, your tape will be erased. Your responses to the interview questions are being audio recorded. All your responses will be confidential and your privacy will be protected to the maximum extent allowable by law. Your name will never be used in the final report, or any other subsequent publications or presentations. After your comments have been transcribed, the tape of the interview will be destroyed and a code number will be assigned in place of your name. Only the researcher will have access to the transcribed interviews for analysis.*

*All documents and data, including your audio recordings and transcription, will be kept in a locked file cabinet.*

Do you have any questions about the statements that were read to you?

Do you consent to participate in the interview?

Yes (continue)

No(thank the participant and end the interview)

## 1. Background questions

Q1. Tell me a bit about yourself, how long you have lived here and what your role in the community/organisation is? What is your connection with the tourism industry? In what way are you involved or interested in tourism development issues here in Jeju Island?

- **Tourism development impacts and sustainable tourism development (Benefit/Cost)**
- Probe on positive/negative/direct/indirect impacts (economic/social/environmental perspective)

Positive impacts	Negative impacts
Jobs Protecting environment Community spirit Quality of transportation Awareness of local culture Chance to meet new people Economic benefit Infrastructure development Improves a community's appearance Community's quality of life Culture exchange Cultural identity Providing education programme	Pollution Crimes Litter Noise Leakage Climate change Increasing property taxes Changing to the traditional culture Destroying the natural environment

Q2. Do you think tourism is good for Jeju Island?

If so, can you explain it? If not, What is good and what is not?

**Q3. What in your opinion are the benefits and costs of tourism development on Jeju Island?**

If so, can you explain it? If not, why?

- Back up questions
  - Do you think those who benefit most are more supportive of tourism development than others?

**Q4. What does the term sustainable tourism mean to you? Do you think that tourism development is currently sustainable? In what ways is tourism development (Unsustainable) do you think?**

If so, can you explain it? If not, why?

- Back up questions
  - what is problem at the moment?
  - How could such problem be dealt with or avoided by government authorities?
  - What is your suggestion to make a sustainable tourism development in Jeju Island?

- **Impact of government driven tourism development**
- Probe on advantages and disadvantages of government led tourism development in Jeju

Positive government involvement impact	Negative government involvement impacts
Settlement of regulation and conflicts Increase supporting programme Contributes to law enforcement and improvement Contributes to coordinate opinions among stakeholders Constructing and managing in tourism infrastructure Increases pioneering investment in tourism superstructure Contributes to facilitating physical infrastructure Improves accessibility system Establishment of business environments Encourages incentives for private investment Contributes to the expansion of tax benefits Contributes to promote in international tourism markets	Exclusion of community in the development process Loss of community control for the development projects Excluding of community participation to business opportunities Overlooking of community identity and locality Outward oriented strategies and policy Dominsation of outsides capitals Outflow of development benefits Consideration of external benefits

**Q5. Do you think government led tourism development is good for jeju Island?**

If so, can you explain it? If not, why?

- Back up questions
  - Tell me about advantage and disadvantage of government led tourism development in Jeju Island.
  - what kind of support would you like to get from government?(funding, find investors, facilities, develop tourism events, security system, protect community business, education/skill training)
  - Do you think the government follow up/ evaluate after the development? and the government help if any destruction/ difficulties/ bad impacts/ problems happen?
  - What are the role of government in tourism development is Jeju Island?

- **Stakeholder role/ involvement**

**Q6. In your opinion, what is your organisation's role in tourism planning/development in Jeju?**

Probe on stakeholders in Jeju Island (Governments/Local business/Residents/ Media / NGO / Tourism development agency)

- Tell me more about your ideal role of your organisation
- What is your opinion about other stakeholders' role in tourism development?

How and Why?

**Q7. How much of a role do you currently have in participating in the decision making process for tourism development? Do you think that is enough of a role? Would you like to participate more in the process? How much more, what is the ideal level? How would you that benefit you?**

- **Back up questions**

- Have you ever attended in the tourism development process. Give me some example of your experience
- Do you think what is best way to involve in tourism planning/development process
- What is your organisation's benefit to involve in tourism planning/development process
- What is obstruction for involvement?

**Q8. In your opinion, are tourism development decisions made in a consensual way? Are there any conflicts? What can be done to reduce the number of conflicts?**

**Q9. What do you think about your actual level of participation for tourism development process?**

- Back up questions
  - Are you satisfied with your level? If not, what is your ideal level of participation?
  - How about other stakeholders?
  - Table Typology of participation

1	Passive Participation	Participation does not take the responses of the participants into consideration and where the outcome is predetermined. Information shared belongs only to external institutions.
2	Participation in Information Giving	People give answers to questions where they do not have the opportunity to influence the context of the interview and often the findings are not shared.
3	Participation by Consultation	People are consulted and their views are taken into account. However, it does not involve their decision-making.
4	Participation for material incentives	Participation involves people taking incentives in Materials and Incentives cash or kind for their services provided. In such cases the disadvantage is that there is no stake in being involved once the incentives end.
5	Functional Participation	Participation occurs by forming into groups with predetermined objectives. Such participation generally occurs only after major decisions have been already taken.
6	Interactive Participation	People participate in information generation and its subsequent analyses that lead to action plans and implementation. It involves different methodologies seeking various local perspectives thereby involving people in decision-making about the use and quality of information.
7	Self Mobilization	Being independent of any external interventions, people participate and take initiatives to change systems. They develop contacts for external inputs, but retain control over the way resources are managed.

- Source: Pretty *et al.*, 1995

- **Further background questions**

Would you like to provide any other information?

Do you have any question about the interview?

**Thank you for taking the time to share your views with me.**

## APPENDIX B

### Summary of Interview Schedule

Stakeholders (People)	Position	Date	Duration
Central government (4)	1) Ministry of Culture and Tourism - CG 1	22/07/10	10:00-10:54 (54 mins)
	- CG 2	22/07/10	13:30-14:40 (1 hour 10 mins)
	2) Korea Tourism Organisation - CG 3	21/07/10	10:30-11:13 (43 mins)
	- CG 4	21/07/10	16:00-16:51 (51 mins)
Provincial government (5)	1) Jeju Province - PG 1	01/07/10	14:00-15:21 (1 hour 21mins)
	- PG 2	01/07/10	16:00-16:53 (53 mins)
	2) Jeju provincial tourism association - PG 3	02/07/10	14:00-14:55 (55 mins)
	3) Jeju Free International City Development Centre - PG 4	02/07/10	10:00-11:05 (1 hour 05 mins)
	- 4) Jeju provincial council - PG 5	06/07/10	09:30-10:23 (53 mins)
Local governments (6)	1) Jeju City - LG 1	20/07/10	09:30-10:42 (1 hour 12 mins)
	- LG 2	20/07/10	13:30-14:40 (1 hour 10 mins)
	2) Seogwipo City - LG 3	06/07/10	15:00-15:58 (58 mins)
	- LG 4	06/07/10	17:00-17:49 (49 mins)
	3) Jeju office of Korea Tourism Organisation - LG 5	08/07/10	13:30-14:24 (54 mins)
	- LG 6	08/07/10	16:00-16:45 (45 mins)
Local residents (7)	1) Head of village - LR 1	07/07/10	14:00-15:22 (1 hour 22 mins)
	2) Head of village - LR 2	04/07/10	13:30-14:59 (1 hour 29 mins)
	3) Head of village - LR 3	12/07/10	15:00-16:11 (1 hour 11 mins)
	4) Head of village - LR 4	10/07/10	15:00-16:21 (1 hour 21 mins)
	5) Head of village - LR 5	03/07/10	14:00-15:23 (1 hour 23 mins)
	6) Head of village - LR 6	09/07/10	13:30-14:40 (1 hour 10mins)
	7) Head of village - LR 7	13/07/10	10:30-11:40 (50 mins)
Tourism Development	1) Tourism development Agency - TD 1	07/07/10	10:00-11:15 (1 hour 15mins)

<b>Agencies (3)</b>	2) Tourism development Agency - TD 2	09/07/10	10:00-10:48 (48 mins)
	3) Tourism development Agency - TD 3	12/07/10	10:00-10:43 (43 mins)
<b>NGOs (3)</b>	1) NGOs - NGO 1	03/07/10	09:30-11:05 (1 hour 35 mins)
	2) NGOs - NGO 2	05/07/10	10:00-11:23 (1 hour 23mins)
	3) NGOs - NGO 3	10/07/10	10:00-10:54 (54 mins)
<b>Media (3)</b>	1)KBS in Jeju - MD 1	13/07/10	14:00-14:56 (56 mins)
	2)JeJu daily newspaper - MD 2	14/07/10	10:00-10:46 (46 mins)
	3)JeJusori internet Newspaper - MD 3	15/07/10	14:00-15:00 (1 hour)
<b>Local Business (8)</b>	1)Hotel's associations - LB 1	14/07/10	15:00-16:02 (1 hour 02 mins)
	- 2)Restaurant's associations - LB 2	18/07/10	16:00-17:13 (1 hour 13 mins)
	3) Rent Car associations - LB 3	15/07/10	10:00-10:45 (45 mins)
	4) Hotel - LB 4	17/07/10	14:30-15:18 (48 mins)
	5) Restaurant - LB 5	04/07/10	20:30-21:26 (56 mins)
	6) Travel agency - LB 6	05/07/10	17:30-18:22 (52 mins)
	7) Tour operator - LB 7	16/07/10	11:00-11:47 (47 mins)
	8) Local souvenir shop - LB 8	19/07/10	10:00-10:40 (40 mins)
<b>Specialists (3)</b>	1)Korea Tourism Research Institute - SP 1	21/07/10	10:00-10:43 (43 mins)
	2)Jeju Tourism Research Institute - SP 2	16/07/10	14:00-14:55 (55 mins)
	3) Jeju national University - SP 3	05/07/10	13:30-14:46 (1hour 16mins)
<b>Total</b>	42		