

Tourism Industry Responses to the Rise of Sustainable  
Tourism and Related Environmental Policy Initiatives:  
The Case of Hue City, Vietnam

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## **ABBREVIATIONS**

WTO	World Tourism Organization
WCED	World Commission on Environment and Development
UNDP	United Nation Development Program
VNAT	Vietnam National Administration of Tourism
BLA	Bilateral Trade Agreement
AFTA	ASEAN Free Trade Area
SOE	State-owned enterprises
SMEs	Small- and medium-scale enterprises
GSO	General Statistical Office of Vietnam
FDI	Foreign direct investment
VCP	Vietnamese Communist Party
VND	Vietnam Dong (exchange rate = 16,000/1 USD in 2006)
Sig.	Statistical significance
Rs.	Rank Correlation Coefficient
P-value	Probability value

## DECLARATION OF AUTHORSHIP

*“I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person, nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.”*



**Bui Duc Tinh**

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*Learning like counting stars in the sky*

*The more you count, the more are waiting to be count*

*(Vietnamese proverb)*

This ancient proverb reflects so well my feelings as I complete my thesis. Day by day, I have come to realize that a PhD study is like ‘counting stars in the sky’: I might just count a very small number of ‘stars’ in this thesis and yet, while this thesis is the best of my knowledge and effort, there is still room for improvement. I also believe that I would never have been able to undertake, let alone complete, this thesis if it had not been for the support from the following extraordinary people and institutions.

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**Thesis Title:**

**Tourism Industry Responses to the Rise of Sustainable Tourism and Related Environmental Policy Initiatives: The Case of Hue City, Vietnam**

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**ABSTRACT**

Tourism is promoted by the governments of many developing countries because it offers the potential for creating jobs, thus generating income for the country and revenue for the government. However, the tourism industry can also be viewed as a destructive force, associated with negative externalities such as the loss of natural landscapes, congestion, and environmental and cultural degradation. These problems are more likely to be exacerbated where there is a lack of well-designed planning and effective management of tourism development.

An essential component of any management of tourism is the ability to engage with, and get a positive response from, the tourism industry. There are a wide range of enterprises involved in providing tourist products and experiences, and in many nations, both developing and developed, a large number of these businesses are small and medium in size and tend to operate at a local scale. The informal nature of tourism enterprises in the developing world can make it difficult to spread awareness of tourism policy and to measure moves towards more sustainable performance on the part of the industry.

Using the case study of tourism in the city of Hue, this thesis argues that it is essential to understand both what tourism enterprises know about sustainable tourism practice and policy and also how they respond to its adoption, if we are to more fully understand tourism and its links to sustainable economic development.

Located on the central northern coast of Vietnam, Hue is well known for its cultural resources and natural beauty, and the province has become a major tourism centre in Vietnam. The city of Hue itself is recognized as having international heritage value and was listed as a world cultural heritage site by UNESCO in 1993. During the last decade, tourism revenues have increased by nearly 35% per annum, and Hue has made great efforts to both stimulate and cater for increasing demand for its tourism products and services.

The Vietnamese government has introduced a number of policies designed to enhance environmental quality generally and, more specifically, to improve the sustainability of enterprises in the tourism sector. This thesis examines the degree to which tourism enterprises in the city of Hue are aware of the broad concept of sustainable tourism and of the specific legislation designed to influence the sustainability of their businesses. I examine the structure and make-up of the industry and then analyse whether

characteristics such as size, ownership type and sectoral focus play a role in influencing awareness of, and response to, government policy.

The research triangulates data-gathering methods: secondary data, literature reviews, semi-structured interviews and an enterprise survey are all used to gain insights into the core research questions. Each method feeds into and is strengthened by the others, and their combination (including 50 interviews and 180 survey responses) provides a robust data set to work from.

The findings reveal that many of the firms operating in the Hue tourism industry are characterized by weak institutional practices, low financial capacity, poor facilities and a lack of broader awareness of policies that influence sustainable tourism practice. The tourism industry's awareness of general sustainable development issues is low, and much business practice focuses on short-term rather than long-term perspectives. This limits the use of environmentally friendly practices by firms, especially small- and medium-scale enterprises (SMEs), in their daily business activities.

The study reveals that there is no significant variation in the adoption of sustainable tourism practices according to the size of enterprises, especially if the practices in question are simple and can be introduced with cost savings. However, as the cost and complexity of introducing environmental measures increases, we see a greater ability on the part of larger enterprises to adopt such actions – partly because they are in a stronger position to bear the short-term costs of implementing such approaches.

There are a wide range of factors that constrain the Hue tourism industry from adopting more sustainable tourism practices. Internal constraints such as limited financial and human resources are combined with external constraints such as increasing cost-based competition, the lack of enforcement of government policies, and limited awareness of sustainable tourism practices. All of these factors play a crucial role in shaping the actions of enterprises in relation to sustainable tourism practices and policies.

The results of this study also point to the fact that government sustainable tourism initiatives that rely on 'command-and-control' approaches will have limited effect; instead, a variety of institutional economic instruments offer greater potential to overcome deficiencies in the ability of the market to drive tourism enterprises towards more sustainable business practices. The thesis also argues that it is important to develop approaches that can cope with the special challenges attached to management of sustainable tourism development in destinations that are dominated by SMEs.

The thesis contributes to the growing body of theory and literature in sustainable tourism development and tourism-enterprise behaviour. It also makes an important contribution to our understanding of tourism enterprises in the developing world. In particular, the findings add an important layer of understanding to those attempting to develop a more sustainable tourism industry in Vietnam. Specifically, it provides policy-makers with important insights into the ways in which different types of tourism enterprises respond to initiatives that relate to improved business sustainability.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Rationale

The 1992 United Nations Conference on Environment and Development identifies tourism as one of the economic sectors with the greatest potential to make a positive contribution to achieving sustainable development (UNCED, 1992). Sustainable development has recently emerged as a key issue in the development agenda for the tourism industry in many developing countries (Tosun, 2001; Helmy, 2004). The ‘tourism paradox’ between rapid tourism development and degraded quality of life, short-term gain and limited long-term economic outcomes, and economic benefits and environmental damage has awoken a profound interest among researchers. The concept of sustainable tourism has become a preoccupation for planning practitioners, policy-makers, and an area of growing research interest among academics. Seeking sustainable tourism development in order to achieve the best balance between the economic benefits and the social and environmental impacts has become a challenge to many governments in the world (McKercher, 2003).

Recent statistical information indicates that tourism is one of the largest and fastest growing industries in the world (WTO, 2006). The tourism industry plays a prominent part in the economic development strategies of many developing countries. Tourism can make a positive contribution to achieving sustainable development if the industry is planned and managed well. The industry is increasingly based on the enjoyment and appreciation of local culture, built heritage and the natural environment, so the industry has powerful motivation to protect these assets (Frederico, 2002). The tourism industry can also be one of the most effective drivers for the sustainable development of regional economies. Many developing countries promote tourism as it offers the potential for creating jobs, improving community incomes, and increasing both foreign exchange earnings and government revenues (Smith, 1989; Sharpley, 2000; Bui, 2000). The United

Nations Economic and Social Council (2005) estimated that the tourism industry contributed about 10 per cent of the Global Gross Domestic Product (GDP) and provided employment for some 215 million people worldwide in 2005. In the same year over 760 million people travelled as international tourists, with the Asia and Pacific region receiving 152.9 million arrivals or about 20 per cent of the global total (UNESCO, 2005).

Tourism development can, however, be a ‘double-edged sword’: its fast and uncontrolled growth is sometimes viewed as a destructive force. The loss of natural landscape, local identities and traditional cultures; erosion of political and economic autonomy; degradation of the environment; and disruptive influences on social values are often listed as negative impacts associated with the industry’s development (Fraitag, 1994; Frederico, 2002; Howie, 2003; UNESCO, 2005 and 2006). In fact, there has been a growing recognition in many tourist destinations that current management practices may lead to undesirable impacts on environment and society, which, in turn, can threaten both tourism development itself and the economic viability of host communities and nations (WTO, 1996; Huyber and Bennett, 2003).

Many of the environmental and social problems associated with tourism can be related to the so-called ‘tragedy of the commons’; this, in turn, can be traced back to the basic concepts of ‘public goods’ and ‘externalities’ (Bui, 2000; Mason, 2003). While the development of the tourism industry is highly dependent on the quality of environmental resources such as pure water, fresh air, clean beaches, biodiversity and cultural heritage, these valuable tourism resources are public goods and non-exclusive in their use. Many tourist enterprises cater to their own short-term benefits and interests at the expense of environmental quality and long-term benefits (Milne, 1998; Smith and Bui, 1998; Mason, 2003). These problems are exacerbated where there is a lack of well-designed planning for and effective management of tourism development (Walter and Alix, 2000; Huybers and Bennett, 2002).

The environment is a key resource for the tourism industry and also for community quality of life. Conservation and management are vital practices both for the future of the tourism industry and for society as a whole (Green and Hunter, 1992). The lessons



learned from past experiences of tourism development suggest that the extent to which sustainable tourism development can be achieved is largely dependent on how well it is planned and managed (Gunn, 1994; Walter and Alix, 2000; Chon, 2000). It is also commonly recognized that there is a big gap between the planning for sustainable tourism and its actual implementation. Many tourism development plans never turn into reality due to, amongst other things, a lack of information to support planning, and a lack of effective instruments to enable implementation (Briassoulis, 2002; Michelle, 2006).

Within a tourist destination, there is often a wide range of enterprises involved in providing tourist products and experiences; in most countries a large number of these are locally owned small- and medium-scale enterprises (SMEs) (WTO, 1996; Huybers and Bennett, 2002; Carlsen et al., 2001). The implementation of sustainable tourism initiatives has often proved unsuccessful because these SMEs may not respond collectively to environmental policy initiatives and sustainable development policies (Cooper, 1997; Wanhill, 2002; Dewhurst and Thomas, 2003; Vernon et al., 2003).

In their attempts to achieve more sustainable tourism development, many researchers, (Freitag, 1994; McCool and Moisey, 2001; Fredirico, 2002) have focused on explaining the dynamics of tourism and its impacts on socio-economic development and the environment. Other studies have emphasized the importance of constructing the principles of sustainable tourism development (Eber, 1992; Hunter, 1995; Mowforth and Munt, 1998; Sharpley, 2000; O'Brien, 2000). Researchers often look at tourism development issues from a narrow rather than a holistic perspective; for instance, environmentalists have typically scrutinized the negative impacts of tourism development on natural resources and focused primarily on conservation issues, while economists have concentrated upon tourism economic impact assessment and modelling tourism development processes. Relatively little research has focused on understanding tourism enterprise adoption of, and responses to, sustainable tourism and environmental management policies and initiatives, especially in the context of developing countries where environmental resource exploitation is often the engine for economic development (Gerrans et al., 2000; Vernon et al., 2003).

Considering that the concept of sustainable tourism strives to reconcile existing conflicts between the goals of economic benefits, environmental protection and social justice, it is not surprising that this concept has emerged as a leitmotif of tourism research. Over the past decades, and particularly in the last five years, there has been a significant number of scholarly contributions made to the study of sustainable tourism (for example, Frederico, 2002; Howie, 2003; McKercher, 2003; Le et al., 2006; Calaver-Cortés et al. 2007; Winter, 2007). These studies have provided a great deal of useful information about sustainable tourism; however, there is a big gap between theoretical principles and the actual implementation of them in the reality of tourism development. Paradoxically, the very success of current tourism development has been leading to the degradation of both the environment (natural and social), and tourist resources in tourist destinations.

Previous studies indicate that tourist enterprises, especially SMEs, often focus on business returns by employing unsustainable business practices, while current management practices and institutional arrangements have generally been unable to create effective responses on the part of tourism enterprises (Carlsen et al., 2001; Roca et al., 2005; Michelle, 2006). Extreme fragmentation of, and domination of, small- and medium-scale tourism enterprises within tourist destinations has meant that the implementation of sustainable tourism development policies has often been unsuccessful (Vernon et al., 2003). Previous studies (Carlsen et al., 2001; Dewhurst and Thomas, 2003; Le et al., 2006) indicate that there are various constraints affecting tourism SMEs' responses toward sustainable tourism. These constraints include lack of budget, lack of knowledge, the high cost of implementing sustainable practices, lack of enforcement of government policies, and a highly competitive marketplace. Hitchcock et al. (1993) conclude that sustainable tourism is a utopian model with a clear gap between ideology and practice, and that this is due to its generality, weak institutional frameworks and a lack of effective instruments for implementation. It also means that understanding why the gap exists between ideology and practice (i.e. understanding the tourism industry's responses toward sustainable tourism) is a critical step on the way to transforming the concept of sustainable tourism into the daily practice of the tourism industry.

## **1.2 The Research Setting**

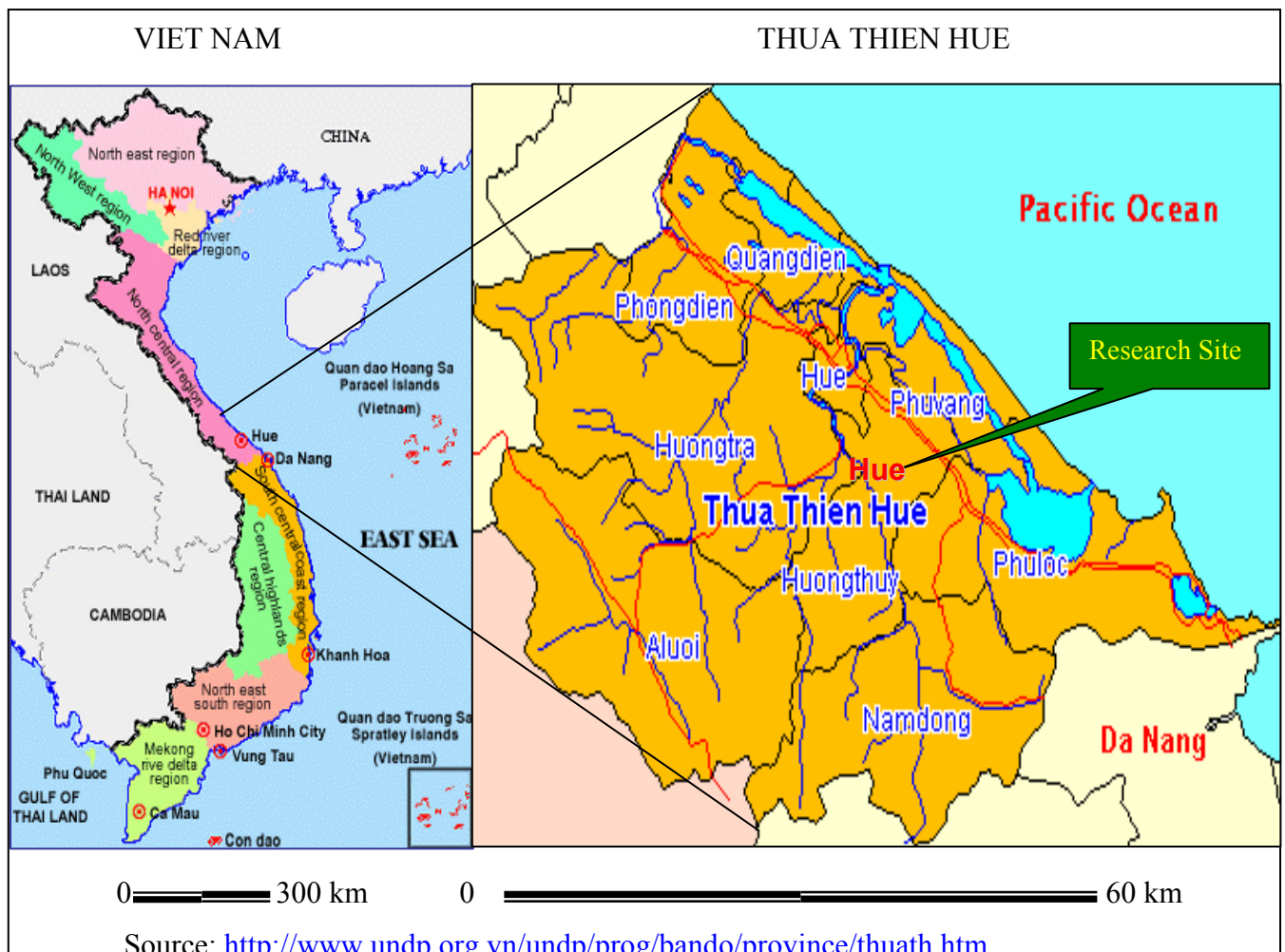
The research presented in this thesis focuses on the tourism industry's response to the rise of sustainable tourism planning and related environmental policy initiatives in Hue City, Vietnam. Like many other developing countries, Vietnam has become increasingly dependent on the tourism industry. In the early 1990s Vietnam began to encourage tourism as part of its general policy of economic liberalization and decentralization. The country has now emerged as one of Southeast Asia's fastest growing tourist attractions. The Vietnamese government is increasingly interested in promoting more environmentally friendly practices in tourism development (Le, 2006). A National Plan on Environment and Sustainable Development (1991–2000), a National Environmental Strategy and Action Plan (2001–2010), and a National Tourism Action Plan (2002–2005) have all been developed. Even so, the country continues to be faced with many challenges relating to tourism development, such as environmental pollution, monument degradation, social issues, and conflicts between uncontrolled development and the conservation of resources (VNAT, 2002).

Located on the North central coast of Vietnam and on the East–West economic corridor, Hue occupies a strategic position – a linking bridge between the North and the South of the country (see Figure 1.1). Despite its relatively small area, (5000 sq. km), and population of 300,000, it is defined as a key economic zone of central region of Vietnam. Hue is well known for its cultural resources and natural beauty, and has become a major tourism centre in Vietnam. Hue City is recognized as having international importance and was listed as a world cultural heritage site by UNESCO in 1993 (UNESCO, 1993). During the last decade, Hue has made great efforts to cater to the increasing demand for its tourism products and services. The government has promoted Hue as a destination of the new millennium for both domestic and international visitors (Luan, 2004). Although there has been some volatility in tourism arrivals to Hue in recent years, there has been an annual average growth of 20–24% per annum during the period of 1998–2002. Tourism revenue has increased at 34.5 % per annum, and the tourism industry and tourist-related services made up 43.6% of provincial Gross Domestic Product (GDP) in

2004. The contribution of the industry to provincial GDP is projected to rise to 65% by 2010 (HTD, 2004).

Local government plans for the city of Hue had set a target of one million tourist arrivals per year by the year 2000. However, according to UNESCO (1997) this target is far too high to be realistic, manageable and sustainable. Recent evidence shows international tourism arrivals to the city in 2006 totalled nearly 436,000 and there were a further 794,000 domestic tourists (HTD, 2007). Such a number exceeds the carrying capacity of the city of Hue, including both its environment and tourist infrastructure, and risks serious overcrowding in Hue, degradation of monuments, environmental pollution and the collapse of the tourist industry (i.e. unsustainable tourism development).

**Figure 1.1:** Map of Vietnam and Thua Thien Hue province



In response to the rapid growth in tourist arrivals and the transitional political-economic process of Vietnam, the Hue government has been accelerating diversification of tourism products and encouraging involvement of different stakeholders in tourism service provision. The government has developed a strategy emphasizing a 'new' Hue tourism industry for the 21<sup>st</sup> century, with a focus on increasing investment in infrastructure and by organizing a biannual Hue Festival of Handicrafts. The local government has also facilitated the development of new tourism products with an emphasis on cultural tourism, ecotourism and marine tourism. These initiatives are also designed to encourage tourism enterprises to adopt more environmentally friendly practices. This process involves many enterprises from different sectors, most of them privately owned small firms. At the same time the growth of these private SMEs creates challenges for the overall management of tourism development and environmental resources (Thang, 2004).

Hue tourism development is dominated by SMEs, which are commonly known as having weak institutional practices, low financial capacity and a lack of concern about environmental conservation and protection. These firms are a disparate group with a range of needs and associated impacts. The combination of a lack of infrastructure, a rapid increase in the amount of solid waste and sewage generated from hundreds of tourism enterprises, and about 1.23 million visitors has caused degradation of Hue cultural heritage sites and environmental pollution. Social tensions have also emerged as conflicts arise between local community and tourist enterprises over access to tourist resources and the unequal distribution of benefits arising from this access. An increase in property crime and prostitution is also threatening sustainable tourism development in Hue. The problems of environmental and social degradation associated with current tourist industry practices must be addressed if tourism development in Hue is to be sustainable (Thang, 2004; Luan, 2004).

In a tourist destination comprised of a range of stakeholders and value systems, each group has different views on the role and future of tourism. SMEs are often more concerned about their return on investment than the overall impact of their operations on the environment and socio-economic sphere (Cooper, 1997; Briassoulis, 2002; Thang

2004; Michelle, 2006). Accordingly, institutional arrangements and management are prerequisites for creating the modalities that enable sustainable tourism development to occur and to ensure tourism enterprises take collective interests into account. Adoption of sustainable tourism initiatives requires institutional frameworks that can overcome deficiencies in the ability of the market to drive tourism enterprises towards more sustainable business practices (Taylor, et al, 2003). The challenge for developing countries and transitional political economies, such as Vietnam, is to identify and adopt institutional frameworks and management practices that are able to create effective responses on the part of tourism enterprises to environmentally friendly practices. In different political economic contexts, however, the extent and the efficacy of using these management instruments will vary greatly (Panayotou, 1994). To meet these challenges it is absolutely essential that we gain a better understanding of how tourism firms view and respond to sustainable development initiative of various kinds.

### **1.3 Research Objectives**

This thesis investigates the current context and nature of the tourism industry in the city of Hue. The study focuses on tourism enterprises' perceptions of and responses to the rise of sustainable tourism policies and practices (including perceived barriers to their uptake and adoption). The thesis argues that only by providing a deep understanding of these business dimensions will it be possible to create a strong basis to develop, and enable government to establish new comprehensive plans for, sustainable tourism in Hue, in particular, and Vietnam, in general.

In order to address the key issues raised in current debates and discussion, this research will investigate the following core questions:

1. What is the size and character of the tourism industry as well as the role of tourism SMEs in Hue?
2. What is the political-economic context that has driven tourism development in Hue?
3. What institutional frameworks and environmental policy initiatives are in place for environmental management and sustainable tourism development in Hue and in Vietnam?

4. Do the current policies and plans provide incentives or motivate tourist enterprises to adopt environmentally friendly practices in their daily business practices in Hue and in Vietnam?
5. What are the barriers preventing Hue's tourist enterprises from adopting sustainable tourism practices and the government's environmental management measures?
6. Are enterprises' responses to sustainable tourism practices and environmental policy initiatives significantly driven by their institutional and economic attributes?
7. How do the institutional and economic attributes of tourism enterprises affect their adoption of environmentally sustainable tourism practices?
8. Do smaller sized tourism enterprises have a lower adoption of environmentally friendly practices than their larger counterparts and do they perceive the current government's policy to have less influence on their adoption than larger sized tourism enterprises?

This study contributes to the continuing debate about the development and achievement of sustainable tourism by studying the tourism business perspective. An improved understanding of tourism enterprise attributes, barriers, and responses to the adoption of environmentally sustainable tourism practices is critical if we are to extend the theoretical concepts that underpin sustainable tourism development and to enhance environmental sustainability in practice. The research will also provide a better understanding of sustainable tourism and environmental management in different socio-economic contexts, especially evolving centrally planned developing economies that are moving rapidly towards a market mechanism. Furthermore, the research provides recommendations to assist tourism administrators and policy-makers in designing appropriate tools and strategies to encourage sustainable tourism development in Hue and, more generally, elsewhere in Vietnam. Finally, the thesis will recommend a new research agenda, which focuses on incorporating the principles of sustainable tourism and institutional economic instruments for the future of sustainable tourism development.

## **1.4 Thesis Structure**

Chapter Two is dedicated to providing a review of available literature pertaining to the concept of sustainable tourism and its evolution in the context of global economic change. Previous literature referring to the tourism industry and its awareness and adoption of sustainable tourism practices and related environmental policy initiatives is reviewed. The chapter also includes a discussion on planning for sustainable tourism development and the instruments that can support the implementation of sustainable tourism. The last section of the chapter outlines indicators for the measurement of sustainable tourism development.

Chapter Three focuses on the research methodology, providing a discussion of qualitative and quantitative methods and the ‘triangulation’ of different approaches. The process of data collection through a mixed method – secondary data collection, semi-structured interviews, and survey – is then described. The chapter also provides a detailed description of the statistical analysis of the data collected via the different research methods. The last section of the chapter covers the scope and limitations of the study.

Chapter Four aims to answer two main questions: What is the political-economic context that has driven tourism development in Hue, Vietnam? And what institutional frameworks and economic instruments are in place to facilitate environmental management and sustainable tourism development? The chapter offers an analysis of the current political and economic context within which the Hue tourism industry has been operating. Moving from a centrally planned mechanism to a market-based economic system is considered as a defining moment for the development of tourism in Vietnam. The chapter then offers an analysis and overview of sustainable tourism development by investigating secondary data. Government efforts made to construct an institutional framework for sustainable tourism development and environmental policy initiatives are investigated at different levels, from national to the local, in the following sections of the



chapter. Challenges and opportunities for developing sustainable tourism are also identified and discussed.

Chapter Five presents the research findings of the thesis, focusing on the context and nature of the tourism industry. There are various factors affecting tourism enterprises' adoption of sustainable tourism practices: the first section describes the nature of the administrative system of Vietnam tourism with a special focus on the 'top-down' approach found in planning sustainable tourism development. The chapter also focuses on the evaluation of economic perspectives and environmental dimensions as part of an analysis of the tourism industry's responses to sustainable tourism development. The common attributes of tourism SMEs such as small scale, low financial capacity, lack of knowledge, and highly competitive market are also found in Hue tourism industry. These factors are driving tourism firms' responses toward sustainable tourism practices.

The first section of Chapter Six presents the research findings from the Hue SMEs and their awareness about the environment and sustainable tourism development in their daily practices. The chapter then presents the tourism industry's adoption of sustainable tourism practices by cross-tabulating with factors that are likely to constrain their responses to sustainable tourism practices. The results of the tourism enterprises' perceptions of the influence of current government's management initiatives on their adoption of sustainable tourism practices are also presented. It is clear from the findings that there is a gap between awareness on the part of industry and the transformation of this awareness into practical practices and outcomes within in the tourism sector.

Chapter Seven presents the significant conclusions, contributions and implications of this thesis. Based on the research findings, the contributions of the thesis to the continuing debate on the relationship between tourism industry enterprises and their adoption of sustainable tourism practices are presented. The chapter concludes by outlining a new research agenda, with recommendations for further research to enhance the positive outcomes of sustainable tourism development in the future.

## **CHAPTER TWO**

### **THE TOURISM INDUSTRY: ENVIRONMENT AND SUSTAINABILITY**

Understanding the tourism industry's response to the rise of sustainable tourism and related environmental policy initiatives is essential if sustainable tourism development is to be achieved. This chapter discusses the general concept of sustainable development, and so provides the context in which sustainable tourism has emerged and grown in acceptance. The chapter also reviews the concepts of sustainable tourism development and related environmental management, and discusses the principles behind the development and operation of sustainable tourism. The chapter then moves on to look at tourism enterprises and their adoption of sustainable tourism practices in their daily operation. The discussion emphasizes the critical role played by small- and medium-scale enterprises (SMEs) in achieving sustainable tourism development within a destination. The last section of this chapter provides a review of selected indicators used to analyse sustainability in the tourism industry.

#### **2.1 Sustainable Development: Evolving Development Paradigms**

Post World War II, economic and social improvement became a major preoccupation of governments around the world. As a pioneer in developmentalism, Truman stated that economic development is the only way to raise living standards throughout the world, providing steadily more goods and services to expanding populations. Economic development, with its social and institutional correlates, came to occupy an essential place in theory and policy among governments (Harris, 2000). Rostow (1960) asserts that each country goes through a model of economic growth with five basic stages: (1) Traditional society; (2) Pre-condition for take-off; (3) Take-off; (4) Drive to maturity; and (5) Age of high mass-consumption. Rostow (1960) indicates that in any development

and modernization process, each country or industrial sector is able to choose the balance between different goals such as security, equality and welfare issues. Over 50 years later, the world community had witnessed remarkable successes in economic development and the improvement of people's living standards. For example, the world has seen rapid increases in GDP, life expectancy and education (Bryant & Bailey, 1997).

There is, however, considerable evidence of the negative impacts that lie behind the 'mask' of the overall success of development. Often the benefits of development are not distributed evenly between countries and regions, and between the rich and the poor (Redclift, 1987). Globally, many negative impacts on the environment and society are rooted in development—for example, increases in atmospheric carbon dioxide, deforestation, and climate change, the depletion of natural resources, soil erosion, environmental pollution and poverty. The concepts of North and South, First World and Third World, marginalization, poverty, gender, and empowerment, have emerged as a corollary to the development process and have led to the concept of sustainable development (Redclift, 1987; Bryant & Bailey, 1997).

Increasingly, people all over the world have been realizing that our current way of life is not sustainable. Harris (2000) argues that negative impacts of development on the environment and society threaten to turn its success into failure. The failure of development in many instances has compelled us to seek a reform or a radical rethinking of the concept of development, and changes are required in both goals and methods (Harris, 2000). The growing awareness of these challenges to traditional development doctrines has led to the increasingly wide acceptance of a new concept – that of sustainable development.

The beginnings of the sustainable development paradigm can be traced back to the environmental movement in Europe and North American during the 1960s, and in the Declaration of the United Conference on the Human Environment which contained 26 principles on the preservation of the environment (Cruz, 2003). The World Commission on Environment and Development Summit officially defines the concept of sustainable development as:

*...development, which meets the needs of the present without compromising the ability of future generations to meet their own needs...*

(WCED, 1987: 43).

The basis of Brundtland's approach is the fact that sustainable development can be elaborated by two core concepts: 'limitation of resources' and 'meeting subjective demand'. Due to the limitation of global resources, there is a need to be concerned about the balance between meeting the demand of present generations and that of future ones. A clear element in the concept of sustainable development is the participation and responsibility of the individual in the process of development. Redclift (1987) emphasizes that any move toward sustainable development must seek a compromise between the pursuit of economic growth, environmental protection and social justice. He claims that sustainable development options can only be achieved through co-ordinated political changes at the local, national, and international levels. In 1992, the United Nations Conference on Environment and Development discussed the issues related to development and the environment, and added the principles of the concept of sustainable development, namely intergenerational equity, participation and empowerment.

Harris (2000: 5–6) argues that there has generally been recognition of three aspects to sustainable development: economic, environmental and social. In terms of economic sustainability, the focus is on being able to promote goods and services on a continuing basis and to maintain manageable levels of growth. An environmentally sustainable system must maintain a stable resource base, avoiding the over-exploitation of renewable resources and the depletion of non-renewable resources. Harris explains social sustainability as a system that moves toward distributional equity, adequate provision of social services, political accountability and community participation. Sustainable development also means that any development goals expressed have multi-dimensional objectives – rather than just placing a solitary emphasis on the economic aspects of a development, as traditionally happens. Harris states that:

*Surely if we could move closer to achieving these tripartite goals, the world would be a better place – and equally surely we frequently fall short in all three respects. It may be easier to identify unsustainability than sustainability – and the identification of unsustainability can motivate us to take necessary policy action.*

Harris (2000: 6)

It is argued that the concept of sustainable development has increasingly attracted a wide acceptance because if any stakeholder rejects sustainable development they are embracing an unsustainable option (Campbell, 1996). Therefore, it is not surprising that many stakeholders have adopted the concept of sustainable development in their vocabulary. Many other authors (Daly, 1994; Toman, 1992, Norgaard, 1994) argue that sustainable development has been internationally recognized because it provides the means by which economic, environmental and social goals can be realized, by both individual nations and by the global community. Some scholars, nevertheless, criticize the concept for its ambiguity. This ambiguity makes it hard to transform sustainable development from words into actions (Campbell, 1996; McCool & Stankey, 2004, McKercher, 2003).

In their attempts to better understand sustainable development, many researchers (Redclift, 1987; Nieto et al., 1995; Harris, 2000; Dewhurst & Thomas, 2003; McKercher, 2003) have made an effort to build up theoretical principles and practical tools/technologies for sustainable development. Accordingly, we currently possess both the knowledge and many of the techniques needed to bring this concept into reality – and yet the question remains: why has sustainable development not been effectively implemented? Part of the answer lies in what Carlsen et al. (2001), Le et al. (2006) and Wanhill (2002) describe in their research as a lack of a general awareness and understanding of sustainability issues within society, businesses and governments, and also a lack of willingness to address the issues.

Harris (2000) argues that one of the causes of the lack of progress in sustainable development implementation is the inadequacy of governance tools. He suggests that good governance is a precondition for the implementation of sustainable development

strategies in any country. Furthermore, carrying out research on sustainable development in any field is also crucial because it helps to raise the awareness of those involved (for example, the tourism industry, farmers, governors and local communities) and change their attitudes and behaviour towards sustainable development. These changes will only ever occur once those involved understand what change is necessary and why. In other words, *all* stakeholders in the development process need to be equipped with the necessary knowledge and skills to understand the concept of sustainable development. Furthermore, policy-makers at all levels need to fully understand not only the principles behind sustainable development but also the perceptions and responses of all those affected by a development. Without this knowledge and understanding, policy-makers will not be able to take the actions needed to support the processes of change (Welford, et al, 1999; Jamieson & Noble, 2000).

## **2.2 Sustainable Tourism Development**

A review of the existing literature on sustainable tourism indicates there is a gap between the theoretical principles of sustainable tourism and the transformation of these principles into the daily practices of the tourism industry (Carlsen et al., 2001; Tosun, 2001; Wanhill, 2002). Tourism enterprises often find it hard to accommodate the principles of sustainable tourism development into their business as the principles are considered too broad and complicated to achieve at the business level. This means that there is real need for a deeper understanding of not only the principles and also the barriers that constrain the adoption and practical implementation of these principles by the tourism industry.

### **2.2.1 Principles of Sustainable Tourism Development**

McKercher (2003) states that the tourism industry is ideally suited to adopting sustainable development as a guiding philosophy because: (1) tourism does not directly consume additional non-renewable resources; (2) communities' resources, culture, traditions and leisure facilities represent the core resource base for tourism; (3) the tourism industry represents one of the few economic opportunities available to local

communities, provides real opportunities for poverty reduction and stimulates regional development; and (4) tourism can provide an economic incentive to conserve natural and cultural assets. Therefore, sustainable tourism is often seen as a strategy focused on how best to encourage tourism development while minimizing possible adverse impacts. The World Tourism Organization (WTO, 1996) defines sustainable tourism as:

*...tourism, which meets the needs of present visitors, and host regions while protecting and enhancing opportunity for the future. Sustainable tourism development is envisaged as leading to management of all resources in such a way that we can fulfil economic, social and aesthetic needs while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.*

(WTO, 1996: 21)

Harrison (1996) states that, despite the attention given to it, sustainable tourism has proven to be difficult to define and implement. Garrod and Fyall (1998: 200) argue that:

*...defining sustainable development in the context of tourism has become something of a cottage industry in the academic literature of late, which lacks consensus on its meaning and operationalization.*

O'Brien (2000) states that the debate over sustainable tourism, and the broader role of tourism in sustainable development has been tinged with ambiguity because of attempts to make the concept palatable to everybody. Much of the recent debate on sustainable tourism has concerned itself with developing and analysing a 'new tourism', variously known as eco, green, responsible or alternative tourism. However, Budowski (1992) and Pattullo (1996) argue that the so-called sustainability of green tourism and eco-tourism is a myth, and that such developments may merely replicate, or even exacerbate, all of the problems associated with mass tourism. Indeed, it can be argued that eco-tourism or green tourism is simply pushing the industry into areas that have escaped the industry's development – what Butler calls the thin end of the edge (Butler, 1998). O'Brien (2000) concludes that a wider analysis of sustainable tourism should be adopted, with tourism seen as part of a broad process of moving toward sustainable development. In this context tourism should:

- (1) be profitable, and thus be able to sustain itself;
- (2) include both local community participation and local community benefit; and

(3) contribute to the conservation of the environment where it is based.

Sustainable tourism is developed so that the nature, scale, and location of tourism development will not exceed the carrying capacity of the environment and not marginalize other stakeholders' activities at the destinations (APEC, 1996; Bui, 2000; Borg, 2001).

In terms of economic activity, the concept of sustainable tourism is defined as tourism-related activities that meet certain criteria to fulfil the needs of different stakeholders and contribute to overall sustainable development (APEC, 1996; McKercher, 2002). Such definitions clearly call upon all involved to make sure that a balance is achieved between the dual goals of adopting tourism as a means for economic development and preserving the environment and social/cultural resources for the future.

Sustainable tourism development is also defined as an integrative concept that incorporates growth and a balance between economic viability and social and ecological integrity, development and conservation (Smith, 1991; Wall 1993). Developing sustainable tourism requires careful consideration of the potential impacts that the industry might have on the environment, culture, local economies and quality of life of all those involved (Eber, 1992; Milne, 1998; Bui, 2000). Sustainable tourism cannot be achieved unless the social, cultural and natural environments are all well conserved and managed in the development process. This does not mean, however, that sustainable tourism development discourages economic growth and increased prosperity (McKercher, 2003).

The results of previous studies indicate that the framework of principles and processes that is needed for sustainable tourism planning and management to occur has not yet been fully developed in many developing countries. The plans for sustainable tourism development made by governments in developing countries often tend to be impeded by a poor understanding of the complexity of the tourism industry by stakeholders, and a lack of the strong institutional frameworks needed for their implementation (Bui, 2000).



From a strategic planning viewpoint, Smith (1997) and Bui (2000) mention four different approaches to sustainable tourism: *Ad hoc*, *Limited Growth*, *Integrated* and *Comprehensive*. The *Limited Growth* and *Ad hoc* approaches focus on small-scale and less intensive tourism development, and sustainable tourism development is achieved on a 'project-by-project' basis. The *Integrated* and *Comprehensive* approaches to development emphasize the incorporation of an integrated tourism development strategy for a region, stressing that sustainable tourism development needs a well established institutional framework that enables the co-ordination and participation of stakeholders. Constructing an integrated development strategy is expected to result in more sustainable tourism (Smith, 1997; Bui 2000). This form of tourism development has to encompass a set of principles and management methods that chart a path for the tourism industry and provide local economic viability in ways that protect the environmental and socio-cultural base for the future (Welford et al., 1999, cited in Vernon et al., 2003).

Frederico (2003) indicates that the international community has made much effort to promote sustainable tourism development, such as Agenda 21 for Travel and Tourism, and the World Summit on Sustainable Development. Many countries where the economy is driven by the tourism industry have become increasingly concerned with environmental management and sustainable tourism. As a result, in the last decade there has been increasing agreement on the need to promote sustainable tourism development that will both minimize the environmental impacts associated with the industry and maximize socio-economic benefits at tourist destinations (Tosun, 2000; Simpson, 2001; Frederico, 2003). Frederico argues that sustainable tourism development might concern environmental management and socio-economic benefits to host communities; however, often only a small number of the better-off actors in the local community gain benefits from tourism. In simple terms what is sometimes labelled as sustainable tourism is not necessarily aimed at poverty alleviation or provide benefits for the majority of the community.

It is increasingly realized that promoting greater community participation in tourism development not only provides strong incentives to conserve the environment but also leads to a more equitable distribution of benefits and thus greater opportunities for

poverty alleviation (Tosun, 2000; Simpson, 2001). Frederico (2003) suggests that a new approach to sustainable tourism development in these developing countries should be to not only seek to minimize local environmental impacts but also to give greater priority to community participation and poverty reduction. This is what he calls 'A Pro-Poor Tourism Approach' (Ashley et al., 2000; Ashley et al., 2001). This approach is different from other approaches to sustainable tourism because members of local communities both own and manage the tourism enterprises, whose economic benefits flow directly into community (Frederico, 2003: 8).

Governments in developing Asian countries (Thailand, Malaysia, Indonesia, Vietnam and the Philippines) have been integrating sustainable tourism dimensions into national economic agendas and master plans in order to transform the tourism industry's development trajectory towards sustainable development. There has been significant progress in the adoption of sustainable tourism paradigms at national levels; however, the diffusion of this concept to the local level has been quite slow (Cruz, 2003). Frangialli (2007) states that by integrating sustainable tourism into the development agenda, the tourism industry can make a significant contribution to advancing the UN Millennium Development Goals, through a more moderate, solid and responsible type of growth. Environmental issues continue to pressure the tourism industry to change. It is both timely and responsible to make this new phase of growth in the industry more environmentally conscious, more economical in its use of energy and natural resources, more sustainable and, lastly, more in keeping with the spirit of enhanced benefits among all stakeholders.

There have been many efforts made to develop principles to guide the sustainable development of the tourism industry. The foundation of these principles of sustainable tourism is largely based on the concept of sustainable development. The results of previous tourism studies (McVey, 1993; Sharpley, 2000; Velikova, 2001; McKercher, 2003) identified four pillars that make up sustainable tourism development:

- (1) *Economic sustainability*: The industry is profitable in both the immediate and long term and maintains growth rates at manageable levels. This includes promoting tourism while keeping an eye on carrying capacities.
- (2) *Environmental sustainability*: The industry is compatible with the maintenance of biological diversity and environmental resources. A focus must be placed on the capacity of the natural and built environments to handle tourism without damage.
- (3) *Social sustainability*: The industry helps to increase people's control over their lives and local identity. It also supports communities to absorb increasing tourist arrivals without adversely affecting or damaging indigenous culture.
- (4) *Local sustainability*: The industry has increasing levels of local involvement in its development, and it benefits local communities.

Several researchers (McVey, 1993; Bramwell & Henry, 1996; Cruz, 2003, McKercher, 2003; and White et al., 2006) have identified elements that provide guidance for policy-makers and practitioners on pursuing sustainable tourism development goals. These researchers conclude that sustainable tourism development can be achieved if the tourism industry is able to:

- be economically viable in the long-term
- minimize adverse impacts on the environment and local communities
- promote conservation of natural resources
- support preservation of local identity
- focus on the well-being of future generations
- promote equity by sharing the benefits of development
- encourage multi-stakeholder participation in decision-making and management
- promote ethical and environmental responsibility among tourism operators, and hold them accountable for their behaviour
- integrate sustainability criteria into government tourism planning

- improve research capability in order to provide timely and valid data and information for monitoring
- provide more equitable access to tourism resources and increase technological effort to use them more effectively
- provide financial incentives for tourism businesses to adopt sustainability principles and government policy initiatives
- formulate strong institutional frameworks at different levels (e.g. national, regional, provincial and local) that are consistent with the overall objectives of sustainable tourism development
- establish codes of environmental practice for tourism at all levels
- provide guidelines and consultancy about sustainable business and government policies for tourism operators
- reduce over-consumption and waste by visitors and host communities, and
- market tourism responsibly.

The tourism industry itself has often found it difficult to implement the principles of sustainable tourism at the level of the individual business, especially in the context of developing countries where there can be many barriers to their adoption (Tosun, 2001; McKercher, 2003). Tourism enterprises may be aware of the principles behind, and importance of, sustainable tourism; however, they often find it hard to accommodate these principles into their business practices. The implementation of the principles of sustainable tourism in day to day tourism business operations has become an issue of pressing concern for both practitioners and researchers (Carlsen et al., 2001; Wanhill, 2002).

### **2.2.2. Implementing Sustainable Tourism**

Tourism is a complex phenomenon due to its global organizational structure, and the often conflicting needs and perceptions of different stakeholders such as local

communities, government, and tourist operators (Milne & Ateljevic, 2001). Accordingly, there are several inherent challenges to applying the principles of sustainable development to the process of tourism industry development. Hitchcock et al. (1993) argue that sustainable tourism is a 'utopian' model with a clear gap between ideology and practice; this is due to the generality of the sustainable tourism concept and weak institutional frameworks for its implementation.

Past literature has shown sustainable tourism may not be consistent with sustainable development because it focuses more on specific tourism sites and their protection rather than on the surrounding geographic area (Hunter, 1995). While sustainable development refers to sustainability of economies, society and the environment as a whole and to all stakeholders in a community, region, country or internationally, sustainable tourism often focuses more on itself, or within specific destinations or issues related to the development of the tourism industry. Hunter argues that with such narrow geographic focus, the potential exists for environmental problems associated with tourism in one location to be passed on to surrounding areas. However, these concerns are not a reflection of the failure of sustainable tourism development itself, rather the failure of those who are involved in tourism to look towards the progressive work being undertaken in the field of sustainable development (Twining-Ward & Butler, 2002).

Several authors suggest that sustainable tourism can be a practical model if it is well-planned and managed (Bottrill & Pearce, 1995; Sharpley, 2000; Frederico, 2002) – but without planning, there is little hope for sustainable tourism development. Increasing the role of the local community in sustainable tourism development, and enhancing local participation, are a major focus in current sustainable tourism planning processes (Helmy, 2004). Results of previous studies indicate that a framework to facilitate and enhance local collaboration and participation in tourism planning is necessary for sustainable tourism development to occur (Pearce, 1992; Milne, 1998; Helmy, 2004; Emmelin, 2006). If local communities have to bear the cost of tourism development without receiving any benefit, they may be unsupportive of not only tourism but also the conservation of tourism attractions (Richardson, 1995). It is obvious that in order to sustain tourism – and to meet the four pillars of sustainability – both well designed

planning and effective instruments that support the implementation process will need to play a central role in tourism development.

In terms of the politics of sustainable tourism, Lele (1991) affirms that you cannot talk about sustainability without talking about people, politics, power and control. The growing gap between ‘winners and losers’ or ‘rich and poor’ is inextricably linked to the much wider issues of over-exploitation of tourism resources and the environment (Bryant & Bailey, 1997; Britton, 1998; Taylor et al., 2003). For example, while the development of the tourism industry is often credited with generating new employment in a destination, much of this employment may be seasonal and low-paid, and the community’s traditional work patterns may be disrupted or even exploited as commercial products by tourist operators. Local people tend to drop traditional occupations and adopt a new and sometimes fragile livelihood strategy based on tourism (Pearce, 1989; McIntyre et al., 1993; Howie, 2003).

Previous research has shown that the intensification of tourism development in many regions, characterized by the rise of large foreign-owned establishments, can minimize local linkages and reduce multiplier effects in regional economies (Milne, 1987; Haas, 2002). De Haas (2002) suggests that economic viability can be achieved by limiting foreign investment and joint ventures. Eber (1992) notes that to be sustainable, tourism should support local economies by stimulating a wide range of local economic activities, encouraging employment, and maintaining and improving the environment. Local involvement in tourism development means that the local communities gain benefits and leakages are limited. Additionally, a proportion of the money derived from the tourism development should go toward the maintenance, protection and enhancement of tourism resources (Wunder, 2000; Kontogeorgopoulos, 2005).

The economic diversification associated with tourism, along with greater involvement of smaller tourism enterprises, may help mitigate the issues of dependency and leakage in tourism development. Previously, scholars such as Eber (1992) and Haas (2002) have investigated the relationship between benefit leakages and economic viability; they suggest a solution to sustainable tourism is the promotion of small-scale tourism

enterprises rather than trying to attract foreign investments into the industry. However, it has been shown that while involvement of small-scale tourism enterprises can be beneficial in terms of economic linkages, they may be less environmentally aware than their larger counterparts, and this can lead to various negative impacts on the environment and local communities (Adeoti, 2000; Wanhill, 2002; Dewhurst & Thomas, 2003). This is because, in the context of developing countries, small-scale tourism enterprises are often characterised by low levels of capital and low awareness of both the government's environmental policy initiatives and the principle of sustainability. Conversely, there are many examples of large-scale tourism enterprises that are proactively shifting their businesses toward environmentally friendly practices (Vernon et al., 2003).

Regarding the cultural aspect of sustainable tourism, Robinson (1999) states that, in developing societies, cultural value is often seen as another kind of tradable commodity for tourism. The values of cultural resources remain a potent argument for governments seeking to develop sustainable tourism. In developing countries, some of which have been stripped of their natural resource base, cultural resources have become more important as a way to stimulate local economics (McKercher, 2002; Dinh et al., 2006). Tourism development can present both advantages and problems for the local culture. On the positive side, the unique culture of certain destinations can attract the curiosity of tourists and provide opportunities for tourism and economic development (McKercher, 2002). On the negative side, the issue is raised as to how tourism can be managed so that these cultural amenities are not destroyed or commercialized, and local communities do not feel violated. The results of previous studies (Robinson, 1999; McKercher, 2003) indicate that the negative impacts of the tourism on local cultures are frequently exhibited in the long term rather than the short term. Therefore this impact can be difficult to articulate in the timeframe of government policy making.

A review of attempts to implement sustainable tourism indicates that several problems stem from the politics of tourism development, particularly the lack of, or ineffectiveness of, government regulations and legislative frameworks (Tosun, 2001; de Oliveira, 2003). This is heightened by the unwillingness of tourists, tourism enterprises and communities

to contribute adequately to the conservation of the environment and the maintenance of local livelihoods. O'Brien (2000) points out that national programmes for sustainable development often lack effective instruments for management, enforcement and evaluation, and that developing such structures is very time consuming and in the end often achieves very little.

McKercher (2003) argues that, while in principle most stakeholders support tourism sustainability, in practice they find it hard to achieve because the notion of sustainability is so broad and complex. McKercher (2003) states that if we consider sustainable tourism development in the context of a strategy then both economic and ecological considerations are needed because we cannot have true sustainable tourism without addressing both these concerns. It also means that it is impossible to achieve sustainable tourism if we consider either economic or ecological sustainability as dominant components in strategy for sustainable tourism development. A harmonization of three aspects – economic, environmental and social – is suggested to achieve sustainability of tourism development.

Sustainable tourism development at a particular destination is influenced by the prevailing social, environmental, economic and political contexts, as well as by the drive of tourism enterprises that wish to develop tourism for commercial reasons (Howie, 2003). Howie argues that the management of tourism destinations is more complex than management of a single business or enterprise because there are multiple interested stakeholders with a range of objectives that need to be met, and these objectives may conflict with each other. Destination development models clearly suggest the significance of understanding the nature of tourism enterprises and their motivation: differing types of tourist firms will generate differing impacts on the sustainable development of a destination. Presenza (2006) argues that all of the elements that shape a sustainable tourism destination are influenced by the role of tourism enterprises' attitudes and their willingness to co-operate.

Using Egypt as a case study, Helmy (2004) found that developing countries face many challenges and obstacles that might negatively influence the implementation of



sustainable tourism development. These can be classified into three different types of challenges. Firstly, developing countries share internal pressures that undoubtedly affect the successful implementation of sustainable tourism development; examples of these pressures include the need to improve the economic well-being of its population, to create jobs and to attract foreign direct investment. Tourism in developing countries will also face external pressures because large tourism enterprises are often owned by foreign partners, and this leads to high levels of economic leakage (Milne, 1998; McKercher, 2003; Helmy, 2004). The second type of challenges facing the implementation of sustainable tourism development in developing countries is the problems related to planning mechanisms. These could include unclear policy, inefficiency of the planning process or failure to plan comprehensively for sustainable tourism development in relation to the local context. The third type of challenge results from the tourism industry itself. The fragmented nature of the industry, seasonality, and a range of other factors create difficulties and challenges. Helmy (2004) concludes that it is still difficult for developing countries to implement sustainable tourism. To accomplish sustainable tourism in developing countries, both existing attitudes and institutional frameworks need to be changed. Moreover, such changes need to be considered within the context of both the tourist destinations and tourism enterprises.

There are many case studies from countries whose economies are moving to a market mechanism – countries such as the Philippines, Thailand, Vietnam, Malaysia and Kenya – where sustainable tourism has failed to be implemented (Sindiga, 1999; Tosun & Timothy, 2001; Hamilton, 2005). Although the governments in these countries have made great efforts to implement sustainable tourism principles through changes in policies, infrastructure improvements, and increasing different stakeholders' involvement in planning, there remain major constraints to the development of sustainable tourism. For instance, Kenya's tourism is nature-based and so, in order to achieve sustainability, the tourism industry requires conservation and environmental management. The Kenya government gives priority to environmental conservation and management by shifting the emphasis from the current mass tourism to eco-tourism; this is seen as a catalyst for encouraging ecologically sustainable tourism development (Sindiga, 1999; Hamilton, 2005).

In Vietnam, there are four major challenges identified to sustainable tourism development in the context of increasing tourist visitation: the structure and administration, tourism infrastructure, participation of local communities and effective communication across all relevant stakeholders, and low awareness of public about sustainable tourism development. The tourism industry and policy-makers continue to grapple with these in the process of shifting toward sustainable tourism development (Lipscombe & Thwaites, 2003; Nhân Dân, 2006)

McKercher states that many newly emerging destinations in developing countries promote sustainability, yet still adopt the same old practices with the same adverse impacts. Furthermore, many of the structural issues of the poor development practices in these countries fall outside of direct governmental control because there is no strong national sustainable tourism development framework (McKercher, 2003).

### **2.3 Planning for Sustainable Tourism and Environmental Management**

In line with the paradigm of sustainable tourism it is believed that negative impacts can be avoided or minimized if tourism development is thoroughly planned and carefully controlled. Haas (2002) argues that tourism planning and education could minimize and even prevent much of the environmental degradation that occurs in some destinations. Environmental awareness should be fostered in tourists, tourist operators and the local population (Haas, 2002). Uncontrolled tourism development should not be allowed to occur as it can be potentially destructive to the natural environment. Local communities must be involved in tourism planning, development and decision-making, and development must provide opportunities for the local population to generate economic benefits from tourism (Tosun, 2000; Simpson, 2001). Haas (2002) argues that the tourism planner who uses local knowledge will gain insights into that destination that they would not otherwise have had. However, in reality, tourism planners often do not consult the locals for knowledge about the environment, or design plans to fit with the

socio-cultural patterns of the certain destination; this leads to a failure to successfully implement sustainable development plans (Haas, 2002; Cruz, 2003)

Tosun and Timothy (2001) argue that although there is no one way that defines how to plan for sustainable tourism development, with the recent growth of mass tourism world-wide, planning for sustainable tourism has become a specialized area and is attracting the attention of both governments and researchers. They emphasize that:

*Generally speaking, tourism planning has been defined as a process based on research and evaluation, which seeks to optimize the potential contribution of tourism to human welfare and environmental quality.*

(Tosun & Timothy, 2001: 352).

This definition means that tourism planning does not solely refer to the tourism industry itself but is also integrated into other sectors. It is suggested that tourism planning should relate tourism development to the more equitable distribution of benefits and it must become a component of any national development planning and strategy. Tourism planning should include a decision-making process between the tourism industry and other sectors of the economy, and between various types of tourism (Tosun & Timothy, 2001).

Planning sustainable tourism development at a particular destination can be a challenge for a government because any tourism destination will have a number of stakeholders with interests in its development: the local community, tourism businesses, businesses from other economic sectors, and the government (Pearce, 1992; Brunetti, 2001). Accordingly, planning for management and sustainable development must serve the range of needs of tourists and tourism-related businesses as well as the resident community and local businesses and industries (Howie, 2003). Martini and Franch (2002: 5) define planning sustainable tourism for a destination as the strategic, organizational and operative decisions taken to manage and promote commercialisation of the tourism product, and to generate manageable flows of incoming tourists that are

balanced, sustainable and sufficient to meet the economic needs of the local actors involved in the destination.

Sustainable destination management is also complicated by the fact that a destination whether it be an island, city, region or nation is recognized by its boundary. Jamieson and Noble (2000) state that the needs, expectations, and anticipated benefits of tourism vary greatly from one destination to another, and from one scale to the next, and there is certainly no 'one size fits all' approach to tourism destination management. McKercher (2003: 2) concludes that *"no two destinations are the same and, therefore, the choices made for, and the paths taken to, sustainable tourism development will vary from destination to destination"*.

Determining the best path to the management of a sustainable tourist destination must often involve a series of hard decisions about where to allocate limited resources in order to achieve the best result (Tamma, 2001; Vereczi, 2006; Jamieson & Noble, 2000). Furthermore, management for sustainable tourism development at a destination must achieve both intra- and inter-generational equity, i.e. maintaining the scope of ecological diversity available for future generations (inter-generational equity) and improving the well-being of all residents in a community, not just benefiting powerful and rich stakeholders such as the tourism enterprises (intra-generational equity) (McKercher, 2003).

Treuren and Lane (2003) suggest that the planning process for sustainable tourism development needs to be understood in its social and environmental context. This is, in part, a response to the complexity and diversity of tourism activities within specific political economies. Timothy (1998) indicates that tourism planning paradigms have emerged from broad traditions of regional planning, including:

- (1) *Comprehensive development is a view of planning that takes on a systems tradition in that all aspects of regional tourism, including its institutional elements, facilities and service, are planned in a comprehensive manner.*

- (2) Community-based planning wherein locally defined goals and local development actions are an integral part of tourism planning.*
- (3) Incremental planning, which allows for high levels of predictability and flexibility.*
- (4) Collaborative planning where all stakeholders are permitted and encouraged to participate in the decision-making process.*

(Timothy, 1998: 52)

An important goal of comprehensive tourism planning is to integrate all elements of tourism into the social and economic life of a community. In other words, all elements of tourism, such as transportation, accommodation, and food and beverage supplies and services, need to be planned in concert, because co-ordinated planning helps to avoid conflicts between tourism sub-sectors as well as between the tourism industry and its local community (Gunn, 1994, cited in Timothy, 1998). However, realistically, it is impossible to consider all the elements of tourism planning together at one time. The introduction of alternative approaches to planning for sustainable tourism development, such as community-based or collaborative planning is a response to the recognized deficiency in the comprehensive planning approach (Timothy, 1998, Mason, 2003; Helmy, 2004).

Timothy (1998) suggests that co-operative planning is an alternative method towards sustainable tourism development, with its emphasis placed on equity of opportunity and the recognition of needs among various stakeholders. Timothy (1998: 54) states that there are at least four types of co-operation: between government agencies; between levels of administration; between the same-level polities; and between the private and public sectors. However, it is difficult to have such co-operation in reality. For instance, any co-operation between private businesses and the public sector will be tempered by their different goals: while private businesses focus more on short-term benefits by exploiting tourism resources rather than conservation, the public sector has to balance between short-term and long-term goals, between exploitation and conservation (Simpson, 2001; Tosun & Timothy, 2001; Mason, 2003). Even between government

agencies, as Timothy (1998) mentions, there will be competition for the scarce operating budget.

Dwyer and Kim (2003) state that in order to achieve sustainability, tourism must be developed and managed within a hierarchy of controls, ranging from local to national levels, with clear clarification of responsibility and accountability. Planning for sustainable tourism requires a full understanding of the meaning of sustainability and the guiding values for promoting sustainable tourism. Dwyer and Kim (2003) emphasize that planning for sustainable tourism development requires involvement from different stakeholders, and that communities must be made sufficiently aware of, and to understand, the tourism industry and its impacts as well as the various processes to integrate and engage in participatory planning, consensus building and conflict resolution among all stakeholders. In fact, integration of and co-operation between stakeholders is complex; this is why planning for sustainable tourism at a holistic level is required. Planning is also vital if the principles of sustainable tourism development are to be actually implemented (Inskeep, 1991; Hassan, 2000; Dwyer & Kim, 2003).

Ladkin and Bertramini (2002) argue that current debate about negative impacts of tourism on the environment has built an awareness of the outcomes associated with either no or only short-sighted, development planning approaches. Ladkin and Bertramini (2002: 71) argue that among the contemporary planning approaches used for sustainable tourism development, the collaborative one appears as the option most likely to overcome the recognized barriers to sustainable tourism development. The collaborative planning approach is considered to be a tool that can solve many of the problems that arise when there is a lack of understanding and few common goals between many stakeholders involved in tourism.

The fragmented nature of tourism, where different stakeholders have interests in the tourism planning, means that the collaborative planning approach for sustainable tourism is increasingly being used in developing countries (Timothy, 1998; Hassan, 2000; Ladkin & Bertramini, 2002; Lam, 2002; Helmy, 2004). Ladkin and Bertramini (2002) state that it is only through a process of shared information and decision-making with *all* the

stakeholders involved, that tourism planning can evolve with minimal negative impacts, i.e. sustainable tourism development can be achieved. Ladkin and Bertramini (2002) investigated the experiences in collaborative planning in Peru, a country whose economy has undergone a rapid transformation from being institutional and state-led to adopting market-based economic policies. They found that the possibilities for collaboration in tourism planning can be reduced; due to the existence of multiple and varied stakeholders who often hold widely different viewpoints and have differing vested interests. Accordingly, we need to consider carefully the legitimization of stakeholders by identifying their economic or political power, the legitimacy of their claims and their willingness to be involved (Ladkin & Bertramini, 2002).

So why it is hard to get different stakeholders to become involved in collaborative planning? Many scholars (Milne, 1998; Ladkin & Bertramini, 2002; Dwyer & Kim, 2003; Helmy, 2004) highlight different barriers to collaboration in tourism planning including lack of expertise, lack of budget, conflict, lack of long-term planning, and the overlapping role between stakeholders. Any or all of these barriers might lead a developing country away from using the collaborative planning approach to sustainable tourism development. In their analysis of the case study of Cusco in Peru, Ladkin and Bertramini (2002) reveal that tourism planning in Cusco is not yet carried out using a strategic planning process because local communities felt excluded from the tourism planning process. Accordingly, the experience of collaborative planning for tourism has not been successful enough to build a bond of confidence among difference stakeholders, even though the Peruvian government made much effort with policies and guidelines for tourism development and a tourism master plan – all developed with the involvement of stakeholders.

Planning for sustainable development in the tourism industry should work from the premise that tourism enterprises, local communities and other stakeholders all share certain characteristics and make use of the common-pool environmental resources of a destination. Conflicts over access to tourism resources will arise if the use made of the various elements of a destination by different stakeholders is more intensive than its carrying capacity, i.e. the use is greater than the destination can tolerate (Howie, 2003).

Accordingly, planning for sustainable tourism development is increasingly focused on bringing these perspectives closer together and fostering increasing awareness of the multiple interests of stakeholders (Howie, 2003; Dwyer & Kim, 2003).

However, the experience with sustainable tourism development in developing countries has shown that there have been contradictory viewpoints between sustainable tourism frameworks and the general national plans for economic development. In fact, most developing countries often pursue policies focused on economic growth, improvement of the economic well-being of residents, job creation and infrastructure improvement, rather than emphasizing environmental management. Tourism has also become a means to attract foreign investments for large-scale infrastructure development. Thus, governments often lack a solid national sustainable development framework under which the tourism industry can fit and within which sustainable practices can be implemented (Wahab, 1997; Tosun, 2001; Helmy, 2004). For example, Vietnam signed the Sustainable Agenda 21 at the 1992 United Nations Summit in Rio, and since then the government has made a conscious effort to integrate the sustainable principles of the Agenda into its National Plan for Sustainable Tourism Development. Yet, despite this alternative form of tourism administration, Vietnam still faces many challenges and has many gaps to fill in its pursuit of sustainable tourism (Lam, 2002; Tuan, 2006b).

When considering the role of governments' administration in achieving sustainable tourism development, past studies have shown that the tourism industry in developing countries has often been planned and managed through a top-down approach (World Bank, 1992; Wahab, 1997). Under this approach, important strategies, plans or policies on tourism development have been made by central governments without the involvement of the other stakeholders linked to the tourism industry (Tosun & Timothy, 2001). More recently, however, developing governments have made much effort to change their administrative systems. In an effort to adopt sustainable tourism, the institutional systems are being diversified and decentralized, thus allowing for the involvement of those different stakeholders who are closer to the reality of tourism development. When developing countries such as Philippines, Malaysia, Thailand and Vietnam are considered – countries where the tourism industry is considered to be an



engine to drive economic development—the decentralization of the administrative system has resulted in a rapid increase in locally owned enterprises involved in the tourism industry (De, 2002; Luong, 2005b). Many of these enterprises are family-owned businesses, are small-scale in terms of capital, and have weak liability practices. Thus, decentralization has led to fragmentation in the tourism industry and high competition which, in turn, can threaten sustainable tourism development (Luong, 2005b). To achieve sustainable tourism, small- and medium-scale tourism enterprises have to be given more voice in government planning and policy. By doing so, it will increase tourism enterprises' responsibility towards sustainable tourism development.

Sindiga (1999) examines Kenya and the way it has planned for sustainable tourism development. He argues that conflict transparently appeared in the government's planning: conflict between natural resource conservation and the broad goals of maximizing foreign exchange earnings, creating more jobs and increasing tax revenues. The end result is that Kenya's tourism is now managed and controlled by multinational corporations from developed countries. As such, the foreign exchange leakages which are common in convention 'mass' tourism, are also present in eco-tourism in Kenya, and local communities tend to be marginalized from tourism planning and development (Sindiga, 1999). Consequently, Kenya's tourism is facing a crisis with the breaking down of the country's physical infrastructure, degradation of natural resources, a narrow tourism product, and the uneven distribution of the benefits of tourism to local communities. Isaac suggests that to achieve sustainable tourism development, governments need to identify who bears the responsibility for eco-tourism development. Governments should also draw attention to the crucial role of local people in tourism resource management, and encourage local people to have greater participation in the ownership, management and control of tourism enterprises (Sindiga, 1999).

Tosun and Timothy (2001) have studied shortcomings in planning approaches. They state that many developing countries have prepared plans, particularly at the central level, to guide tourism development as they recognize the tourism industry is an important source of foreign currency and employment. However, while developing countries are often anxious to plan, research suggests they are frequently unable to implement, often

lacking the discipline and forethought to carry these plans out. After reviewing the currently literature, and with their own research, Tosun and Timothy (2001: 353) say the most common shortcomings of planning approaches to tourism and sustainable tourism development in developing countries are:

- *Over centralization of tourism planning activities and improper practices of public administration*
- *Tourism development planning is rigid and inflexible*
- *Plans are not comprehensive enough and not prepared in an integrated manner*
- *Lack of a community based approach*
- *Tourism development planning is dominantly supply oriented*
- *Tourism development planning is highly driven by market*
- *Lack of consistency and continuity in planning policy*
- *Myopic approach to establishing goals of tourism development planning*
- *The plans are difficult to implement.*

Mason (2003) indicates that conflicts often arise at tourist destinations because tourism enterprises access and use tourism resources, but are not willing to contribute to environmental resource management. Additionally, there is a misconception that privately owned small tourism firms are the main cause for pollution and environmental degradation, and governments are viewed mainly in the role of environmental management (Mason, 2003). In fact, government policies on environmental management tend to be concentrated in national agencies, so that critical decisions about the course of environmental management for sustainable tourism development are made outside of the local destinations, and often by planners with little personal experience or knowledge of these destinations. As a result, these critical decisions are often considered as time-consuming and of little use in environmental management and sustainable tourism development of the local destinations (Jamieson & Noble, 2000; Huybers & Bennett, 2003).

It is also important to consider tourism enterprises and their role in achieving sustainable tourism development within a tourist destination. Tourism enterprises with different attributes might have different ways to adopt and respond to a government's environment policy initiatives and sustainable principles. It is argued that well-designed plans for sustainable tourism development at the tourism destination scale can address the conflicts that can arise between tourism enterprises and local communities, or between tourism enterprises themselves (Jamieson & Noble, 2000; Howie, 2003).

Therefore, developing countries should develop an appropriate method of planning that takes into account the unique circumstances of their own country. Jamieson and Noble (2000) conclude that there is no magical checklist for an appropriate or inappropriate approach to tourism development: a combination of several contemporary tourism development approaches – including comprehensive, integrated, collaborative, and community-based approaches – may be needed to develop specific guides for tourism development at each destination. Any approach needs to also take into consideration such factors as socio-economic indicators, socio-cultural and economic traditions, community values, the people in positions of economic and political power, the environment, and the main problems of current tourism development in the particular country (Jamieson & Noble, 2000; Emmelin, 2006; Ladkin & Bertramini, 2002).

One of the common challenges of tourism development is that while the tourism industry in developing countries is largely made up by privately owned enterprises, tourism resources are usually controlled by the public sector. The privately owned enterprises are excluded from, and have no voice in, planning for tourism resource management. Accordingly, despite planning for sustainable tourism often being discussed and focused on, issues of environmental pollution and unsustainable practices continue to exist just as they did under mass tourism. A well designed plan for sustainable tourism should set values, goals and actions in the particular economic, social, cultural and environmental context of the destination (Mason, 2003; McKercher, 2003). Any planning for sustainable tourism must also be integrated into the local economy. This is because the higher the integration of tourism enterprises into local economic structures, then the higher the multiplier effect is likely to be (Helmy, 2004). If planning is to change the

future of tourism toward sustainable development, it needs to be linked directly to the tourism industry and to means of implementation. Proceeding with planning for sustainable tourism development without providing supportive instruments for its implementation is naïve (Helmy, 2004). Many plans, even master plans for sustainable tourism, especially in developing countries, never turn into reality.

## **2.4 Tourism and Sustainable Development: from Awareness to Practice**

Tourism enterprises are key stakeholders in the development of the tourism industry. In developing countries, the tourism industry is often comprised of a large number of small- and medium-scale firms. This feature makes tourism a highly fragmented industry in these countries, and can be an important barrier affecting the implementation of sustainable tourism practices at the business level (Vernon et al., 2003). Swarbrooke (1999) argues that the complexity of the tourism industry makes it difficult to identify exactly the negative impacts that can be associated with the dominance of small tourism enterprises. Swarbrooke concludes that the primary reason is that small tourism businesses are often forced to be concerned with short-term benefits rather than long-term sustainability. The tourism industry has also been blamed for not doing enough to raise tourists' awareness of issues such as sustainable practices. He argues that the tourism industry is only getting on the sustainability bandwagon because the concept is gaining increasing recognition as a marketing tool (Swarbrooke, 1999).

Hardy and Beeton (2001) argue that without fully understanding how sustainable tourism is perceived by the different stakeholders who live in, use and manage the tourism resources to which management is to be applied, there is a risk that sustainable tourism will not occur. In order to involve tourism enterprises in the planning and management of sustainable tourism, an understanding of their attitudes and adoption is necessary. Hardy and Beeton (2001) argue that the potentially negative impacts of tourism can be perceived differently by different tourism enterprises. So, understanding enterprises' perceptions could be seen as a preventative mechanism against 'maintainable tourism'

which involves management based on assumptions rather understandings. Therefore, Hardy and Beeton (2001) conclude, understanding stakeholders' attitudes and adoption can be seen as a prerequisite for sustainable tourism development. A review of literature on sustainable tourism reveals that as well as looking at government environmental policy initiatives, researchers need to study attributes of the different stakeholders and their uptake/adoption of sustainable tourism principles.

There is growing recognition of the importance of local enterprises' involvement in sustainable tourism development. However, past literature reviews (Bramwell & Alletorp, 2001; Howie, 2003; Huybers & Bennett, 2003) argue that the local actors who get involved in the tourism industry often have limited knowledge and awareness of the needs of the tourism industry and of the environment; this can cause negative impacts on the environment and lead to unsustainable tourism development. Locally owned enterprises (i.e. small-scale tourism enterprises) are commonly known for their lack of investment capital and low awareness of institutional framework for sustainable tourism development (Carlsen et al., 2001; Vernon et al., 2003). It is also argued that many of these smaller businesses are focused on short-term benefit, without concern about conservation responsibility and any long-term implications of tourism development. Nevertheless it is important to note that many small firms are integral components of the community and are, in some developing world settings, run by the community (Palmer, 2000; Adeoti, 2000; Vernon et al., 2003). Thus, the focus of 'pro-poor tourism' (Ashley, Boyd & Goodwin, 2000; Ashley, Roe & Goodwin, 2001) on local communities both owning and managing tourism business, should be considered as a opportunity to enhance sustainable tourism development.

Well-designed plans and controls for tourism enterprises are critical; otherwise Hardin's concept of the 'tragedy of common' in access to tourism resources is inevitable. However, to date there are only a small number of studies that attempt to examine the response of tourism businesses to policies designed to enhance environmental sustainability (Adeoti, 2000; Rebollo & Baidal, 2003).

In moving toward sustainable tourism development, previous research has found that while business enterprises are often aware of sustainable tourism principles, they find it hard to accommodate them in practice (Wight, 1998; Bramwell & Alletorp, 2001; Vernon et al., 2003). The introduction of sustainable tourism often appears to be of limited interest to these businesses, and the extrinsic value of sustainability is not widely recognized by management (Wight, 1998). In some cases, tourism enterprises simply do not care about investment in sustainable tourism development or environmental management (Bui, 2000). This is partly due to the weak enforcement of regulations and, in some cases, a lack of government incentive policies designed to aid environmental conservation (Milne 1998; Bramwell & Alletorp, 2001).

Some of the most widely applied theories to explain tourism industry motivations in adopting environmentally friendly practices include the Resource-Based View, Institutional Change and Diffusion of Innovation. It is stated that each of these theories has certain merits and limitations in its ability to explain business motivation for adopting environmentally friendly practices (Le et al., 2006).

From a resources-based view perspective, tourism firms are willing to comply with environmental friendly practices because they perceive benefit from doing so, such as sustaining competitive advantage for their business (Middleton & Hawkins, 1998; Rangel, 2000; Getz & Carlsen, 2000; Dewhurst & Thomas, 2003). The main tenet of the resource-based view theory is the link between competitive advantage and the internal resources of the firms. The effectiveness of this link is often measured through customers' perceptions of services improvement based on the firms' adoption of new business practices.

According to the theory of institutional change, government and other social actors play an important role to determine the tourism industry's adoption of sustainable tourism practices. Many researchers have applied institutional theory to the study of firms' motivation in adopting environmentally friendly practices (Bramwell & Lane, 1999; Robinson, 1999; Hardy & Beeton, 2001; Hamilton, 2005; Holden, 2003 & 2005). These authors argue that social pressures from other actors such as market, government, local

community, and industry partnerships are important factors in determining the firms' adoption of environmentally friendly practices.

The theory of Diffusion of Innovation clarifies that there are three main categories of a tourism firm's motivation to adopt sustainable tourism practices, including the characteristics of innovations, the characteristics of the firms, and the characteristics of the environment in which the firms operate (Le et al., 2006). The characteristics of innovation are complexity, compatibility and how easy it is to see results from the innovation; it is these three characteristics that will influence whether an enterprise will consider adopting a sustainable tourism practice. For example, the more complex of an innovation, the less likely it will be adopted, while the easier for firms to see result of an innovation, the more likely the firm will adopt it (Rogers, 1995, cited in Le et al., 2006). Diffusion of Innovation theory has been applied in several studies to further examine the tourism firms' motivation/barriers in the adoption of environmentally friendly practices (Palmer, 2000; Lloyd, 2003; McMullen, 2006; Le et al., 2006; Winter, 2007). These studies highlight various factors motivating the tourism firms' adoption of sustainable tourism practices into their daily practices such as firm size, market niche, financial capacity, firm location, government institutional framework, customer demand, competitive market and firm's attitude toward the changes in local context.

Past research suggests that most tourism enterprises remain unconvinced of the need to change their business behaviour in terms of sustainability and that their responses to sustainable practice and environmental performance are still limited (Carlsen et al., 2001; Dewhurst & Thomas, 2003; Howie, 2003; Vernon et al., 2003). These studies have found that privately owned small tourism enterprises face particular constraints upon their ability to respond positively to environmentally friendly practices. It is important to note that small-scale enterprises often lack the resources to keep abreast of development trends and policies, and this can impact on an individual enterprise's ability to adopt environmentally friendly practices (Bramwell et al., 1996, cited in Dewhurst & Thomas, 2003). Meanwhile, Vernon et al. (2003) reveal that small-scale tourism enterprises put a greater priority on business investment returns than on the performance of sustainable business practices. It is stated that, in some aspects, small- and medium-scale enterprises

might be considered to have greater affinity with the values of sustainable development; however, in reality, it has been shown that while SMEs use tourism resources they are not willing to contribute to their active protection, rather they want the government to take responsibility for solving environmental issues (Vernon et al., 2003: 49).

The attitudes of small tourism firms to environmental concerns and the links between such attitudes and positive actions to implement sustainable tourism practices have received relatively limited academic attention (Carlsen et al., 2001; Dewhurst & Thomas, 2003; de Oliveira, 2003; Le et al., 2006). There remains a need to further investigate how tourism firms perceive their role and how they respond to sustainable tourism practices. Smith (1994) points out that the fact that many tourism enterprises in developing countries are small scale, and the implications that this structure has on development is a critical issue that has been largely ignored in government planning. Development plans for sustainable tourism often ignore the needs of these small-scale enterprises, yet they are important not only because of the sheer number of them but also because they may play a vital role in the establishment of more sustainable tourism development and environmental conservation (Smith, 1994; McMullen, 2006).

Recent research on tourism enterprises and their responses to environmental management indicates that small- and medium-scale enterprises often believe that their small business operation has low negative impacts on the environment, i.e. they have a little awareness of the negative impact their business might be having on the environment (Vernon et al., 2003; Dewhurst & Thomas, 2003). Previous studies (Thomas, 2000; Dewhurst & Thomas, 2003; Adeoti, 2000) argue that environmental management activities are considered by small enterprises to be complicated and resource consuming, and these difficulties are accentuated by a lack of adequate supporting infrastructures and low availability of environmentally sustainable services.

Carlsen et al. (2001: 293) state that research into the attitudes and actions of small enterprises is essential to achieve success in sustainable tourism development and to understand the tensions between tourism development and sustainable tourism. Investigating family-owned tourism enterprises and their responses toward



environmentally friendly practices in Australia, Carlsen et al. (2001) indicate that local businesses play an important role in implementing sustainable tourism practices because they are major components of rural tourism and the hospitality sector. However, the research also found that family-owned tourism firms often have to deal with various constraints such as financial problems, lack of adequate business skills, and insufficient resources when developing their business – while at the same time they are expected to adopt sustainable tourism practices.

Vernon et al. (2003) found that tourism enterprises are less able to invest in sustainable tourism practices because of their small profit margins. These researchers state that the real challenge for tourism enterprises, especially small- and medium-scale enterprises, is to find the most effective way to develop and implement in-house strategies that support sustainable tourism development and environmental management without interfering with market dynamics. Tourism enterprises, especially small ones, tend to compete with each other rather than collaborate for mutual benefits. It is highlighted that the competitive advantages of firms will not only be determined by the efficiency of production factors used, but also by their ability to exploit available tourism resources (Dewhurst & Thomas, 2003; Vernon et al., 2003).

Bui (2000) looked at the ethics of sustainable tourism development in Southeast Asia. She argues that tourism enterprise managers, with their human frailties of greed, selfishness and short-sightedness, may easily become internal driving forces behind tourism enterprises' negative responses to tourism resource utilization and management. However, a strong institutional framework coupled with effective government instruments for its implementation can drive managers' behaviours towards more sustainable tourism practices. Effective governance might be concerned with the legitimacy, institutional framework and liability instruments. It is argued that effective governance is central to creating and maintaining sustainable tourism, and that it is essential to achieving social and economic objectives (World Bank, 1992). This implies the emerging need to build awareness, plan effectively, enforce legislation and govern tourism enterprises well, in order to achieve sustainable tourism development (Hall, 2000).

Discussing the role of environmental resource management and sustainability in current tourism development, Vernon et al. (2003) indicate that an improvement in the environmentally friendly practices of tourism enterprises is central to achieving sustainable tourism development. However relatively few studies have investigated the link between tourism enterprises' attributes and the barriers to their adoption of environmentally friendly practices and response to government management initiatives; this represents a significant research gap in understanding the process of tourism development (Dewhurst & Thomas, 2003; McMullen, 2006).

A review of past studies on sustainable tourism development reveals the relative neglect of the role that tourism enterprises – particularly SMEs – play in terms of responding to policies designed to enhance sustainable development. Bramwell and Alletorp (2001) focus on the attitude of the tourism industry toward sustainable development in Denmark and state that the response of tourism businesses to sustainability and environmental issues replicates that found in other industries. They indicate that despite the fact that large tourism businesses have begun to adopt sustainable practices, the results are not always impressive. Furthermore, the transfer of sustainable tourism principles to small- and medium-scale enterprises does not appear to be straightforward (Bramwell & Alletorp, 2001). In order to stay close to the vision of sustainable tourism development, it is important to understand the attributes of tourism enterprises, as well as their responses to and the barriers that affect their implementation of environmental policy initiatives, initiatives both for tourism development and for the adoption of sustainable tourism practices.

## **2.5 Economic Instruments and Sustainable Tourism Development**

The literature on the implementation of sustainable tourism indicates that it is hard to find mechanisms that can enhance the sustainable use of tourism resources. This is due to the complex nature of the resources and the tourism industry itself. For instance, while a

charge system can be used to choke off demand, or to enable access exclusion, this is often not possible where tourism resources carry no property rights (Stabler, 1997; Wunder, 2000). Therefore, to a large extent, tourism enterprises are able to take a 'free ride' because they cannot be forced to pay for the use of the resources or be charged for any externalities generated. The non-evaluated nature of tourism resources creates allocation problems where there is competition for their use. Some argue that the valuation of tourism resources through market mechanisms can potentially lead to greater efficiency, and environmentally sustainable nature-based tourism (Laarman & Gregersen, 1996). Past literature has shown that in order to make the concept of sustainable tourism more practical and 'implementable', some form of accounting framework should be established through which movement towards sustainable development can be evaluated (APEC, 1996; Wunder, 2000). There is a need to define a set of appropriate measurements to evaluate tourism resources. In cost-benefit analyses, for example, three main methods have been introduced: the travel cost method, contingent valuation, and hedonic pricing (Penning-Rowsell et al., 1992; Fyall & Garrod, 1997).

Ali (2006) states that we currently lack effective means to translate the conceptual ideas of sustainable tourism into actions; indeed, some may see the concept of sustainable tourism as irrelevant unless there are clear paths towards implementation. Great efforts have been made to implement the principles of sustainable tourism at the business level, yet the issue still remains that tourism enterprises show little interest in the adoption of environmentally friendly practices into their daily business. It is stated that the success of the sustainable tourism paradigm depends on two fundamental factors: the instruments needed to implement sustainable tourism development and the indicators needed to assess the performance of this development (Helmy, 2004).

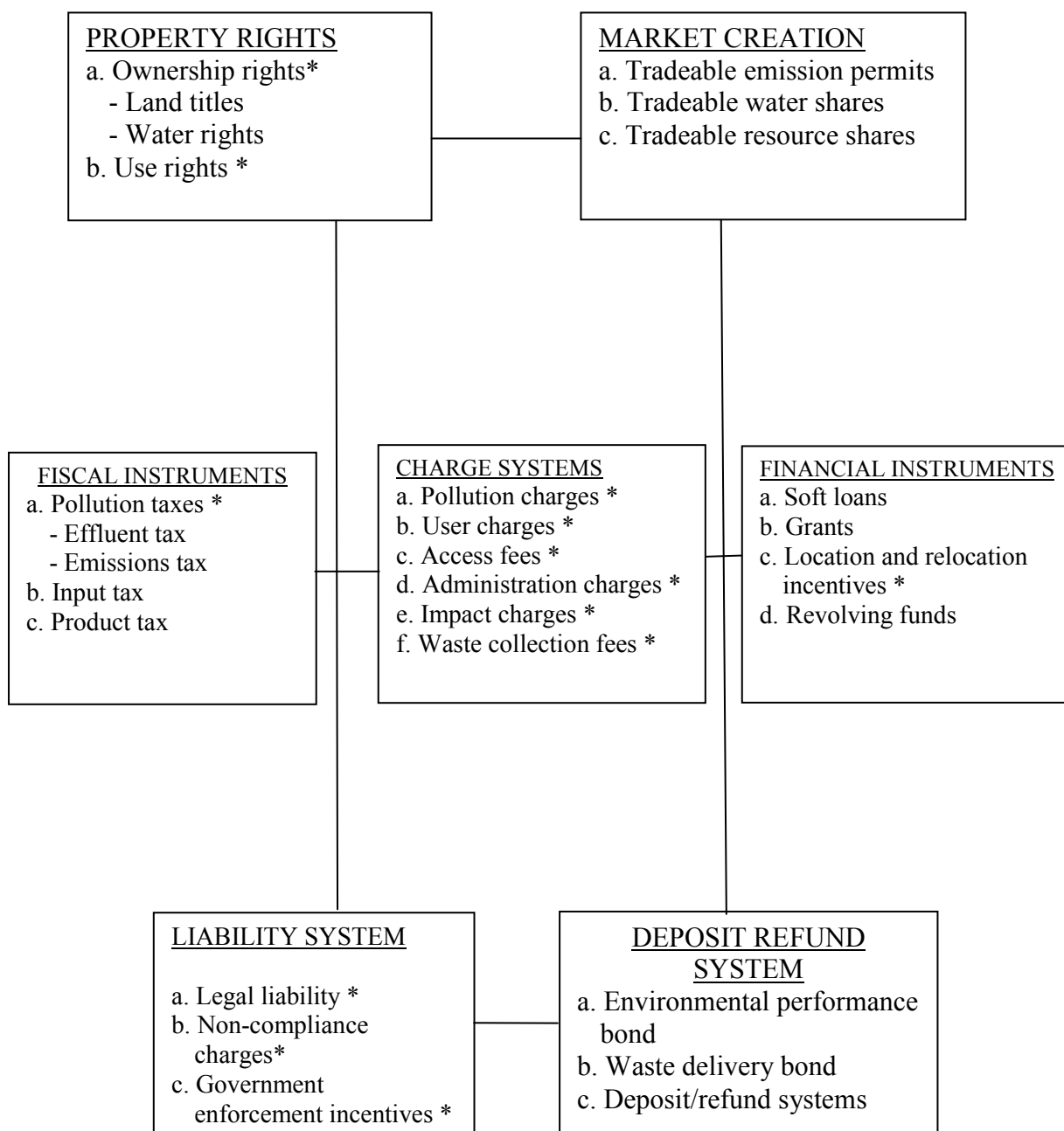
Evaluation of tourism resources combined with associated economic instruments can make environmental management, and tourism development, more sustainable because tourism enterprises can then be made to take responsibility and be held accountable for additional costs (Stabler, 1997; Wunder, 2000; Hediger, 2000). For instance, in Croatia and Bhutan, evaluation of tourism resources and the use of eco-taxes have been implemented to aim at low-volume tourism (Taylor et al., 2003). These controls,

combined with other measures to manage environmental resources, are argued to have reduced the negative impacts of tourism development (Taylor et al., 2003).

APEC (1996) suggests using economic and financial instruments as a critical step to achieving sustainable environment management. However, the effectiveness of these instruments can vary greatly depending on the specific context of different political, economic and ecological systems (APEC, 1996; Berry & Ladkin, 1997). Using economic instruments such as charge systems, financial instruments, and liability systems for sustainable tourism development has the potential to help make the tourism industry more aware of the economic costs and benefits of their activities, and so force enterprises to take these into account when making their business decisions rather than just considering their own financial benefits. The use of such instruments will also help a government to deal with the environmental and development issues of the tourism industry in a cost-effective manner.

Panayotou (1994: 7) states that there is a set of economic instruments for implementing an ‘economic-incentives’ approach to resource management and environmental protection (see Figure 2.1); this set spans a wide range of options and possibilities, and the potential permutations and combinations are virtually limitless.

**Figure 2.1:** Economic instruments for environmental management



*Source:* Adapted from Panayotou, 1994: 8.

Note: \* Items are currently already applied in tourism resource management and environmental protection in Vietnam.

—— Potential Permutations and Combination between instruments

As shown in Figure 2.1, economic instruments such as property rights, pollution taxes, user charges, location and relocation incentives, liability systems and deposit/refund systems are necessary for sustainable development and environmental management. It is stated that some instruments have advantages over others. A combination of different instruments can be used to address the connection between a particular sector and its objectives (Panayotou, 1994; Taylor et al., 2003). Property rights (i.e. ownership rights and use rights) help to internalize costs to the owners and users of a resource, whereas the 'open access' nature of tourism resources means that costs of using a tourism resource are often externalized for communities. Property rights with regards to tourism resources are based on a government recognizing exclusive and secure property rights to these resources. Secure property rights of tourism resources rely on both the government's liability systems and market creation: while the government will allocate property rights to tourism resources to stakeholders, the market allocates tourism resources to consumers.

Market creation instruments (i.e. tradable permits and shares) can help to ensure a more rational use of the environment because the more the stakeholder uses resources, the more it costs them. Users have to buy more tradable shares from the market (i.e. from other firms or the government) if they want to exploit more resources (Taylor et al., 2003; Chinh, 2003). This type of instrument is crucial for tourism development because it helps policy-makers both to control and guide the pace of new tourism development at desirable destinations and to upgrade existing establishments. The government can set up a target of allowable development quotas for each year, such as the number of rooms or projects in each area; these quotas being consistent with the objectives to achieve sustainable tourism development.

Fiscal instruments (such as pollution taxes, input tax and product tax) can be used to bridge the gap between private and social costs (Panayotou, 1994). Charge systems (for example, user charges, access fees and administration charges) are often applied to manage tourism resources such as monuments and national parks. These instruments can be applied directly to users and pollutants, thereby providing users with an economic

incentive to reduce their pollution. However, the fact is that the use of these instruments to manage the environment and to promote sustainable tourism has had little impact on tourism enterprises' adoption of sustainable practices; this is due to many reasons such as improper implementation of the instruments, and lack of their enforcement (Dwyer & Kim, 2003; Le et al., 2006). Applying liability systems in combination with the above instruments will address such issues, because liability systems provide the government with enforcement incentives to ensure the tourism enterprises' compliance.

When researchers look at tourism in terms of environmental issues, it has been shown that the tourism industry's negative impact on the environment is often marked because the industry is using natural and man-made environments as its basic input, and these are public goods. Environmental issues occur because market mechanisms fail to internalize all private external costs to their sources, i.e. tourism enterprises are not being made to pay the full cost of their activities. This market failure can be elaborated through two important features related to tourism resources. First is the so-called 'tragedy of the commons' whereby tourism enterprises cannot be excluded from any non-charged systems such as rivers, national parks, and natural landscapes. And second, the market mechanism fails because tourism enterprises are not charged for 'negative externalities' such as road congestion, degradation of monuments, conflict over access to resources, and environmental pollution (Briassoulis, 2002; Holden, 2005). It also means that, in the market mechanism, tourism resources such as built heritage, clean beaches, mountains, islands, rivers, local cultures and so on, are collectively exploited by tourism enterprises. In other words, in a market context, tourism enterprises are able to optimize their benefit by increasing their ability to exploit tourism resources, while society as a whole (both local and the larger community) have to bear the negative externalities (i.e. external costs) caused by tourism enterprises.

In many cases the tourism industry has not shown great willingness to adopt environmentally friendly practices because it may increase their operating costs (Huybers & Bennett, 2003; Le et al., 2006). As a result, tourism resources tend to be undervalued, and used excessively and inefficiently. Therefore, generally, resource-based tourism goods and services are also under-priced and over-consumed. Thus, a market-based

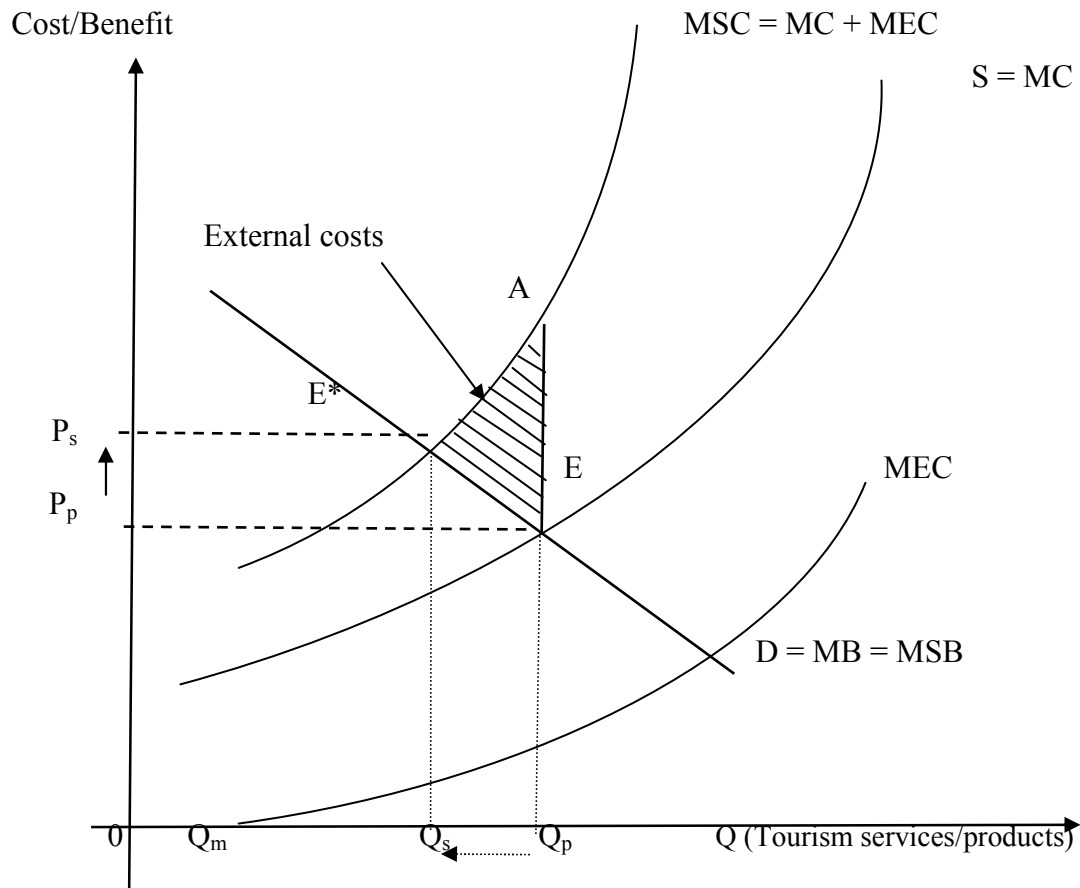
mechanism for tourism leaves important social costs (such as the negative impacts tourism can have on monument degradation, road congestion, water pollution, soil erosion, environmental pollution, etc.) outside the tourism enterprises' responsibility (Berry & Ladkin, 1997; Hillary, 2004) – and so will lead to unsustainable development in tourism. Economic instruments aim to bridge the gap between tourism enterprises and these social costs by internalizing all negative externalities generated by tourism enterprises to their sources.

In terms of economic theory, tourism enterprise behaviour (i.e. business decision-making) will be driven by the rule of demand and supply. Free access to tourism resources and a lack of effective instruments for managing those resources will result in underpricing. This, in turn, will result in tourism enterprises underpricing their services and products in order to compete with others; underpricing will also increase visitors' demand. In doing so, tourism enterprises will maximize their return by exploiting more tourism resources and providing more services and products ( $Q_p$ ) at lower prices ( $P_p$ ) at which marginal cost (MC) equals marginal benefit (MB). Consequently, tourism resources and environment assets can be over-exploited, thus leading to negative externalities (MEC) and increased costs to society (MSC). In other words, society has to bear the negative externalities caused by the tourism industry ( $MSC = MC + MEC$ ). The extra social cost is described by the triangle AEE\* in Figure 2.2.

To achieve sustainable tourism development, there is a need to internalize the external costs generated by tourism enterprises. Economic instruments will help to internalize all external costs to their sources. In doing so, resources-based tourism services and products will be correctly priced ( $P_s$ ) and, as a result of correct pricing, the tourism industry will cut down the quantity of resource-based services and products from  $Q_p$  to  $Q_s$ . It also means that tourism enterprises will use less tourism resources and environmental assets (see Figure 2.2). Moreover, any revenue collected from the application of economic instruments can be used to support environmental conservation, social welfare or even redistribution of tourism income to local communities.



**Figure 2.2:** Negative externalities and unsustainable tourism practices



<b><u>Legend:</u></b>					
<b>S</b>	=	Tourism Supply	<b>MB</b>	=	Marginal Benefit
<b>D</b>	=	Tourism Demand	<b>MSC</b>	=	Marginal Social Cost
<b>MC</b>	=	Marginal Cost	<b>MSB</b>	=	Marginal Social Benefit
<b>MB</b>	=	Marginal Benefit	<b>MEC</b>	=	Marginal External Cost
<b>Q<sub>p</sub></b>	=	Quantity of tourism services/ products that tourism enterprises provide to maximize their return at the price of P <sub>p</sub> (market price) at which P = MC			
<b>Q<sub>s</sub></b>	=	Quantity of tourism service/ products at which society can sustain tourism (optimal point)			

Managing environmental resources is an important part of controlling any negative impacts the tourism industry might have on the environment impacts and necessary to achieve sustainable tourism development. The management process can include government planning of natural resource use, the use of business permits, environmental regulations, and any other effective instruments that aim to direct the tourism industry towards more sustainable practices (Jamieson & Noble, 2000). The application of economic instruments can promote the internalization of the environmental costs of enterprises in the most efficient manner. Economic instruments are also a means of enhancing the capacity of government to deal with development issues, to promote technology innovation, and to influence business and consumption patterns (Panayotou, 1994). However, the extent and efficacy of using these instruments can vary due to the gap between tourism enterprises' awareness and practices.

Literature on environmental management for sustainable tourism development (Hassan, 2000; Dwyer & Kim, 2003; Treuren and Lane, 2003) indicates that resource stewardship plays an important role in sustainable tourism development. Dwyer and Kim (2003) stress that a firm's environmental practices are linked to its economic performance; when economic interests are broadened, environmental management will be reduced. Accordingly, sustainable tourism is critical to the conservation of resources. Tourism resources must be maintained in an appropriate way to guard against undue deterioration and to facilitate their sustainability.

It has become increasingly recognized that a shift of the management mechanism is required to achieve sustainable tourism development: a shift from a reactive compliance to environmental policy initiatives to a more active compliance. Furthermore, a strategy is required whereby the environment is placed high on the business agenda and environmental concerns are integrated into individual enterprises' business strategies (Dwyer & Kim, 2003). These two researchers also point out that the environmental performance of a country varies systematically with the quality of its regulatory regime. Finally, Dwyer and Kim (2003) explain that some enterprises see environmental practices as conflicting with their profit goals because these practices might require a firm to redirect its resources from other profitable opportunities and so can lead to a rise

in costs and prices, and a loss of markets. However, there is an alternative view that environmental initiatives improve competitiveness by pushing firms into developing more sustainable practices. Therefore, the introduction of environmental policy initiatives will improve both the environment and competitiveness for a destination (Dwyer & Kim, 2003: 390–91).

From an economic point of view, Stabler (1997) argues that the tourism industry is primarily a market-based activity, yet the goal of sustainability involves environmental management. Since environmental management will impinge on any sustainable tourism industry, then economic considerations are inescapable. Evaluating tourism resources from an economic perspective can give a more balanced and objective picture that enables decisions on tourism resource use to be made. This picture can also be the means for accounting for and dealing with any externalities. By using such a picture, the adverse impacts of tourism on environments and local communities will be evaluated by value, and so considered as one factor of the total cost associated with tourism enterprises and development. The application of economic instruments can help to encourage tourism enterprises to consider broader economic, social and environmental cost/benefits in their business planning and practices, rather than just the financial benefit (Berry & Ladkin, 1997; Taylor et al., 2003; Chinh, 2003).

Sustainable tourism can be promoted by a careful mix of government policies comprising both direct regulation and market-based instruments (i.e. economic instruments) (Frederico, 2002). The major challenge for policy-makers is, therefore, to formulate and effectively apply appropriate regulations for both sustainable tourism development and tourism resource management. Frederico indicates that the most direct tool for promoting sustainable tourism involves the use of regulatory mechanisms such as integrated land use planning and resource management. It is also essential that government regulations be applied transparently throughout the tourism sector, regardless of business size, the type of tourist activity, or location, thus leading to negative externalities for the local community, and environmental deterioration (Frederico, 2002). Tanja (1996) states that establishing the property right is a prerequisite for other economic instruments to environmental management. As a rule, it is argued that government should attach property rights to

tourism resources and adopt legislation that enables owners to protect and manage them (Tanja, 1996).

Stabler (1997) argues that applying monetary values to tourism resources is a more efficient way to manage environmental resources than by government regulation. Economic instruments can actually be used to better internalize externalities for tourism enterprises, and thus promote broader environmental management and sustainable tourism development (Frederico, 2002). As is well known, one of the main reasons why markets fail is that important environmental costs, such as pollution, are not reflected in the prices of tourist goods and services.

There is an increasing concern about how sustainable tourism principles can be integrated into strategic business plans. A key challenge for any government is to make their sustainable tourism development strategy relevant and acceptable to tourism enterprises; this is a challenge not only for authorities at the local community level, but also at regional and international levels (Tosun, 2001; McKercher, 2003). The challenges are particularly strong in centrally planned developing countries where profit-oriented tourism enterprises are playing an increasingly important role in sustainable tourism initiatives (WTO, 1998). It is argued that the integration of environmental management and broader sustainable tourism principles into business operations has created new opportunities, in terms of product differentiation, competitor awareness, cost savings, and managing the risks in tourism development (Middleton & Hawkins, 1998; Vernon et al., 2003).

Referring to the response of small- and medium-scale enterprises to environmental management and sustainability, Vernon et al. (2003) indicate that although managers and owners are becoming increasingly aware that their tourism businesses are dependent upon the attractiveness of tourism resources, they still often show only limited willingness to take active responsibility for environmental management. Taylor et al. (2003) suggest the use of environmental taxes to mitigate the negative environmental consequences of tourism development. However, although the goal of environmental taxes is to drive consumption behaviours of users to the optimal-use point of resources,

their application to the tourism industry has not often driven tourism enterprises to conserve environmental resources and develop sustainable business practices (Taylor et al., 2003).

## **2.6 Sustainable Tourism Indicators: Monitoring and Evaluating**

Tourism is an industry often noted for particularly weak statistical data in developing nations and the questions posed by sustainable development analysis add an additional degree of uncertainty to this (Ceron & Dubios, 2003). However, sustainable tourism indicators can be constructed to improve underlying information and give more concrete content to the concept of sustainable tourism development. They can also be used for evaluating sustainable tourism development (Ceron & Dubios, 2003: 54–55; Helmy, 2004).

An indicator is, foremost, a variable that can take a certain number of values (quantitative) or states (qualitative) according to the circumstances. The value or state of indicators can sometimes be directly measured or observed; in the majority of cases they result from analysing and processing basic data (Ceron & Dubios, 2003: 56). Ceron and Dubios argue that sustainable tourism indicators are expected to capture and translate a complex reality of sustainable tourism development, and that they are supposed to enable the measurement of trends and allow a comparison of the situation between stakeholders in the tourism industry (Ceron & Dubios, 2003).

An increasing number of scholars involved in sustainable tourism research (Bui, 2000; Twining-Ward & Butler, 2002; McCool, Moisey & Nickerson, 2001; Dwyer & Kim, 2003; Emmelin, 2006; Mycoo, 2006) have advocated the need for sustainable tourism indicators. It is important to note that the establishment of realistic sustainable tourism indicators is the top priority for national tourism organizations. Twining-Ward and Butler (2002) argue that without indicators the concept of sustainable tourism is meaningless; indicators provide the means to assess the effectiveness of government policies and

actions as well as draw attention to problematic areas in the tourism industry so that appropriate management responses are activated.

Sirakaya, et al. (2001) found that as the use of indicators for tourism destination sustainability has grown, their dimensions have been broadened to include both broad technical indicators (e.g. indirect and direct; descriptive and analytical; subjective and objective) and discipline-based indicators (e.g. economic, social and ecological indicators). Sirakaya et al. (2001) state that while direct indicators refer to a measure of a variable (for example, growth rate of investment, business return, total revenue, etc.), indirect indicators refer to a (proxy) measure of some other concern that is assumed, this assumption being based on either theory or experience or both. Subjective indicators will be used to reflect the comments that stakeholders make about their attributes, attitudes and personal evaluation, while objective indicators refer to counts of behaviours and conditions associated with given situations (Gilmartin, 1980, cited in Sirakaya, Jamal & Choi, 2001). For example, subjective indicators would be used to measure tourism enterprises' awareness of and responses to sustainable tourism and related environmental policy initiatives. Subjective indicators are usually developed based on data collected by interview and questionnaire survey (Sirakaya et al., 2001).

Although different disciplines have created their own indicators, they all may share some commonalities. For example, environmental indicators refer to specific concerns about the natural and human environment; sustainable indicators represent sustainable practices such as waste treatment, energy savings, environmentally measures; and institutional indicators revolve around issues of the performance and effectiveness of different government instruments (Sirakaya, et al., 2001: 415).

The World Tourism Organization (WTO, 1996) identifies ten priority indicators for the private sector in terms of sustainable tourism development: water minimization, energy conservation and management, management of fresh water resources, land use planning and management, staff involvement, environmental issues, and partnerships for sustainability. The WTO also provides 11 core indicators to compare tourism's sustainability between two destinations. These core indicators are site protection, site

stress, use intensity, social impacts, development control, waste management, the planning process, the critical ecosystem, consumer satisfaction, local satisfaction and tourism's contribution to the local economy (Twining-Ward & Butler, 2001). These are, so far, considered as a set of internationally acceptable sustainable tourism indicators and an established mechanism for tourism managers to implement sustainable tourism practices. However, despite the WTO's work providing a useful starting point, a closer analysis still reveals many difficulties such as a lack of clear stakeholder participation, and a lack of an appropriate monitoring framework to help translate these indicators into appropriate management actions (Twining-Ward & Butler, 2001: 366).

Ceron and Dubios (2003) suggest that environmental indicators need to be holistic approaches that can achieve some balance between economic, social and environmental aspects. Fundamental indicators could include:

- pressure: evaluating by the number of tourists visiting the site (by year/by month)
- social impacts: evaluating by ratio/habitants
- waste management
- contribution of tourism to the local economy
- on-going staff education
- development control, and
- planning processes.

The growing concern about sustainability has led to an increased need for tourism studies to develop indicators for monitoring the sustainability of the tourism industry. Sustainable tourism development contains ecological, social, economic, institutional, cultural and psychological dimensions, and these dimensions are found at all levels – international, national, regional and community (Sirakaya, Jamal and Choi, 2001). McCool, Moisey and Nickerson (2001) suggest the following indicators could be used to monitor the achievement of sustainable tourism:

- tourism revenues
- average tourist expenditure
- taxes from tourism

- the number of registered tourism-related businesses
- stability and diversity of markets (both international and domestic markets)
- employment (including direct and indirect jobs) generated by the tourism industry
- compliance with best practice guidelines in designing, planning and constructing buildings
- energy savings
- environmentally sound practices, and
- the percentage of profits reinvested in nature conservation.

There have been several sets of principles for sustainable tourism development proposed in the above literature; these principles will help guide the definition of the indicators needed to monitor the successful implementation of sustainable tourism. Examples of principles behind sustainable tourism management are waste management, sustainable use of resources, and diversity maintenance. It is, however, difficult to measure directly social and cultural sustainability. This is because most of the variables related to these aspects are qualitative rather than quantitative. And, although it appears that tourism accelerates cultural change, it is definitely not the only driving force of change (Farsari & Prastacos, undated: 11). Accordingly, an indirect measure for socio-cultural sustainability could involve the following indicators:

- number of tourism businesses operated and managed by local people
- number of tourism businesses employing local people
- the community's share of profits from tourism
- the budget for cultural heritage site conservation
- the gap between rich and poor in tourism areas
- community involvement in the planning, research, and decision-making processes
- provision of technical support to local tourism businesses (marketing, training and managerial support), and
- incidence of discrimination.

There are few indicators measuring awareness of, and responses to, sustainable tourism initiatives on the part of the tourism industry. In order to measure awareness of and



responses towards sustainable tourism, a combination of qualitative and quantitative indicators is used in this research. The qualitative indicators are based on the indicators above, and designed to capture the tourism industry's awareness of both sustainable tourism development and environmental issues in relation to their business operation. WHAT, WHY and HOW questions were asked. The quantitative indicators were also based on the indicators above, and designed in combination with Likert-scale questions to capture quantitative data about the tourism industry's responses toward sustainable tourism and environmental management initiatives.

There are many important criteria to consider when deciding which indicators to use in a research project; criteria to consider include measurability, validity, reliability, data availability, and links between different issues (White et al., 2006). Evaluating the responses of the tourism industry to sustainable tourism and environment initiatives is necessary to analyse the relationship between the tourism industry and economic, environmental and socio-cultural aspects. As shown in Table 2.1, a number of indicators such as tourism revenue, the economic benefit of tourism to the local community, tourism employment creation, the stability and diversity of tourism markets, and the number of tourism firms employing local people will all be used to evaluate the relationship between the tourism industry in Vietnam and its economic sustainability. The tourism industry's responses towards environmental sustainability will be analysed by employing indicators such as energy-saving methods, waste management, and recycling practices.

**Table 2.1:** Selecting indicators for tourism sustainability evaluation

<b>Themes</b>	<b>Main Indicators</b>	<b>Evaluation framework</b>
1. Economic sustainability	<ul style="list-style-type: none"><li>- Tourism revenues</li><li>- Average tourist expenditure</li><li>- Taxes from tourism</li><li>- Stability and diversity of markets (international and domestic)</li><li>- Economic benefit to local communities</li><li>- Economically viable industry</li><li>- Tourism employment creation</li><li>- Number of tourism businesses managed by local people</li><li>- Number of tourism businesses employing local people</li></ul>	<ul style="list-style-type: none"><li>- The tourism industry and its overall economic contribution to the local economy (e.g. economic viability)</li><li>- Tourism businesses and their provision of economic opportunities and benefits for the local people.</li></ul>
2. Environmental sustainability	<ul style="list-style-type: none"><li>- Impacts on the environment</li><li>- Energy saving methods</li><li>- Use of local materials</li><li>- Environmentally sound practices</li><li>- Percentage of profit reinvested in environmental conservation</li><li>- Waste management</li><li>- Recycling Practices</li></ul>	<ul style="list-style-type: none"><li>- The tourism industry and environmental behaviours (i.e. sustainable practices) towards sustainable tourism development</li></ul>
3. Socio-cultural sustainability	<ul style="list-style-type: none"><li>- Local culture</li><li>- Training staff</li><li>- Partnership for sustainability</li><li>- Social impacts</li><li>- Local involvement in tourism development</li></ul>	<ul style="list-style-type: none"><li>- The tourism industry and its response to socio-cultural issues in tourism business.</li><li>- Tourism businesses and their impacts on socio-cultural perspectives</li></ul>
4. Institutional framework for sustainable tourism	<ul style="list-style-type: none"><li>- Presence of tourism master plans</li><li>- Presence of environmental policy initiatives</li><li>- Presence of tourism-related policy</li><li>- Compliance with government regulations on sustainable tourism development</li><li>- Compliance with environmental policy initiatives</li><li>- Compliance with tourism-related environmental policy</li><li>- Planning processes for sustainable tourism development</li></ul>	<ul style="list-style-type: none"><li>- The current political economic context and nature of sustainable tourism planning initiatives driving tourism development</li><li>- The tourism industry and its adoption of the current institutional framework for sustainable tourism and environmental management</li></ul>

(Source: Author)

As shown in Table 2.1, indicators such as the relationship between the tourism industry and local communities, the social impact tourism is having on local communities, and the level of local involvement in tourism will be used to analyse the tourism industry's responses to socio-cultural issues. The presence of current government policies and tourism-related programmes and the tourism industry's compliance with such government initiatives are indicators used to investigate the current institutional framework and its influence on the tourism industry's adoption of environmentally friendly practices (see Table 2.1).

Intensive reviews of sustainable tourism indicate that there are many links between a tourism industry's attributes and its adoption of sustainable tourism practices and government initiatives. The reviews also reveal that there is currently a paucity of studies that investigate these links between the tourism industry's attributes and its adoption of sustainable tourism practices and current government measures for environmental management in the context of developing countries; this highlights a significant area that needs further research. An improvement in the environmentally friendly practices of tourism enterprises is essential if sustainable tourism development is to be achieved. Recent studies suggest that we have yet to fully understand the concept of sustainability, and that we also require in-depth information about the tourism industry's responses towards it (Harrison & Husbands, 1996, cited in Simpson, 2001; Haas, 2003; Treuren & Lane, 2003; Cruz, 2003; Helmy, 2004).

## CHAPTER THREE

### RESEARCH METHODOLOGIES

This chapter discusses the methodology used in this research. Sustainable tourism is a complex concept, the tourism industry's responses to sustainable tourism practices can be analysed from different perspectives, including economic, ecological and socio-cultural. At the same time it is important to adopt methods that can grapple with this complexity.

#### *3.1 Qualitative, Quantitative and Mixed Approaches*

From an economic perspective, sustainable tourism is often conceptualized in terms of growth, efficiency and the equal distribution of benefits and costs between different stakeholders (Velikova, 2001; McKercher, 2003). Generally, these indicate the need to define quantitative variables for the evaluation of economic sustainability in the tourism industry. The most commonly used and understood variables are aspects like tourism growth, economic diversification, job creation, income generation, tourism revenues and expenditure, tourist arrivals, and accommodation capacities (Verecz, 2006).

In terms of socio-cultural sustainability, sustainable tourism development promotes cultural integrity and social equity (McKercher, 2002). Sustainable tourism is also concerned with ecological goals that aim to maintain the functional integrity of ecosystems and that ensure the sustainable use of natural resources. Quantitative and qualitative variables are needed to measure the tourism industry's awareness and responses to both tourism resource use and environmentally friendly practices, as well as to measure the adverse impacts of tourism development (Bramwell & Henry, 1996; Sharpley, 2000; Velikova, 2001; McKercher, 2003).

Doing research in sustainable tourism means dealing with difficulties in identifying suitable research methods. These difficulties arise because of the diverse information required to analyse the concept of sustainable tourism; some might need qualitative variables while others require quantitative ones. In order to evaluate the economic sustainability of tourism, information about the economic benefit to local communities, such as the number of tourism enterprises employing local people, might be necessary. In contrast, analysis of socio-cultural sustainability might require information on maintaining cultural diversity, local involvement in tourism, and social impacts. Great effort has been made to clarify the concept of sustainable tourism with various indicators used for analysis. One of the challenges, then, is to deal with the variables used to evaluate tourism enterprises' awareness and adoption of sustainable tourism, as well as the selection of proxy variables to measure and compare between different enterprises (McCool, Moisey & Nickerson, 2001; White et al., 2006). The wise selection of research methods and design variables for data collection will be critical to the success of any research. The complexity of sustainable tourism development means that different methods need to be combined, rather than applying just a single research method.

Current debate about research methodology between researchers advocating quantitative methods and others supporting qualitative methods results in the question: Is there a necessary triangulation between these two research paradigms? In reality, there has been an ardent dispute between quantitative purists and qualitative ones over the trustworthiness, plausibility and reliability of each paradigm in social research. Quantitative researchers believe that social observations should be treated as entities in much the same way that physical scientists treat physical phenomena. Within quantitative methods, social science inquiry should be objective. That is, time- and context-free generalizations are desirable and possible, and real causes and social scientific outcomes can be determined reliably and validly (Johnson & Onwuegbuzie, 2004). Meanwhile, qualitative researchers (i.e. constructivists and interpretivists) often reject quantitative methods for being too grounded in 'positivism' (Neuman, 2000). Johnson and Onwuegbuzie (2004: 14) state that qualitative purists often argue for the superiority

of constructivism, idealism and relativism and argue that time- and context-free generalizations are neither desirable nor possible. Qualitative purists also argue that the research is value-bound, that it is impossible to fully differentiate between causes and effects, and that logic flows from specific to general.

Generally, quantitative methods are based on a positivist paradigm while qualitative methods are often based on phenomenological approaches. Johnson and Anthony (2004) state that these two dominant research paradigms have resulted in two research cultures, one professing the superiority of 'deep, rich observational data', and the other the virtues of 'hard, generalizable data'. Howe and Eiesenhart (1990) and Silverman (2001) clarify differences between these two research paradigms: qualitative researchers are associated with an epistemological paradigm that rejects things like facts and objectivity; quantitative researchers tend to define research problems in a way which makes immediate sense to practitioners and administrators. Firestone (1987) concludes that quantitative and qualitative methods lend themselves to different kinds of rhetoric, use different techniques of presentation to project divergent assumptions about the world, and use different means to persuade the readers of their conclusions. Both quantitative and qualitative research methods are important and useful for researchers; the selection of any methods is completely dependent on research questions raised by researchers.

Quantitative methods can supply numerical data that can be statistically analysed to answer the questions of 'What' in a study, while qualitative methods generally operate on the basis that the 'natural' order of reality is seen, conceived and understood in different ways by different groups and individuals (Neuman, 2000; Silverman, 2001). Quantitative methods seek to test a theory or hypothesis and to explain phenomena by quantifying concepts, discovering the cause and effect relationship, predicting, and statistically testing for these (Silverman, 1985, 2001). Qualitative methods are essentially descriptions of people's representations and constructions of what is occurring in their world. These descriptions can take several forms depending on the research objectives, and they may be used in conjunction with quantitative analyses to understand the target groups (Jones, 1997; Silverman, 1985, 2001).

Qualitative methods are best used for research problems requiring depth of insight and understanding, especially when dealing with explanatory concepts. As set out by Hakim (1987, 2003), qualitative methods involve describing the detail of a setting from the perspective of participants, and understanding actions and meanings in their social context – an approach in which the formulation and testing of concepts and theories proceeds in conjunction with data collection. Qualitative methods' greatest strength lie in their ability to analyse what actually happens in naturally occurring settings (Silverman, 2001). Crang (2002) emphasizes that qualitative methods have enabled the study of, and emphasized the importance of seeing, economic activity as a set of lived practices, assumptions and codes of behaviours. Qualitative research as an alternative methodological approach has gained acceptance in many fields, such as education, sociology, anthropology, tourism and consumer behaviours (Riley & Love, 2000).

Qualitative methods are perceived as distinct from quantitative ones as they do not produce quantified findings, have measurements or test hypotheses (Goodson & Phillimore, 2004). From this perspective, qualitative methods have sometimes been prone to criticism for what Goodson and Phillimore call a 'soft, non-scientific' and inferior approach to study. Qualitative methods will increase the usefulness for a tourism study if they are accompanied by, or used as a precursor to, quantitative methods. Qualitative methods also offer a great deal of potential for helping us to understand the human dimensions of society, which in tourism includes its social and cultural implications. In recent years, however, there is an ongoing need for statistical insights into aspects such as market, income generation and job creations, and this often prioritises the role of quantitative methods in tourism research. Riley and Love (2000) state that an analysis of ten years of articles from *Annals of Tourism*, *Journal of Travel Research* and *Tourism Management* indicated that quantitative sophistication had improved as evidenced by a move from descriptive techniques toward those methods that sought to explain or predict.

To date, tourism researchers have used both qualitative and quantitative methods, the different methods enabling them to approach their research questions in different ways (Goodson and Phillimore, 2004). The most frequently used methods are literature review,

documentary, in-depth interview, focus group, observation, case-study, and questionnaire survey (Walle, 1997; Riley & Love, 2000; Sale, Lohfeld, & Brazil, 2002). The use of a single research method limits the scope of a study, and may create difficulty in publishing the findings (Jones, 1997). Accordingly, researchers have increasingly adopted a mix of research methods that will enable them to tackle issues around, and access the multiple realities associated with, lived experiences (Goodson & Phillimore, 2004). Triangulation can provide the basis upon which different insights upon the same phenomenon can be sensibly combined and thus has the potential to unite aspects of social thoughts (Downward & Mearman, 2006).

In order to triangulate research methods in an effective manner, researchers first need to consider all of the relevant characteristics of quantitative and qualitative methods, as well as the strengths and weaknesses of each one (Johnson & Onwuegbuzie, 2004). According to Johnson and Onwuegbuzie (2004), researchers should collect multiple data using different approaches and methods in such a way that the resulting mixture or combination is likely to result in complementary strengths and non-overlapping weakness. In an attempt to support researchers who want to triangulate different methods from quantitative and qualitative paradigm in a single study, Johnson and Onwuegbuzie (2004) identified strengths and weakness of these two research paradigms (see Table 3.1).

**Table 3.1:** The strengths and weakness of quantitative and qualitative methods

<p style="text-align: center;"><b><u>Quantitative Methods</u></b> (e.g. questionnaire survey)</p>	<p style="text-align: center;"><b><u>Qualitative Methods</u></b> (e.g. semi-structured interview)</p>
<p><b>* <u>Weaknesses:</u></b></p> <ol style="list-style-type: none"> <li>1) The researchers' categories may not reflect local constituencies' understandings.</li> <li>2) The researchers' theories may not reflect local constituencies' understandings.</li> <li>3) The researcher may miss out on phenomena occurring because of the focus on theory or</li> </ol>	<p><b>* <u>Strengths:</u></b></p> <ol style="list-style-type: none"> <li>1) The data is based on the participants' own categories of meanings</li> <li>2) The results provide understandings and description of people's personal experiences of phenomena and provide individual case information.</li> </ol>



<p>hypothesis <i>testing</i> rather than on theory or hypothesis <i>generation</i> (called <i>confirmation bias</i>).</p> <p>4) The knowledge produced may be too abstract and general for direct application to specific local situations, contexts or individuals.</p>	<p>3) The researchers are responsive to changes that occur during the conduct of a study and may shift the focus of their studies as a result.</p> <p>4) Qualitative methods can be used for describing complex phenomena and can describe, in rich detail, phenomena as they are situated and embedded in local contexts. The researcher also can identify contextual and setting factors as they relate to the phenomenon of interest.</p>
<p><b>* Strengths:</b></p> <ol style="list-style-type: none"> <li>1) Quantitative methods can generalize research findings when they have been replicated on many different populations and sub-populations.</li> <li>2) Quantitative methods are useful for obtaining data that can allow quantitative prediction to be made.</li> <li>3) Quantitative methods are useful for testing and validating already constructed theories about how and why phenomena occur.</li> <li>4) Quantitative methods may have higher credibility with many people in power (e.g. administrators, politicians, or people who fund a programme).</li> <li>5) Data collection and analysis is relatively less time consuming (i.e. relatively quick).</li> <li>6) The results are relatively independent of the researcher (e.g. effect size, statistical significance).</li> </ol>	<p><b>* Weaknesses:</b></p> <ol style="list-style-type: none"> <li>1) The knowledge produced may not generalize to other people or other settings.</li> <li>2) It is difficult to make quantitative predictions using qualitative methods.</li> <li>3) It is more difficult to test hypotheses and theories using qualitative methods.</li> <li>4) Qualitative methods may have lower credibility with some administrators and commissioners of programs.</li> <li>5) It generally takes more time to collect and analyse data using qualitative methods.</li> <li>6) The results are more easily influenced by the researchers' bias.</li> </ol>

(Source: Author's adaptation of Johnson and Onwuegbuzie, 2004)

By combining quantitative and qualitative methods within the same framework, triangulation research methods can incorporate the strengths of both methodologies. It is obvious that researchers must fully understand the weakness and strengths of all methods adopted to avoid potential inherent problems affecting their research design and, thus, their findings. Furthermore, a full understanding of the strengths and weaknesses of the approaches will increase the validity and reliability of the research findings, and so enable their findings to be generalized. Researchers who conduct triangulation-based

research are more likely to select methods with respect to their underlying research questions (Johnson and Onwuegbuzie, 2004). Sechrest and Sidani (1995, cited in Johnson and Onwuegbuzie, 2004) point out that both methodologies describe empirical observations, construct explanatory arguments from their data, and speculate about the observed outcome.

As emphasized by Gorard and Taylor (2004), no methodology is perfect; aspects such as objectivity and generalization are crucial issues to be taken into account in the triangulation of research methods for data collection. Gorard and Taylor (2004) state that qualitative and quantitative methods are merely tools for researchers to use in their study; however, both these research approaches will become more powerful when researchers use them in combination rather than in isolation. Triangulation of research methods is designed to incorporate techniques from both quantitative and qualitative methods in a unique way to answer research questions that could not be answered in any other way, and they also result in findings that have stronger inferences (Abbas & Teddlie, 2003; Johnson & Onwuegbuzie, 2004).

The 'triangulation' of various methods will allow this study to capitalize on the advantages, and address the weaknesses, of the research tool adopted (Milne & Ateljevic, 2003). A mixed methods approach provides the opportunity to present a greater range of divergent views about research problems. Abbas and Teddlie (2003: 15) state that a major advantage of mixed methods research is that it enables the researcher to simultaneously answer confirmatory and exploratory questions, and therefore both verify and generate theory in the same study. The triangulation of different research methods in tourism research will go beyond the arguments and also bridge the schism between the quantitative and qualitative paradigms. Johnson and Onwuegbuzie (2004) conclude that mixed methods offer great promise for practicing researchers who would like to see methodologies describe and develop techniques that are closer to what they actually use in practice.

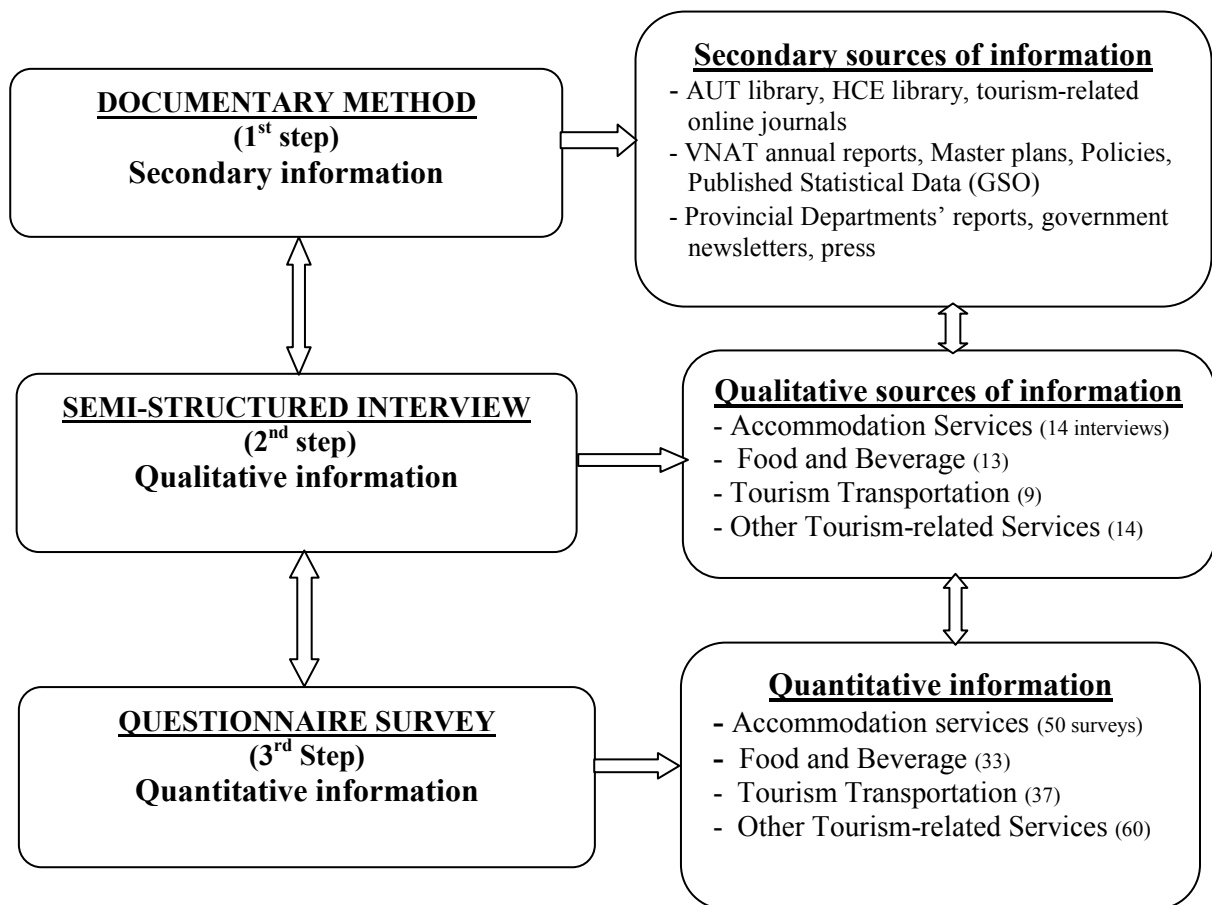
More recently, triangulation methods have gained greater prominence in social science in general, and in the field of tourism in particular. A good example of triangulation

methods in tourism study is offered by Chang (1996) who triangulated three methods of documentary, informant interviews and questionnaire survey. First, the documentary method was used to collect government documents from different sources that provided background information and political goals served by tourism. Interviews were then conducted to acquire more qualitative insights from different key stakeholders about the social-political issues relating to the tourism industry. Finally a questionnaire survey was used to generate quantitative data for discussion. This combination of methodologies better enables the researchers to address the complexities of social phenomena (Chang 1996; Abbas & Teddlie, 2003; Johnson & Onwuegbuzie, 2004).

### *3.2 Data Collection*

In this study, documentary method, semi-structured interviews and questionnaire surveys, are used in a triangulated manner for data collection and analysis. For researchers, whichever method is employed, it is important to remember that any information-gathering process must be tailored to the respondents so that it is acceptable to them and keep demands on them as low as possible. The researcher should begin with some simple procedures that will create a friendlier environment in which to conduct the data collection. The respondents should be encouraged to supply information in such a way that their version of events of a given situation is expressed in terms of their understanding (Hakim, 1987, 2003; Yin, 1994). The triangulation of different methods in this study is presented in Figure 3.1.

Figure 3.1: Overview of research methods and sources of information



### 3.2.1 Documentary Method

First, the document research method was used to obtain relevant papers, reports, statistical data and published information related to this study. This critical review of the relevant documents and secondary data initially helps the researcher to frame a specific research direction so that the thesis will systematically contribute to building knowledge in the area of concern. Depoy and Gitlin (1998) state that within any research, the researchers must draw on and place their new findings within the context of previous studies when reporting the knowledge developed in a study.

Collection of information from secondary sources is vital prior to the initiation of actual field work or the preparation of questionnaires for semi-structured interviews and later surveys. It provides the researcher with knowledge of particular research issues, existing socio-economic contexts, and the current institutional frameworks upon which the tourism industry and environmental management initiatives fit. Secondary sources also provide published statistical data about the tourism industry such as annual tourism arrival numbers, tourist expenditure, investment in the sector, tourism infrastructure, and the tourism industry's impacts on the environment and local communities. The focus was on generating an overview of the tourism industry in Vietnam and, in particular, in the city of Hue.

In order to understand the current context and nature of sustainable tourism initiatives and environmental management policies in Vietnam, and particularly within the city of Hue, documents related to government's annual reports on the tourism industry and national programs on Sustainable Tourism Development were collected from various sources. These documents provided valuable insights about the political-economic context that has driven the development of the tourism industry in the city of Hue, and in Vietnam, in general. These sources of information were also able to define the current institutional framework and instruments for environmental management that are in place for sustainable tourism development in Vietnam's tourism industry, in general, and in the city of Hue, in particular. It was easy to collect and gain access to these documents as they are public information. The researcher also received assistance from part-time students who are working in these provincial departments such as secondary data collection, contacting interviewees and government documents.

Secondary quantitative data on the tourism industry was also collected. Information such as the number of tourism enterprises, annual tourist arrival numbers, annual tourism revenues, tourist expenditure, tourism infrastructures, annual growth rates, capital investment, and other relevant socio-economic indices, was obtained from a number of different sources, including:

- Vietnam National Administration of Tourism VNAT

- General Statistical Offices at different levels, and
- The government's annual reports and provincial agencies.

When researchers collect and use relevant documents and secondary data passively, this can lead to their own study being less reliable and, hence, less valid. In order to avoid such biases, researchers should collect secondary information from clearly official sources, and should cross-check both between different sources and with data collected from other research methods such as interviews or questionnaire survey. Chang (1996) notes that the challenge in using government documents lies in reading off or interpreting the political goal. It is obvious that secondary data and documents collected from government agencies often carry with them complex political goals that can make it difficult for the researcher to understand the information in the terms of their own study.

It can be assumed that this data is sufficiently reliable for research purposes, as it comes from recent national surveys that have been officially published by government functional agencies such as General Official Statistics and VNAT, as well as by provincial departments. Furthermore, this is basic secondary data upon which government has designed plans and strategies for the development and management of the tourism industry. The fact remains, however, that there might be a limit in the validity and reliability of any secondary information, when uncontrollable factors such as personal bias or poor research design result in inferior findings from a study.

### **3.2.2 Semi-Structured Interviews**

The use of semi-structured interviews as a data collection method starts from the assumption that tourism enterprises' perspectives are significant, useful, comprehensible, and clear, and that they will positively affect the research and produce rich, detailed data for analysis (Frechtling & Sharp, 1997: 3). Cook & Crang (1995) argue that in order to gather information from tourism enterprises and other parties concerned, semi-structured interviews are a very useful tool. The semi-structured interview allows more scope for elaboration and general discussion rather than the respondent just being presented with a

set of fixed questions demanding fixed responses. Semi-structured interviews can be repeated for each person so that any differences between responses can be compared (Schoenberger, 1991). A good semi-structured interview is the result of rigorous preparation. The development of the interview schedule, the conducting of the interview, and the analysis the interview data all require careful consideration and preparation (Flick, 2002).

It is important to remember that information collected by employing the semi-structured interview method is influenced by the personal characteristics of the interviewer, including their race, class, ethnicity and gender; the environment, too, within which interviews are conducted, can also affect the results (Denzin et al., 1994: 353). Others warn that the quality of data elicited is largely dependent on the skills of the interviewer. Thus, to limit the incorrect understanding and reporting of responses, interviewers need to be highly trained; this is particularly so when the volume of information is large, rendering it difficult to transcribe and reduce data (Frechtling & Sharp, 1997; Johnson & Onwuegbuzie, 2004; Silverman, 2001). In this study, the semi-structured interview was conducted with key personnel from tourism enterprises to investigate their attributes, as well as the perceived barriers and their responses to current environmental management initiatives and to the adoption of sustainable tourism practices.

A list of tourism enterprises collected from the Tourism Department of Hue was used to identify interviewees and relevant background information. This list provided the researcher with relevant information including: the postal address, phone, email, type of service, ownership structure, the name of the manager, total asset value, and the number of staff for each enterprise. Because the sample size was to be small and in-depth qualitative information was required, sample selection was considered to be one of the most important steps in this method. By analysing the secondary data collected, it was possible to identify four groups of tourism-related services in the city of Hue: Accommodation, Food and Beverages, Transportation, and Other tourism-related services such as operators and travel agencies. The basic nature of each group was identified before interviewee selection. This information enables the researcher to decide

how to sample for the interviews in general, as well as enabling the researcher to identify certain interviewees for each of the sub-sectors of the tourism industry.

There is a popular misconception that the size of a sample should be decided on the basis of its relationship to the size of population (Neuman, 2000). In fact, there is no exact answer to the question of the sample size, i.e. how many participants are enough to ensure findings from semi-structured interviews are valid and can be generalized. The sample size for semi-structured interviews depends on several factors such as the level of analysis and reporting, the richness of the individual case, and whether the participants have similar demographic attributes (Gunn & Goeldner, 1994; Kitchin & Tate, 2000). Due to time and budget constraints, the sample was initially 20 enterprises – five enterprises each of the four groups of tourism service. In order to improve the validity and generalizability for research findings, the sample size for semi-structured interview was then increased to 50 enterprises. Participants were randomly selected from the list of tourism enterprises in each sub-sector with one in every five enterprises selected for initial contact by the researcher.

The interviewees were recruited by email and phone. The emails had ‘Consent to Participate in Research’ and ‘Introductory Letter from Hue College of Economics’ documents attached (see Appendices 1 to 4), and copies of these documents were also taken to the interviews. It is important to note that providing a detailed introduction about interviewer and their research objectives is one of the most important factors contributing to the interviews’ success. In other words, the researcher should clarify all issues related to the researcher and the study. This helps the interviewer and interviewees to know each other and creates a friendly environment (Kitchen & Tate, 2000; Bowling, 2002).

It is important to note that it can take time for interviewees to ‘warm up’ to semi-structured interviews. Special attention was placed on the creation of a relaxing and non-threatening environment when carrying out interviews. It is also important to remember that interviews should be conducted in the interviewee’s location as it will help the interviewee feel ‘at home’ in a familiar environment. Bowling (2002) suggests that it is not always possible to conduct a semi-structured interview in the ‘perfect setting’ but, if



at all possible, aim to find a place that is neutral, informal and easily accessible – for example, sit around the dinner table or coffee tables. This is because, when they are comfortable, interviewees are more willing to share comprehensible information related to the questions raised by researchers.

Semi-structured face-to-face interviews were conducted with managers, assistant managers or owners of 50 tourist enterprises. The sample was broken down into interviews with 14 accommodation services (28%), 13 food and beverage services (26%), 9 transportation services (18%) and 14 (28%) other tourism-related services - such as tourism operators and travel agencies. As shown in Table 3.2, the majority of the firms that participated in the semi-structured interviews are privately-owned small firms (78%), while a few are joint-venture (6%) and state-owned companies (16%). Table 3.2 also shows that over 52% of firms interviewed run their business with an operating budget of under VND1 billion (about US\$65,000), and about a quarter operated a budget of between VND1 - 5 billion.

All interviews were carried out in Vietnamese and lasted between 90 minutes and 120 minutes. It is important to note the time-consuming nature of semi-structured interviews because the willingness of interviewees to engage in such lengthy interview process can be a constraint on using this type of research methodology. Creating a friendly environment for semi-structured interviews, for example by offering some food or drinks as a way of relaxing the interviewees, can help to mitigate the negative effects to participants of such a time-consuming process. Interviewees were also reminded that interviews would be recorded. The researcher also took some notes during interviews to back up the recordings.

**Table 3.2:** Semi-structured interview respondents by service and ownership structure

<b>Tourism services</b>	<b>#</b>	<b>%</b>
Accommodation	14	28.0
Food and Beverage	13	26.0
Transportation	9	18.0
Other tourism-related services	14	28.0
Total	50	100
<b>Ownership structure</b>		
Private ownership	39	78.0
Join-venture	8	6.0
State-ownership	3	16.0
Total	50	100
<b>Scale of operating budget</b>		
Under VND1 Billion	19	52.8
VND1–5 Billion	9	25.0
Over VND5 Million	8	22.2
Total	36	100

It is argued that one of the most common problems in gathering information through interviews is that researchers can sometimes use ambiguous and unfamiliar terms and vague concepts (Tourangeau et al., 2000). Researchers should keep the questions simple, specific and concise, as well as provide examples when concepts are used. The researchers should also avoid double-barrelled questions and complicated syntax. In this study, the questions used were simplified by different sub-themes with easy questions requiring Yes/No answers or occasionally Likert-scale responses. Two practical examples were used to clarify the concept of sustainable tourism to interviewees. During the interviews, the participants were also given the opportunity to ask the researcher to clarify any questions.

All the interviews began with the same questions so that the researcher could identify certain central themes and then develop a series of sub-themes that the study covered (see Appendices 5 and 6). The interviews began with basic questions about the background of the interviewees, finding out about their education, their position in the firm, work experience, and their previous knowledge on sustainable tourism development and environmental issues. Interviewees were then asked about the background of their firm such as what services it provided, its ownership structure, business evolution, market niche, competitive environment, turnover, employees, capital, and its relationship with government tourism-related departments, the current institutional framework, and government's consultancy. These first two sub-sections provided the information needed to understand the personal information about the interviewees and their firms. These questions are also considered to be the 'warm-up' part of the interview, creating interviewee confidence in the researcher before moving on to the main themes of the study.

The central themes of the semi-structured interviews cover qualitative information about the interviewees' awareness and adoption of sustainable tourism and environmental management initiatives in their business. The interviewees were also asked questions related to barriers and constraints in their adoption and performance of environmental measures and sustainable tourism practices. Interviewees were encouraged to put forward their views and recommendations on particular issues raised in the interviews. The role of the interviewer was to listen, and to maintain focus and direction to prevent the conversation from going off on a tangent.

Through the semi-structured interviews, in-depth qualitative information about tourism enterprises' awareness and attitudes toward sustainable tourism development and environmental issues in the city of Hue was collected. This section also provided valuable information about barriers and constraints to adoption of environmental measures and sustainable tourism practices in business. Information about the political-economic transformation of the nation and region and its impacts on the awareness and configuration of tourism business with respect to environmental issues and sustainable tourism practices was also collected. The in-depth interviews were particularly useful in

enabling the researcher to explore the local context within which tourism enterprises are embedded.

### **3.2.3 Questionnaire Survey**

The questionnaire survey was designed to collect quantitative data from a broader population of firms in the Hue tourism industry, including the firms involved in the semi-structured interviews. Based on the results of semi-structured interviews and secondary sources of information, the questionnaire was designed to capture tourism enterprises' attributes, awareness and attitudes towards environmental and related policies (including perceived barriers) and their adoption in daily business. The first set of questions included multiple-choice and open-ended options that aimed to collect information about each firm's profile such as the types of services it provided, its employee numbers, capital, turnover, ownership structure, length of operation, total asset value; this first set of questions also collected information about each participant's working experiences in tourism and their highest qualification. Finally, the open-ended questions were designed to gather information about the participants' understanding of sustainable tourism and environmental issues. Participants were also given the opportunity to note down their views and suggestions for any issues raised in this study (See Appendices 7 and 8).

In order to capture quantitative information about tourism enterprises' awareness of sustainable tourism practices and environmental issues and how this awareness affected their decision-making, 6-point Likert questions (1 = strongly disagree to 6 = strongly agree; or 1 = the least influential to 6 = the most influential) were used in much of the questionnaire. Generally when using Likert scale technique to evaluate participants' awareness and behaviour, researchers will use 5-point or 7-point Likert questions to capture quantitative information about participants' awareness and behaviours to research problems (Bui, 2000; Weaver, Weber & McCleary, 2007). They assume that when using 5-point or 7-point Likert questions, participants are given a chance to answer difficult questions that they are not sure of by choosing the centre point. In reality, participants tend to choose the centre point for any questions that they are undecided on,

and so the use of 5-point or 7-point questions can lead to bias and inferior findings (Dawes, 2008). In order to avoid this bias, the use of 6-point Likert questions is suggested as an option that will eliminate the respondents choosing the centre point (Gwinner, 2006 cited in Dawes, 2008). The 6-point Likert question also enables researchers to deal with the ethic issue as respondents are given two opportunities to answer any questions on which that they are undecided: point-3 represents a negative response (e.g. slightly disagree) and point-4 represents a positive response (e.g. slightly agree).

A set of 6-point Likert questions was designed to capture quantitative information about tourism enterprises' awareness of sustainable tourism planning initiatives and environmental management instruments. Likert scale questions were also used to evaluate the influence of government policies and regulations on business operations in relation to the adoption of sustainable tourism practices. The participants were also asked to indicate barriers and difficulties that might constrain them from implementing more environmentally friendly practices. Finally, participants were given the opportunity to express their views about the future of their business with regard to sustainable tourism practice. A copy of the questionnaires used in this study (both English and Vietnamese) is provided in Appendices 7 and 8.

The survey helped to gather quantitative information about how influential the current institutional framework is on tourism enterprises' adoption of sustainable tourism practices and on the environmental management of the tourism industry. The questionnaire also provided quantitative information about the barriers (including perceived barriers) and constraints facing the tourism industry's uptake and adoption of sustainable tourism practices and environmental issues. Thus, the survey provided good quantitative data for the statistical analysis needed to test the research questions that guide this thesis.

Peterson (2000) argues that the design of questionnaires should follow widely accepted procedures used in social studies; one such procedure is pre-testing before carrying out the official survey. The survey research conducted for this thesis included a 'pilot test' of

five participants. Based on the results of the pilot test, and in the light of comments from the pilot respondents, the original questionnaire was slightly modified before the full sampling was conducted.

A covering letter was attached to the first page of each questionnaire explaining that the work was part of my PhD degree at Auckland University of Technology. The covering letter also mentioned that an important goal of the study is to enhance the future of sustainable tourism development in the city of Hue. Furthermore, the respondents were provided with a 'letter of introduction' from Hue College of Economics to introduce myself to participants. The questionnaire was self-delivered to participants. After 10 days, the researcher reminded participants about my questionnaire via either phone or email.

The 2006 list of tourism enterprises provided by the Hue Tourism Department (HTD) indicates that there are 670 firms operating in the tourism sector in the city of Hue. This is broken down into 144 firms providing accommodation services, 170 food and beverage services, 100 transportation services, and the remainder providing general tourism-related services. The research aimed to generate survey responses from 200 of these businesses. The survey was carried out from late October 2006 to end of December 2006. Initially, 75 questionnaires were self-delivered to each of the four groups of tourism-related enterprises, i.e. 300 questionnaires were delivered. The response was 114 returned questionnaires. To ensure that the research findings would be statistically significant, Self-administrated questionnaires technique was applied for questionnaire survey: a further 100 questionnaires were delivered to the tourism enterprises in the city. Twenty-eight firms responded to this second delivery. Thus of the 400 firms approached a total of 142 responded – a response rate of 35%.

The response rate was influenced by the serious impacts of storm and floods that occurred in the city of Hue during the survey period. There were four floods between late October and early November 2006, and these caused serious damage to infrastructure and the facilities of tourism enterprises. Most of the enterprises approached were having to put a

lot of resources into recovering from the damage and so many of them could not complete the survey. A further 100 surveys was delivered in early December 2006 after the floods had dissipated, and received 38 responses. The final response was 180 out of 500 firms – a response rate of 36% (Figure 3.3).

**Table 3.3:** The distribution of sample size in the survey

<b>Type of Tourism services</b>	<b>N =</b>	<b>Within sample (%)</b>
Accommodation	50	27.8
Food and Beverage	33	18.3
Transportation	37	20.6
Other tourism-related services	60	33.3
	<b>180</b>	<b>100.0</b>
<b>The scale of operating budget</b>		
1. Under VND1 billion	61	34.3
2. VND1–5 billion	79	44.4
3. Over VND5 billion	38	21.3
<b>Total</b>	<b>178*</b>	<b>100.0</b>

\*Missing Case 2

(Note: Exchange rate in 2006 US\$/VND = 16,000)

The majority of firms surveyed provided ‘other tourism - related services’ (33% of the total sample); the next largest category was firms providing accommodation services (27%); approximately 18% of sample were firms providing food and beverage; and about 20% of the sample were firms involved in transportation services such as tourism boats or buses. The survey also highlighted that almost 80% of the participants were running their businesses with a budget of less than VND5 billion; only 21.3% of the sample had operating budgets exceeding VND5 billion (Figure 3.3).

### **3.3 Data Analysis**

While data collection plays a decisive role in any study’s success, data analysis is also a most important factor. Johnson and Onwuegbuzie (2004) state that the analysis of data collected from triangulation methods has seven stages: data reduction, display, transformation, correlation, consolidation, comparison and integration. These stages

allow researchers to combine qualitative and quantitative information in such way that the contradiction between the two approaches becomes explicit and thus avoided. In doing so, the researcher can answer a broader and more complete range of research questions. This will result in a deeper understanding of the issues, and so enable the research findings to influence future theory and practices. The analyses are designed to involve the use of both qualitative and quantitative approaches that allow the researcher to validate theoretical concepts employed in this study.

Miles and Huberman (1994) indicate the first most important step in qualitative data analysis is data reduction: this refers to the process of selecting, focusing, simplifying, abstracting and transforming the data that appear in transcriptions and written field notes. Lacity and Janson (1994) state that qualitative analysis assumes that language analysis corresponds to an objective reality and that the researcher merely needs to find this objective reality. The words and narratives can be used to add meaning to the numbers (i.e. the qualitative information will enhance the quantitative data). Qualitative information analysis is not a neutral description of reality but rather an act that shapes reality. When analysing the qualitative data collected from semi-structured interviews, all spoken information was transcribed into meaningful variables in an Excel Package. Much of the analysis of the semi-structured interview data involves summarizing the data and presenting the results in a way that communicates the most important features.

Qualitative information was labelled or coded so that the researcher could recognize differences and similarities between all the difference items (Flick, 2002). First, a pattern of cross-group differences could be discerned. Later an analysis of responses was performed according to indicators. It is important to note that, from an analytical perspective, the analyst should begin with basic relevant group differences in perception. The reason is that most of the questions used in this semi-structured interview had open-ended formats that allowed each group of participants to put their views on the relevant research issues. Second, the basic process of qualitative data analysis is performed by using the 'same' techniques. This focuses on more broad commonalities in participants' views rather than on individual differences between or within participant groups (i.e. accommodation services, food and beverage, transportation or other tourism-related



services). The use of interviewee quotes also supported the qualitative analysis. There may be some data which is measurable, so quantitative analysis would involve things like calculating frequencies, and performing statistical tests such as finding the differences between variables.

All data collected from the survey was transcribed into numerical variables using SPSS Software. The sample of tourism enterprises surveyed was broken into different categories based on different variables such as tourism services, total turnover, and the number of employees, ownership structure, total assets, and the percentage of turnover that is attributable to tourism. These variables represent the economic attributes and nature of tourism enterprises.

There are some special important relationships between the current institutional framework, the economic nature of tourism businesses, and their awareness and adoption of sustainable tourism practice; these can be investigated through quantitative data analysis techniques. In order to determine the statistical association between the demographic variables of the tourism industry and the level of adoption of sustainable tourism practices, a correlation model was performed. There are a number of different correlation models that could be used (for example, Partial, Bivariate, Rank or Distances models); however, the choice of model will depend on the nature of variable. In this study, most variables are nominal and ordinal (i.e. category and order variables), and so the Ranked Correlation Model (i.e. Spearman Correlation with Symmetric Measures) was considered the optimal choice. When an important relationship (i.e. difference) was established, a Tukey Post-hoc analysis was carried out to confirm the variance between means values and to facilitate comparisons between groups of tourism enterprises. To test these hypotheses, Pearson Chi-Square ( $F$ -test) and one-way analysis of variance (ANOVA) with Tukey test (HSD) were performed with the level of statistical significance level at 95% ( $\alpha = 0.05$ ) unless otherwise stated.

It is important to note that  $T$ -test (i.e. Student's  $T$ ) is used to compare the means between groups for every question (i.e. variables). The test is performed as the corresponding tabulated critical values are based on the assumption that the sampled population

possesses a normal probability distribution. It is an important to remind readers that Likert scale questions cannot possibly possess a normal-probability distribution unless they are designed with more than 25-point Likert scale elements. This is because the range of answers is discrete, not continuous. Accordingly, the researcher checked the frequency results of all questions to make sure that each distribution was mound shaped before performing any *T*-tests. If the distribution of Likert scale questions is not mound shape (i.e. a discrete distribution, not a normal one), then the Pearson Chi-Square statistic test was used in a multinomial experiment, where the outcomes are counts that fall into categories.

Factor Analysis was also performed based on Kaiser's criterion to summarize the data from the questionnaire survey into a manageable format. This was needed so that the major factors influencing tourism enterprises' adoption of sustainable tourism practices could be identified. Applying Factor Analysis is helpful to reduce the original data into a smaller number of factors that represent a linear combination of the variables. The validity and reliability of Factor Analysis are dependent on compliance with its assumptions: it is important that the ratio of observations to items should be no fewer than five (Sandro, 2000). It is stated that generally most of the correlations between variables loaded should be equal or higher than 0.30 (Sandro, 2000). Other statisticians warn that loadings of less than 0.50 should be excluded because these variables were considered insignificant in explaining the factor loaded (Bui, 2000). Based on that warning, factor loadings less than or equal to 0.50 and eigenvalues less than 1.0 were excluded from the analysis; this should increase the statistical significance of this study's findings. In order to determine the minimum number of factors that explain the greatest amount of variance, the Principle Component Analysis with Varimax method for orthogonal rotation was performed as the factor extraction method. It is stated that Principle Component Analysis and Varimax orthogonal rotation are the most appropriate methods in factor model as they generally indicate a better performance than Quartimax and Equimax in terms of both stability and factor separation (Wilkinson, 1988, cited in Sandro, 2000; Edward, 2005).

## **CHAPTER FOUR**

### **CASE AND CONTEXT**

Developing sustainable tourism in today's highly competitive business environment requires a deep understanding of many environmental, political, economic and socio-cultural forces. A review of literature on sustainable tourism development indicated that the tourism industry's awareness of, and responses to, sustainable tourism practices and environmental issues are configured and interwoven within the local, national, and global political economic context and a range of socio-cultural and resource related forces. This chapter seeks to contextualize both the political economic and socio-cultural forces upon which the tourism industry was conceived and developed in Vietnam, focusing particularly on the city of Hue as a case study; it presents an analysis of current tourism development with regard to three important aspects: economic, social and environmental; and, finally, it offers a review of the process of sustainable tourism development from the global to local arena, with a special emphasis placed on opportunities and challenges that might emerge along with this process.

#### **4.1 Vietnam: Geographical Perspectives**

Located on the Indochina Peninsula in Southeast Asia, Vietnam is a developing country with a total land area of nearly 332,000 square kilometres. According to the Vietnamese government's declaration, Vietnam's territorial water is 12 nautical miles, which equates to one million square kilometres of privileged economic waters. The country stretches over 1,650 km in length from the North to the South. Three-quarters of the country is covered by mountain and hills, the rest is the vast deltas of the Red and Mekong rivers. Vietnam has 2,860 rivers, the two biggest being the Red River in the North and the Mekong in the South. Vietnam also has 3,200 kilometres of coastline with almost 3,000

off-shore islands. Facing the Pacific Ocean in the East, and having favourable conditions for the development of seaport and airports, the country has the opportunity to be an important gate to Southeast Asia, competing with Hong Kong and Singapore (Luong, 2005b).

Vietnam is located in a tropical climate region, where both the continental air stream and equatorial ocean air stream are blowing. Therefore its climate is affected by the Asian monsoon, mainly the winter and summer monsoons. The climate of the North includes two different seasons: the cold season from November to April, and the hot season from May to October. The Central and South are affected by the summer monsoon, and so it is hot all year round, yet it still has two distinct seasons: the dry season from December to April and the rainy season from May to November. On average, Vietnam has nearly 2000 hours of sunshine per year; about 100 days of rain, with a volume of about 2000 mm/year; a humidity of around 85%; and a temperature of 24°C. Vietnam is usually also affected by six or seven storms and low pressure systems annually, mainly in the North and Central regions. This climate can have negative impacts on the development of the tourism industry, such as infrastructure damage and a high seasonality in tourism arrivals.

Geographically, Vietnam enjoys a strategic location in Southeast Asia. The country is an important point of entry to the region in general, and Indochina in particular. International tourists are likely to visit Vietnam as a stopover on their regional tours (Jansen-Verbeke & Go, 1995). Rakthammachat (1993) states that Vietnam is ‘the land of leisure’ and has tremendous future prospects for hospitality and tourism thanks to its beautiful natural features: its ‘mostly untouched’ coastline with numerous pristine beaches and beautiful lagoons, mountain sceneries with tropical rainforests which are endowed with diverse ecosystems, and marvellous landscapes forming attractive tourism resources. The country has some 28 national parks and 53 natural reserves, and there are 250 caves throughout the country, many of which have been recognized as World Natural Heritage Sites by UNESCO. Vietnam possesses great potential for sustainable tourism development such as eco-tourism and cultural tourism (Lam, 2002).

## **4.2 Vietnam: Socio-Cultural Perspectives**

Culturally, Vietnam has 4000 years of history and over 7300 cultural and historical remains scattered in over 63 cities. Vietnam has more historic relics than many other Southeast Asian countries (Rakthammachat, 1993). The country also features ancient and modern art, music, dance festivities and religious customs (VNAT, 2006). Its recent history is known to the world as a consequence of the failure of the French and American war efforts (1954 and 1975, respectively). Along with this, Vietnam has a complex ethnographic make-up including 54 ethnic groups with distinct languages and cultures such as Kinh people, Tai, Muong).

In recent years, UNESCO has recognized four cultural heritage sites in the country: Hue, Hue Royal Ceremonial Music, Hoi An ancient Town and My Son Sites. Spiritual life in Vietnam is grand panoply of belief systems, including Confucianism, Buddhism and Christianity. Vietnam also has great potential for the development of tourism focused on architectural monuments: French colonial architecture in the major cities and its Indo-Chinese cultural heritage throughout the country.

The human tourism resources of Vietnam are enriched with the 1000-year history of national construction and defence, with a tradition that reflects a deep cultural identity and unique customs. The folk literature and arts of 54 ethnic groups, along with exclusive and elegant cuisine, are interwoven with scenery to create a unique visitor experience. The country also has hundreds of traditional festivals attracting large numbers of visitor arrival per year (Luong, 2005a). A survey of 600 international travel agents in 1996 in Asia, found that the majority of respondents rated Vietnam as one of the most popular in Southeast Asia thanks to its beautiful scenery (58%) and its rich cultural heritage (85% of respondents) (Luu & Dinh, 1997).

A recent survey by VNAT revealed that Vietnam has become one of the most attractive destinations for international visitors in Asia, not only because it is considered a safe destination but also because it has many picturesque landscapes, many well-preserved natural attractions, a long sunny coastline, and a sea that is warm all the year round

(Lam, 2002). It is obvious that the conservation and protection of these potential tourism resources is a vital issue when facing the challenge of achieving sustainable tourism development.

### **4.3 Vietnam: Political and Economic Evolution**

Vietnam is a developing country that has been characterized by rapid socio-economic reform since 1986. The evolving political economy of the country can be viewed in three stages: a centrally planned mechanism, economic reform to market mechanism, and global economic integration.

Vietnam is well-known for its wars of independence and dramatically changing political economy. The two wars against France and America caused Vietnam's economy and infrastructure to virtually collapse, and pushed Vietnam back '100 years' with a 'handicapped' economy; this led to hunger and poverty (Dinh, 1996). After the reunification of the country in 1975, a process of recovery took place under the auspices of a central planning system. The Fourth National Congress of Vietnam in 1976 mapped out the transitional period to socialism as follows:

*...to carry out socialist industrialization and transform the economy from small-scale production into large-scale social production. Giving priority to rationally develop heavy industry based on development of agriculture and light industry...*

(Luoc, 2004: 5)

The country officially adopted the Soviet style of central planning. Like other socialist states, Vietnam instituted very strong control over most forms of economic activities, including tourism development. Vietnamese agriculture was collectivized, while industry and services (i.e. all existing enterprises) were nationalized. Most investment resources (about 65% of annual state investment) were focused on the heavy industry sector (Luoc, 2004).

Trading activities between provinces and regions and, especially, internationally were tightly restricted by the government and dominated by state-owned companies (Sam et al., 2001; Luoc, 2004). The government restricted the circulation of goods between regions and assigned state-owned companies to monopolize the distribution of goods and services around country. The country's import–export activities were largely focused on socialist countries in Eastern Europe and the Soviet Union. Vietnam exported agricultural products and timber, and imported machinery, fertilizers and pesticides. About 70–80 per cent of Vietnam's total imported products (mostly oil, gas, cotton, fertilizer, insecticides and machinery) came from the Soviet Union and the East European countries (Dinh, 1996; Tho et al., 2000). At the village level, the local governments did open local markets where people could exchange goods to meet their basic needs.

The incentive system of the central planning mechanism immediately showed its impacts: productivity rapidly decreased, agricultural outputs declined, industry stagnated and commerce froze (Ngoc & Thanh, 2005; Alpert, 2005). In general, the achievements of the short episode of partial centralized planning were disappointing. In the late 1980s Vietnam had a per capita income of US\$200 and agriculture was the dominant sector, representing over a half of GDP and generating about 80 per cent of all employment. The large agricultural sector was collectivized into production and distribution co-operatives. The industrial and services sectors were relatively small (at about 40 per cent of GDP) (Tho et al., 2000; Ngoc & Thanh, 2005).

Vietnam's exports collapsed in the early 1980s and the country was left with virtually no external reserves. The country had experienced slow growth and a serious financial crisis prompted by substantial domestic and external imbalances. The economy collapsed with a high unemployment rate, low foreign investment and high foreign debt, and inefficient banking and financial systems, as well as inconsistent regulations and laws (Sam et al., 2001; Ngoc & Thanh, 2005).

The task of moving a country of 76 million people from an economic system based on a centrally planned mechanism, with its many socio-economic issues and poor infrastructure, has imposed an enormous challenge for the governments and people in

Vietnam. It is stated that, in the mid 1980s, Vietnam was one of the poorest countries in the world. Its economy suffered from high unemployment, inadequate food production and annual inflation of over 770% (Luoc, 2004). Low labour productivity, the under-utilization of resources and a cumbersome state bureaucracy hampered production in the country's agricultural, industrial and services sectors (Tho et al., 2000; Ngoc & Thanh, 2005). In addition, sustained involvement in regional military conflicts diverted necessary resources from improving the economic and industrial infrastructure. By the end of the 1980s, in the context of economic difficulties, attempts to break the rigidity of the centrally planned economic management mechanism emerged from the grassroots level (Alpert, 2005). The failings of Vietnam's centrally planned economy were publicly acknowledged by the Vietnamese Communist Party at its Sixth Party Congress in December 1986 (Auffret, 2003; Doanh & McCarty, 1997).

In an attempt to break down the rigidity of the central economic management mechanism, in December 1986 the Sixth National Congress of the Communist Party of Vietnam embarked on a major program of economic reform aimed at making the transition from a centrally planned economy to a market-based system. The core of the economic reform was to build a market-based economic mechanism regulated by the central government. The Vietnamese government shifted priorities in its development strategy from a focus on heavy industry to the promotion of agriculture, services and consumer-goods industries. The change to a market economic system also involved the reconstruction of the economic sectors and of ownership structures (Alpert, 2005; Harvie, 2004).

The previous absolute domination of the state economic sector (i.e. state-owned companies) was being replaced by diversification, including non-state ownership structures such as private and joint-venture enterprises. There have also been many changes in the collective and co-operative economic sectors towards free market economics in which they become more autonomous in determining their business decision-making. The government eliminated the state monopoly over the distribution of goods and services, and authorized enterprises from various sectors to become involved in import and export trade. Since 1989, the distribution of foods and services, which used



to be under state monopoly, has been almost entirely taken over by private enterprise (Doanh & McCarty, 1997; Luoc, 2004). However, the reconstruction of state-owned enterprises did not necessarily weaken their economic power: the state sector still plays a crucial role in the national economy (see Figure 4.1), and the ‘dominating role of the state sector’ is considered a fundamental characteristic of the socialist market economy (Sam et al., 2001; Luoc, 2004).

Along with positive changes in economic reconstruction, there were also many changes in the legal environment, with new laws and regulations introduced to adapt to the new context. New laws and regulations such as the New Land Law 1993, the Environmental Protection Law 1994, the Tourism Ordinance 1999, and the New Enterprises Law 2000, followed economic reforms and enabled the new market-based economic system to integrate further with the world economy. The implementation of these policies has opened up the economy to foreign investment and resulted in some fundamental and significant socio-economic achievements for Vietnam. The economic reform has provided effective incentives to mobilize internal and external resources for all the sectors involved in the nation’s economic development. Sam et al. (2001) state that economic reform is primarily seen as an ‘historical turning-point’ that released Vietnam’s domestic production power, enabled global integration and mobilized external resources.

During the last two decades of socio-economic restructuring, Vietnam has made great progress in both economic development and social improvement. The country has made remarkable economic strides, with growth rates averaging in excess of 8% over the last ten years (GSO, 2004). The industrial sector has gained greater importance in Vietnam’s GDP, with its share increasing from 19.8% in 1991 to 41.0% in 2005. The processing industries and consumer-goods sectors have grown fast, representing 80.5% of the overall industrial production value and 18.7% of the country’s GDP in 2005. The services sector has made considerable progress in diversification, and its contribution to the country’s GDP has increased from about 15.0% in the 1980s to 38.1% in 2005. The Gross Domestic Product per capita increased from US\$402 to US\$638 in the period 2000

to 2005 (see Table 4.1), and economic achievements have improved living standards in both urban and rural areas.

Progress in the elimination of hunger and reduction of poverty has been remarkable. The proportion of the population living in poverty has reduced by more than a half in the last decade, from 58% in 1993 to 23% in 2005 (Alpert, 2005; GSO, 2004 & 2006; Quang et al., 2005). Vietnam has also improved its performance in the UNDP human development index, rising from 0.11 in 1992 to 0.682 in 1999. Vietnam is turning to a ‘high-learning’ society where most people make an effort to learn so they can have a better job. The overall adult literacy rate is high, with little disparity between male and female (95% and 91% respectively) (Dinh et al., 2006).

**Table 4.1: Macroeconomic development in Vietnam, 2000–2005**

	<b>Unit</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
1. GDP	US\$(billions)	31.0	33.0	35.0	39.0	46.0	51.0
2. Real GDP growth	%	6.8	6.9	7.1	7.3	7.7	7.5
3. GDP per capita	US\$	402	415	440	438	556	638
4. GDP by Economic Sector							
a. Agriculture	%	24.5	23.2	23.0	22.5	21.8	20.9
b. Industry	%	36.7	38.1	38.5	39.5	40.1	41.0
c. Services	%	38.8	38.6	38.5	38.0	38.1	38.1
5. Inflation rate	%	3.4	2.0	4.0	5.4	9.5	8.5

*Source:* General Statistical Office of Vietnam, 2001–2006.

The benefits of economic reform also include expansion of export markets and increased competitiveness and efficiency of the local economy. In the period 1986–2005, Vietnam’s export growth has averaged 21.2 %, total export value increased from US\$0.5 billion in 1986 to US\$29.5 billion by 2000 and then to more than US\$37.0 billion in 2005, taking the country out of the world’s less-developed foreign trade list (Alpert, 2005; GSO, 2006). The growth of agriculture averaged over 4.5% per annum and total food production increased from 18.4 million tons in 1986 to 40 million tons by 2006. Not only does the country have sufficient food for domestic demand, it can now export about four million tons of rice a year. Vietnam has moved from a rice-importing nation to the

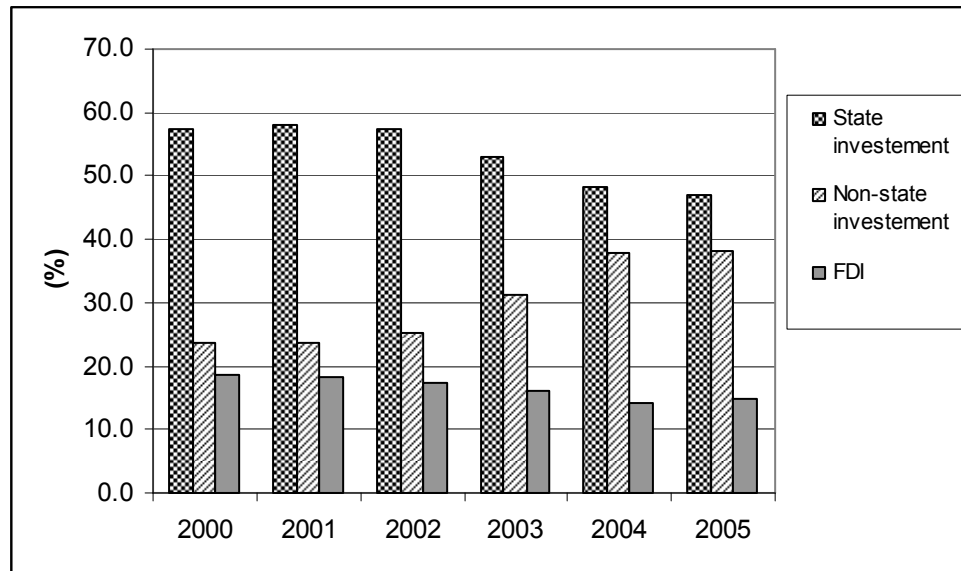
second largest rice exporter in the world (Doanh & McCarty, 1997; Kokko & Tingvall, 2005). The structure of exported value has been also changed direction, with an increase in the volume of manufacturing products and a decrease in the volume of primary product. The proportion of primary products in the total value of exports declined from 74.6% in 1990 to 54.8% in 2000 and then to 45.3% in 2005 (GSO, 2006).

One of the main macroeconomic achievements during the last two decades has been price stabilization. Inflation rate has been reduced from several hundred per cent (774%) in the late 1980s to well below 5 per cent in 2005 (Kokko & Tingvall, 2005). Vietnam's rapid economic growth has been fuelled mainly by a high investment rate; in 2005 about 36 per cent of the Gross Domestic Product (GDP) was devoted to investment and rapid export expansion.

Since 1989, non-state economic activities have developed vigorously. Following the promulgation of the law on foreign investment in December 1987, numerous foreign companies have invested a large amount of capital into Vietnam, in both the manufacturing and services sector. After a slump following the Asia financial crisis, the inflows of foreign direct investment have recovered and increased, from US\$3 billion in 2000 to US\$4 billion in 2004 and then to US\$11 billion in 2006 (Nguyen et al., 2005, cited in Kokko & Tingvall, 2005; GSO, 2006). Enterprises characterised by foreign investment accounted for 15% of Vietnam's GDP, nearly one-fifth of total investment and more than a half of total exports in 2005. Private enterprises have been encouraged by the government: in 1985 there were 40 private enterprises involved in direct export-export activities, but by 2005 this number had increased to 20,000 (GSO, 2006).

Comprehensive revisions of the Commercial Law, Land Law, and Enterprise Law have been announced in recent years, with special emphasis on a simplification of the regulatory framework for non-state enterprises. In particular, since the promulgation of the New Enterprise Law in 2005, with the abrogation of unnecessary business licenses, thousands of non-state enterprises (about 150,000 enterprises) have emerged and operated in several spheres, including tourism. In addition, the non-state sector is accounting for an increasing share of gross investment (Figure 4.1).

**Figure 4.1:** The structure of investment by sector in Vietnam, 2000–2005



*Source:* General Statistical Office of Vietnam, 2001–2006.

Meanwhile, state-owned enterprises (SOEs) have been restructured in the following way: to reduce the number of enterprises by over 50%; and conduct equatization of state-owned enterprises. The government now also rents out enterprises which the state has no need to hold (Harvie, 2004). Nevertheless, despite the gradual shift towards a market economy and the emphasis on SOE reform and privatization in the structural adjustment programmes formulated since the 1990s, the state sector still continues to dominate in important sectors of the Vietnamese economy such as energy and the mining industry.

A decade after the process of economic reform was initiated; Vietnam has dealt with difficulties arising from changes in the globalizing process, particularly with the collapse of the socialist system in the East European states and the Soviet Union. The repercussions of this collapse were further aggravated by the American government's economic and trade embargo against Vietnam, which imposed considerable difficulties on Vietnam's socio-economic development. In response to this crisis, Vietnam has made the significant decision to join regional and multilateral organizations, and has opened its door to the global market.

The lifting of the United States of America's trade embargo against Vietnam in 1994 is considered a significant step forward in the development of tourism in the country (Doanh & McCarty, 1997; Oppermann and Chon, 1997). With an abundant supply of cheap labour and attractive tourism resources, Vietnam has been heralded as the new investment opportunity for American firms and others. As a result, foreign investors, including hotel developers and other tourism business operators, have flocked to Vietnam to take advantage of the numerous opportunities presented (Opperman & Chon, 1997; De, 2002; Lloyd, 2003).

Before 1990, Vietnam had trade relations with only 40 partners, most of which were from the socialist system. Following economic reform, Vietnam has expanded its trading relationships to other regions, including the European Union in 1992, the Association of South East Asian Nations (ASEAN) in 1995, and the ASEAN Free Trade Area (AFTA) in 1996. The country became a member of the Asia-Pacific Economic Cooperation (APEC) in 1998, and an official member of the World Trade Organization (WTO) in 2006. The country has established diplomatic ties with almost 170 countries, and trade ties with 160 countries and territories (Doanh & McCarty, 1997; Auffret, 2003).

Economic reform has created enormous opportunities and considerable progress in socio-economic development, but at the same time imposes serious challenges. Despite Vietnam's overall success, there are still macroeconomic issues that could have negative impacts on socio-economic development in the future. State-owned enterprises are still given priority to the main resources, and this has led to both an unequal distribution of these resources and unbalanced competition between the state-owned enterprises and private enterprises and foreign investors. While nearly a half of all aggregate investment is still controlled by the state, concerns will remain about investment efficiency and sustainability in Vietnam. The investment efficiency and direct employment generated through state investment is small, with employment in the state sector accounting for only 10 per cent of the nation's labour force (CIEM, 2005). While private enterprises were allowed but not strongly encouraged in the mid-1990s, their position and role for national economic development had been strengthened by 2002. It is suggested that to

maintain a high growth rate, it is necessary to accelerate the pace of state-owned enterprises and have them compete equally with other enterprise types (CIEM, 2005).

As one of the signatory countries committed to achieving sustainable development in the World Agenda 21, since 1992 there has been a conscious effort to integrate the principles of sustainable development into Vietnam's national development plans. Vietnam has worked out and actively implemented the National Plan on Environment and Sustainable Development in the period 1991–2000 (Decision No. 187-CT, dated 12 June 1991), which served as a foundation for sustainable tourism development. In 1993, the Law on Environmental Protection was adopted by the National Assembly and it was enacted in January 1994. Views about sustainable development and the strengthening of environmental protections during this period of industrialization and modernization are also expressed by the central government in Directive No 36-CT/TW, dated 25 June 1998. The Directive emphasizes that 'environmental protection is inseparable from the lines, directions, and socio-economic plans of authorities at all levels and in all sectors'. Environmental protection is considered the most significant factor to ensure sustainable development, and the directive offers guidelines to different groups as to how to successfully implement sustainable development.

Following the National Plan for Environment and Sustainable Development 1991–2000, a National Strategy for Environmental Protection for 2001–2010 was approved by the Ninth National Communist Party Congress in 2000. The strategy identified four overarching objectives:

- To continue to prevent and control environmental pollution.
- To protect and use natural and biodiversity resources in a sustainable manner.
- To focus on enhancement of environmental planning and management.
- To improve environmental quality in the industrialization process.

By enacting this strategy, sustainable development was reaffirmed in Vietnam's socio-economic development for the period 2001–2010. It is stated that:

*...fast, effective and sustainable development, economic growth should occur in parallel with the implementation of social progress, equality and environmental protection... [and] ... socio-economic development is closely tied to environmental protection and improvement, ensuring harmony between the artificial and natural environment and preserving bio-diversity.*

(Vietnam Agenda, 21: 2, 2004).

This agenda reaffirmed that Vietnam is determined to achieve sustainable development of the country and to fulfil its commitments to the international community. To reach the objective of sustainable development, many other directives, resolutions and normative documents of the State have been enacted and implemented. There have also been a large number of programmes conducted in this field, and many basic principles of sustainable development have been implemented and gradually become the core approach to the country's socio-economic development process (Sam et al., 2001; Luong, 2005b).

In the past 15 years, Vietnam has developed and completed five national environmental strategies; these are considered the legal foundations for all stakeholders to follow during their operations in order to ensure the sustainable development of the country as a whole. The strategies also serve as a basis to affirm the social and economic development direction for the country. During the implementation process, these sustainable development planning initiatives have been regularly reviewed, supplemented and revised in order to adapt to the particular context of each development period, and to ensure that the goal of sustainable development is being met in Vietnam. These strategies have had positive effects on national development policies as well as on different economic sectors – especially the tourism sector (Ngoc & Thanh, 2005; Ha, 2005).

Integrating sustainable development into national economic policy reforms and environmental institutional development provides a vision from which the country has explicitly pursued sustainable industrial development (Sam et al., 2001). These strategies have also been reflected in the State's policies on the rational exploitation of natural resources; technological renovations toward green and clean industries; the integration of environmental considerations into industrial development programs, plans and projects; and on environmental impact assessment requirements for existing industries

and new development programmes and projects, both at the micro- and macro- level (Ha, 2005).

From a social issues perspective, rapid population growth, inadequate basic services of education and health care and social stratification have emerged widely in Vietnam – although the country has made much effort to use its economic success for social improvements. It is reported that income inequality has been rising in Vietnam over the past decade because some regions are growing substantially faster than others: average income is rising faster in the cities than in rural areas, and there are significant differences between incomes in lowland areas compared with the remote and mountainous areas (Kokko & Tingvall, 2005). Meanwhile, the system of policies and legal instruments is not strong enough to ensure socio-economic development in a sustainable manner (Tuan, 2006b; Quang et al., 2005).

#### **4.4 Vietnam Tourism: Growth and Development**

The tourism industry is increasingly recognized as one of the largest and fastest growing industries in Vietnam, in terms of foreign exchange earnings, income generation, job creation and share of gross domestic product. The tourism industry is also proposed to strengthen linkages among many sectors of the national economy and to alleviate poverty at the local level (de Haas, 2002). When attempting to understand Vietnam's tourism industry, it is important to trace back its history and development. Research shows that Vietnam's tourism industry is relatively young, with only about 40 years of significant development. Vietnam is, however, one of the latest Asian countries to declare the importance of tourism to their national economic development strategy (VNAT, 1995).

The wars against the French and the Americans prevented the tourism industry from developing, with both infrastructure and landscapes in Vietnam being seriously destroyed over the period 1954 to 1975. As a member of the socialist system, most of Vietnam's visitor arrivals were from Russia, China, and other Eastern European states (Oppermann & Chon, 1997). Meanwhile, the Vietnamese government determined that the tourism



industry was a fragile sector with in-depth cultural and political sensitivity, and so state-owned enterprises should play a decisive role in running the industry.

From 1975 to 1985, Vietnam was cut off from the flow of tourists from the non-communist world. Rarely did international visitors go to Vietnam for travel or to do business (Chon, 2000). Oppermann and Chon (1997) state that Vietnam was not yet ready for an influx of tourists at this time since it lacked adequate infrastructure, such as rooms that met international standards and skilled staff, and appropriate tourism management skills. However, given the intensive economic competition and rapid tourism development from its neighbours in Southeast Asia, as well as the collapse of the Soviet economic model, the Vietnamese government saw the need for reform: it had to adopt an alternative form of tourism development that eliminated the centrally planned, bureaucratic and subsidy-based mechanism if the country was to compete within the global market.

Under a centrally planned mechanism, the government has responsibility for all facets of the tourism sector: from planning to construction of infrastructure and superstructure, as well as the development, marketing, management and operation of all attractions and tourism facilities. In the context of central planning, a centralized tourism administration exists and tourism is considered to be an industry of national importance which should be planned for and controlled by central government. This form of tourism administration had certain limitations, such as the over-centralization of planning activities and the improper practices of public administration. Also, it can be argued that tourism development planning is rigid and inflexible and often lacks a community-based approach (Cooper, 1997).

In the early 1990s Vietnam began to encourage tourism as part of its general policy of liberalization. The central government determined that tourism was an important economic sector with in-depth cross-sectorial, inter-regional and highly socialized characteristics, and it wanted to develop a tourism sector that would satisfy tourists' demand while making contributions to both the improvement of the community and national socio-economic development (VNAT, 1999).

State-owned tourism businesses were restructured into strong tourism groups or parent companies that could perform effectively within the competitive international environment. The government also began to introduce policies concerning private and foreign tourism operators, and these operators have been encouraged for involvement in tourism development by all levels of government and from within communities themselves. Following the development of private enterprise within the tourism sector, the Vietnamese tourism industry has been characterized by annual rapid growth. Furthermore, since the late 1990s, US\$1.96 billion has been invested in 104 hotel development projects, making tourism one of the country's most important industries (Luong, 2005b).

The opening up of the economy has resulted in the significant growth of the tourism sector in Vietnam. The sector has developed strongly and gradually integrated into the global tourism development process (Luong, 2005a). The Vietnamese government has invested VND2146 billion (about US\$1.4 billion) in infrastructure and management for this sector in the last five years. During the same period, the government has also attracted 190 foreign direct-investment projects in the tourism industry, with a total capital of US\$4.64 billion in infrastructure for tourism (Luong, 2005b). Many new luxury hotels and resorts have been built that meet the standards for international tourists. These factors have led to a growing number of tourists travelling to Vietnam; with international arrivals totalling 3.478 million in 2005 (see Table 4.2).

Table 4.2: **Tourist visitors and income generation**

								<b>Annual growth rate (%)</b>
	<b>Unit</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	
1. Total Visitors	,000	13,340	14,030	15,628	15,928	17,428	18,378	7.1
a. International arrivals	,000	2,140	2,330	2,628	2,428	2,928	3,478	8.7
b. Domestic visitors	,000	11,200	11,700	13,000	13,500	14,500	14,900	6.8
2. Tourism Income	Mil US\$	908	1,018	1,141	1,279	1,433	1,593	12.9

*Source:* General Statistical Office of Vietnam, 2001–2006.

In the early 2000s, the size and scale of the tourism industry in Vietnam developed beyond the expectation of the government. The number of visitor arrivals increased rapidly from just 250,000 in 1990 to nearly 2.13 million in 2000. As the per capita income of Vietnamese has increased, there has been a corresponding increase in the demand for domestic tourism: a total of nearly 11.2 million domestic tourists travelled in 2000 but this had increased to 14.9 million by 2005 (see Table 4.2). Vietnam's tourist industry was hit badly by the regional economic crisis of 1997–1998, and again by the aftermath of the terrorist attacks in the USA on September 11 2001, but international arrivals recovered quickly to more than 2.6 million in 2002.

The Severe Acute Respiratory Syndrome (SARS) crisis in 2003 also had a devastating impact on Vietnam's tourism industry, with the number of tourist arrivals down about 8% over previous years (to 2.4 million). However, this overall drop in the number of international tourist arrivals to Vietnam was immediately offset the following year by a growth rate of nearly 20%. Now the country has emerged as one of Southeast Asia's fastest growing tourist attractions. The country's attractiveness enhanced by the October 2002 declaration of the Hong Kong-based Political and Economic Risk Consultancy that Vietnam was the safest destination in the region for travel. The ever-increasing annual number of international and domestic tourists coming to Vietnam has been a significant encouragement to the industry in its effort to promote tourism business development in a sustainable manner (Luong, 2005b).

As well as an increase in numbers, the Vietnamese tourism industry has enjoyed a strong growth in tourism receipts. The average annual growth rate in tourism revenue has reached 12.9% in the last five years, from US\$908 million in 2000 to about US\$1.6 billion in 2005. VNAT estimates that tourism revenue will reach US\$1.8 billion in 2010, giving this sector a 12% share of GDP. The development of tourism has also helped to boost other economic sectors, increasing the service ratio within the national economic structure and revitalizing many commercial activities (UNDP, 2005; CIEM, 2005). In many localities, tourism development has fundamentally altered the appearance of the municipality, countryside and local communities. In general, the tourism industry is seen

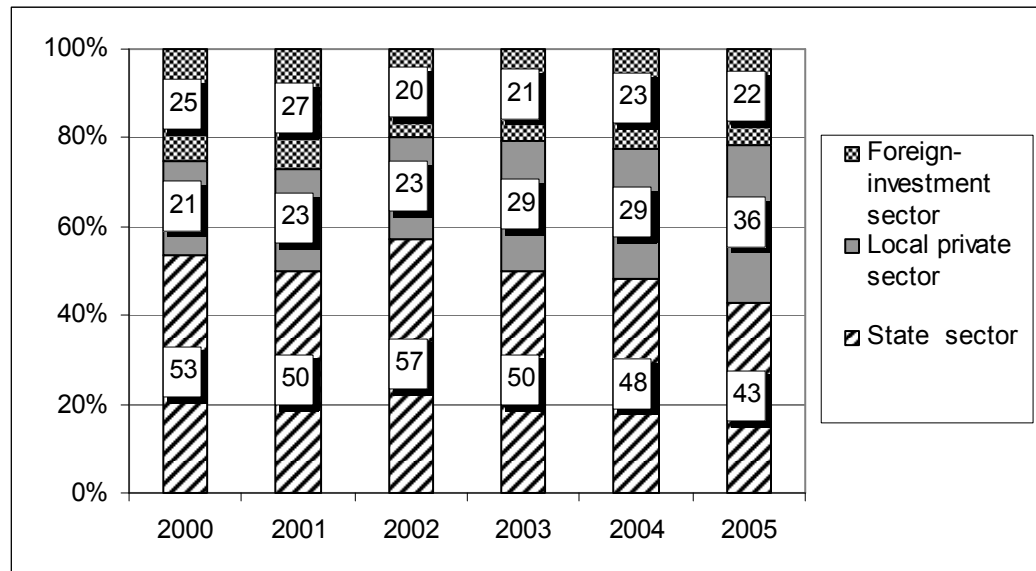
as having a positive impact because it is creating jobs, increasing economic growth and alleviating poverty. A number of provinces, such as Ha Noi, Hue, Ho Chi Minh and Khanh Hoa, have identified the tourism industry as a key socio-economic driver (Canh, 2002; Tuan, 2006a).

Vietnam has enhanced international co-operation and relations in the field of tourism, signing 26 government-level bilateral tourism agreements and establishing relationships with more than 1,000 travel firms from over 50 countries around the world (Luong, 2005b). Vietnam has taken an active part in regional and international co-operation forums such as the World Tourism Organization, Asia-Pacific Tourism Association, Sub-Mekong Region Tourism Development Program and the East-West Corridor Co-operation, as well as within ASEAN.

At present, many international economic organizations invest in Vietnam's tourism industry. Integration with the global economy also creates opportunities to learn from the knowledge, experience, and management and business skills of operatives from countries where the tourism industry is already well developed. In addition, competitive pressures from integration into the global tourism market are also considered as a motivation to renovate, innovate, improve and complete projects and products within the tourism business. However, while integration brings with it benefits, it also carries costs: it has been stated that the process of integration will possibly threaten the environment and tourism resources if there are not effective management measures in place and without the proper attention of government (Tuan, 2006n).

A close look at the contribution of each sector to Vietnam's tourism revenue indicates how the structure of tourism in this country has changed in recent years: the contribution of private and foreign-invested enterprises has increased significantly. From 2000 to 2005, the contribution of the state sector to tourism revenue decreased from 54 per cent to 43 per cent. In other words, by 2005 over 58 per cent of tourism revenue came from the combination of local private and foreign-investment sectors. Even so, it is obvious that state-owned tourism enterprises still bring in a greater revenue than either the local private or the foreign investment sectors do individually (see Figure 4.2).

**Figure 4.2:** Share of Vietnam's tourism revenue by ownership structure



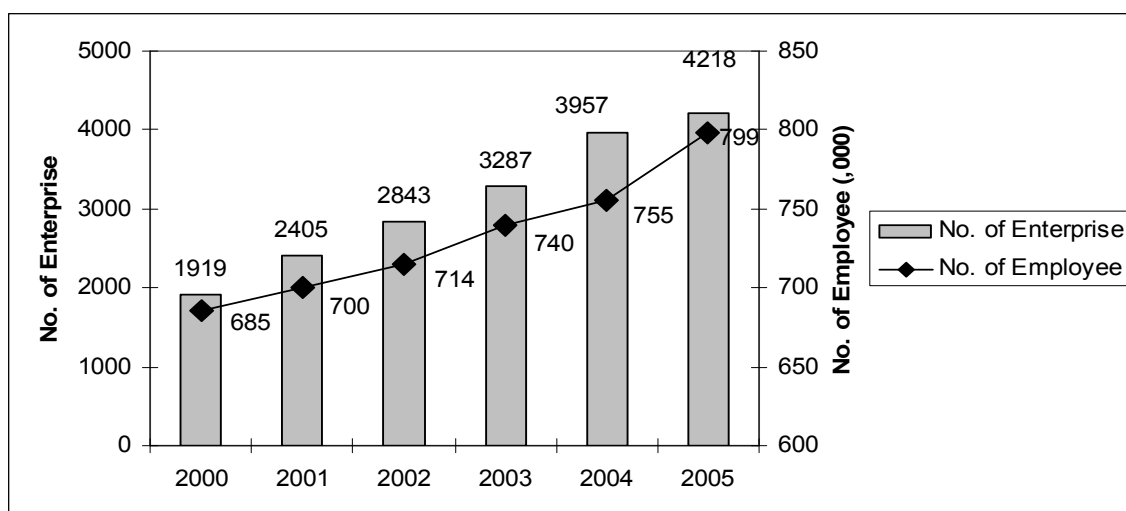
*Source:* General Statistical Office of Vietnam, 2001–2006.

The rapid growth of the industry has contributed to a rapid expansion in employment. Vietnam tourism is generally regarded as labour-intensive (Tuan, 2006b). The tourism industry generates direct full-time employment in such formal sectors as hotels, restaurants, transport services, travel agencies and guiding. In 2000, there were 685,000 employees directly and indirectly involved in the tourism industry nationwide; by 2005 this had increased to 799,000 (Tuan, 2006b). It is reported that the state sector's contribution to tourism employment is considerably less than that of the private sector. State-owned enterprises employed only about 22 per cent of total employment while non-state sector employed 64 per cent of workers in the tourism sector (Harvie, 2004). For local communities, many people gain benefits from part-time jobs induced by tourism rather than from full-time jobs. Families living near tourism destinations and roads often operate tourism-related services such as tea stalls or other food and beverage enterprises, or souvenir shops for tourists. Others may make themselves available with bicycles for hire, as drivers or even horse and elephant riders (in highland areas). In fact, these kinds of job can generate as much income as working on the farm does. Moreover, it is particularly good for the local people because Vietnam's government does not

impose tax on these incomes (Harvie, 2004; Tuan, 2006a). Furthermore, the tourism industry also promotes indirect employment and multiple effects which are generally greater than direct employment. Examples of this would be employment in the construction of tourism infrastructure, production of traditional handicrafts and provision of agricultural products right down to the village level.

The Vietnamese tourism industry can also have less-positive impacts on employment opportunities for local communities. The tourism industry might reduce the number of jobs when national parks, forest, rivers, or even rice fields become part of the tourism product/experience. In recent years, many local governments have established tourist resorts such as national parks, relics, nature reserves and monuments as well as set up buffer zones to protect them. Local people are moved out of, or their living practices restricted in, these areas. When tourism development displaces local villagers in this way it can destroy their traditional employment practices (De, 2002; Ha, 2005). It is worth noting also that the private sector has made considerable effort to increase the efficiency of business operations by reducing labour costs in some tourism-related services (Lam, 2002).

**Figure 4.3:** Tourism enterprises and job creation in Vietnam, 2000–2005



*Source:* General Statistical Office of Vietnam, 2001–2006.

Another important feature of Vietnam’s tourism industry is that it is characterized by small- and medium-scale tourism enterprises. As the country has made great effort to decentralize its management system and diversify its products, a large number of privately owned small enterprises have become increasingly involved in the tourism industry. Yet, despite a boom in the number of tourism enterprises, most of which are SME, Table 4.3 shows that the Vietnamese tourism industry has been characterized by slow employment growth. This poor job creation can be partly explained because, although the growth of privately owned enterprises has been rapid, most of these are small family-based enterprises and so their overall contribution to national employment has been small. From 2000 to 2005, the number of tourism enterprises doubled from over 1900 enterprises to 4200. Yet, more than 60 per cent of these enterprises employ fewer than 10 people, and a further 30 per cent of enterprises employ only between 10 and 49 workers. It is also worth noting that all of the enterprises employing fewer than 10 workers were owned by the private sector: there are thousands of ‘family-owned’ businesses across all the economic sectors involved in the tourism industry.

**Table 4.3: Distribution of Vietnamese tourism enterprises by the number of employees (Unit: Number of Enterprises)**

Year	Number of Employees							Total
	Under 10	10–49	50–199	200–499	500–999	1000–4999	5000+	
2000	1151	528	185	44	8	3	0	1919
2001	1470	679	192	55	7	2	0	2405
2002	1693	874	209	57	7	2	1	2843
2003	1968	993	258	53	12	2	1	3287
2004	2349	1239	299	57	10	3	0	3957
2005	2517	1305	316	68	9	3	0	4218
Share of total (%)	59.9	29.8	8.0	1.9	0.3	0.1	0.0	

*Source:* General Statistical Office of Vietnam, 2001–2006.

The development of private enterprise in the Vietnamese tourism industry has played a decisive role in influencing the tourism sector's contribution to the country's overall economic development. The development of private enterprise within the tourism industry is seen as a means of achieving sustainable economic development, as well as a more efficient allocation of economic resources (Harvie, 2004). Private enterprises are considered by local governments as labour-intensive businesses and contribute to a more equal distribution of income for local communities (Quang et al., 2005).

Private business development in Vietnam is largely unregulated: it takes place within a fluctuating political and economic environment characterized by a lack of clear legal procedures and a weak enforcement of legislation (Sam et al., 2001; Harvie, 2004). The turbulent economic climate also leaves an administrative gap to deal with the new processes associated with an emerging market economy; thus, regulations relating to the tourism sector lag far behind the actual development of tourism services. However, the government has made much effort to ensure that businesses are licensed and tax-compliant. Nevertheless the rapid increase in the number of privately owned SME has

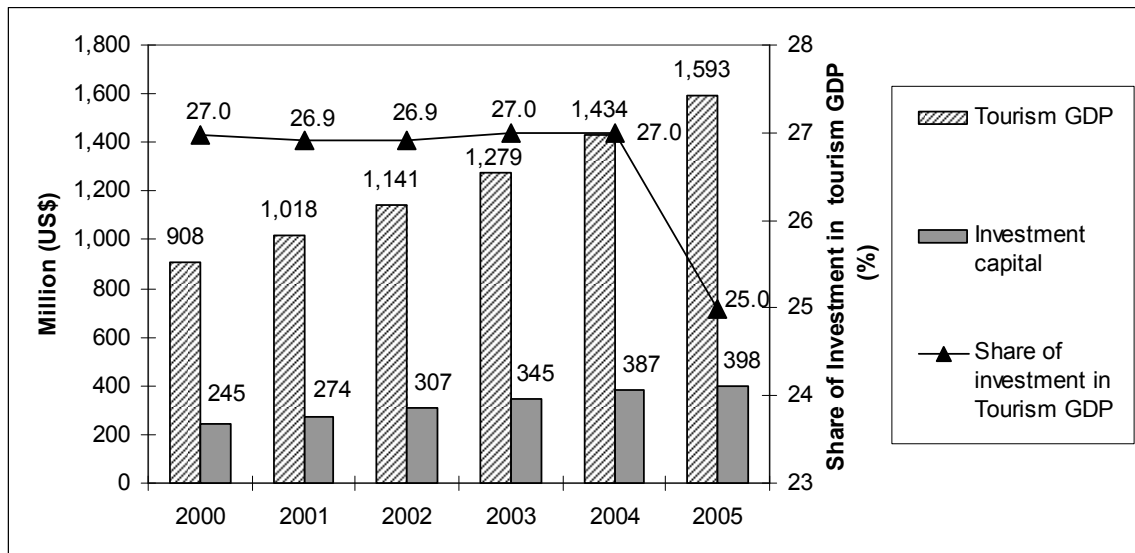


led to problems of uncontrolled development of the tourism industry (VNAT, 2006; Tuan, 2006b).

In order to satisfy the increasing demand for tourism development, physical infrastructure has attracted special attention from the Vietnamese government. Road, air and railway infrastructure, as well as other means of transportation that specialize in carrying tourists, have all been developed in both extent and quality (Tuan, 2006b). For the period 2000 to 2005, within the tourism industry the average share of total revenue reinvested back into the industry accounted was 27% (Figure 4.4). The construction of many international-standard hotels, as well as a number of tourist resorts, entertainment areas and tourism facilities, has significantly altered the image and carrying capacity of Vietnam's tourism industry. Since 2000, more than 72,500 rooms have been constructed nationwide (Tuan, 2006a) And yet, despite this great effort and special priority made to encourage investors to invest more in the construction of tourism infrastructure, the supply still cannot always meet the huge demand in major tourist destinations such as Hue, Ha Noi and Dalat.

Figure 4.4 also indicates that, despite a high annual growth rate of tourism foreign exchange earnings, the share of the tourism receipts reinvested within the tourism industry has gone down from 27% to 25%. In some case investment has been discouraged by more frequent natural disasters, a perceived high risk of such an investment because of bird flu, and changes in the global financial and investment environment. However, since 2005 there appears to have been another upturn in this reinvestment figure (GSO, 2006).

**Figure 4.4:** Vietnam's tourism GDP, investment and the share of investment in tourism revenue



*Source:* General Statistical Office of Vietnam, 2001–2006.

It is important to note that, because of a lack of a proper national tourism promotion strategy and its poor infrastructure, Vietnam struggles to compete as a tourism destination with some of its more developed neighbours such as Singapore, Thailand, Indonesia (Bali) and Malaysia (VNAT, 2005). Currently, the Vietnamese tourism industry has a ratio of 15 per cent in repeated international arrivals, which is rather low compared with Singapore, Thailand or Indonesia (Thanh, 2007). The increasing integration of the industry into the regional and international tourism market has created strong pressure for Vietnamese tourism enterprises. Marketing, promotion and branding have not met the demand placed by the development and competition from Vietnam's neighbouring countries (Auffret, 2003).

In addressing its relative weakness in competitiveness, the Vietnam tourism industry has increasingly over-exploited natural and human tourism resources – cutting development costs in areas such as environmental management and providing poor worker conditions (Thanh, 2007). The degradation of environmental resources has emerged widely in many

tourist destinations such as in Ha Long, Cat Ba, Hue, Da Nang, Nha Trang and Vung Tau (De, 2002; Thanh, 2007)

#### **4.5 Tourism Planning and Regulatory Structures in Vietnam**

A description of the national management structure of the tourism industry is important as it serves to illustrate the nature of government policy and the decision-making process which regulates the operation of the tourism industry.

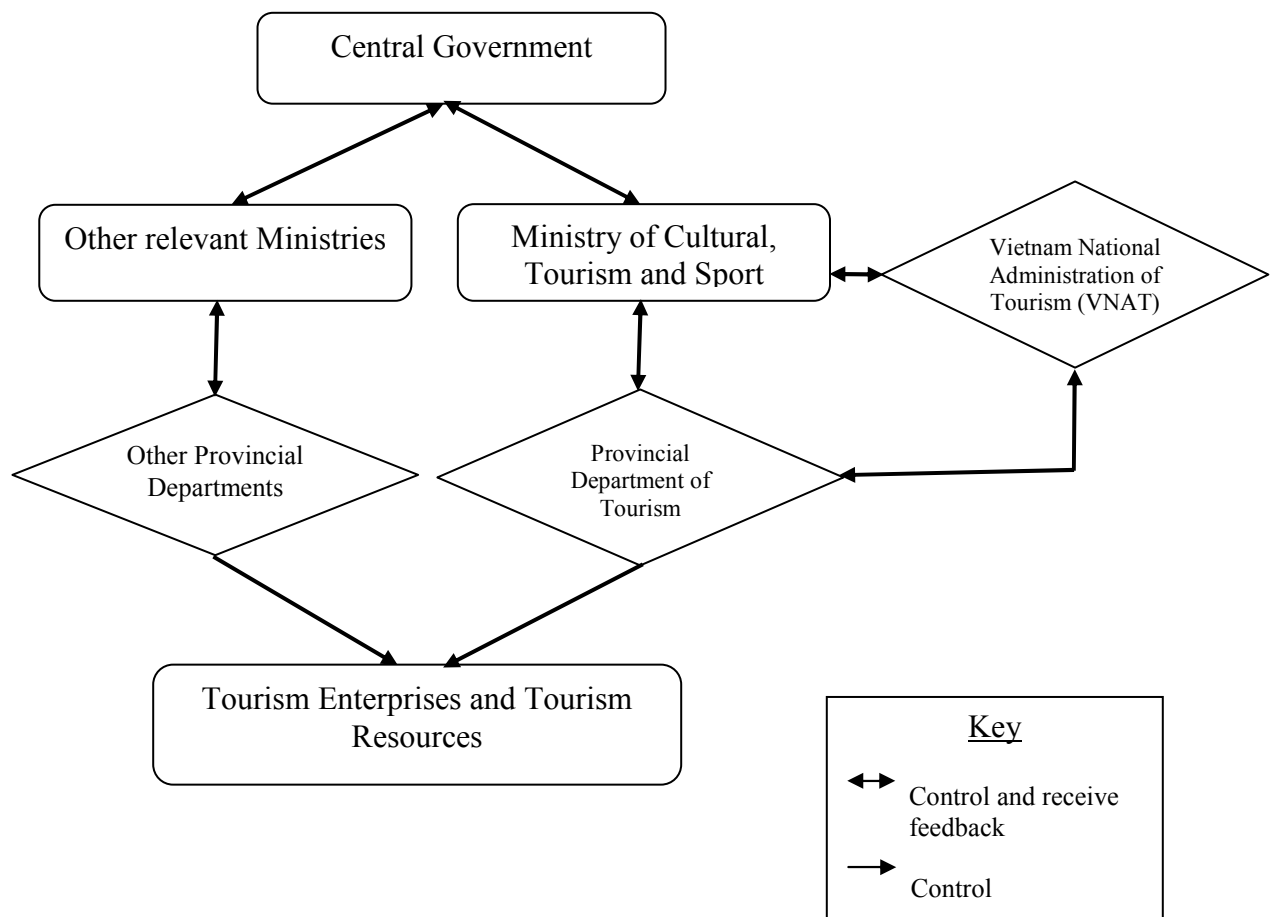
The tourism management system in Vietnam ranges from the national to the provincial level (see Figure 4.5). At the national level, tourism activities fall under the jurisdiction of the Ministry of Culture, Sport and Tourism. At this level, the Vietnam National Administration of Tourism (VNAT) is the government agency assigned with responsibility for exercising state administration of tourism operations and activities throughout the country. A ministry-level agency, VNAT controls the planning for tourism development at the national level. The agency also sets out strategies, collaborates, conducts research and instructs, as well as inspects the implementation of policies and other regulations in the tourism industry. Generally, Vietnam tourism is fully controlled by the VNAT.

At the provincial level, each province has a Department of Tourism which exercises administration over tourism operations. There is no department or agency of tourism at the district or ward level. In other words, local government does not get involved in, or take any responsibility for, regulation of tourism business practices.

This description of the management structure of Vietnam's tourism industry clearly indicates the top-down nature of tourism planning. The central authority (i.e. VNAT) plays a key role in setting out tourism plans and policies such as the National Master Plan for Tourism Development 1995–2010, the National Tourism Ordinance 1999, and the National Tourism Action Program 2002 –2005. Meanwhile, provincial departments of tourism are crucial to the implementation of these plans and policies. Central

government also allows provincial authorities to engage and design specific plans and regulations, based on the national framework, that relate to tourism development in their local area.

**Figure 4.5:** Vietnam's tourism administration structure



Provincial departments have little voice in national master planning; they only play a role in its implementation and in providing baseline information for VNAT. An analysis of the administration structure of the tourism industry found that there is a lack of opportunity for local communities, local government and business enterprises to set out or implement plans and policies on tourism development (Lam, 2002; Luong, 2005b).

This top-down approach is argued to have limited influence on addressing economic or environmental issues relating to tourism development because it deals with issues in a manner that largely ignores local stakeholders.

Currently, Vietnam's tourism industry is controlled by the Tourism Ordinance approved by the National Assembly in 1999. This ordinance is supported by a host of other related legislation, notably Decision 45/CP of June 1993 on the management, renovation and development of the tourist industry and Decision 09/CP on the organization and management of tourism enterprises. The Tourism Ordinance of 1999 provides the legal and policy foundation for state administration of tourism, tourism development, international co-operation in tourism, and exploitation and protection of tourism resources; it also takes into account the need to conserve biodiversity and ensure social and environmental conservation. The tourism industry is also controlled by sets of laws and regulations such as the Enterprise Law 2000, the New Land Law 1993 and the Environmental Law 1993.

Alongside significant changes to the institutional framework, a system of state tourism management agencies and environmental agencies has been established from central- to local-government level. A new and comprehensive Tourism Law was drawn up for approval in 2005. This law focuses on tourism development planning, the classification of tours and resorts, and the regulation of tourism enterprises. It also addresses issues of co-operation between the tourism sector and other industries where the exploitation and management of tourism-related natural resources is concerned.

While tourism policies are often defined at the national level, there is still substantial scope for regional diversification in policy making for sustainable tourism development and environmental management. Central government often provides the overall institutional framework for environmental management and sustainable tourism development upon which decisions and regulations can be specified at the provincial level according to the local context and economic strategy. For example, the central government issued a National Tourism Action Program 2002–2005 to boost awareness of

businesses, communities, authorities and related agencies to the need to protect and improve the environment at tourism sites.

The Master Plan of Tourism Development for the period 1995–2010, ratified by the Prime Minister in 1995, highlights the target of the Vietnamese government to boost tourism into becoming a spearhead economic sector, while still maintaining the natural conditions and the cultural values (i.e. sustainable tourism development) that entice the domestic and international tourist. Sustainable tourism has emerged as a fresh component in the tourism industry of Vietnam (Lam, 2002). Central Government has made great effort to ensure sustainable development for the country. For example, Decision No 187-CT dated on 12<sup>th</sup> June 1991 and the 9<sup>th</sup> National Communist Party Congress which serves as a foundation for sustainable tourism development in Vietnam in the 21st century. Central Government reaffirmed that *“it is important to achieve sustainable tourism development is to integrate socio-cultural development and environmental protection into planning on tourist development and tourist business performance”* (Vietnam Agenda 21: 28)

Based on that, VNAT has developed the Master Plan for Tourism Development to the year of 2010 that focused the main targets and strategy for the tourism development of the country, including:

- *focus on training human resources to meet the requirements of tourism development;*
- *diversification and improvement of tourism products to meet the world market and produce more products with nationally traditional cultural, historic features;*
- *definition areas to be protected for tourism development;*
- *promotion domestic and overseas investment in the whole country;*
- *combining environmental management and all sources, in addition to the strict implementation of regulations of Vietnam laws such as law on protection of nature and environment, enterprises, and tourism ordinance;*
- *promotion of educating activities in order to raise public awareness of preservation of natural, historical and cultural heritages of the country.*

- *mobilizing the wide participation of authorities at all levels, tourist businesses and local communities in sustainable tourism development;*
- *support local communities to be involved in tourist management within their own localities in order to increase economic benefits and at the same time, minimize negative impacts of tourism on the environment;*
- *execute environment impacts assessment on all projects on tourist development and tourism business performance;*

(VNAT, 1995: 28)

Famous destinations such as Hue, Ho Chi Minh City and Ha Noi Capital, have introduced many measures to improve both the natural and social environment at their tourist sites (Thang, 2004). Provincial governments have also assigned various law enforcement agencies to manage tourism destinations. The natural environment and social issues, such as the prevention of violence or bad practices like increasing the prices of services for tourists, are both being managed. Provincial governments have even set up standards for tourism businesses and only those meeting these standards can do business at tourism destinations.

It is important to note that tourism resource management in Vietnam is a multi-sectoral issue. There are many provincial agencies involving in environmental and tourism resource management; these include the Departments of: Tourism; Environment and Resource Management; Technology and Science; Culture; Planning and Investment; and, Tax. While a coordinated management mechanism for inter-provincial departments is still absent, there remains an overlapping of functions and duties between the departments with regards to environmental and tourism resource management. This multiplicity of organizations involved in tourism resource management, and the lack of reliable information about the tourism industry, has led to the ineffectiveness of current liability practices such as waste management of enterprises; and monument management. The state management of the environment has been implemented at the central, sector

and provincial levels but not at the district level – and there is no management at all at the community level.

Within this context, the tourism industry illustrates the contradictions inherent in the Vietnamese government's dual goals of political control and economic liberalization. On the one hand, the development of tourism as a new market-oriented industry has been supported for its perceived economic benefits by elements of the Vietnamese Communist Party (VCP), as well as by domestic private entrepreneurs and international organizations. For example, at the Vietnamese Ninth National Congress, tourism was identified as an industry that should be 'turned into a spearhead of the national economy' since it 'helps with employment, expansion of cultural exchange, regional and global integration and earning foreign currency while promoting the national culture rich in identity' (Nhân Dân, 2000). However, on the other hand, conservative elements within the government argue that the industry is too culturally and politically sensitive to be left to foreign or private sectors, and that the state should play a leading role in its development (VNAT, 2000).

The economic integration of Vietnam into the world of international trade and investment brings many challenges. First of all, Vietnam has to cope with a set of new constraints; this has led to the removal of foreign exchange and investment regulations, as well as domestic protectionism. Vietnam tourism has had to confront, within a short period of time, an integration process that affects its industry. Secondly, in terms of co-ordination with other structural reforms, faster integration into international trade and investment may soon conflict with the slower pace of implementation of other tourism-related reforms such as improving infrastructure, changes in policies on tourism management, and restructuring of state-owned enterprises. Thirdly, Vietnam's institutional system has not promptly responded to the requirements of economic transactions under the context of integrating the national economy into global one. (Auffret, 2003; Schmidt, 2004; Alpert, 2005)



The state administrative apparatus remains cumbersome, bureaucratic and corrupt, and it is often not competent enough to deal with the requirements of international investors and entrepreneurs (Kokko & Tingvall, 2005). An incomplete, undefined and inefficient legal framework also negatively affects the investment and business environment, and the relationship between central government and local authorities is full of bottlenecks (Kokko & Tingvall, 2005).

A decentralization process is currently being implemented within the tourism industry to clearly identify who is responsible for the management of tourism and environment at different levels. This is vital to ensure coherence in national policy with regards to sustainable tourism. An alternative form of administration and decentralization in tourism has been accelerated in order to solve the potential problems occurring in the process of tourism development under the current central planning mechanism. Decentralization involves a transfer of authority from central to local authorities to plan for and manage tourism and the environment (see Figure 4.5). This decentralization will also help to clearly identify the responsibilities and functions of each government agency with regards to the development and management of tourism. It is hoped that decentralization will enable the Vietnamese government to work closer with the industry to plan and develop tourism in a sustainable way that can benefit local communities.

## **4.6 Towards Sustainable Tourism in Vietnam**

Despite its stated focus on sustainability, the Vietnamese government often sets high visitor arrival targets; for example, by 2010 Vietnam aims to receive 8.7 million international arrivals and to also cater for 25 million domestic tourists. The focus is often also on establishing large projects, rather than managing tourism resources and thinking in terms of small scale sustainable development with local involvement (VNAT, 2000). By analysing the content of the Vietnamese government strategy (Vietnam Agenda 21: 28), one can clearly see the contradictions inherent in the Vietnam government's dual goals for the tourism industry of sustainable development and economic benefit. The government seeks growth and prosperity for the country, including increased

employment and GDP from the tourism industry. Unfortunately, the need to earn foreign exchange, combined with the lack of a strong institutional framework to effectively manage environmental resources, has led to many examples of unsustainable development (Thang, 2004).

The development of sustainable tourism within this new market-oriented mechanism has been supported by the domestic private and international sectors, because it is perceived that this mechanism brings with it economic benefit. The Vietnamese government fears that rapid tourism development may lead to a loss of political control over the industry, as well as cause negative impacts on environment (Lloyd, 2003). Therefore, the Vietnamese government has given high priority to the management of the environment; this was facilitated by the promotion of a strong series of government resolutions and directives issued in the late 1990s.

Unfortunately the country lacks appropriate strategies for the improvement of human resources, infrastructures and the institutional framework needed for sustainable tourism development (Thanh, 2007). The government also lacks clear standards and processes to monitor its strategies for sustainable tourism development and environmental management. In reality, there is also an absence of collaboration between authorities and various sectors in the development of policies and tourism planning. That is why the Vietnam National Administration for Tourism had to revise many of its development targets for Vietnam tourism industry in the 21st Century (Thanh, 2007).

It is obvious that the tourism industry has contributed tremendously to the economic growth of Vietnam but, concurrently, it has resulted in environmental degradation, biodiversity deterioration and other adverse impacts (Canh, 2002; Lam, 2002). Direct use of natural resources, both renewable and non-renewable, in the provision of tourist facilities is one of the most significant direct impacts of tourism in a given area; this can lead to conflict over resources between local communities and the tourism industry.

Deforestation and intensified or unsustainable use of land and other tourism resources can also cause erosion, loss of biodiversity and environmental pollution. Direct impacts on the species composition and on wildlife can be caused by improper behaviour and unregulated tourism activities (De, 2002; Canh, 2002; Luong, 2005b). Pressures on the environment and tourism resources, generated by the development of tourism in Vietnam, are enormous. Most often, those impacts are due to inappropriate planning, irresponsible behaviour by tourism-related services and tourists, and a lack of education and awareness of the impacts by, for example, tourism enterprises along the coastal zones, rivers or national parks and at cultural heritage sites (Canh, 2002).

High concentrations of tourists can damage the environment and lead to ecological imbalance as well as the degradation of cultural heritage. Environmental pollution comes from different sources: for example, disposal from tourism enterprises such as hotels and restaurants, and waste such as cans, plastic bottles or bags left by tourists. Pollution is particularly serious when tourists outnumber the local residents at tourism destinations, as happens during the peak tourist season (Canh, 2002). The introduction of waste material to many tourism destinations is both environmentally damaging and economically disastrous to local communities and the tourism industry itself. Tourists travel to their destinations – usually by motorcar, ship, train, buses or plane – and the contribution of each to pollution is certainly of relevance (Luong, 2005a).

There have been many national parks set up in Vietnam with the dual aim to both conserve biodiversity and also serve as tourism attractions. It is risky when national parks, with their fragile forest ecosystems, are opened up for mass tourism. There is some evidence in national conservation parks that just the presence of tourists walking on trails can have a significant impact on the forest. This is in addition to the stresses put on the local environment through accommodating the physical needs and comforts of these tourists: the provision of fuel wood, communication routes, and waste disposal services all put a large stress on the ecology (De, 2002; Luong, 2005a). There is now an increasing awareness that the number of tourists allowed to visit should be limited before an area is adversely affected because its carrying capacity has been exceeded.

In terms of social impacts, tourism development may also contribute to an increase in criminal and anti-social activities. Several social problems, such as prostitution, robbery and other social violence, appear during tourism booms, and the government has little acknowledged such impacts (Luong, 2005b). While the government has stepped in to regulate tourism activities that have negative environmental impacts, it has not yet attempted to regulate and manage those activities with negative social impacts.

In 1997, the first Vietnamese national conference on sustainable tourism development was held in the city of Hue. The Vietnamese government adopted the principle of sustainable tourism development by employing the two basic concepts of cultural tourism and eco-tourism. Developing a sustainable tourism principle will help conserve tourism resources, the natural environment, biodiversity and cultural values. It will also help to increase the involvement of and benefits to local communities of tourism development, as well as bring socio-economic development to the country in general (Luong, 2005a).

In 2002, the National Tourism Action Program 2002–2005 and the tourism promotional campaign ‘Vietnam – a Destination for the New Millennium’ were launched by the Vietnam National Administration of Tourism. The Action Program affirms the tourism industry’s role as a key economic actor and the goal of making Vietnam a developed tourism destination by 2005. It also requires all tourism enterprises to set up environmental self-monitoring systems and to provide information on pollution resulting from their business operations (VNAT, 2002). The Action Program aims to improve environmental conditions and ensure sustainable development in the tourism industry by applying the following principles:

- Principle 1: Educating tourists and tourism enterprises on the environment, to raise their awareness and to get them involved in management and conservation work.
- Principle 2: Protecting the environment and maintaining vulnerable ecosystems in tourism destinations.

- Principle 3: Maintaining and promoting cultural identity and involving local communities in tourism development.

(VNAT, 2002)

The Vietnamese government also has a wide range of instruments and mechanisms that can be used to achieve sustainable goals in tourism development. Arranged according to increasing level of state intervention, government instruments and mechanism can be classified into the following categories. The first category involves voluntary instruments such as self-regulation programmes, and educational activities relating to sustainable tourism development and raising awareness of environmental protection for different stakeholders; these programmes continue to be expanded nationwide. The second category includes mixed instruments such as subsidies and consultancies, and compulsory instruments such as pollution taxes, fees and the mandatory regulations that have been implemented within Vietnam's tourism industry since the early 2000s. Finally, government intervention comprises the many important policies and strategies related to sustainable tourism development and environmental management that have been developed and implemented during recent years.

The state management system on sustainable development and environmental management in tourism has been established from central to local level. The system includes the issuing of an Ordinance on Tourism, the Law on Environmental Protection in 1993, the National Master Plan for Tourism Development 1995–2010, the National Tourism Action Program 2002–2005, and many other policies that provide the legal foundation for developing tourism with due regard for conserving biodiversity and ensuring socio-economic, cultural and environmental sustainability. A close review of these strategies shows that they rely on a command-and-control approach that generally involves mandatory frameworks for promoting sustainable tourism development. Meanwhile, the implementation of these strategies, as well as their efficiency and effectiveness in promoting sustainable tourism development and environmental management, are influenced by both the socio-economic and political contexts of the country, as well as by the resources it has available. This has far-reaching implications for a country in the middle of a period of profound economic and societal change.

Environmental impact assessments are required on all new projects involving tourism development and tourism enterprise establishment in Vietnam. The national government has drawn up incentive instruments to encourage the development of ecotourism. The national government also supports provincial governments to become involved in tourism planning and management within their own localities. By involving provincial governments, it hopes to not only increase the economic benefits that the tourism industry brings to the province, but to also have the industry supervised so that any negative impacts of tourism on the environment, cultural traditions and living conditions of the local communities are minimized (VNAT, 1991 & 2002). The national government also promotes investment in education activities, in order to raise public awareness of the need to preserve the country's natural, historical and cultural heritages. In addition, to strengthen the environmental management and sustainable development of tourism throughout the country, the national government wants to involve authorities at all levels, as well as tourist businesses and local communities (Cooper, 1997).

Despite remarkable progress being made in environmental and tourism resource management, tourism in Vietnam has developed at such a pace that the system in charge of environmental protection has neither the capacity nor ability to meet the needs of sustainable tourism development at this time (Canh, 2002; De, 2002; Dinh et al., 2006). Too much emphasis has been placed on rapid tourism development, while little attention has been paid to the awareness and adoption of environmental approaches by tourism enterprises. This has resulted in a deterioration of the environment, and unsustainable tourism development practices have become very common in Vietnam (Canh, 2002; Trung & Kumar, 2005; Le et al., 2006).

The Vietnamese government has attempted to outline a general direction for sustainable tourism development. The work from VNAT (2005) focuses on:

- Reviewing tourism development in Vietnam in the last decades.
- Identifying possible environmental problems caused by such development at tourist destinations.

- Combining traditional mass tourism with sustainable tourism, more particularly eco-tourism, in its tourism strategies, with the latter being the long-term objectives.
- Creating good conditions for SME in order to mobilize all resources for tourism development.
- Creating a strong institutional arrangement for the management and use of tourism resources, and for the conservation and protection of the environment at tourist destinations.
- Reviewing the main problems for such a strategy and proposing an initial list of tasks.

Despite this, the tourism industry and local communities are rarely included in the strategy and policy-making processes relating to tourism development – development which affects their businesses and their access to tourism resources. Previous studies indicate that the level of involvement of tourism enterprises, and local communities in general, in the control and operation of tourism activities, is limited (De, 2002; Ha, 2005; Dinh et al., 2006). And yet, from the perspective of a local community, a development or management plan might result in a loss of access to tourism resources, to negative social activities, or to marginalization of the local community in the local economy (Lipscombe & Thwaites, 2003). It can be concluded that the heaviest constraints to sustainable tourism development in Vietnam is the lack of communication and co-operation between various authorities, especially with central government developing policies for tourism planning, marketing and promotion of tourism.

Another challenge is that the vast majority of tourism enterprises in Vietnam (about 65% of all tourism enterprises) are micro or small-scale enterprises (i.e. family enterprises) with fewer than five employers (GSO, 2000–2006). These enterprises are mainly located and provide tourism-related services at tourist destinations. It is very difficult to involve these enterprises in the planning for and management of the industry because, by their very nature, micro and small-scale enterprises lack finances, human resources and a deeper understanding of how tourism threatens the environment and the very sustainability of the industry. Micro- and small-scale enterprises also often care only about their investment, and lack responsibility over environmental issues.

It is stated that Vietnam has abundant human resources and that the Vietnamese are intelligent and diligent people (Canh, 2002). However, it is a fact that the lack of skilled staff in the industry is challenging the development of tourism in Vietnam. Despite Vietnam having more than 60 tourism training centres that offer vocational, university and postgraduate training, many graduates from these centres fail to satisfy their employers' requirements (Canh, 2002; Luong, 2005b).

One of the challenges is that the policies and law system are inadequate, inconsistent and not in accordance with the reality of tourism development; there is also a lack of understanding and acknowledgement of international rules and principles (Lloyd, 2003, VNAT, 2005). The institutional framework for the tourism industry in Vietnam has generally been characterized by a fairly complex system of policies, laws, ordinances and regulation, issued by line ministries, agencies and provincial governments (Lloyd, 2003; Nhân Dân, 2006). It is stated that many existing laws and ordinances are incomplete, not only in terms of coverage but also in terms of lacking documents to guide for implementation (VNAT, 2005; Sam et al., 2001; Nhân Dân, 2006).

#### **4.7 The City of Hue: Tourism and Economy**

The city of Hue is the capital of Thua Thien - Hue Province. It is located in the heart of the coastal provinces, about 1060 km to the north of the city of Ho Chi Minh and 670 km south of the country's capital, Ha Noi. It lies at the centre point of many tourists' itineraries in Vietnam. It is also situated on the 'East-West economic corridor' connecting Thailand, Laos and Vietnam with East Sea. Despite its relatively small area (about 5000 square kilometres) and a population of only 300,000, it is defined as a key economic zone for the central region of Vietnam. The city of Hue and its vicinity boast the country's richest resources of natural landscape and biodiversity (Thang, 2004). The terrain includes coastal lagoons with diversified fishing and aquacultural activities and, to the west, high mountains with primitive forests and many waterfalls. Hue is surrounded by natural beauty, with Bach Ma (White Horse) National Park and attractive beaches such as Thuan An, Lang Co and Canh Duong. The daily lives of several groups of ethnic



minorities are a cultural delight, with tourists having the opportunity to visit villages and purchase handicrafts and the province is known for its unique folk festivals.

The Hue tourism industry has developed not only because of its beautiful landscapes but also because of its historical sites and its cultural heritages (UNESCO 1995). Hue is also well known for its many heritages of both tangible and intangible culture. Hue was founded by Lord Nguyen in 1558 on the north bank of the Perfume River; it was chosen to be the royal capital of the Nguyen Dynasty due to its central strategic location. The complex of the Citadel, mausoleums and pagodas, was mainly built between 1803 and 1932. During the French occupation from 1858 to 1954, a modern urban centre was developed along the south bank of the Perfume River. The urban design pattern followed traditional French architecture. It is stated that Hue's cultural heritage marks a developmental period of the national culture, and its architecture, art, music, manners and customs, traditional handicraft and cultural festivals create a unique cultural identity for Vietnam (Thang, 2004). The city of Hue not only possesses the special cultural features of the Orient, but also a great deal of resources from the development of this key economic area of central Vietnam. Besides their artistic, architectural, cultural and historical value, Hue's monuments are vital for the development of tourism in the city. It is stated that nowhere else in Vietnam can be seen such a sustainable and long-standing existence and integration of both intangible and tangible feudalism and royal heritage as in the city of Hue (Thang, 2004). UNESCO has recognized the integrity and imposing global value of this monument complex, declaring it a World Heritage Site in 1993 (UNESCO, 1993 and 1995). In addition, since November 2003 the Hue Royal Musics has been declared as a World Intangible Cultural Heritage; and in 2004, Hue City was declared to be the Vietnam city of tourism and festivals, where cultural activities and festivities are performed on a regional and international scale (Thang, 2004).

In the last two decades, alongside great economic achievements at the national level, Hue itself has had stable economic growth, with annual GDP growth rates of approximately 9.5% from 1996–2005. The economic structure of the region has been changed significantly: in 2005, industry made up of 34.5% of the economy, services 46.1% and

agroforestry 19.4%; compare this to 2000, when these proportions were 29.2%, 35.1% and 25.7% respectively (Thua Thien – Hue People Committee, 2000 and 2005a). The government has made a huge effort to facilitate economic growth, with an emphasis placed on tourism, industry and fisheries. The city now calls for a change in its economic structure so that tourism, industry and fisheries will be the key socio-economic drivers. However, like other provinces in the central region, due to poor natural resources and unfavorable weather conditions Hue is one of the poorest cities in Vietnam: it has a higher rate of unemployment and lower provincial GDP per capita (about UD\$580) when compared with other major centres - Ha Noi, Ho Chi Minh, Dang, Hai Phong and Vung Tau (Thua Thua – Hue People Committee, 2005a).

**Table 4.4: Tourist arrivals and economic contributions to Hue**

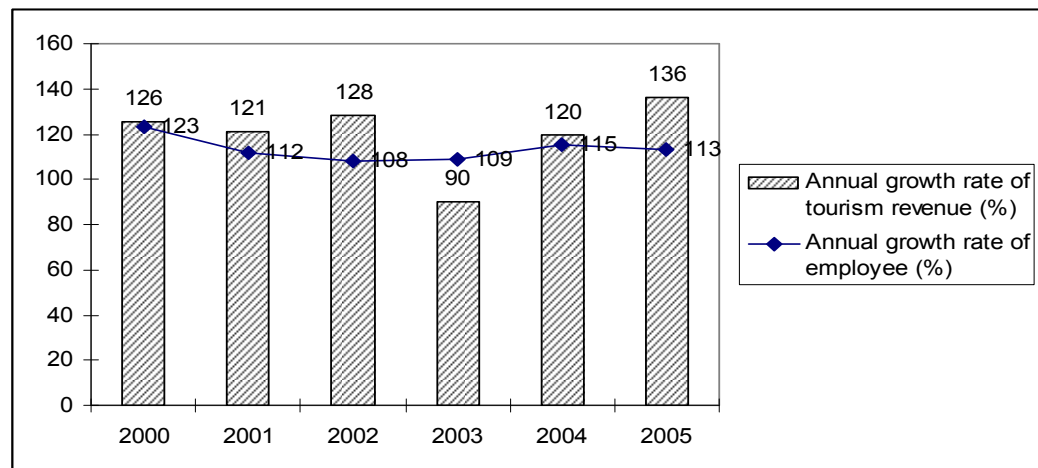
	2000	2001	2002	2003	2004	2005	2006	Average Annual growth (%)
1. Tourist Arrivals (,000)	470	560.5	663	610	760	1,050	1,230	15.8
a. International	195	232.5	272	210	260	369	436	13.0
b. Domestic	275	328	391	400	500	681	794	17.9
2. Revenue (Billion VND)	190	232	302	280	368	543.4	731	22.7
3. No. of Direct employees	2,650	2,968	3,200	3,477	4,000	4,530	5,010	10.6

*Source:* Hue Tourism Development 2000–2006 and GSO, 2001–2006.

During the last decade, the Hue local authority has made a great effort to cater to the increasing demand for its tourism products and services. There was an annual average growth of 16 per cent per annum in tourist arrivals during 2000–2006. In 2006, the number of visitor arrivals to Hue reached more than 1.2 million, of which 436,000 were international tourists. Tourism-related services made up to 43.6 per cent of provincial Gross Domestic Product in 2005, and this is projected to rise to 65 per cent in 2010 (HTD, 2005). Additionally, the Hue tourism industry also created a large number of direct jobs with an annual growth rate of 11 per cent; however, this annual growth rate of

employees has been slowly declining (see Table 4.4 and Figure 4.6). On the negative side, as the number of visitors to Hue has increased significantly, all tourist sites in the city have become overcrowded. Each tourist site, such as the Royal Palace and the Tu Duc and Khai Dinh Mausoleums, receives about 3000–4000 visitors per day, and this has resulted in overcrowding and caused environmental issues for these destinations.

**Figure 4.6:** Annual growth rate of tourism revenue and job creation



*Source:* Hue Tourism Development and GSO, 2001 –2006.

Despite the tourism industry in Hue growing dramatically and contributing substantially to the economic development of the whole city in recent years, there are still challenges to be solved in its course towards sustainable tourism development. While many of the cultural heritage sites and natural landscapes are scenically beautiful, the dearth of information in guide books, the lack of tourism interpretation facilities and services, and the lack of trained guides and promotional material all currently limit the ability of the tourism sector to conduct sustainable practices. Additionally, although considerable improvements have been made in tourism infrastructure, the Hue tourism industry is still trying to work within an infrastructure that remains inadequate. Government is now moving away from concentrating on the number of visitor arrivals as the target for strategies for tourism development, and instead focus on the maintenance of a sustainable tourism industry and environmental conservation (Luan, 2004). The city tourism

authorities now consider their tourism resources role to be one of supporting the conservation of cultural heritage and nature heritage sites rather than as a means of attracting more tourist arrivals and increasing revenue for the government. The tourism industry is also considered as an option available to the local community for their economic development.

From a socio-cultural perspective, massive and uncontrolled development of tourism tends to increase socio-cultural degradation. Local communities' cultural values may be weakened: a portion may identify with the tourists' cultural values and wish to possess the same luxuries; a concentration of tourists and wealth may tempt some locals into undesirable professions such as prostitution and begging; and too many tourists may erode well-respected cultural and historical shrines (Haley & Haley, 1997). Haley and Haley state that the desecration and mutilation of Hue's cultural heritages began with mass tourism: most of the cultural heritage sites in Hue, such as the imperial Citadel, Tu Duc's tomb, Minh Mang's tomb, and other of Nguyen King's majestic and architecturally superb tombs in Hue, are in dire disarray; and have experienced recent plundering; and all need restorative conservation. The tourism industry will suffer if this degradation is allowed to continue, as current practices will eventually see the destruction of the very physical and cultural attractions that bring tourists to Hue. Yet the government is still encouraging the development of large projects which often include five-star hotels, resorts and other entertainment. It is obvious that such large projects will generate a significant amount of waste, as well as negative social and cultural impacts. Some commentators recommend that, alternatively, emphasis should be placed on the building of smaller projects and on increasing levels of local ownership and management (Haley & Haley, 1997).

Hue Tourism Department's tourism development plans for Hue from 2005-2010 focus on the fact that conservation and preservation of natural landscapes and cultural heritages through eco-tourism and cultural tourism depends on the combined efforts of many different stakeholders (HTD, 2004). Strong government policies on cultural tourism, heritage preservation and environmental management have been enacted; their goal is to

restore the sites and the traditional cultures associated with them, not only by conserving the tangible remains but also through the revitalization of Hue's cultural heritage.

To protect Hue's tourism resources from pollution and over-development, the provincial government has clearly defined zones of protection. Unambiguous building and use codes have been established for each zone, and these have been clearly marked both on maps and on the ground. The zones of protection include the Citadel, the Royal Mausoleums and their surrounding area, the banks of the Perfume River, the lagoon, the sea front and the greater Hue metropolitan area (Thang, 2004). This zoning plan aims not only to be conservation-oriented, but also to indicate the places where tourists, tourism enterprises and other forms of development are allowed or encouraged. The government has also encouraged tourism enterprises to be involved in environmental management and tourism resource preservation – this local level involvement being considered essential to the development of long-term sustainable tourism.

In recent years the Hue government has focused on upgrading its infrastructure, such as the wharf, airport, and industrial zone; consolidating the local transportation system; and recreating an institutional system that will motivate and boost tourism development. The government of the city of Hue gives priority to the private tourism sector when issuing business and environmental licences, and the lowest business tax rates are applied for investments in projects that focus on the strategically important tourism industry. The city of Hue also issues many policies and has launched several tourism-related programmes and projects for tourism development – all aimed towards sustainable tourism development. These include environmental policy initiatives such as waste management fees, tourism resource access fees and non-compliance charges, and initiatives that will preserve and develop Hue's heritage monuments. All of these initiatives are aimed to protect the city's chief tourist attractions and to preserve the city's heritage. The city's government also aims to enhance tourism enterprises' awareness about and adoption of sustainable tourism practices, and particular attention is drawn to the need to take extra special care to preserve the natural environment for Hue tourism development.

It is obvious that government policy and law is only one component contributing to overall environmental management. The understanding and adoption of environmental measures by tourism enterprises constitutes is another component, and this has not been the subject of research in Vietnam.

## **CHAPTER FIVE**

### **HUE TOURISM INDUSTRY: CHARACTERISTICS**

When studying sustainable tourism development, it is important to understand the attributes of tourism enterprises and the various barriers that impede the adoption of sustainable tourism practices into their daily business (Hardy & Beeton, 2001; Bramwell & Alletorp, 2001). Enterprises' adoption of sustainable tourism practices is dependent on their characteristics. This chapter provides a detailed description of the status and nature of the tourism industry in the city of Hue. These descriptions are needed because a deep understanding of the structure of the industry is essential in the planning and development of sustainable tourism.

#### **5.1 Understanding the Respondents**

Understanding the characteristics of the respondents is helpful when exploring the association between enterprises' perceptions of, and their responses to, sustainable tourism initiatives. In this study, the survey was conducted from a population of 670 enterprises involved in tourism activities in the city of Hue. There were 180 usable responses to the survey. Among the respondents, the highest proportion (41.5%) came from the '30–40 years' age group; 26.1 % responded from each of the 'under 30 years' and '41–50 years' age groups; and a further 6.3 % of respondents fell into the 'over 50 years' age group (see Figure 5.1).

The age of those involved in the semi-structured interviews shows a slightly different distribution: over a half of interviewees (52%) are 41–50 year-olds; 32% of interviewees came from the '30–40 years' age group, and none of interviewees was younger than 30 years of age (see Figure 5.1). The slightly older distribution is explained by the fact that most of the semi-structured interviews were conducted, face-to-face, with people who hold senior positions in firms: for example, owners, directors and vice-directors, and

sales managers. Most of these senior positions tend to be held by older and more experienced individuals.

**Figure 5.1:** Age group of respondents  
( $N = 176$  for survey;  $N = 50$  for semi-structured interviews)

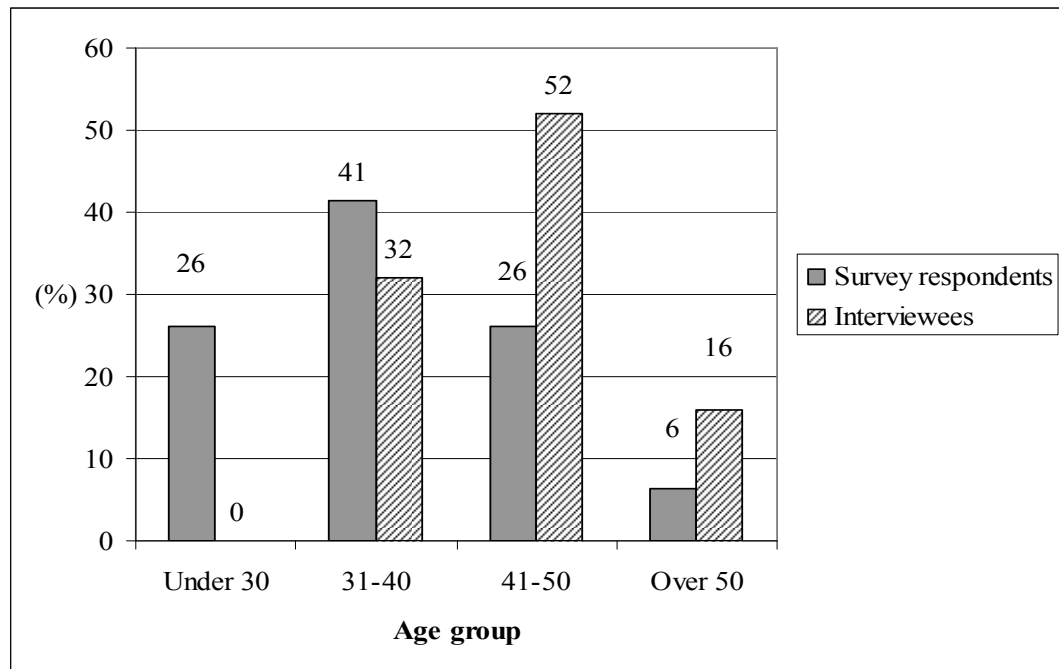
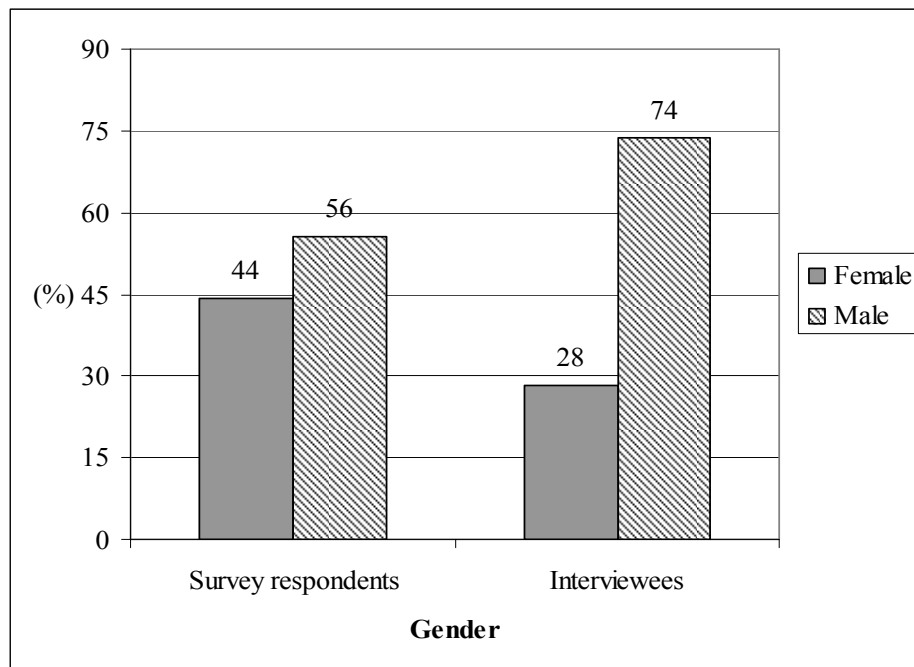


Figure 5.2 reveals the gender of those who participated in the survey and semi-structured interviews: slightly more than half (56%) of the surveyed respondents are male, while 44% are female. In contrast nearly three-quarters of interviewees are male, while only slightly over one-quarter (28%) of interviewees are female. As mentioned above, most of the interviews were conducted with people who hold senior positions in tourism firms, and female staff tend to be under-represented in these positions. In addition, the methodology of the semi-structured interview means that it is relatively difficult to contact female staff for interviews. For those semi-structured interviews completed successfully, the researcher found that many of the women were relatively less comfortable and ‘open’ in answering questions from a male. This can be explained by the traditional cultural characteristic of Vietnamese women having reticent natures (Neil, 1995).

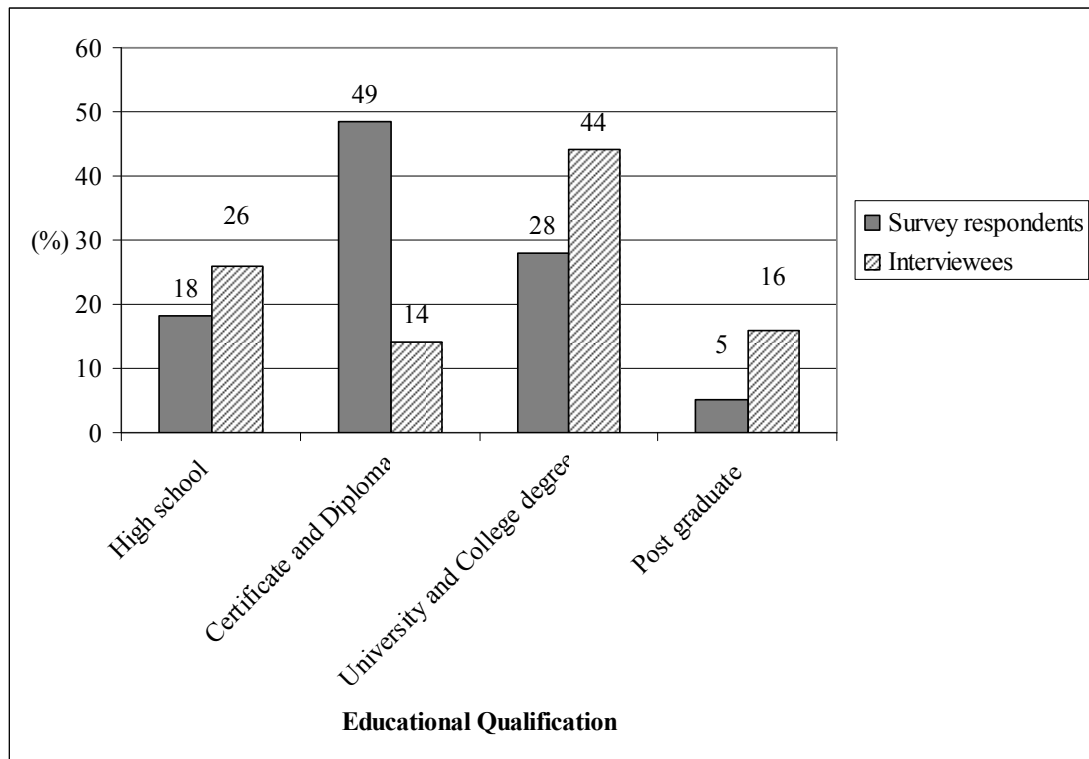


**Figure 5.2:** Gender of respondents  
( $N = 174$  for survey;  $N = 50$  for semi-structured interviews)



The most commonly held qualification (48.6%) of those responding to the survey was a professional training certificate issued by vocational schools; a further 28% of respondents to the survey possess a university or college degree; and 5.1% hold a post-graduate degree. It is worth noting the higher levels of educational attainment found among the interviewees: about 44% of interviewees held a degree from a university or college, and about 16% held a post-graduate degree (see Figure 5.3).

**Figure 5.3:** Level of educational qualification of respondents  
( $N = 175$  for survey;  $N = 50$  for semi-structured interviews)



A Chi-square test was conducted to determine whether there is a statistically significant difference in the level of educational qualification held by respondents from tourism enterprises of different sizes and ownership structure. The test reveals that there is a statistically significant difference in the level of respondents' qualification between tourism firms according to the ownership structure and the size of firms (result at the 0.05 significance level, with  $P$ -value = 0.000) (Table 5.1). Respondents from larger-scale firms generally have better educational qualifications than those from smaller-scale firms: the majority of respondents (57.6%) from firms with total capital<sup>1</sup> of less than VND1 billion and over half of respondents from firms with capital of VND1–5 billion held vocational certificates, while only about quarter of respondents from firms with total capital exceeding VND5 billion fell into this (lower) category of educational qualification. More than 60% of respondents from medium-scale firms held university or college degrees; and not one of the respondents from the smaller enterprises held a post-

<sup>1</sup> Total capital includes total assets of enterprise

graduate degree, whereas about 13% of respondents from the largest-scale firms held post-graduate qualifications.

A similarly significant difference in the level of respondents' educational qualification exists between tourism firms according to their ownership structure (see Table 5.1). Nearly three-quarter of respondents from privately owned firms held only a high school qualification (19.9%) or vocational certificate (57%). In contrast 100% of respondents from joint-venture enterprises held university or college degrees.

**Table 5.1: Distribution (%) of responses by level of educational qualification and the size of enterprise and ownership structure**

Scale of enterprises ( <i>N</i> = 173)	Educational Qualification (%)					2-sided $\chi^2$ Test ( $\alpha$ = 0.05)  Significance
	High school	Vocational Certificate	University and College	Post graduate	Total	
Less than 1 Billion (VND)	27.1	57.6	15.3	0	100	0.000
1–5 Billion (VND)	21.1	51.3	22.4	5.3	100	
More than 5 Billion (VND)	0.0	26.3	60.5	13.2	100	
<b>Ownership structure (<i>N</i> = 174)</b>						
Private ownership	19.9	54.3	23.2	2.6	100	0.000
State ownership	14.3	14.3	35.7	35.7	100	
Join-venture	0	0	100	0	100	

The survey results also show that most of those who possess university or college degrees are qualified in economics, business or foreign languages; only some of them have degrees in tourism. Tourism studies is relatively new in the Vietnamese tertiary training system, commencing less than ten years ago, while the system of vocational schools has been long established in big cities such as Ha Noi, Hue and Ho Chi Minh.

The results of the semi-structured interviews also reveal that many participants had attended training courses or workshops related to sustainable tourism practices (82%) and environmental management in tourism (78%). As an interviewee reported:

*...annually we are invited to participate in short training courses, seminars and workshops held by government and non-government organizations. Recently, there have been 3–6 month training courses organized for managers of tourism-related services. These training courses provide participants with opportunities to improve knowledge and skills in various aspects in tourism and also refer to sustainable tourism development and environmental issues in tourism.*

A human resource manager of a hotel responded:

*...I think that we lack human resource training in [the] tourism sector. We often recruit students [who have] gained degree or diploma in different sectors such as business, foreign language, economic. Accordingly, we often send our staff to short training courses on tourism and hospitality held by provincial tourism departments in order to improve their knowledge and experiences in tourism and hospitality transaction. They are helpful for our firm.*

Tourism enterprises lack well trained staff, yet education organizations are only providing them with low quality human resources. It is stated that Vietnam's tourism industry is hungry for well trained human resources: of the one million employees working in the tourism industry, only 3.1% have a degree in tourism (Huong and Toan, 2008). This is a problem in terms of the growth of awareness and knowledge of sustainable tourism practices. While increasing numbers of degree programs are embracing concepts of sustainability most staff in the industry – and many managers/owners – will not be able to avail themselves of this training.

**Figure 5.4:** Distribution (%) of current job designation of survey respondents ( $N = 171$ )

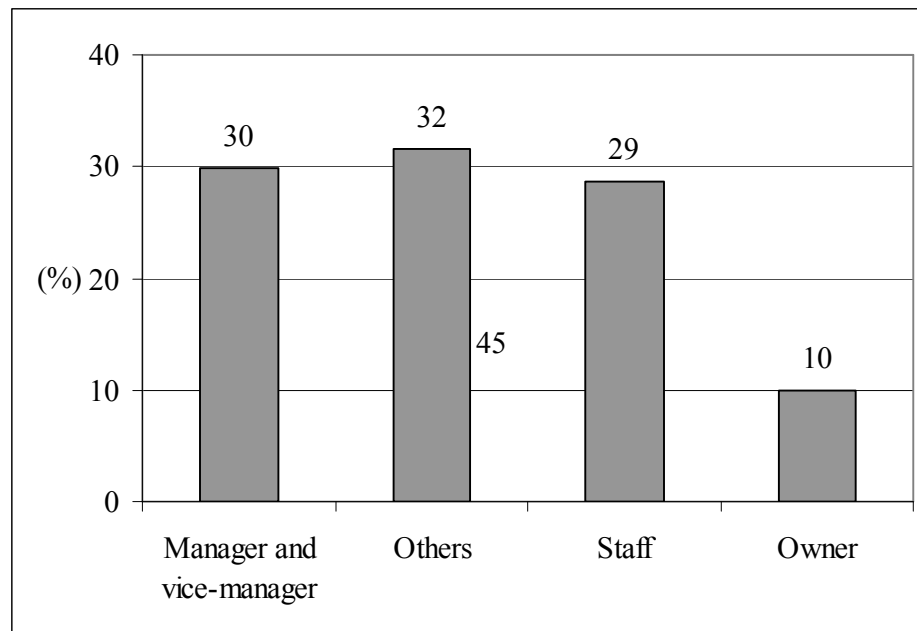


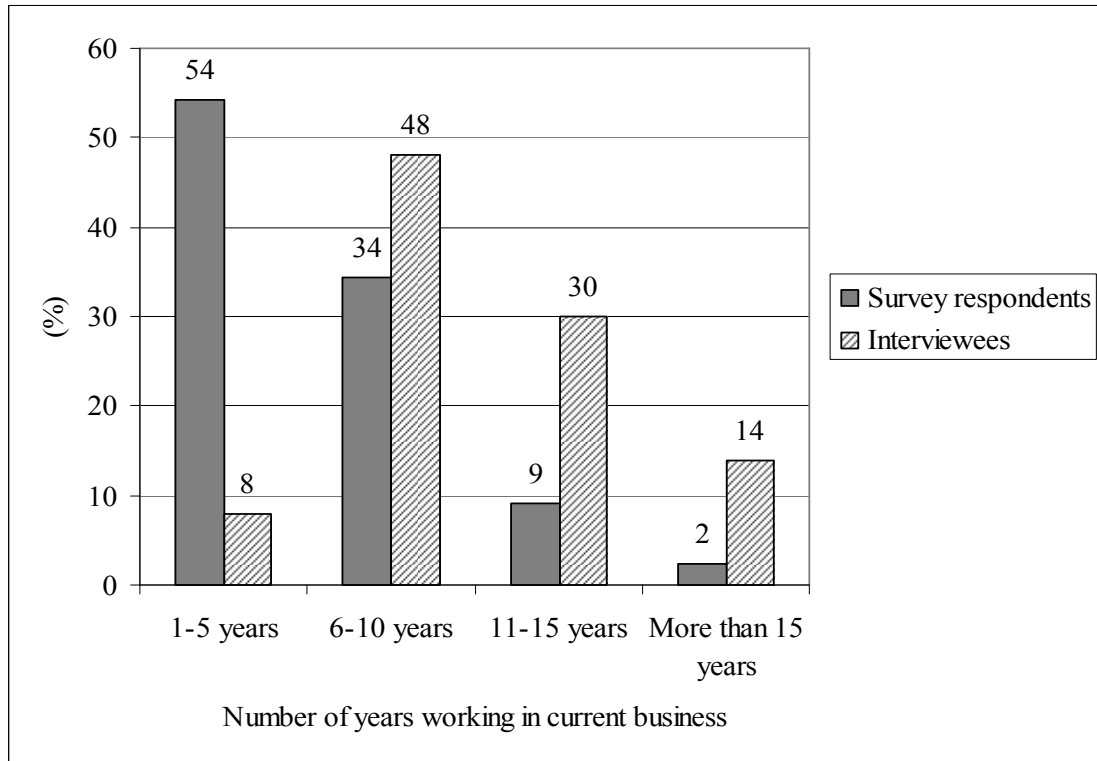
Figure 5.4 shows the distribution of current job designations of those who responded to the survey: about one-third of respondents are managers or vice-managers; about 31% of respondents are sales or human resource managers, or hold financial positions; and another one-third of respondents are general staff (see Figure 5.4). The job designations of those who participated in the semi-structured interviews fitted a very different pattern: the majority of interviewees (60%) are managers or vice managers; the rest are owners (18%) or others (22%) such as heads of functional offices (see Figure 5.5).

**Figure 5.5:** Distribution (%) of current job designation of interviewees  
( $N = 50$ )



Figure 5.6 shows that more than half (54.3%) of the respondents have worked for their current firms for between one and five years, followed by more than one-third (34%) who have worked for their current firm for between six and ten years. The remaining respondents have all worked for more than ten years; this group is mainly owners or managers. It is worth noting the considerable difference in the number of years that the interviewees have worked for their current enterprises. The results from the semi-structured interviews reveal that nearly half (48%) of the interviewees have worked for their current firm for between six and ten years; about 30% of interviewees have worked for their current firm for between eleven and fifteen years; and up to 14 % of the interviewees have worked for their current firms for more than 15 years (see Figure 5.6).

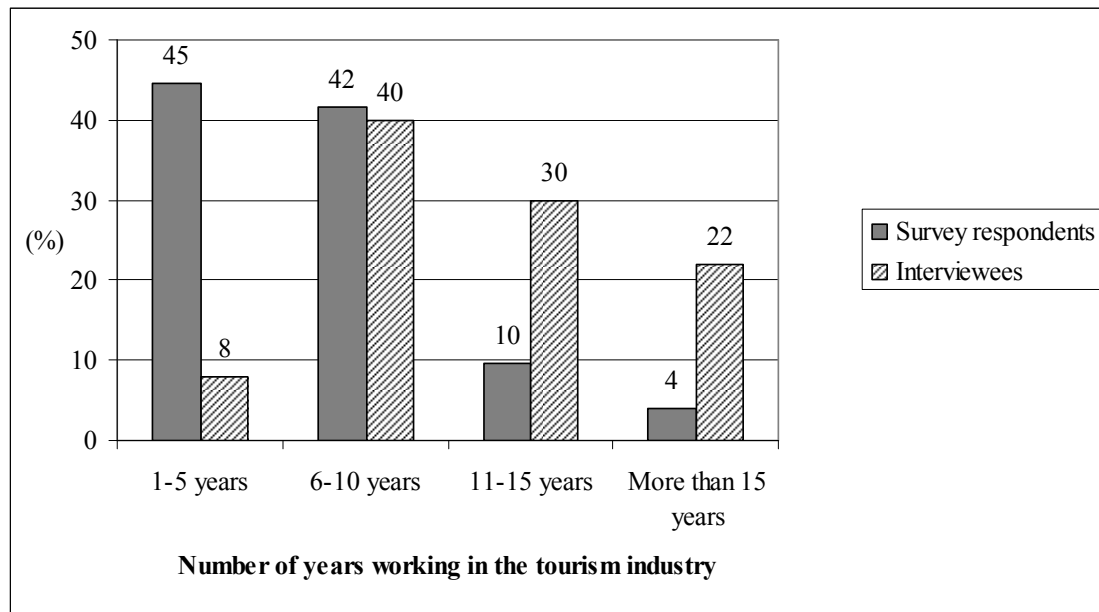
**Figure 5.6:** Distribution (%) of survey respondents by working years in current firm ( $N = 170$  for survey respondents;  $N = 50$  for interviewees)



The study also investigates the respondents' work experience specifically in the tourism industry. Over half (54%) of the survey respondents have worked in the tourism industry for less than five years (Figure 5.7); the second largest proportion (41.7%) of respondents have been involved in the tourism industry for between six and ten years; and the remaining respondents have worked in the tourism industry for between eleven and fifteen years (9.7%) or more than fifteen years (4.0%).

There is a significant difference in the tourism sector work experience between those who responded to the survey and those who were chosen to participate in the semi-structured interviews. Of the interviewees, more than half have worked in the tourism industry for more than ten years; more than 40% have been involved in tourism for between six and ten years; and only 8% of the interviewees had less than five years of work experience in the tourism industry (see Figure 5.7).

**Figure 5.7:** Distribution of respondents by years of work experience in the tourism industry  
( $N = 172$  for survey respondents;  $N = 50$  for interviewees)



The above analysis provides the general profile of respondents involved in this study: 180 enterprises involved in questionnaire survey and 50 enterprises involved in semi-structured interviews. With total population of about 700 tourism-related enterprises and the sample size accounting for 28% of the tourism industry and analysed results confirmed by tests with statistically significant results, these characteristics of the respondents can be said to be representative of these operating businesses in the Hue tourism industry. Neuman (2000) states that for population under 1000, researcher should sample about 30% of population; this sampling ratio ensures the analyzed results can be considered statistically significant.

## 5.2 Understanding the Hue Tourism Industry

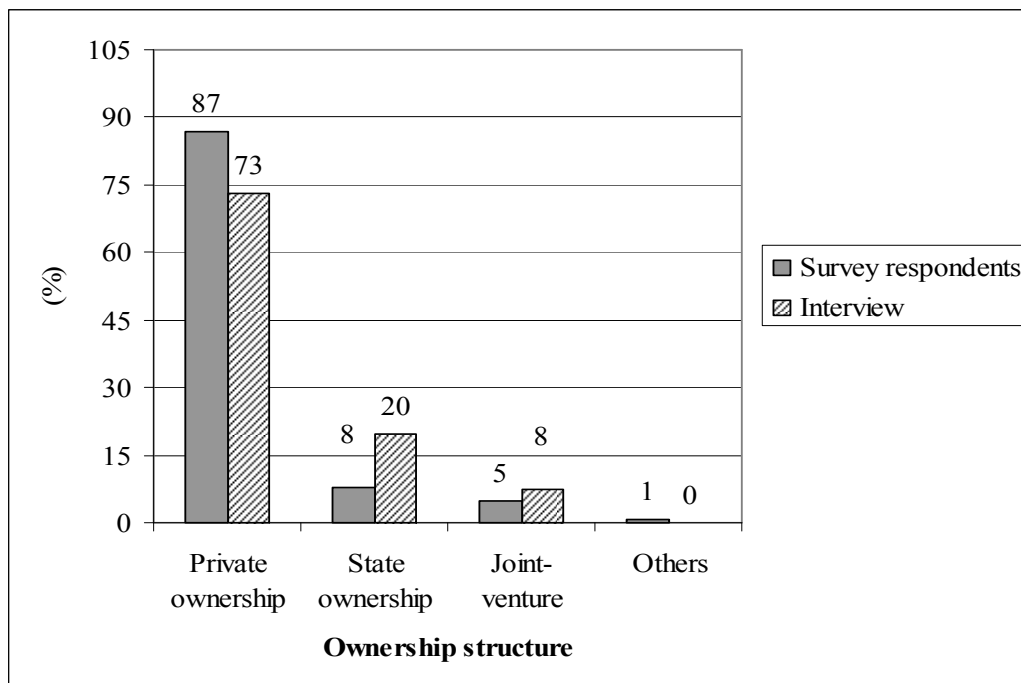
The adoption of sustainable tourism practices remains dependent on the willingness and ability of enterprises in the tourism industry (Horobin & Long, 1996). The extent to which certain characteristics of an enterprise (e.g. size, age) can be used as indicators of a



propensity to adopt sustainable tourism practices has been given little attention in the current debate (Horobin & Long, 1996). As a response to the rapid growth rate of tourism development, many stakeholders from different sectors have become involved in the provision of tourism-related services in the city of Hue.

Approximately 87% of tourism-related enterprises surveyed are in private ownership, while only 8% of tourism firms are owned by the state and 6% are joint-ventures (see Figure 5.8). These are slightly different proportions from those who participated in the semi-structured interviews: 73% of interviewees came from privately owned enterprises; 19.5% of interviewees worked in state owned enterprises; and the remaining interviewees (7.5%) worked for joint-venture companies.

**Figure 5.8:** Distribution of tourism enterprises in Hue by ownership structure  
( $N = 180$  for survey respondents;  $N = 50$  for interviewees)



A Chi-square confirmed that there is statistically significant relationship existing between the firms' ownership structures and their years of operation. Most of the privately owned firms have operated for less than five years (0.05 significance level, with

$P$ -value = 0.000). A very large proportion of the privately owned enterprises have only been established in recent years, with 48.1% set up in the last five years. This was followed by 40.1% of firms being established between five and ten years ago; and only 11% of privately owned enterprises having been in operation more than ten years (see Table 5.1). The result indicates the relative youth of the private sector in the Hue tourism industry. It also indicates that the recent domination of privately owned firms in the Hue tourism industry. The survey also highlights that only 14.3% of state-owned tourism firms were established in the last five years, with the majority (50%) established in the last decade. No joint-venture enterprises were established in the last five years; many of them (33.3 %) have been in operation for between six and ten years and more than 44% were established more than 15 years ago (see Table 5.2). The fact also indicates that there are only two joint-venture projects which are currently under construction in the city of Hue.

**Table 5.2: Distribution (%) of tourism enterprises  
by years of operation and ownership structure  
(Survey N = 180)**

	Years of operation (%)				Total	2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	1–5	6–10	11–15	Over 15		
Private ownership	48.1	41.0	9.6	1.3	100	0.000*
State ownership	14.3	35.7	28.6	21.4	100	
Joint-venture	0.0	22.2	33.3	44.4	100	
<b>Average</b>	<b>42.8</b>	<b>40.0</b>	<b>12.2</b>	<b>5.0</b>	<b>100</b>	

(\* Difference is statistically significant at the 0.05 level)

The results from the semi-structured interviews also illustrate the recent establishment of privately owned firms: of those companies involved in the interviews about 46% were registered in last five years; 31% were established between six and ten years ago; and the remainder have been in operation for more than ten years.

Clearly the rapid development of tourism, coupled with the government policy of decentralization and diversification of tourism-related services, has involved many enterprises from different sectors. The current period of tourism development in the city of Hue is strongly influenced by small- and medium-scale enterprises.

Despite being small in number, state-owned firms and joint-venture companies play an important role in the development of the Hue tourism industry because they tend to have larger capacity, more human resources, deeper financial pockets and more sophisticated marketing strategies than those of many privately owned firms. Most of them are equipped with international standard facilities and provide a good quality of service. Previous studies (HTD, 2005; Phuong, 2005) have shown that poor facilities, poor infrastructure, low financial capacities, and poor quality of service are generally characteristics of privately owned firms in the city of Hue. Many of these businesses survive by cutting costs to the minimum – sometimes to the frustration of more established and formal operations. As one manager of a three-star hotel noted:

*...privately owned small firms such as guest houses, souvenir shops, and tour agencies are often family-based firms. I mean they often use their house as base for business and use family labour. While we have to spend a lot of money to improve our facilities, maintenance and salary payments, they can cut down operational costs to provide tourist with a price cheaper than us. It is really problem to us, as well as the development of the Hue tourism industry, as these firms have a negative impact on the image of Hue tourism...*

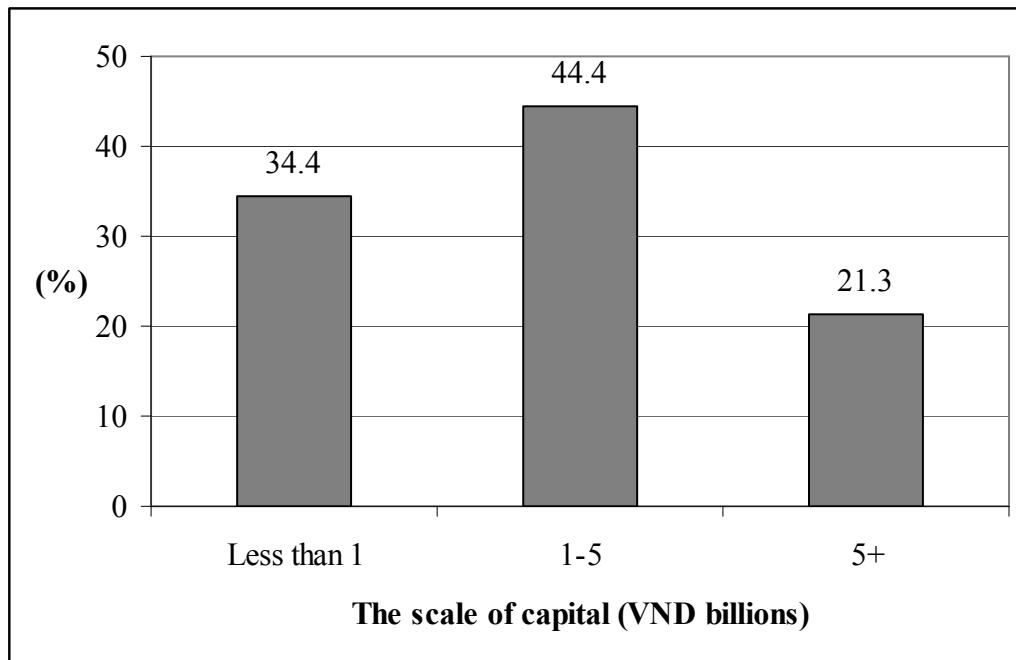
An owner of a privately owned firm stated when discussing the constraints to growth:

*...we are family-based firm; we just conduct a small souvenir shop to tourist in order to make a living. We do not have enough capital in order to invest in business facilities and enlarge our business.*

Privately owned small enterprises form the ‘spine’ of the Hue tourism industry. Approximately 78.7% of enterprises surveyed have total capital less than VND5 billion (about US\$320,000), with 34.4% stating that they performed their business with less than VND1 billion (US\$63,000) in capital (Figure 5.9). Among the firms involved in the

semi-structured interviews, more than half (52.8%) hold total capital of less than VND5 billion, while only one-quarter hold total capital greater than VND5 million.

**Figure 5.9:** Distribution of sample surveyed by the scale of enterprises ( $N = 168$ )



A One-way ANOVA (equal variance assumed method) with a Tukey test (HSD – honestly significant difference) was performed to determine whether there is a statistically significant variance in means of total capital of firms relative to their ownership structure. The result indicates (with  $F\text{-value} = 30.0$  and significance = 0.000) that there is statistically significant variance of total capital depending on the ownership structure of enterprises. The results of the ANOVA reveal that total capital tends to increase among private sector operations to state owned and joint-venture enterprises. Table 5.3 reveals that the average total capital of privately owned firms is about VND2.6 billion, with the minimum capital being only VND578 million (about US\$35,000). In contrast, the average figure for state-owned and joint-venture enterprises is about VND12 billion and VND59 billion respectively (see Table 5.3). This finding confirms, again, that privately owned small firms have lower financial capacities in comparison with state-owned and joint-venture enterprises in the Hue tourism industry.

**Table 5.3: ANOVA of total capital and ownership structure**

	Total Capital (,000 VND)			ANOVA	
	Mean	Minimum	Maximum	<i>F</i>	Significance ( $\alpha = 0.05$ )
Private ownership	2,690,679	578,000	17,000,000	30.0	0.000*
State ownership	12,341,429	3,000,000	25,280,000		
Joint-venture	59,758,889	13,000,000	312,000,000		
Total	6,355,788	578,000	312,000,000		

(\* Difference is statistically significant at the 0.05 level)

A Chi-square test was performed on ownership structure and financial capacity to confirm the direction of association between these variables. The Chi-square results indicate that there is a statistically significant difference in the distribution of respondents based on both the scale of total capital and ownership structures, with privately owned enterprises generally having lower financial capacities than those of state-owned or joint-venture enterprises (see Table 5.4). Nearly 40% of privately owned firms have less than VND1 billion in total capital; the majority (48.1%) work with total capital of between VND1–5 billion; and only 12.3% of privately owned firms having a working capital of more than VND5 billion. In contrast, not one of the state-owned or joint-venture enterprises operated with a total capital less than VND1 billion; nearly 36% of the state-owned enterprises work with total capital of between VND1–5 billion; and all the joint-venture enterprises (100%) had total capital exceeding VND5 billion.

**Table 5.4: Distribution (%) of tourism enterprises  
by scale and ownership structure**

The scale of enterprises			Total	2-sided $\chi^2$ Test ( $\alpha = 0.05$ )
Under 1 Billion	1–5 Billion	5 <sup>+</sup> Billion		

	(VND)	(VND)	(VND)		Significance
Private ownership	39.6	48.1	12.3	<b>100</b>	0.000*
State ownership	0.0	35.7	64.3	<b>100</b>	
Joint-venture	0.0	0.0	100.0	<b>100</b>	
<b>Total</b>	<b>34.3</b>	<b>44.4</b>	<b>21.3</b>	<b>100</b>	

*(\* Difference is statistically significant at the 0.05 level)*

A similarly significant association is found between the years of operation of an enterprise and the scale of its total capital (result at the 0.05 significance level, with  $P$ -value = 0.000), as shown in Table 5.5. It is worth noting that all tourism enterprises surveyed in the city of Hue (100%) established in last five years are small scale, working with total capital of less than VND5 billion. The study found that there are three large enterprises, of which two are currently under construction and one newly started in 2007.

According to annual statistical data from the Hue Tourism Department in 2005, the number of households who register their business in tourism services (i.e. family businesses) is increasing. For instance, the number of new business licences issued to Hue households in 2004 was 128, with a further 123 licences issued in 2005. These firms are largely micro- and small-scale with basic facilities (HTD, 2005; Phuong, 2005). Most of these family-based firms provide tourists (mainly domestic tourists or foreign backpackers) with cheap services such as food and beverage, accommodation, transportation or tours (HTD, 2005; Phuong, 2005). This finding was confirmed by the results from the semi-structured interviews: the majority of privately owned small firms (15 out of 19, or 78%) described their total capital as small scale and stated that their firms were dealing with a lack of capital. Of this group, many of them also said there has been a negative change in their total capital compared with last year, whereas five out of the eight large-scale enterprises interviewed (62.5%) said their total capital had increased.

**Table 5.5: Distribution (%) of tourism enterprises  
by scale and years of operation**

Years of operation	The scale of enterprises (total capital)				2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Under 1 Billion (VND)	1–5 Billion (VND)	5 <sup>+</sup> Billion (VND)	Total	
1–5 years	46.1	53.9	0.0	<b>100</b>	0.000*
6–10 years	33.8	38.0	28.2	<b>100</b>	
11–15 years	9.1	45.5	45.5	<b>100</b>	
15 <sup>+</sup> years	0.0	11.1	88.9	<b>100</b>	
<b>Average</b>	<b>34.3</b>	<b>44.4</b>	<b>21.3</b>	<b>100</b>	

*(\* Difference is statistically significant at the 0.05 level)*

The Hue tourism industry is largely dominated by small- and medium-scale enterprises. It has been argued that implementing sustainable tourism is more difficult if a destination is extremely fragmented and dominated by small businesses (Bramwell & Alletorp, 2001; Veron, et al., 2003). Small entrepreneurs are usually concerned about their short-term returns rather than any long-term impacts their business activities might be having on the local environment and community (Cooper, 1997; Huybers & Bennett, 2003; Claver-Cortés et al., 2007). In order to survive in an increasingly competitive environment, they often reduce transaction costs and increase productivity. Carlsen et al. (2001) state that the tourism sector is full of local operations that rely on common resources, but do not take responsibility for, or make any direct contribution to, these tourism resources. Therefore the growth of small tourism firms can lead to serious environmental problems, because it can be very challenging for these firms to remain commercially viable, to develop their businesses and, at the same time, adopt sustainable tourism practices.

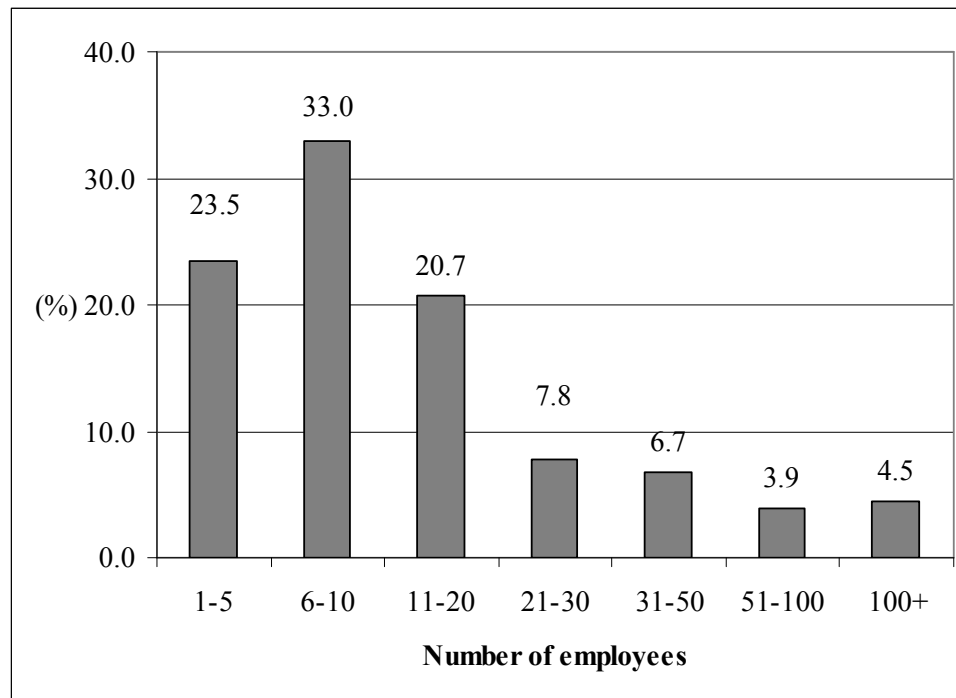
For Hue, one of the most important economic benefits of the tourism industry is the potential it has for generating employment in the local communities. The most obvious sectors where the Hue tourism industry has created jobs are accommodation services (e.g. hotels and guest houses), food and beverage (e.g. restaurants, cafés and bars), travel agencies, and transportation. Hue is also famous for traditional handicraft production for tourism, such as carving, lacquer, embroidery, bamboo and rattan weave. Such activities have made an important contribution to the local economy with about 5000 direct employees and about 9000 indirect ones. The annual growth rate of employment creation reached about 10.6% in the period 2000–2006 (HTD, 2006).

Previous studies have found that other services at tourism destinations, such as motorbike and bike rentals and tourist cyclos, have also brought important benefits to local communities. These services can have a significant economic impact on a poor community as they can generate VND600–700,000 each month, yet they require little capital investment and training to operate (Phuong, 2005; HTD, 2005 & 2006).

More than 56% of firms surveyed employ less than 10 workers, and nearly one-quarter (23.5%) employ just 1–5 staff (Figure 5.10). The number of enterprises employing between 50 and 100 staff or more than 100 staff are only about 4% and 5% respectively. Most firms (such as one- or two- star hotels, guest houses, restaurants, souvenir shops and handicraft productions) tend to cut down transaction costs by using family labour and/or decreasing the quality of their services in order to survive in a highly competitive business environment.



**Figure 5.10:** Distribution (%) of survey respondents by number of employees  
( $N = 178$ )



The interviews highlight that most of their staff (more than 70%) are local people from Hue. Many interviewees from privately owned small firms (16 out of 19, or 84%) use family labour for most of their firms' activities. As one of the interviewees from a privately owned small firm said:

*We are a very small-scale firm, so most of our staff are family members or my relatives. We only employ some people from outside the family to do cleaning and washing for hotel in the peak season...*

Meanwhile, large-scale tourism enterprises (such as 3- or 4-star hotels, tour operators, or state-owned and joint-venture enterprises) often recruit staff with a number of qualifications such as having a degree or professional certificate and also foreign language skills – even for positions such as cleaners, security officers, or on the front desk. As a manager of a three-star hotel reported:

*...our enterprise often recruits new staff annually in order to meet the expansion of business. We give priority to applicants who hold foreign language certificates and have informatics skills... we also provide staff with opportunities involving training courses from tourism-related programs and projects in order to improve their professional skill...*

It is obvious that such high requirements of staff recruited by the larger firms can marginalize local people from tourism development as they cannot satisfy the high standards of these employers. Consequently, a number of poor people living around tourism destinations in Hue become self-employed in jobs such as vendors and tourist cyclists.

Recently, in response to the rapid expansion of the industry, many large projects such as five-star hotels, tourism resorts and entertainment facilities have been launched by the Hue government. These projects often encroach on the land of local people, especially agricultural land. In this case, the Hue tourism industry is only generating job opportunities for a small group who have their own tourism-related businesses or those who live near tourism destinations. In some cases, therefore, the tourism industry may actually be reducing employment opportunities for local communities (Phuong, 2005).

The study also investigates the relationship between job creation and types of tourism services. The result indicates that there is a statistically significant relationship between the number of jobs created and the type of enterprise (Table 5.6). Accommodation services create more jobs for the local economy than do any other tourism-related service. Jobs include receptionists, cleaners, room reservations, and security, and these account for 33% of all direct employees in the Hue tourism industry, with an annual growth rate reaching 13% (HTD, 2006). On average, each accommodation service surveyed employs nearly 45 workers, whereas other tourism enterprises such as food and beverage, transportation, and tour operators create, on average, only about 17.2, 13.2 and 13.4 jobs respectively.

**Table 5.6: Number of staff employed by type of enterprise**

Type of enterprise	Mean	Standard Deviation	One-way ANOVA	
			F-value	Significance ( $\alpha = 0.05$ )
Accommodation	44.9	59.6	6.4	0.000
Food and Beverage	17.2	31.4		
Transportation	13.2	21.0		
Tour operation	13.4	19.4		
Other services	11.0	7.3		
<b>Average</b>	<b>22.6</b>	<b>39.1</b>		

(\* The mean difference is significant at the 0.05 level)

There is also a statistically significant difference in job creation between different tourism enterprises according to their ownership structure. It appears that privately owned enterprises employ, on average, only about 13 workers, whereas state-owned and joint-venture enterprises employ 76 and 94 workers respectively (see Table 5.7).

**Table 5.7: Average number of staff employed by ownership structure**

Ownership	Mean	Standard Deviation	One-way ANOVA	
			F-value	Significance ( $\alpha = 0.05$ )
Private ownership	13.3	14.1	51.0	0.000
State ownership	76.3	59.9		
Joint-venture	94.0	108.3		
<b>Total</b>	<b>22.4</b>	<b>39.1</b>		

(\* The mean difference is significant at the .05 level)

The research also found a statistically significant relationship between the number of jobs created and how long an enterprise had been operating: firms with a longer

history created more jobs than those firms that have been more recently established. As shown in Table 5.8, the firms that have been in operation for five years employ, on average, only 9 staff, whereas an average of 60 staff are being employed by the firms that have been in operation for more than years.

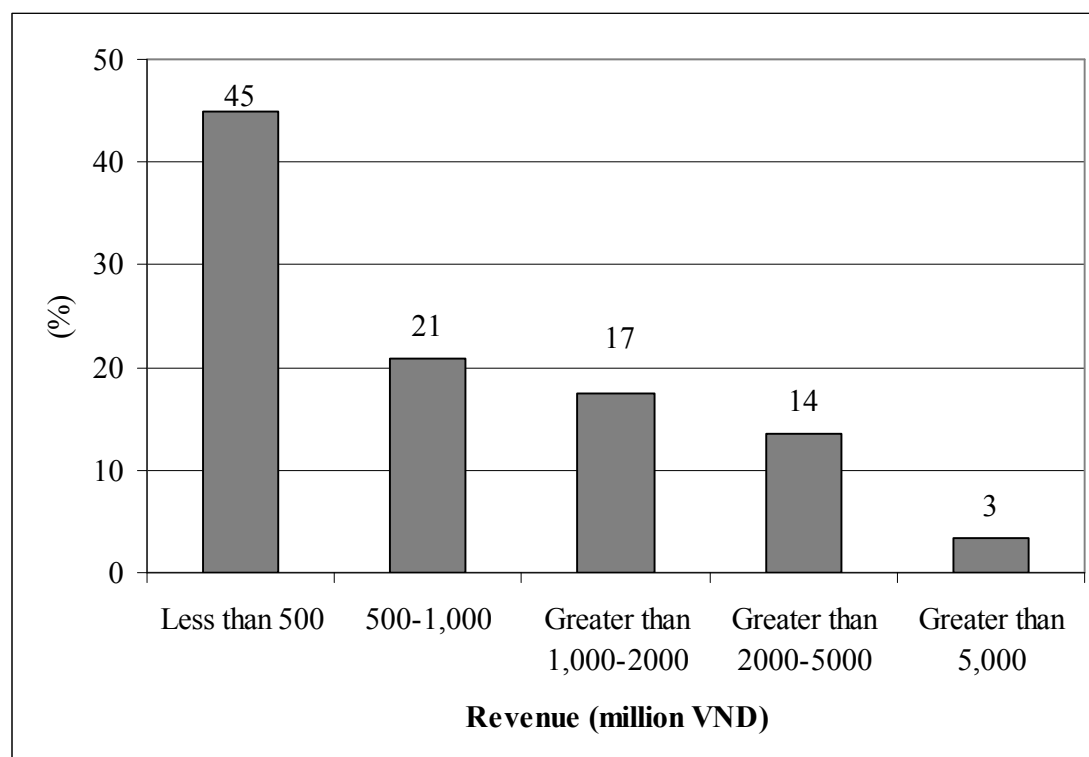
**Table 5.8: Number of employees by the years of operation of enterprises**

Year of operation	Mean	Standard Deviation	One-way ANOVA	
			<i>F</i> -value	Significance ( $\alpha = 0.05$ )
1–5 years	8.9	7.3	15.6	0.000*
6–10 years	21.1	22.9		
11–15 years	59.5	84.9		
15+ years	60.8	53.3		

*(\* The mean difference is statistically significant at the .05 level)*

It is estimated that the Hue tourism industry contributes more than 40% of Hue's Gross Domestic Product, and that the industry is an important source of income for the local community (HTD, 2005). According to the Hue Tourism Department, in 2005 the tourism industry generated VND731 billion in revenue (about US\$457 million). Nevertheless the amount of revenue generated by many tourism-related enterprises in the city of Hue is quite small: nearly 45% of enterprises generated less than VND500 million in revenue in 2005; about half of respondents generated between one and five billion VND; and only 3% of enterprises had a revenue exceeding VND5 billion (see Figure 5.10).

**Figure 5.11:** Distribution (%) of enterprises by revenue generation in 2005  
(N = 168)



A statistically significant relationship was found between the scale of revenue generated and the types of enterprises (see Table 5.9). Only 18% of accommodation services have revenues less than VND500 million, whereas about a half of services such as food and beverage (63.6%), transportation (45.7%) and tour operator (61%) generated revenues less than VND500 million in 2005. Similarly, more than 36% of accommodation services had revenue of between two and five billion VND, whereas, the proportions for food and beverage, transportation, tour operations and others are 6%, 17% and 0% respectively.

**Table 5.9: Distribution (%) of tourism enterprises  
by revenue and type of enterprise**

Scale of Revenue	Type of enterprises					2-sided $\chi^2$ Test ( $\alpha = 0.05$ )
	Accomm- odation	Food and Beverage	Transport	Tour operator	Other	
Less than VND500 million	18.0	63.6	45.7	61.0	47.4	0.001*
VND500–1000 million	22.0	18.2	20.0	17.1	31.6	
VND1000–2000 million	24.0	12.1	17.1	12.2	21.1	
VND2000–5000 million	30.0	3.0	17.1	4.9	0.0	
More than VND5000 million	6.0	3.0	0.0	4.9	0.0	

(\* P-value = 0.001, difference is statistically significant)

The Chi-square results demonstrate that the association between the scale of revenue generated by a company and its years of operation is statistically significant; details of this association are shown in Table 5.10. Nearly 66% of enterprises with less than five years of operation had revenue of less than VND500 million in 2005, whereas only 18.2% of firms operating for between eleven and fifteen years and none of the firms with more than 15 years of operation had revenue at this lowest scale.

**Table 5.10: Distribution (%) of tourism enterprises  
by revenue and length of operation**

Scale of Revenue	Years of operation				2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	1–5 years	6–10 years	11–15 years	Over 15 years	
Less than VND500 million	65.8	36.6	18.2	0.0	0.000*
VND500–1000 million	26.3	19.7	13.6	0.0	
VND1000–2000 million	7.9	19.7	36.4	33.3	
VND2000–5000 million	0.0	22.5	13.6	55.6	
More than VND5000 million	0.0	1.4	18.2	11.1	

(\* Difference is statistically significant at the 0.05 level)

There is also a statistically significant association between ownership structure and the scale of revenue (see Table 5.11). Nearly 52% of privately owned enterprises had revenue less than VND500 million in 2005, but fewer than one in a hundred (0.6%) had a revenue greater than VND5 billion. In contrast, not one of the state-owned or joint-venture enterprises had revenue at this lowest scale, with most of them having revenue of between two and five billion VND.

**Table 5.11: Distribution (%) of tourism enterprises  
by the scale of revenue and ownership structure**

Scale of Revenue	Ownership structure			2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Private ownership	State ownership	Joint-venture	
Less than VND500 million	51.9	0.0	0.0	0.000*
VND500–1000 million	23.4	7.1	0.0	
VND1000–2000 million	16.2	35.7	11.1	
VND2000–5000 million	7.8	35.7	66.7	
More than VND5000 million	0.6	21.4	22.2	

(\* Difference is statistically significant at the 0.05 level)

To conclude, more than 86 % of the tourism enterprises surveyed in Hue are micro- and small-scale firms, many of them (46%) have only been established within the last five years, and they have both low financial capacity and limited potential for job creation and revenue generation. It has already been stated that the business practices of many privately owned firms (such as small hotels, guest houses, souvenir shops, restaurants, and tour operations) are not as formal and structured as those of large-scale enterprises (HTD, 2006). This research confirms that some firms are running into difficulties, even bearing heavy losses of up to several million VND, as they often have limited human resources, low financial capacity and few marketing opportunities. The semi-structured interviews revealed that many of interviewees from the small-scale firms (13 out of 19, or 68%) believed that in 2004 business was good due to the Hue festival. However, in 2005, their business was only growing slowly because there are many new firms entering the tourism sector, resulting in an increasingly competitive environment. Firms had to reduce their operating costs by cutting salaries and saving energy in order to survive in the current environment. As a sales manager of a tour operation business reported:

*...last year (2004), we could not accept tour bookings to visit Hue during the festival as there were too many bookings while we could not organize tours and accommodation for tourists. This year, our business has gone down. I think there are many reasons, however the main reason is that there are now so many tourism enterprises involved in tourism activities ...?*

As an interviewee from a tourism tour boat replied:

*...conducting tourism business is really difficult in the current situation of Hue. Operating costs have increasingly gone up while there is no considerable improvement in our business, how can we survive?...*

In contrast, nearly two-thirds (5 out of 8) of the large-scale tourism enterprises that were interviewed reported that their business has been growing dramatically – even though they are under increasing competitive pressure from privately owned small firms. Several of the interviewees from the large-scale enterprises went on to criticize the small firms,



saying these small firms don't care about the future of tourism and will compete in whatever way they can in order to increase their personal gain. Large-scale enterprises often expressed their worries about the current issues in the Hue tourism industry, stating that privately owned small firms may have negative affects to the development of tourism in Hue. As an interviewee from a joint-venture enterprise said:

*...I think our business is going on well though the Hue tourism industry is facing a highly competitive environment because of the involvement of a large number of privately owned small firms. These issues will possibly cause negative affects on tourism and make them have a negative bad impression about Hue's tourism...*

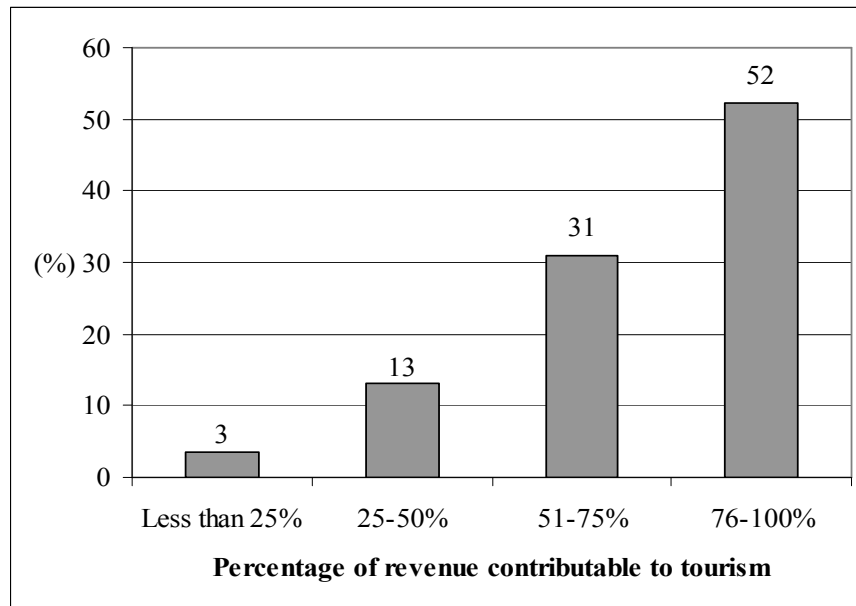
An assistant manager of a large-scale enterprise noted:

*...The number of privately owned small firm has increased rapidly in recent years thus creating an 'unhealthy' competitive environment in the Hue tourism industry. I don't think these firms have concerns about the future of the Hue tourism development. The provincial government should have proper tools to manage them otherwise it is relatively difficult to sustain the development of Hue's tourism...*

These comments reveal the disparate nature of the Hue tourism industry, and the feeling that the rapid increase in the number of privately owned small firms has also become a challenge to the development of the tourism industry in Hue.

The survey results show how tourism enterprises are heavily dependent on tourism revenue (see Figure 5.11). More than half of the enterprises surveyed have at least three-quarters of their revenue attributable to tourism; nearly one-third of enterprises stated that between 51–75 % of their revenue is attributable to tourism; and a mere 3.4% of enterprises have less than 25% of their revenue attributable to tourism.

**Figure 5.12:** Tourism enterprises and percentage of revenue contributable to tourism  
( $N = 174$ )



This study also found that there is a statistically significant difference between the different types of enterprises and their level of dependency on tourism (Chi-square test result at the 0.05 significance level, with  $P$ -value = 0.000, Accommodation services and tour operators are more dependent on tourism than other services such as transportation, and food and beverage: 58% of accommodation services and nearly 54% of tour operators have 76–100% of their revenue attributable to tourism, and none of them has less than 25% of their revenue attributable to tourism. In contrast, only about one-fifth of food and beverage, transportation and other service enterprises say that more than three-quarters of their revenue is attributable to tourism. Many of them (about 40% of total enterprises in these sectors) reported that about 25–50% of their revenue is earned from the tourism industry.

**Table 5.12: Distribution (%) of tourism enterprises  
by percentage of revenue attributable to tourism and service sectors**

Main services	Percentage of revenue attributable to tourism				2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Under 25%	25–50 %	51–75 %	76–100 %	
Accommodation	0.0	0.0	42.0	58.0	0.000*
Food and Beverage	0.0	30.3	51.5	18.2	
Transportation	17.1	40.0	28.6	14.3	
Tour operation	0.0	7.3	39.0	53.7	
Other services	21.1	42.1	26.3	10.5	
<b>Total</b>	<b>5.6%</b>	<b>19.7%</b>	<b>38.8%</b>	<b>36.0%</b>	

*(\* Difference is statistically significant at the 0.05 level)*

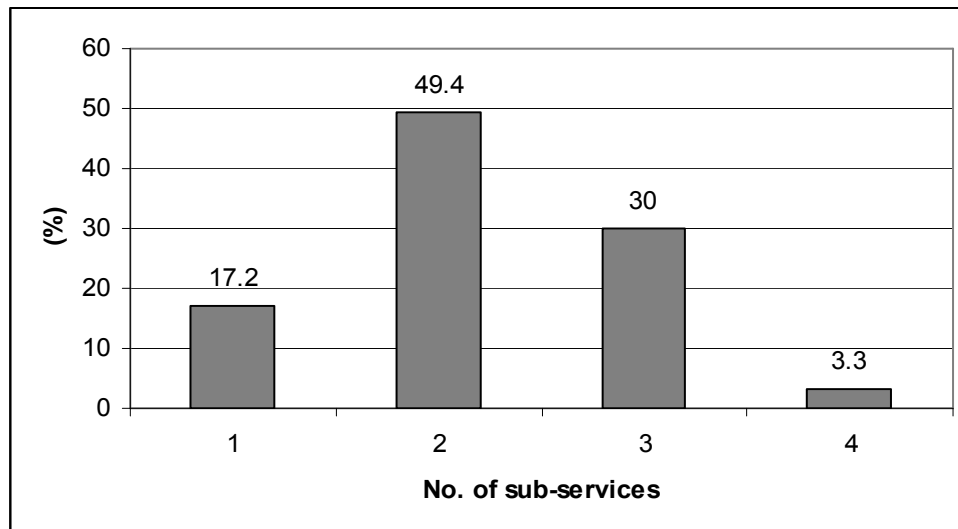
A Chi-square test revealed a statistically significant variation between the scale of enterprises and their level of dependency on the tourism industry (result at the 0.05 significance level, with  $P$ -value = 0.000). The data shows that small-scale tourism enterprises tend to be less dependent on tourism revenue than do large-scale enterprises (see Table 5.13). It can be inferred from these results that small-scale enterprises may have less interest in adopting sustainable tourism practices and environmental management initiatives, and that they may be less likely to see themselves as part of the Hue tourism industry. It can be explained that under the context of a rapid growth of the tourism industry and a government policy of diversification of tourism services, a number of the privately owned small enterprises involved in the tourism industry in Hue may be earning their revenue from a variety of sources. Diversifying business activities is one of strategies that a firm can employ for survival in the context of Hue tourism.

**Table 5.13: Distribution (%) of tourism enterprises by scale and percentage of revenue attributable to tourism**

Scale of Enterprises	Percentage of revenue attributable to tourism				2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Less than 25%	25–50 %	51–75 %	76–100 %	
Less than VND1 billion	11.5	29.5	42.6	16.4	0.000
VND1–5 billion	3.8	20.3	34.2	41.8	
VND5 <sup>+</sup> billion	0.0	2.6	42.1	55.3	

In response to the rapid growth of the tourism sector, tourism firms tend to diversify their services in order to increase opportunities for revenue generation. Figure 5.12 shows the distribution of enterprises surveyed by number of sub-services provided: nearly one-half of all enterprises provide two different sub-services, and about 30% of the enterprises surveyed provide tourists with three different sub-services.

**Figure 5.13:** Distribution of enterprises surveyed by the number of sub-services provided ( $N = 180$ )



A statistically significant association was found between the diversification of business and different ownership structures. The findings indicate that privately owned enterprises tend to provide more sub-services than others: one-third of privately owned enterprises perform their business with three sub-services and a few (3.8%) even provide customers

with four sub-services. In other words, privately owned firms tend to have more diversification than do large-scale enterprises. Table 5.14 also highlights that a half of state-owned and just over a half of joint-venture enterprises (55.6%) offer only one sub-service.

**Table 5.14: Distribution (%) of enterprises  
by number of sub-services provided and ownership structure**

Ownership Structure	Number of sub-services				2-sided $\chi^2$ Test ( $\alpha = 0.05$ )
	1	2	3	4	Significance
Private ownership	11.5	51.3	33.3	3.8	0.000
State ownership	50.0	35.7	14.3	0.0	
Joint-venture	55.6	44.4	0.0	0.0	
<b>Average</b>	<b>17.2</b>	<b>49.4</b>	<b>30.0</b>	<b>3.3</b>	

(\* Difference is statistically significant at the 0.05 level)

Chi-square tests were performed to see if there were any statistical associations between the number of sub-services provided and both the scale of tourism enterprises and the number of years they had been operating. Table 5.15 illustrates the statistically significant difference (result at the 0.05 significance level, with  $P$ -value = 0.000) between enterprises with different years of operation and the level of diversification of business activities. The general trend was that the longer a firm had been operating, the fewer sub-services it provided. Most of the enterprises that had only been operating for between one and five years had diversified their businesses, providing two (49.4%) or three (41.6%) sub-services; only 7.8% of these enterprises provided just one sub-service.

It is important to note that none of the enterprises that had been operating for more than ten years provided four sub-services, and none of those operating for more than 15 years provided even three sub-services; most of these enterprises (more than 66%) provided

only one sub-service. It appears that the more recently established firms tend to be involved in more service provision, perhaps because these firms are more likely to be under high pressure from market competition.

**Table 5.15: Distribution (%) of enterprises  
by number of sub-services and years of operation**

length of operation	Number of Sub-services				2-sided $\chi^2$ Test ( $\alpha = 0.05$ )
	1	2	3	4	Significance
1–5 years	7.8	49.4	41.6	1.3	0.000
6–10 years	16.7	51.4	25.0	6.9	
11–15 years	31.8	50.0	18.2	0.0	
More than 15 years	66.7	33.3	0.0	0.0	
<b>Average</b>	<b>17.2</b>	<b>49.4</b>	<b>30.0</b>	<b>3.3</b>	

(\* Difference is statistically significant at the 0.05 level)

There is also a statistically significant association between the diversification of business and the scale of tourism firms in the city of Hue. Table 5.16 shows the relationship between the number of sub-services provided and the scale of respondents' enterprises (result is statistically significant at the 0.05 level,  $P$ -value = 0.000). By far the biggest proportion of respondents provided two sub-services: around 50% of all respondents. It was also found that just over one-half (about 51%) of small-scale enterprises (i.e. those with revenue of less than VND1 billion) provide tourists with three or four sub-services, whereas less than one-third of medium-scale enterprises and just one-tenth of large-scale enterprises provide this number of services (see Table 5.16).

**Table 5.16: Distribution (%) of enterprises  
by number of sub-services provided and scale of enterprise**

Scale of Enterprises	Number of sub-services				2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	1	2	3	4	
Less than VND1 billion	6.6	42.6	42.6	8.2	0.000*
VND1–5 billion	16.5	54.4	27.8	1.3	
VND5 <sup>+</sup> billion	36.8	52.6	10.5		
<b>Average</b>	<b>17.4</b>	<b>50.0</b>	<b>29.2</b>	<b>3.4</b>	

*(\* Difference is statistically significant at the 0.05 level)*

Small tourism firms generally have a lower financial capacity and fewer human resources than large-scale enterprises, yet they tend to diversify by providing a greater range of services than many larger firms. It certainly appears that diversification may force small enterprises to allocate their limited resources to different services, and this diversification may become a barrier to them adopting sustainable tourism practices in their daily business. The study assumes that the smaller the tourism firm's size, the lower their adoption rate of sustainable tourism practices and environmental management initiatives.

The above analysis demonstrates the heterogeneity of the tourism enterprises in Hue; this makes Hue tourism a highly fragmented and diverse industry. These characteristics are possible barriers preventing the Hue tourism industry from adopting sustainable tourism practices and environmental management initiatives. Further analysis of these characteristics and the formulation of tourism enterprises' responses towards sustainable tourism development and government environmental management initiatives is now discussed and presented in Chapter 6.

## **CHAPTER SIX**

### **AWARENESS OF AND RESPONSE TO SUSTAINABILITY INITIATIVES**

Governments in many tourist destinations have found it hard to manage the negative impacts of tourism development and achieve sustainable tourism development. One persistent issue is the huge gap between the awareness of sustainable tourism principles and the transformation of this awareness into the daily business practices of tourism enterprises. This chapter presents the significant findings of this study with special focus placed on tourism enterprises' responses towards sustainable tourism policies and practices. The chapter then investigates tourism enterprises and how influential they perceive the current institutional frameworks for sustainable tourism development and environment management to be in their adoption of environmentally friendly practices in their daily routines. This study argues that deeper understanding of tourism enterprises' attributes and their attitudes towards sustainable tourism development and the current institutional frameworks for tourism development and environmental management will allow local government to better design comprehensive strategies to enhance sustainable tourism development.

#### **6.1 Industry Awareness about Sustainable Tourism**

Since the late 1990s, sustainable tourism development has been a feature of Vietnamese government policies (Haley & Haley, 1997; Pham, 1997; Canh, 2002, Luong 2005a). Considerable efforts have been made by the Vietnamese government to build industry awareness of sustainable tourism practices. These studies also recognized that



governments need to understand the barriers, as well as the motivations and incentives, to participation if they are to get tourism enterprises to adopt environmentally friendly practices in their daily business.

The semi-structured interviews with Hue tourism operators, the question was asked: How do you describe the relationship between your current business and sustainable tourism practices? The results reveal that 24 of the 36 respondents (67%) from privately owned enterprises described their current business practice as being broadly related to sustainable tourism practices. This figure can be further broken down by the size of the enterprise: 8 of the 9 large firms (89%), 6 of the 8 medium-scale firms (75%), but only 10 of the 19 small firms (52%) responded positively.

When asked to further explain their understandings about sustainable tourism, many interviewees generally discussed the traditional idea of balancing the needs of business viability and ‘greening’ the natural environment. There were 14 out of 24 respondents (58%) who said they were aware of and concerned about sustainable practices in their daily business: six (67%) large-scale, four (50%) medium-scale and four (21%) small-scale enterprises believed that various actions such as energy savings, waste management, recycling, and biodiversity conservation would achieve sustainable tourism. Two large-scale enterprises were concerned about sustainable tourism development, with special attention placed on sustaining the long-term viability of the industry by ‘greening’ their business operations. Many (48%) privately owned small firms answered that ‘we don’t know what it is, or we have no concern about it’.

During the interviews, the question was asked: ‘How do you describe the relationship between tourism businesses and the environment, local community and cultural values?’ All of the replies were considerably skewed in favour of the relationship between tourism development and natural factors such as landscapes, beaches, and the natural parks surrounding the city of Hue, rather than the relationship between tourism development and the social environment and community. Less than half of the interviewees (17 out of 36, or 47%) reflected their understanding about the relationship between tourism development and cultural values such as Hue’s traditional music, foods or other cultural

heritages. When questions were asked to assess their understanding about the relationship between tourism businesses and their local community, all of the interviewees held only a narrow view about the relationship between their business and the local people living around their firm's location.

This study has found that, when considering the concept of sustainable tourism, interviewees were more concerned about inter-generational than intra-generational equity. In other words, the interviewees' awareness about sustainable tourism development was more focused on the relationship between the business activities of their enterprise and the natural environment, than on their enterprise's relationship with local communities and socio-culture pillars. This probably affects how they adopt sustainable tourism practices in their daily business, with a skew towards natural environmental issues rather than an emphasis on the socio-culture and local community dimension. None of the interviewees mentioned the improvement of well-being for other stakeholders, such as ensuring an equitable distribution of costs and benefits across all stakeholders – i.e. intra-generational equity. The interviews also revealed that respondents in the tourism industry have rather limited awareness of sustainable tourism development. This conclusion can be best illustrated by the following quotes:

*...we don't know much about sustainable tourism and I think that not many of firms have any idea about it...what we need to do is to make a great effort in order earn more money...*

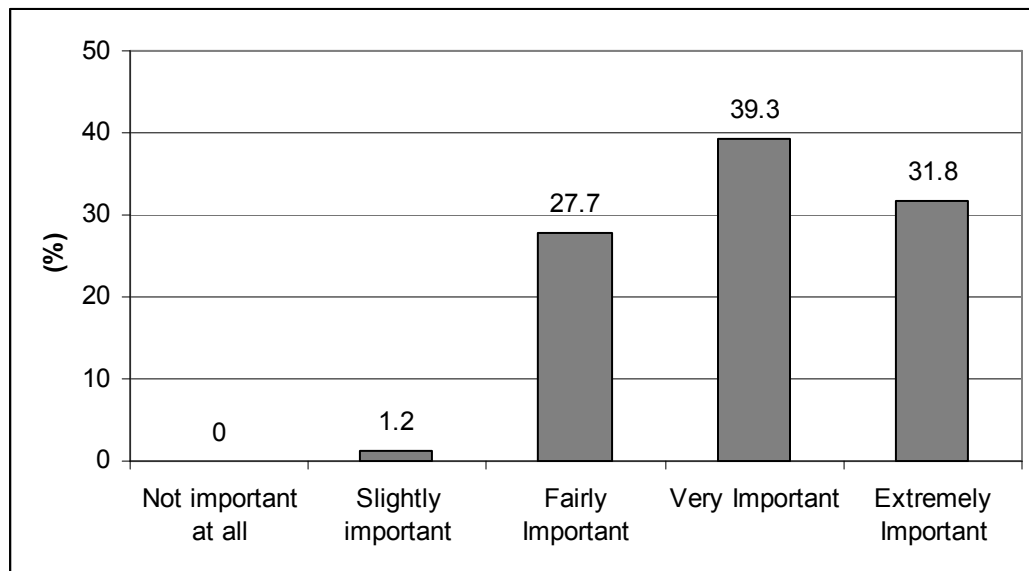
*...we often update information about tourism through internet and participate in training programmes in tourism. People often mention about environmental protection for sustainable tourism development, however we don't know much about it and how to achieve it...*

*Conducting business in tourism is increasingly difficult, we are making great effort to keep our firm survive, we often hear people mention this term but do not know it in detail...*

Low awareness of sustainable tourism on the part of respondents is understandable. McKercher (2003) states that, because the concept of sustainable tourism is so broad and complex, few stakeholders have a good understanding of what sustainable tourism is or how it can be developed.

Respondents were asked to rate the importance of the environment to tourism business, and the results of the survey highlights that respondents are considerably skewed in favour of believing the environment to be ‘very important’ (39.3%) or ‘extremely important’ (31.8%). Slightly over one-quarter of respondents (27.7%) rate the environment as ‘fairly important’ (see Figure 6.1).

**Figure 6.1:** Tourism enterprises’ rating of the importance of the environment to tourism ( $N = 173$ )



The high level of awareness of the importance of the environment to tourism is illustrated by result of semi-structured interviews. As one of participants in the semi-structured interviews said:

*...of course the environment plays very important role in Hue tourism. Hue tourism depends on beautiful landscapes and monuments. I think that without these strengths, Hue cannot compete with other cities in attracting visitors...I think that we gain benefit from such resources because the more visitors coming, the more customer we have...*

*...the environment is very important factor for tourism development, tourists come to Hue not only to visit cultural heritage but they also need a clean environment for their relaxation...we always make a great effort to improve the environment in the area surrounding our firm. We employ staff to clean areas around our firm ...*

In order to determine possible associations between respondents' ratings of the importance of the environment to tourism and their enterprises' characteristics, a Spearman correlation (i.e. a ranked correlation model) was applied to the survey data. As shown in Table 6.1, there are statistically significant associations between the characteristic variables of the enterprises and their rating of the importance of the environment to tourism (results at the 0.01 significance level). Generally, based on the result of the Spearman correlation, it may be concluded that most characteristic variables, such as years of operation, the scale of total capital, ownership structure, and the percentage of the enterprise's revenue attributable to tourism, do have a positive relationship with the respondents' awareness about the importance of the environment to tourism.

Enterprises which have been operating longer, have better financial capacity and are more dependent on tourism, are more aware of the importance of the environment to tourism. The data also reveals positive correlations between the level of educational qualification of the interviewees and the number of years they have been working in the industry, with the rating of the importance of the environment to tourism (see Table 6.1).

It is worth noting that there was a negative correlation between the number of services provided (i.e. the level of business diversification) and the ratings of the importance of

environment. Tourism enterprises that provide more sub-services have fewer concerns about the environment than do enterprises with less service diversification.

No statistically significant correlation was found between respondents' gender or age group and their rating of the importance of environment to sustainable tourism development in Hue ( $R_s = 0.01$  and  $0.06$ ). The specific result of the correlation between the characteristic features of the respondents and their rating of the importance of the environment to tourism was compared by a cross-tabulation with Chi-square test findings.

**Table 6.1: Correlation analysis between the characteristic features of the enterprises and the respondents and their rating of the importance of the environment to tourism**

The Characteristics of Enterprise and respondents	Significance	
	$R_s$ value	( $p$ -value)
1. Years of operation	0.39***	0.000
2. Scale of total capital	0.50***	0.000
3. Ownership structure	0.43***	0.000
4. Percentage of revenue attributable to tourism	0.38***	0.000
5. Number of services provided (i.e. business diversification)	-0.37***	0.000
6. Age of respondents	0.01	0.847
7. Gender of respondents	0.06	0.458
8. Level of educational qualification	0.44***	0.002
9. Years working in the tourism industry	0.26**	0.034

(\*\*\*Correlation is statistically significant at the 0.01 level

\*\*Correlation is statistically significant at the 0.05 level)

The Chi-square test results show that there are statistically significant differences in tourism enterprises' rating of the importance of the environment to tourism, based on a range of characteristics (see Tables 6.2 to 6.5). For example, almost all of the large-scale enterprises (97%) considered the environment to be a 'very important' (35.1%) or 'extremely important' factor (62.2%) to tourism; in contrast, these proportions were only 70% for medium-scale enterprises, and 55% for enterprises operating with total capital less than VND1 billion. It appears that smaller enterprises are likely to display less concern about environmental issues than their larger counterparts.

This finding appears to contradict the findings of Ateljecvic and Doorne (2000) and Getz and Carlsen (2000) who said that small-scale tourism enterprises are more aware of the environment in their business than their larger counterparts; however, these studies were done in the context of developed countries such as Australia and the UK.

**Table 6.2: Distribution (%) of tourism enterprises by their rating of the importance of the environment to tourism and the size of the enterprises**

Scale of Enterprises	Level of importance of the environment to tourism				Mean	2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Slightly important	Fairly Important	Very Important	Extremely Important		
Less than VND1 billion	1.7	43.3	40.0	15.0	3.7	0.000*
VND1–5 billion	1.3	27.6	40.8	30.3	4.0	
More than VND5 billion	0.0	2.7	35.1	62.2	4.6	
<b>Average</b>	<b>1.2</b>	<b>27.7</b>	<b>39.3</b>	<b>31.8</b>	<b>4.0</b>	

*(\* Difference is statistically significant at the 0.05 level)*

A statistically significant relationship was also found between the percentage of an enterprise's revenue attributable to tourism and their rating of the importance of the environment to the tourism business (see Table 6.3). The importance with which the environment is regarded increases as an enterprise becomes more dependent on tourism

(this result is statistically significant at the 0.05 significance level, with P-value = 0.000). The research found that a large majority (80.6%) of tourism enterprises with 76–100% of their revenue attributable to tourism rated the environment as a ‘very’ or ‘extremely important’ factor for tourism business; in contrast, only about 60% of respondents from businesses where 25–50% of revenue was attributable to tourism rated the importance of the environment so highly. Furthermore, only a little more than 11% of respondents from enterprises where less than 25% of their revenue was attributable to tourism consider the environment to be an important factor to tourism business; the majority (77.8%) of the respondents from these less-dependent enterprises rated the environment at only the ‘fairly important’ level. Firms that are more dependent on tourism will be more concerned about the environment than those firms who are less dependent on tourism.

**Table 6.3: Rating of the importance of the environment to tourism and by the percentage of their revenue attributable to tourism**

% of revenue attributable to tourism	Level of importance of the environment to tourism				Mean	2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Slightly important	Fairly Important	Very Important	Extremely Important		
Less than 25%	11.1	77.8	0.0	11.1	3.1	0.000*
25–50%	0.0	40.0	40.0	20.0	3.8	
51–75 %	0.0	23.9	46.3	29.9	4.0	
76–100%	1.6	17.7	37.1	43.5	4.2	
<b>Average</b>	<b>1.2</b>	<b>27.7</b>	<b>39.3</b>	<b>31.8</b>	<b>4.0</b>	

(\* Difference is statistically significant at the 0.05 level)

There is also a statistically significant variation in the perception of the importance of the environment to tourism depending on how long an enterprise had been operating, (see Appendix 9), the type of business (see Table 6.4), ownership structure (see Table 6.5), and the number of sub-services provided (see Appendix 10). The result of a Chi-square test shows that, within the tourism industry, accommodation services and tour operators placed a higher rating on the importance of the environment to tourism than did

enterprises providing food and beverages, transportation and ‘other’ tourism-related services.

The majority of respondents from accommodation services (60.4%) and tour operations (48.8%) considered the environment to be an ‘extremely important’ factor to tourism; in contrast, less than one-quarter of respondents from the food and beverage sector (21.9%), transportation sector (17.6%) and other tourism-related services (16.7%) regarded the environment in this way (see Table 6.4). These results can be explained by the fact that accommodation services and tour operators are more dependent on tourism than are the other services.

**Table 6.4: Distribution (%) of tourism enterprises by their rating of the importance of the environment to tourism and by service sector**

Types of services	Level of importance of the environment to tourism				Mean	2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Slightly important	Fairly Important	Very Important	Extremely Important		
Accommodation	0.0	16.7	22.9	60.4	4.4	0.000*
Food and Beverage	0.0	34.4	43.8	21.9	3.9	
Transportation	5.9	38.2	38.2	17.6	3.6	
Tour operation	0.0	26.8	48.8	24.4	4.0	
Other services	0.0	27.8	55.6	16.7	3.9	
<b>Average</b>	<b>1.2</b>	<b>27.7</b>	<b>39.3</b>	<b>31.8</b>	<b>4.0</b>	

(\* Difference is statistically significant at the 0.05 level)

The research findings also indicate that state-owned and joint-venture enterprises place a higher value on the importance of the environment to tourism than do privately owned enterprises. More than 77% of respondents from joint-venture and 69% from state-owned enterprises considered the environment to be an ‘extremely important’ factor for tourism in Hue. In contrast, only one-quarter of privately owned firms rated the environment this



highly; most privately owned firms recognized the environment only as a ‘fairly important’ (31%) or ‘important’ factor (42%) to tourism (Table 6.5).

**Table 6.5: Distribution (%) of tourism enterprises by their rating of the importance of the environment to tourism and by ownership structure**

<b>Ownership structure</b>	<b>Level of importance of the environment to tourism</b>				<b>Mean</b>	<b>2-sided <math>\chi^2</math> Test (<math>\alpha = 0.05</math>)</b>
	<b>Slightly important</b>	<b>Fairly Important</b>	<b>Very Important</b>	<b>Extremely Important</b>		<b>Significance</b>
Private ownership	1.3	31.3	42.0	25.3	3.9	0.000*
State ownership	0.0	7.7	23.1	69.2	4.6	
Join Venture	0.0	0.0	22.2	77.8	4.8	
<b>Average</b>	<b>1.2</b>	<b>27.9</b>	<b>39.5</b>	<b>31.4</b>	<b>4.0</b>	

*(\* Difference is statistically significant at the 0.05 level)*

Respondents from tourism enterprises that had been operating longer placed a higher value on the role of environment to tourism than did those respondents from more recently established firms. The data shows that over 66% of tourism enterprises with more than 15 years of operation and 50% of tourism enterprises with 10–15 years of operation recognize the environment as an ‘extremely important’ factor influencing tourism business. In contrast, only 20% of enterprises with 1–5 years of operation and about 32% of enterprises with 6–10 years of operation in the tourism sector evaluated the environment this highly. The level of business diversification within a tourism enterprise also plays a statistically significant role in their rating of the importance of the environment to tourism: the more diversified an enterprise is, the more likely it is to rate the environment as less important for tourism (see Appendix 9 and 10).

It can be concluded that, within the Hue tourism industry, there is a statistically significant relationship between the characteristics of an enterprise – such as how long it

has been operating, its scale, its ownership structure, the types of service it provides, and how dependent it is on the tourism sector – and both the awareness respondents have shown about sustainable tourism and their rating of the importance of the environment to tourism. Tourism enterprises that are privately owned, small scale in capital, recently established, and less dependent on tourism, have limited awareness about both sustainable tourism and the role of the environment on tourism in the city of Hue.

## **6.2 Tourism Enterprises and their Awareness of Environmental Issues**

Survey respondents were asked to rate the negative impacts of the tourism industry on nine specific issues related to the environment in the city of Hue by using a six-point Likert scale (The question asked: In the context of Hue City, please indicate on the scale below what influence tourism has on the following where 1 = very negative and 6 = very positive). The result highlights that Hue's tourism enterprises' overall responses to current environmental issues are relatively consistent with their awareness about sustainable tourism development, and, again, there is a skewing in favour of natural environmental issues. As shown in Table 6.6, tourism enterprises tend to recognize the negative influences of tourism on the natural environment; for example, road congestion, monument degradation and water pollution scored means of 2.8, 2.7 and 2.8, respectively. The findings also indicate that tourism development is recognized by tourism enterprises in the city of Hue as having positive influences on the economic development of local communities, reuse of material, overall quality of life, and cultural traditions and values.

**Table 6.6: Perception of the impacts of tourism on the environment**

<b>Environmental issues</b>	<b>Valid cases</b>	<b>Mean Score</b> from the Likert Scale (1 = very negative influence; 6 = very positive)
Road congestion	167	2.8
Monument degradation	154	2.7
Water pollution	171	2.8
Air pollution	164	3.2
Cultural traditions and values	171	3.9
Levels of crime	162	3.1
Communities' economic development	175	4.7
Reuse of materials	174	4.3
Overall quality of life	159	4.1

A Spearman correlation was used to determine if there is any association between the different attributes of enterprises and their responses to environmental issues. As shown in Tables 6.7 to 6.9, the correlation results do not show a strong relationship, but a statistically significant association appeared in almost all of the tourism enterprises' characteristic variables. Generally, tourism enterprises tend to recognize detrimental effects on tangible factors such as monument degradation, water pollution, or road congestion rather than on intangible factors such as community economic development or overall quality of life. The findings highlight that there is a negative correlation between tourism enterprises' level of dependence on tourism and their responses to environmental issues, i.e. tourism enterprises that are more dependent on tourism tend to recognize the more detrimental influences of tourism on environmental issues in Hue. The findings also highlight that there are statistically significant associations between an enterprise's responses to current environmental issues in Hue and both their ownership structure, and the level of business diversification within their enterprise (see Table 6.7).

**Table 6.7: Spearman correlation between the characteristic variables of enterprises and their rating of the importance of the environment to tourism**

<b>Tourism and its influence on:</b>	<b>% of revenue attributable to tourism</b>		<b>Number of sub-services</b>		<b>Ownership structure</b>	
	<b>Rs value</b>	<b>Significance</b>	<b>Rs value</b>	<b>Significance</b>	<b>Rs value</b>	<b>Significance</b>
Road congestion	-0.47*	0.000	0.42*	0.000	-0.51*	0.000
Monument degradation	-0.58*	0.000	0.39*	0.000	-0.40*	0.000
Water pollution	-0.37*	0.000	0.38*	0.000	-0.39*	0.000
Air pollution	-0.20*	0.010	0.30*	0.010	-0.30	0.025
Cultural traditions and values	-0.31*	0.000	0.26*	0.000	-0.30*	0.000
Levels of crime and social violence	-0.42*	0.000	0.32*	0.000	-0.21*	0.004
Communities' economic development	0.15	0.050	0.05	0.490	0.10	0.149
Reuse of materials	0.00	0.950	0.03	0.720	0.12	0.118
Overall quality of life	-0.30*	0.000	0.22*	0.000	-0.30*	0.000

*(\* Difference is statistically significant at the 0.01 level)*

There is a strong negative correlation between the scale of an enterprise and their awareness about the detrimental effects tourism can have on the environment: the larger-scale enterprises exhibited a higher awareness of tourism's potential negative impacts such as road congestion, monument degradation, water pollution, degradation of culture, and levels of crime and social violence. However, it is important to note that all the respondents recognized the positive effects tourism can have on the economy of local communities and on recycling activities (e.g. bottle and can collection, recycling materials).

When interviewees were asked 'What impacts does tourism have on the environment (both natural and social environment) in Hue?' the majority focused on visible

environmental issues such as monument degradation (79.5%), water pollution (64%), and waste (59%) and congestion at destinations (49%) (see Appendix 11). Some interviewees mentioned the negative impacts that the tourism industry can have on the livelihoods of local people (43.6%), and prostitution and social issues (30%).

Some interviewees talked about the positive influences of tourism on local economies and cultural values:

*...local people gain a lot of benefit from tourism development such as jobs, income. They also gain a lot of benefit from infrastructure and public facility improvement as Hue government has made a great effort to build as well as improve infrastructure such as road, park, or entertainment facilities... city's environmental improvement...*

An interviewee from a privately owned firm said:

*...I don't think the tourism industry causes negative impacts on the environment. Thanks to the rapid growth of tourism, the infrastructure of the city was improved a lot...*

Other interviewees, such as this vice-manager from a large-scale enterprise, acknowledged the negative impacts of tourism:

*... the tourism industry is a key economic activity for the city of Hue and brings benefit for local people. However we should recognize the fact that there are still negative impacts such as waste at destination, congestion at destination, sometimes conflicts between firms and local people... It is relatively difficult for government to identify exactly which firms caused such problems... I think that we need to increase the public awareness of environment and tourism...*

Similarly, this interviewee from a large-scale firm stated:

*...I think that the tourism industry has both positive and negative impacts on local people's livelihood. Some people can gain benefit from*

*the growth of tourist arrivals by getting involved in tourism service provision. Conversely, some other people may have to pay for more expensive goods and services.*

A sale manager from a tour operation said:

*...I think that monument degradation and waste at destinations are the main issues facing the Hue tourism industry. It is because some tourists; especially domestic ones, have not very good behaviour. The tourism industry, however, makes an important contribution to Hue's economy. So, I think that local government should have specific regulations to control visitors...*

A similar pattern of negative correlations was found between respondents' rating of the importance of the environment to tourism and how long their enterprises had been operating. In general, the longer a respondent's enterprise had been operating in the tourism sector, the more likely it was that the respondent was aware of the impact tourism might have on the environment (result at the 0.01 significance level). It is important to note that Hue tourism enterprises recognized positive relationships between tourism development and community economic development (mean = 4.7), quality of life (mean = 4.1) and recycling (mean = 4.3) (see Table 6.7).

**Table 6.8: Spearman correlation between the characteristic variables of enterprises and their rating of the importance of the environment to tourism**

<b>Tourism and its influence on:</b>	<b>The scale of capital</b>		<b>Years of operation</b>	
	<b>Rs value</b>	<b>Significance</b>	<b>Rs value</b>	<b>Significance</b>
Road congestion	-0.58*	0.000	-0.46*	0.000
Monument degradation	-0.63*	0.000	-0.54*	0.000
Water pollution	-0.46*	0.000	-0.43*	0.000
Air pollution	-0.27*	0.000	-0.28*	0.000
Cultural traditions and value	-0.41*	0.000	-0.31*	0.000
Levels of crime and social violence	-0.40*	0.000	-0.29*	0.000
Communities' economic development	0.01	0.930	0.02	0.760
Reuse of materials	0.05	0.500	0.01	0.960
Overall quality of life	-0.23*	0.000	-0.35*	0.000

(\* Difference is statistically significant at the 0.01 level)

There are additional factors that may improve awareness of sustainable tourism and the adoption of tools to enable its implementation. Carlsen et al. (2001) state that gender, age, and education of entrepreneurs are all likely to influence environmental attitudes and the adoption of sustainable tourism practices. Although gender and age were not found to be statistically significant, a statistically significant difference was found depending upon the level of the respondent's education, with respondents with an ordinary university degree most likely to be aware of environmental issues. The findings from this study are relatively consistent with those Carlsen et al. (2001) described in the Australian context, i.e. awareness about the influence of tourism activities on the environment is not related to age, gender or work experience, but is related to educational qualification. The findings highlight that there is a statistically significant association between a respondent's education and their awareness about tourism's influences on different environmental issues (see Table 6.9).

**Table 6.9: Spearman correlation between the demographic variables of respondents and their rating of the importance of the environment to tourism**

	Age		Gender		Education		Work Experience	
<b>Tourism and its influence on:</b>	<b>Rs value</b>	Significance	<b>Rs value</b>	Significance	<b>Rs value</b>	Significance	<b>Rs value</b>	Significance
Road congestion	-0.09	0.248	-0.04	0.577	-0.39*	0.000	-0.38	0.017
Monument degradation	-0.03	0.714	-0.06	0.468	-0.33*	0.000	-0.15	0.053
Water pollution	-0.05	0.485	-0.12	0.115	-0.35*	0.000	-0.27	0.025
Air pollution	-0.03	0.679	-0.17	0.026	-0.19	0.013	0.03	0.717
Cultural traditions and value	-0.10	0.186	-0.09	0.247	-0.14	0.068	-0.13	0.092
Levels of crime and social violence	0.02	0.786	-0.01	0.864	-0.28*	0.000	-0.13	0.090
Community's economic development	-0.26	0.001	-0.10	0.193	-0.06	0.413	-0.08	0.284
Reuse of materials	-0.03	0.734	-0.09	0.247	-0.03	0.657	0.04	0.588
Overall quality of life	-0.04	0.585	-0.09	0.243	-0.38*	0.000	0.36*	0.01

(\* Difference is statistically significant at the 0.01 level)

The results of the semi-structured interviews reveal that tourism enterprises recognize that having a good relationship with local communities is important to their business. Many interviewees (26 out of the 35) answered that they have a good relationship with local communities and do not damage the local community and to local socio-cultural values. All interviewees believed that they are contributing positively to local economic development through tax revenue, job creation and the purchase of supplies from local communities.

It is important to note that when the researcher mentioned some kinds of minor conflicts that can occur with local nine interviewees (three from medium-scale and six from small-scale enterprises) who did recognize that they have some minor conflicts with local communities surrounding their business location. The sources of conflict were mainly about noise levels, waste release, water leaking and customers' bad behaviours. While noting that these community conflicts all involved only small- and medium-scale enterprises, it is important to realize that all of these enterprises are located within local communities, whereas Hue's large-scale tourism enterprises are often isolated from residential areas. It is also worth noting that many of the interviewees (19 out of the 28 who answered this question) believe there is a positive relationship between tourism development and cultural values. The most common answers reflected the belief that tourism development has enhanced local cultural values, helping to preserve local culture. This response is best illustrated by quotes from interviewees:

*...I think tourism has good relationship with local cultural traditions and values as it makes use of local cultural values and introduces them to the world.*

(A tour operator)

*...I don't think our business causes any negative impacts on local cultural traditions, in contrary we are helping to preserve Hue cultural values. Hue traditional foods and drinks are well-known and developed throughout the country and many cities in the world thanks to tourism development...*

(A restaurateur)



*...there are some minor conflicts between our business and our neighbours; however I think they are very small and inevitable Local people don't like us since our business is going on well. However, we always try to avoid having conflict with them...*

(A manager of a three-star hotel)

This research shows that in Hue the characteristics of enterprises and entrepreneurs are likely to influence their attitudes towards environmental issues. Generally, tourism enterprises that are small-scale more diversified in their business, privately owned, and more recently established tend to reflect limited awareness of sustainable tourism and environmental issues in the tourism sector in the city of Hue. For these enterprises, tourism development is believed to mainly create positive outcomes for the city of Hue, without having significant negative impacts on the environment or local communities. In contrast, large-scale tourism enterprises tend to be more aware that, whilst the Hue tourism industry is a major economic activity for the city, the rapid development of the industry is also having detrimental impacts on both the natural environment and monuments. Typically, the Hue tourism industry does not recognize the adverse impacts of tourism development on local communities and cultural values. Overall, most tourism enterprises in the city of Hue tend to see themselves as a positive entity, creating positive outcomes for Hue – while they show little recognition of their responsibility to address the negative issues arising from the industry. This perspective does, therefore, limit the adoption of sustainable tourism practices by small-scale tourism enterprises in the city of Hue.

### **6.3 Sustainable Tourism: from Awareness to Practice**

Sustainable tourism calls for environmentally friendly practices in every phase of the tourism business (Erdogan & Baris, 2007). Sustainable tourism practices (i.e. environmentally friendly practices) within tourism enterprises include waste reduction, waste recycling, energy savings, conservation, reusing materials and the adoption of formal environmental initiatives. A single enterprise may be involved in one or more of these practices. It is stated that there is often a big gap between perception about and

actual responses towards sustainable tourism practices, i.e. tourism enterprises often find it hard to implement sustainable tourism practices into the running of their business (Horobin & Long, 1996; Stabler & Goodall, 1997; Carlsen et al., 2001; Dewhurst & Thomas, 2003; Erdogan & Baris, 2007). Many studies have already evaluated tourism enterprises' awareness and practices towards sustainable tourism development (Thomas, 2000; Vernon et al., 2003; Silva & McDill, 2004; Clave-Cortés et al., 2007). These studies have highlighted that even where there are incentives for implementing sustainable tourism practices, opposite forces might apply and privately owned enterprises face can be severely challenged to keep their businesses viable whilst at the same time applying sustainable tourism principles. Nevertheless, other researchers argue that small enterprises in the tourism sector have many good reasons to be good environmental stewards (e.g. Swarbrooke, 1999; Middleton & Hawkins, 1998; Ateljevic & Doorne, 2000; Dewhurst & Thomas, 2003). Small enterprises have a strong sense of commitment to the future of the destination in which their businesses are located, and they may be more concerned about maintaining the environment than pursuing a strategy of profit-maximisation. In other words, smaller tourism enterprises may be more willing than larger enterprises to adopt environmentally friendly practices.

There has been a contradiction in the debate about tourism enterprises' awareness of and responses towards environmentally friendly practices. Carlsen et al. (2001) stated that most tourism enterprises remain unconvinced of the need to move towards sustainable tourism practices. Dewhurst and Thomas (2003) concluded that the extent to which enterprises in the tourism industry have responded to exhortation to improve their environmentally friendly practices is unclear. As a result, governments trying to understand the tourism industry's responses have little information to work with, and this affects their ability to design effective sustainable development plans for the industry. Thus, it is very important to look beyond respondents' initial statements. A greater depth of questioning is needed to understand exactly what the barriers are that restrict the implementation of sustainable tourism practices. Only once the barriers are fully understood, can they be removed – and sustainable tourism development can be achieved.

Survey respondents were asked if they had adopted environmentally friendly practices in the running of their business. The findings show that more than three-quarters of respondents were undertaking material (92.1%) and energy (89.4%) savings, and nearly three-quarters of respondents practised recycling (70.8%). The findings appeared to provide clear evidence that tourism enterprises tend to be involved in sustainable practices that reduce the operating costs for their business. Enhancing the surrounding environment is also a common practice of many respondents (71.2%). Nearly half (44.1%) of all respondents reported that they have been involved in funding public environmental activities (such as friendly environmental activities of youth unions at tourism destinations, student greening activities, waste collection at tourism destinations, environmental propaganda posters or activities) and annual environmental assessment reports (49.7%) (Table 6.10).

**Table 6.10: Environmental measures currently practised by tourism enterprises**

Measures	Valid cases	Percentage	
		No	Yes
1. Recycling activities and waste minimization	171	29.2	70.8
2. Funding of public environmental activities	177	55.9	44.1
3. Energy saving (e.g. petrol, electricity)	170	10.6	89.4
4. Material saving (e.g. water, logistics)	165	7.9	92.1
5. Annual environmental impacts assessment report	157	50.3	49.7
6. Enhancing the surrounding environment	156	28.8	71.2

The results of previous studies (Bramwell & Alletorp, 2001; Getz and Carlsen, 2000; Helmy, 2004; McMullen, 2006) recognized the relative importance of different factors in influencing tourism enterprises' awareness of and actions towards environmentally friendly practices in the tourism sector. The literature review revealed two different themes that have emerged on the relationship between tourism enterprise awareness and the actual practice of sustainable tourism approaches. Some argue that small-scale enterprises in the tourism sector have to deal with many challenges and will have limited interest/ability to respond to environmentally friendly practices in their daily business

(Thomas, 2000; Silva & McDill, 2004; Vernon et al., 2003. Others argue that small-scale tourism enterprises have many good reasons to integrate environmentally friendly practices into the running of their business (Middleton & Hawkins, 1998; Ateljevic & Doorne, 2000).

To illustrate the differences in adopting sustainable tourism practices between enterprises of different scales in the Hue tourism industry, a cross-tabulation with a Chi-square test was performed (result at the 0.05 significance level). As Table 6.11 shows, the scale of the tourism enterprise is statistically significant: larger enterprises have a higher level of adoption of innovative sustainable practices (recycling activities, funding of public environmental activities, annual environmental impact assessment reporting and enhancing the surrounding environment) than do small- and medium-scale enterprises. Only 61.4% of respondents with a capital scale of less than VND1 billion are involved in recycling activities or waste minimization, while more than 92% of those firms with total capital exceeding VND5 billion were involved in these practices. Similarly, only 28.3% of respondents with capital of less than VND1 billion funded public environmental activities, compared with 57% of respondents with capital of between VND1 and 5 billion, and 71.1% of those respondents with total capital exceeding VND 5 billion. Similar patterns were also found in those adopting annual environmental impact assessment reporting and those involved in projects enhancing the surrounding environment (see Table 6.11). Most of the respondents indicated a desire to enhance a cleaner environment for their businesses, and to meet the demands of tourists who are becoming increasingly aware of the environment.

**Table 6.11: Percentage of tourism enterprises currently involved in sustainable practices by the scale of total capital**

Measures		The scale of enterprises			2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
		Less than 1 billion (VND)	1–5 billion (VND)	More than 5 billion (VND)	
1. Recycling activities and	No	38.6	32.4	7.9	0.004*

waste minimization	Yes	61.4	67.6	92.1	
2. Funding of public environmental activities	No	71.7	57.1	28.9	0.000*
	Yes	28.3	42.9	71.1	
3. Energy saving (e.g. petrol, electricity)	No	15.0	10.8	2.9	0.192
	Yes	85.5	89.2	97.1	
4. Material saving (e.g. water, facilities)	No	9.3	6.8	8.6	0.866
	Yes	90.7	93.2	91.4	
5. Annual environmental impacts assessment report	No	54.0	54.9	32.4	0.037*
	Yes	46.0	45.1	67.6	
6. Enhancing the surrounding environment	No	40.4	28.2	9.7	0.010*
	Yes	59.6	71.8	90.3	

(\*Difference is statistically significant at the 0.05 level)

It is argued that the implementation of sustainable tourism practices has proved largely unsuccessful because at most destinations the sector is extremely fragmented and dominated by privately owned small tourism enterprises (Vernon et al., 2003; Huybers & Bennett, 2003). The reason most commonly given for not getting involved in the above practices is a lack of resources – financial, expertise and staff. Additionally, a further barrier that constrains enterprises in the Hue tourism sector from embarking on these practices is the perception that adopting these practices may result in an increase in the operating costs for their business rather than a reduction. There is no statistically significant difference in the adoption of simple sustainable tourism practices such as energy and material saving according to the scale of the tourism enterprises (result at the 0.05 significance level). The majority of respondents (about 90%) within all three groups reported that they have embarked on these two activities in their daily business (see Table 6.11). Respondents explained that using these two environmentally friendly practices can result in both a reduction in their operating costs and a cleaner environment for their firms.

Interviewees were asked these questions: ‘What kind of friendly environmentally practices do you adopt to reduce the environmental impacts of your business? And what

are the benefits of these practices aside from environmental performance?’ Energy saving (87%), material saving (86%), recycling activities and waste collection (79%), and enhancing the environment for the firm (54%) are the main environmentally friendly measures practised in their daily business. However, the semi-structured interviews also reveal differences in the adoption of such practices between tourism enterprises. An interviewee from a privately owned enterprise explained:

*...we are a small-scale firm, we always try to reduce operating costs by implementing energy and material saving, such as water, electricity and facilities, and waste minimization practice in our daily practices. It is really helpful as we can reduce the cost and create clean environment for our business...*

Another interviewee from a small-scale enterprise said:

*... what do you mean by environmentally friendly practices? We sell some souvenirs to tourists. I don't know much about these practices, it probably outside the scope of our business. Our business is very small, I don't think we made any affect to the environment... we collect garbage and put in the public dustbins...*

And an interviewee from a large hotel stated:

*...Clean environment is important factor to tourism business and tourist attraction. I am sure that customers will never want to stay in the hotel with a lot of garbage. Our hotel is always trying to keep the environment clean by install more dustbins, employing more cleaners in our hotel, cleaning, greening the hotel, treating waste... We also often support public environmental activities such as day of the environment, and student activities on environment in Hue city... We hope we make a small positive contribution to the image of the Hue tourism industry...*

Cross-tabulations with a Chi-square test (results at the 0.05 significance level) were repeated on respondents' adoption of the same environmentally friendly practices according to the characteristics of their enterprises such as years of operation in tourism, percentage of revenue attributable to tourism, ownership structure and the number of sub-services provided (i.e. level of business diversification) (Table 6.12). The only statistically significant difference lies in the category for innovative sustainable tourism

practices, such as funding public environmental activities and undertaking annual environmental impact assessment reports. Involvement in both these activities requires higher costs and knowledge and so it is not surprising that small-scale enterprises are less involved in these more innovative practices.

There is no statistically significant difference between enterprises of different scales adopting those environmentally friendly practices that may result in a reduction in their operating costs and a cleaner environment for their business (results at the 0.05 significance level). As shown in Table 6.12, more than 80% of survey respondents said that they have practised energy and material saving in the running of their business. In other words, enterprises' characteristics such as years of operation, the percentage of revenue attributable to tourism (i.e. the enterprise's level of dependency on tourism), ownership structure, or the number of sub-services provided (i.e. the level of business diversification) appear to have little influence on the adoption of environmentally friendly practices that help to reduce operating costs and enhance the environment for the tourism enterprise. There is a slightly significant difference in the adoption of annual environmental impact assessment reports and in the enhancement of the surrounding environment when respondents are analysed by the ownership structure of and the number of sub-services provided by their enterprise.

The data also shows that state-owned and joint-venture tourism enterprises tend to be more likely than privately owned concerns to provide annual environmental impact assessment reports. More than 71% of state-owned and 66.7% of joint-venture enterprises stated that they undertake these annual assessments; in contrast, only 47% of privately owned enterprises responded affirmatively. A similar pattern of distribution was found between the three ownership structures when enterprises were questioned about activities that enhance the surrounding environment: 100% of state-owned and nearly 90% of joint-venture enterprises were involved in such activities, but only 67% of privately owned enterprises. In contrast, there appears to be only a slight difference between tourism firms with different ownership structures when it comes to the adoption of sustainable practices such as recycling, and energy and material savings, and this difference is not statistically significant (see Table 6.12).

**Table 6.12: Distribution (%) of tourism enterprises by their adoption of environmentally friendly practices and by their ownership structure**

Environmentally friendly practices		Ownership structures			2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
		Private ownership	State ownership	Joint-venture	
1. Recycling activities and waste minimization	No	13.3	7.1	0.0	0.107
	Yes	86.7	92.9	100.0	
2. Funding of public environmental activities	No	60.1	28.6	22.2	0.009*
	Yes	39.9	71.4	77.8	
3. Energy saving (e.g. petrol, electricity)	No	11.5	7.7	0.0	0.554
	Yes	88.5	92.3	100.0	
4. Material saving (e.g. water, facilities)	No	9.2	0.0	0.0	0.335
	Yes	90.8	100.0	100.0	
5. Annual environmental impact assessment report	No	52.9	28.6	33.3	0.015*
	Yes	47.1	71.4	66.7	
6. Enhancing the surrounding environment	No	32.6	0.0	11.1	0.035*
	Yes	67.4	100.0	88.9	

(\* Difference is statistically significant at the 0.05 level)

It is important to understand that the underlying characteristics of the Hue tourism enterprises affect how they adopt sustainable tourism practices. There are no significant differences between tourism enterprises and their adoption of simple sustainable practices such as energy and material savings, and waste minimization. It is important to know that cost reduction is a motivating factor in the adoption of such practices by Hue tourism enterprises, in particular for small-scale operators. Finally, the findings of this study show a statistically significant difference exists between Hue tourism enterprises and their adoption of innovative sustainable practices, when the scale and ownership structures of the enterprises are considered.

Survey respondents were also presented with ten statements based on principles of sustainable tourism development. They were asked to agree or disagree on a scale from ‘strongly disagree’ (1) to ‘strongly agree’ (6) – indicating the likelihood that their enterprise would adopt each practice in their future business (see Table 6.13). The vast majority of tourism enterprises (about 85% of total survey respondents) expressed their



agreement to adopting these environmentally friendly practices in their future business, with mean scores ranging from 4.1 to 4.6 (see Table 6.14).

**Table 6.13: Statements based on sustainable tourism principles to which tourism enterprises were asked to respond**

	<b>Statements</b>
Statement 1	We will have our own environmental activities enhancing the surrounding environment for the firm.
Statement 2	We will change our business strategy to encompass sustainable tourism practices and related environmental policy initiatives in our daily business.
Statement 3	We will provide our staff with training courses on sustainable tourism and environmental management practices
Statement 4	We will develop programmes on visitor education (providing pre-visit information, and brochures on cultural values and traditions, and on the environment).
Statement 5	We will install more facilities for waste management and recycling.
Statement 6	We will set up our self-regulation on sustainable practices for our firm's business.
Statement 7	We will encourage visitors to consume environmentally friendly products.
Statement 8	We will promote conservation and sustainable-use tourist resources.
Statement 9	We will maintain and promote social, cultural and natural diversity.
Statement 10	We will build close economic links with local communities.

The findings provide clear evidence of differences in the environmentally friendly practices chosen by tourism enterprises (see Table 6.14). With simple activities such as setting self-regulations on environmental practices of the firms (Statement 6), installing more facilities for waste minimization and recycling activities (Statement 5), and enhancing the environment surrounding the business (Statement 1), the mean scores reached about 4.5 or higher. Compare this score with the results from the other statements such as changing the business strategy to encompass sustainable tourism (Statement 2; mean score 4.2), staff training activities (Statement 3; mean score 4.1),

promoting social and cultural diversity (Statement 4; mean score 4.2), conservation (Statement 8; mean score 4.5) and building close links with local communities (Statement 10; mean score 4.3). The findings also illustrated that tourism enterprises are more likely to adopt environmentally friendly practices if they are easy to implement and likely to reduce operating costs. It also means that, in the context of a highly competitive tourism market, cost reduction and profit maximization have become significant motivations for tourism enterprises – both in terms of increasing their chances of business survival and in shaping their responses to environmentally friendly practices.

**Table 6.14: The percentage distribution of respondents’ beliefs about the future implementation of sustainable tourism development practices**

<b>Question 16</b>	<i>N</i>	Completely disagree	Disagree	Slightly agree	Fairly agree	Agree	Completely agree	<b>Mean</b>
Statement 1	173	0.0	2.9	14.5	34.7	20.8	27.2	<b>4.6</b>
Statement 2	165	0.0	1.2	22.4	36.4	35.2	4.8	<b>4.2</b>
Statement 3	170	0.0	6.5	18.8	37.6	27.6	9.4	<b>4.1</b>
Statement 4	156	0.0	0.6	22.4	37.8	33.3	5.8	<b>4.2</b>
Statement 5	166	0.6	1.8	14.5	36.1	24.1	22.9	<b>4.5</b>
Statement 6	153	0.7	1.3	13.1	40.5	26.1	18.3	<b>4.5</b>
Statement 7	162	0.6	1.2	17.9	45.7	22.2	12.3	<b>4.3</b>
Statement 8	147	0.0	1.4	8.2	45.6	31.3	13.6	<b>4.5</b>
Statement 9	160	0.0	0.6	13.8	50.0	30.0	5.6	<b>4.2</b>
Statement 10	163	0.0	0.6	8.6	50.3	31.3	9.2	<b>4.3</b>

A Spearman correlation model was used to investigate any association between the future adoption of environmentally friendly practices and the characteristics of the tourism enterprises and respondents. The findings highlight that a relatively strong positive association exists between the scale of capital of an enterprise and its likelihood of adopting sustainable tourism practices in the future, i.e. tourism enterprises with larger scales of capital tend to be more willing to adopt sustainable tourism practices than do enterprises with less capital. Similar patterns of positive correlation were also found

between the adoption of sustainable practices by tourism enterprises and their years of operation, percentage of revenue attributable to tourism, ownership structure, and the level of educational qualification of the respondent (see Tables 6.15 and 6.16).

This study found that, in the context of Hue tourism, large-scale enterprises have better financial capacity, more highly educated staff, have been operating longer and are more dependent on tourism. This study also found that such enterprises are more concerned about environmental issues than are small-scale enterprises. A greater concern about environmental issues means that these larger enterprises might recognize more quickly any negative changes to the environment and also the threats that environmental problems pose to the sustainability of Hue tourism. As a result, large-scale enterprises are more actively involved in environmentally friendly practices than small-scale enterprises, which are more concerned about making a profit than adopting sustainable tourism practices.

**Table 6.15: Symmetric correlation between respondents' responses to sustainable tourism practices by the characteristics of the enterprises**

	Scale of Capital		Years of Operation		% of turnover attributable to tourism	
	Rs value	Approximate significance	Rs value	Approximate significance	Rs value	Approximate significance
Statement 1	0.399*	0.000	0.25*	0.001	0.213*	0.005
Statement 2	0.467*	0.000	0.26*	0.001	0.255*	0.001
Statement 3	0.433*	0.000	0.20*	0.008	0.287*	0.000
Statement 4	0.591*	0.000	0.38*	0.000	0.379*	0.000
Statement 5	0.478*	0.000	0.24*	0.002	0.154*	0.048
Statement 6	0.507*	0.000	0.35*	0.000	0.151	0.063
Statement 7	0.533*	0.000	0.34*	0.000	0.308*	0.000
Statement 8	0.380*	0.000	0.18*	0.029	0.193*	0.020
Statement 9	0.556*	0.000	0.20*	0.011	0.415*	0.000
Statement 10	0.397*	0.012	0.16*	0.036	0.125	0.115

(\* Correlation is statistically significant at the 0.05 level)

The findings obtained in this study share some similarity with the findings found in previous studies (Thomas, 2000; Bramwell & Alletorp, 2001; Carlsen et al, 2001; Vernon et al. 2003; Hillary, 2004; Claver-Cortés et al., 2007). Firstly, the findings of this study demonstrate that, in the context of a developing country such as Vietnam, privately owned small tourism enterprises that are defined as having low financial capacity, a high level of business diversification, and a lack of other resources, cannot emulate sustainable tourism practices in their daily business as well as large-scale enterprises. The findings revealed that statistically significant variations between the sizes of the enterprises appeared only in the current adoption of some innovative sustainable tourism practices such as funding for public environmental activities, annual environmental impact assessment reports and enhancing the surrounding environment – possibly because these activities might require high financial capacity and skills, and could also result in increased operating costs for the business.

**Table 6.16: Symmetric correlation between respondents’ responses to sustainable tourism practices by the characteristics of the enterprises and respondents**

	Ownership Structure		Number of sub-services provided		Level of educational qualification	
	Rs value	Approximate significance	Rs value	Approximate significance	Rs value	Approximate significance
Statement 1	0.233*	0.002	-0.20*	0.0082	0.25*	0.001
Statement 2	0.217*	0.005	-0.14	0.0838	0.34*	0.000
Statement 3	0.281*	0.000	-0.16*	0.0385	0.29*	0.000
Statement 4	0.442*	0.000	-0.18*	0.0244	0.35*	0.000
Statement 5	0.312*	0.000	-0.22*	0.0039	0.31*	0.000
Statement 6	0.337*	0.000	-0.20*	0.0111	0.22*	0.008
Statement 7	0.355*	0.000	-0.12	0.1171	0.18*	0.027
Statement 8	0.267*	0.001	-0.17*	0.0423	0.17*	0.041
Statement 9	0.234*	0.003	-0.22*	0.0052	0.26*	0.001
Statement 10	0.086	0.277	-0.09	0.2442	0.19*	0.017

(\* Correlation is statistically significant at the 0.05 level)

The findings of this study confirm that the domination of privately owned small-scale enterprises at tourist destinations may be a challenge to the sustainability of tourism development because, when compared to large-scale enterprises, these privately owned small-scale enterprises are less aware of sustainable tourism and face greater barriers that constrain them from adopting environmentally friendly practices. The review of previous studies indicate that the implementation of sustainable tourism practices has proved largely unsuccessful because at most destinations the sector is extremely fragmented and dominated by privately owned small tourism enterprises (Vernon et al., 2003; Huybers & Bennett, 2003). In developed countries, the response of tourism enterprises to environmentally friendly practices replicates the situation in other industries, i.e. large-scale enterprises with significant budgets and expertise show a greater willingness to adopt sustainable tourism practices than do their smaller counterparts (Vernon et al., 2003; Huybers & Bennett, 2003). These studies concluded that small- and medium-scale enterprises are not able to emulate the sustainable tourism practices of larger tourism enterprises for two reasons: they have more limited resources and they are less aware of tourism's potentially negative impacts on the environment. Privately owned small businesses often see themselves as being less equipped to take actions towards sustainable tourism development, and they also believe that they have only a low impact on the environment because of their small size. The important contribution of this study is to clarify that there is no significant difference existing between enterprises in the tourism sector of a developing country in the adoption of simple sustainable tourism practices such as energy savings and waste minimization, when these practices reduce operating costs and enhance the enterprises' environment. In other words, enterprises in the tourism sector have shown their willingness to adopt sustainable tourism practices if they are able to minimize operating costs. This is understandable: in the context of a highly competitive market, especially between small-scale enterprises, cost minimization and profit maximization are requirements for business survival.

A review of previous literature (Hunter & Green, 1995; Thomas, 2000; Chan & Lam, 2003; Simpson et al., 2004; Silva & McDill, 2004; Chan, 2005; Claver-Cortés et al, 2007; Erdogan & Baris, 2007) indicates that there are two stances about tourism

enterprises and their performance of sustainable tourism practices. The traditional view (Hunter & Green, 1995; Buhalis & Fletcher, 1995; Stabler & Goodall, 1997; Middleton & Hawkins, 1998) argues that adopting innovative sustainable practices in the running of a tourism business leads to a reduction in its profitability, and that performing ambitious sustainable tourism practices may involve costs that exceed an enterprise's capacity. However, simple sustainable practices such as energy saving, material savings and waste minimization can reduce operating costs and will also automatically result in environmental protection. The other view (Bramwell & Alletorp, 2001; Chan & Lam, 2003; Dewhurst & Thomas, 2003; Huybers & Bennett, 2003; Chan, 2005) assumes that the adoption of innovative sustainable tourism practices can allow an enterprise to reduce control costs and energy and material consumption. Thus the enterprise can deliver goods and services more economically while simultaneously reducing environmental impacts and enhancing the tourism experiences for the increasingly environmentally-aware tourist. Therefore, the adoption of innovative sustainable practices can be 'win-win' for an enterprise in the tourism sector.

Certainly, both these viewpoints are driving tourism enterprises' awareness and adoption of sustainable tourism practices in the city of Hue. However, it is important to note that the significant differences in the adoption of sustainable tourism practices in Hue stem from the heterogeneous and fragmented nature of the industry, and this is especially so in the city of Hue where more than 85% of the tourism enterprises are privately owned and small. The traditional point of view taken from the literature (i.e. implementation of innovative sustainability practices can reduce profits, but simple practices can reduce costs) can explain the findings of this study that there is no statistically significant difference existing between firms in the tourism industry in the adoption of simple practices such as energy saving, material saving, and waste minimization. However, this study's findings also illustrate the alternative point of view (i.e. the adoption of innovative sustainability practices can reduce costs) when looking at the practices of the large-scale enterprises in the Hue tourism industry: with 'better-off' resources, they adopt more innovative sustainability practices than do small-scale enterprises and, in doing so, obtain cost savings and find themselves in a more competitive position within the tourism market.

The analysis of current and potential future adoption of sustainable practices by tourism enterprises probably reflects their responses to the rise of sustainable tourism in general, as well as the differences between enterprises in the Hue tourism industry in their responses to sustainable tourism practices. The results reveal relatively strong positive correlations between tourism enterprises' responses to sustainable tourism practices and the enterprises' characteristics such as the scale of capital, years of operation, how dependent they are on tourism, and the educational qualification of the respondents. The positive correlations indicate that large-scale enterprises in the tourism sector tend to adopt more sustainable tourism practices than do small-scale enterprises.

#### **6.4 Sustainable Tourism Practices: Barriers to Action**

A large number of studies have argued that enterprises in the tourism sector, especially privately owned small-scale ones, are constrained in their ability to respond positively to sustainable tourism practices and sustainable tourism development because they face particular barriers. These barriers include limited financial and human resources, knowledge, and business motivation due to lack of tourist demands, as well as having to operate in a highly competitive market (Bramwell et al., 1996; Ateljevic & Doorne, 2000; Carlsen et al., 2001; Silva & McDill, 2004). Rebollo and Baidal (2003) highlight that a lack of political support, a lack of policy enforcement, and a lack of resources to monitor compliance of environmental regulations also become constraints, reducing the motivation for enterprises to transform their awareness of sustainable tourism practices into reality. The low awareness of how tourism development can impact on the environment was also recognized as a constraint (Vernon et al., 2003). Vernon et al. state that an improved understanding of the barriers to the adoption of sustainable tourism practices within tourism SMEs is critical if the concepts of sustainability are to be extended within the industry.

There are various factors that constrain tourism firms from implementing sustainable tourism practices into their daily routines. In this study, respondents were asked to rate six common constraints (identified from the literature review) by using a six-point Likert

scale, with ‘1’ being ‘not difficult at all’ through to ‘6’ being ‘extremely difficult’. The results reveal that, in general, Hue tourism enterprises face all of the commonly identified constraints in their adoption of sustainable tourism practices. The mean scores range from 4.1 to 4.5 (see Table 6.17) – scores considered relatively high. The main barriers identified were the high cost of implementing environmentally sustainable tourism practices (mean = 4.4), the lack of enforcement of policies and regulations (mean = 4.5), and a lack of knowledge or expertise in adopting these practices (mean = 4.5). Tourist behaviour, competitive behaviour, and a lack of infrastructure and resources were also recognized as factors that constrained their adoption of environmentally sustainable practices.

**Table 6.17: Hue tourism enterprises and constraints to their adoption of sustainable tourism practices**

Barriers	Level of difficulty (%)						Mean
	Not at all	Only slightly	Moderate	Fairly	Very	Extremely	
1. High implementation cost	0.0	4.5	20.7	31.3	31.3	12.3	<b>4.4</b>
2. A lack of infrastructure or resources	0.6	3.4	14.8	40.3	32.4	8.5	<b>4.3</b>
3. A lack of regulation and policy enforcement	0.0	0.6	13.3	28.9	49.1	8.1	<b>4.5</b>
4. A lack of knowledge or expertise	0.6	2.3	11.6	40.5	26.6	18.5	<b>4.5</b>
5. Competitive behaviours and environment	1.8	1.8	16.4	35.1	30.4	14.6	<b>4.3</b>
6. Tourist behaviour	1.2	3.0	25.5	31.5	33.3	5.5	4.1

The semi-structured interviews also highlighted a range of barriers that constrain enterprises from adopting sustainable tourism practices. The barriers can be classified into two different types. The first type of barriers relate directly to the ability of the enterprises to implement the practices; for example, a lack of resources, time, staff or information, as well as competing priorities that are immediate to daily business all make it difficult for an enterprise to adopt sustainable tourism practices. The second type of



barriers relate to the context of the tourist destination; examples include tourism infrastructure, public waste and recycling facilities, public awareness of environmental issues, and a lack of enforcement of government policies. To a certain extent, these constraints also make it difficult for an enterprise to adopt sustainable tourism practices. A range of responses illustrated the difficulties encountered by enterprises in their adoption of sustainable tourism practices (see Table 6.18). Quotes from the semi-structured interviews give insights into the challenges that enterprises face. For example, a manager from small-scale enterprise stated:

*...I understand the importance of environment to tourism business, especially in the context of Hue where environment and cultural heritage become the most important attractions. But you know I am running a small business and dealing with many difficulties and I am too busy to do anything else but survive in a such competitive environment in Hue. If you are a big business with staff and fund availability you can do it all...*

As a manager of a three-star hotel explained:

*...we are implementing some environmentally friendly practices in order to keep our business clean and make a contribution to the environment for Hue tourism. However, as you know environment protection is not an individual responsibility, it needs everyone's effort, not only in the tourism sector, but also in community. It is difficult to manage it as public awareness is low, government lacks support...*

A sales manager from a four-star hotel stated:

*...Tourist behaviours, especially domestic ones, are not good, they throw plastic bag, can, spitting... however, I am sure that no firms have complained about it, how we can complain about what they are doing - we don't want to lose our customers...*

There is a slight difference in tourism enterprises' awareness of these barriers. The semi-structured interviews revealed that small-scale tourism enterprises are often constrained by business motives (i.e. internal barriers) such as high implementation costs, lack of

time or lack of resources, whereas it is external barriers such as government policy, or market competition that are more like to constrain large-scale enterprises from adopting sustainable tourism practices. This finding was also repeated in the survey results (see Tables 6.19 and 6.20).

**Table 6.18: Barriers to the implementation of sustainable tourism practices by Hue tourism enterprises**

<b>Barriers to the adoption of sustainable tourism practices</b>	<b>Internal constraints</b>	<b>External constraints</b>
- Lack of knowledge or expertise	X	
- Lack of resources	X	
- Lack of time	X	
- Storage of facilities or lack of infrastructure within the firm	X	
- High implementation costs	X	
- Lack of information	X	
- Prioritizing return of business investment	X	
- Lack of support from the government	X	
- Competing priorities	X	
- Lack of staff	X	
- Rival's adoption of sustainable tourism practice	X	
- Lack of enforcement of government policies		
- Low public understanding about the tourism industry		X
- Low public awareness about environmental issues		X
- Lack of public waste collecting and recycling facilities		
- Overlapping function between government departments in tourism management		X
- Highly competitive market in Hue, especially for small firms		X
- Weak tourism infrastructures		X
- Disparate tourism industry		X
- Short length of the tourism season		X

In order to determine any association between the scale of an enterprise and the barriers to its adoption of environmentally friendly practices, a Spearman correlation and Chi-square test were used. The findings show that both the difference and correlation are statistically significant. This follows the findings described by previous studies such as Adeoti (2000), Carlsen et al. (2001), Wanhill (2002), Dewhurst & Thomas (2003) and Vernon et al. (2003). The most significant relationship is the relatively strong negative correlations between the scale of an enterprise and the following barriers to the implementation of sustainable tourism practices: high implementation costs, lack of infrastructure or resources, lack of knowledge and expertise, and competitive behaviours (see Tables 6.19 and 6.20). For example, consider the Rs value of 0.519: this indicates a strongly negative correlation between the scale of an enterprise and a lack of resources and infrastructure. In other words, small-scale enterprises will have limited resources and infrastructure (for example, lack of staff, finance, and facilities) and so find it more difficult to transform their awareness of sustainable tourism practices into actions. This result is particularly significant for the Hue tourism industry, where the majority of the enterprises are small scale.

**Table 6.19: Correlation between the scale of tourism enterprises and barriers to their implementation of sustainable tourism practices**

<b>Barriers</b>	<b>Rs. value</b>	<b>Asymp. Standard Error</b>	<b>Spearman Significance</b>
1. High implementation costs	-0.573*	0.049	0.000
2. A lack of infrastructure or resources	-0.519*	0.056	0.000
3. A lack of regulation and policy enforcement	0.165*	0.072	0.031
4. A lack of knowledge or expertise	-0.415*	0.066	0.000
5. Competitive behaviours and environment	-0.430*	0.057	0.000
6. Consumer behaviours	0.208*	0.074	0.008

*(\*Correlation is statistically significant is at the 0.05 level)*

The result of the Chi-square test shows that nearly 70% of small-scale enterprises (capital less than VND1 billion) stated that they found a lack of resources or infrastructure ‘very difficult’ (45.8%) or ‘extremely difficult’ (22%); in contrast, only 35% of medium-scale enterprises (capital of VND1–5 billion) and 10% of large-scale enterprises (capital exceeding VND5 billion) scored this barrier so highly. Similar patterns for the other barriers can be seen in Table 6.20.

It is important to note that there are two positive correlations: between the scale of an enterprise and the barriers relating to a lack of enforcement of the government’s regulations and policies, and to consumer behaviour. (These correlations are not strong but they are statistically significant.) These positive correlations indicate that large-scale enterprises in the tourism sector of the city of Hue are more sensitive to the lack of enforcement of the government’s regulations and policies and to tourist behaviour than are small-scale enterprises. This is clearly shown in Table 6.20: 70.3% of survey respondents from large-scale enterprises (total capital greater than VND5 billion) rated the lack of enforcement of government regulations and policies as ‘very difficult’ or ‘extremely difficult’, whereas less than 45% of respondents from small-scale enterprises scored this barrier so highly.

A positive correlation was also found between the scale of an enterprise and tourists’ behaviour: medium- and large-scale firms considered it to be a more difficult barrier, constraining their adoption of environmentally friendly practices, than did the small-scale enterprises. Table 6.20 shows that 45.7% of large-scale enterprises described tourist behaviour as a ‘very difficult’ barrier, whereas less than one-quarter of the small-scale enterprises rated it so highly. A possible explanation for this lower rating by the small-scale enterprises is that a lack of enforcement of the government’s current institutional framework might result in only limited competitive pressure on them because, without adequate enforcement, their business rivals are also less likely to adopt sustainable tourism practices. However, any move towards sustainable tourism practices and

environmental management requires the involvement of all the stakeholders at a destination.

**Table 6.20: Rating (%) of the difficulty of barriers to sustainable tourism practices  
by scale of tourism enterprise**

Barriers/scale	Level of Difficulty						2-sided $\chi^2$ test ( $\alpha = 0.05$ ) Significance
	Not at all	Only slightly	Moderate	Fairly	Very	Extremely	
High implementation costs							
Less than VND1 billion	0.0	0.0	3.3	18.3	56.7	21.7	0.000*
VND1–5 billion	0.0	2.5	22.8	40.5	22.8	11.4	
More than VND5 billion	0.0	15.8	44.7	31.6	7.9	0.0	
A lack of infrastructure or resources							
Less than VND1 billion	0	0	3.4	28.8	45.8	22.0	0.000*
VND1–5 billion	0	2.5	13.9	48.1	32.9	2.5	
More than VND5 billion	2.6	10.5	34.2	42.1	10.5	0.0	
A lack of regulation and policy enforcement							
Less than VND1 billion	0.0	0.0	12.3	43.9	40.4	3.5	0.015*
VND1–5 billion	0.0	1.3	14.3	23.4	49.4	11.7	
More than VND5 billion	0.0	0.0	13.5	16.2	62.2	8.1	
A lack of knowledge or expertise							
Less than VND1 billion	0.0	0.0	0.0	31.7	36.7	31.7	0.000*
VND1–5 billion	1.4	4.1	9.5	45.9	28.4	10.8	
More than VND5 billion	0.0	2.6	34.2	42.1	7.9	13.2	
Competitive behaviours and environment							
Less than VND1 billion	0.0	0.0	5.1	28.8	39	27.1	0.000*
VND1–5 billion	4.1	1.4	19.2	30.1	32.9	12.3	
More than VND5 billion	0.0	5.4	29.7	54.1	10.8	0.0	
Consumers' behaviours							
Less than VND1 billion	1.9	5.8	36.5	30.8	19.2	5.8	0.024*
VND1–5 billion	1.3	0.0	25.0	27.6	38.2	7.9	
More than VND5 billion	0.0	5.7	8.6	40.0	45.7	0.0	

( \*Difference is statistically significant at the 0.05 level)

The findings of this study have confirmed the conclusions made by Vernon et al. (2003); Carlsen et al. (2001), Wanhill (2002); Silva & McDill (2004); Hillary (2004); Le et al. (2006); i.e. that a lack of resources, high implementation costs, tourists' demands, and a lack of enforcement of government institutional frameworks are the most influential factors affecting the adoption of sustainable tourism practices by enterprises within the tourism sector. An enterprise needs adequate resources (financial and knowledge) if they are to be able to integrate sustainable tourism practices into their daily business. However, at this point in time, this study has found that Hue tourism enterprises are often small scale (over 85% of the total Hue tourism industry), and lack both resources and expertise to pursue such practices. Halme & Fadeeva (2001) describe money, time and expertise as the most critical resources affecting the success of attempts to adopt sustainable tourism practices.

Interviewees were asked where they had sourced any information they had about the current institutional framework for sustainable tourism. A large proportion (46%) stated that they had limited awareness of or couldn't find appropriate guidelines on the current government policies that might help them transform their awareness about sustainable tourism into practice. Many tourism enterprises, of all scales, have only limited awareness of the existence of national frameworks for sustainable tourism development – and this includes enterprises that have already adopted good sustainable tourism practices. It must be stressed that a lack of enforcement of the current institutional framework and a lack of support from government results in inadequate services, and that this can prevent firms from adopting sustainable tourism practices.

The semi-structured interviews generated many comments on the weakness of the government's management initiatives. This is highlighted by the following comments of interviewees. A director of a three-star hotel reported that:

*...it is difficult to obtain appropriate guidelines from local governments guide our practices, it is even easier to get international information or national one by using internet than that of provincial level.... Provincial government lacks the support and resources to monitor the compliance and enforce policies at firm level...*

One executive officer of a tour operation said:

*... we are aware of government policies but I think it is difficult to implement as government policies are often quite general and lack specific guidelines for each tourism sector. You know different tourism services have their own features but government often issues a 'one fit all' policy, you see, how we can adopt it. I think that, government needs to introduce enforce sanctions and specific guidelines for each sector in order to support them...*

An expert from the Hue Department of Tourism emphasized:

*...as you know the tourism sector is a key economic activity for Hue, especially in the last few years, tourism has developed rapidly. Government always makes an effort to introduce new regulations and policies in order to sustain tourism development and manage valuable cultural heritage. However, I think that the key issue here is government lacks the ability and effectiveness to implement such policies at the business level, thus, the effectiveness is relatively low...I think that we need great effort from both government and tourism firms otherwise we won't reach it...*

These findings are consistent with those of Berry and Ladkin (1997), Carlsen et al. (2001) and Silva and McDill (2004). All of these authors argue that a large number of government policies and guidelines for tourism industry have been published in different countries, but many are vague and do little to encourage enthusiasm for or understanding of sustainable tourism development. Tourism enterprises, especially small- and medium-scale ones, often face difficulties in finding, obtaining and understanding current policies and guidelines relevant to their business.

This study's result also partly confirms the findings of previous studies that revealed the positive correlation between tourism enterprises and their adoption of sustainable tourism practices in the context of a highly competitive tourism market (Rangel, 2000; Dewhurst & Thomas, 2003; Le et al., 2006). These authors concluded that enterprises perceiving a higher level of competition would be more proactive in adopting sustainable tourism practices in order to gain and sustain their competitive advantage in highly competitive tourism market. They explained that, in a less competitive tourism market, an enterprise

may not see the advantage of adopting sustainable tourism practices. This study confirms that in the competitive tourism market of Hue, enterprises have become proactive in adopting simple environmentally friendly practices such as waste minimization, and energy and material savings that may help them to reduce operating costs and automatically increase their competitive advantages.

However, the findings of this study also highlight the fact that a highly competitive market can be considered a barrier, constraining firms from adopting environmentally friendly practices. The correlation analysis showed a negative relationship between the scale of an enterprise and the adoption of environmentally friendly practices in a market perceived to be highly competitive; i.e. small-scale enterprises said it would be more difficult for them to adopt environmentally friendly practices in such a competitive environment than did the large-scale enterprises.

Dewhurst and Thomas (2003) and Liu (2003) indicate that the best way to convince enterprises in the tourism sector to adopt environmentally sustainable practices is to show them examples of other similar businesses who have successfully adopted such practices and who have significantly improved their environment, their position in competitive market and, of course, achieved cost savings. It also appears there is need for research that can quantify the costs and benefits of adopting sustainable tourism practices; such an analysis might help convince enterprises in the tourism sector of the overall benefits of moving towards sustainable tourism development.

It is concluded that there are a wide range of factors constraining tourism enterprises from transforming their awareness of environmentally friendly practices into their daily business routines. However, all these factors can be classified into just two types of constraints: internal or external. As summarised in Table 6.18, internal constraints include lack of knowledge or expertise, lack of time, lack of resources, limited firm infrastructure and the costs of implementation. All of these constraints relate to the ability of an enterprise to transform their awareness of sustainable tourism practices into actions. However, these are all controllable factors. The second type of constraints are external factors such as a lack of enforcement of the government institutional framework,



poor tourism infrastructure, lack of public awareness about the environment, tourists' demands and the short length of the tourism season. These constraints are outside the control of the individual enterprise.

The findings also confirmed that there is a relatively clear relationship between the scale of a tourism enterprise and the barriers that affect its ability to transform its awareness of sustainable tourism practices into action. In general, all the respondents recognized constraints that affect their abilities to practise sustainable tourism – and this was true for respondents from both large- and small-scale enterprises. However, this study has revealed that there is a slightly significant difference in how enterprises of different scales rate the difficulty levels of these barriers. On the one hand, small-scale tourism enterprises in Hue are more likely to face internal barriers such as high implementation costs, lack of resources or infrastructure, lack of knowledge and expertise, and the challenges of a highly competitive market – constraints all commonly known to be limiting SMEs in the tourism sector. On the other hand, the large-scale enterprises are more likely to be limited by external constraints such as the lack of enforcement of the government's policies and regulations, tourists' behaviours, lack of tourism infrastructure, and low public awareness about environmental issues.

## **6.5 Instruments to Encourage Adoption of Sustainable Practices**

The researcher wanted to understand how the current institutional framework for sustainable tourism development and environmental management is perceived and translated into daily business practices. Therefore, a construct of the perceived influence of these government initiatives was designed for analysis in this study. Respondents were asked about their perceptions of 13 policies and regulations that relate to their adoption of environmentally friendly practices. Respondents' perceptions were quantified by using a six-point Likert scale, with '1' being 'least influential' through to '6' being 'most influential', and then a factor analysis was applied. Before and after running the factor analysis, reliability tests were carried out to exclude any inconsistent variables or factors. The principal component analysis with Varimax method for orthogonal rotation was used

as the factor extraction method. The Kaiser's criterion was applied as the extraction rule upon which factors with Eigenvalues of less than 1, or loadings of less than 0.5, were excluded as these variables were considered insignificant in loaded factors.

The result of the initial factor analysis of the 13 variables generated 4 factors with Eigenvalues greater than 1.0 (see Table 6.21). The Eigenvalue of the fourth factor is only slightly higher than 1.0 and so explains only a modest percentage of the variance in the data; therefore, this factor was eliminated from any further analysis. Therefore, just three factors, explaining about 49.5% of the overall variance, were identified as having a perceived influence on the tourism enterprises' adoption of sustainable tourism practices. The first factor titled 'Institutional Economic Instruments' consists of 4 variables defined as institutional economic instruments for environment and resource management. These variables are waste management fees, non-compliance charges, and access fees to tourism resources. It is obvious that these instruments loaded together have directly affected and are also currently driving the daily business practices of enterprises in the tourism sector. It is worth noting that these four government initiatives all work on a market 'cost-benefit' rule. For example, businesses will be fined if they cause environmental pollution (for example, through a lack of sewage processing or waste collection systems) or if they break government regulations for tourism services at tourist destinations.

The provincial regulation of the liberalization and diversification of tourism services is perceived as one of the most important initiatives in the current institutional framework aimed at driving enterprises towards sustainable tourism practices. This policy covers not only the types of services that enterprises can legally provide, but also a range of services in relation to the local community and to environmental and cultural heritage management. For example, tourism enterprises have to apply for a licence and provide a blueprint with technical reports related to environment if they want to develop new services at a tourist destination. As shown in Table 6.22, a mean score of 4.3 demonstrates that institutional economic instruments have a strong influence on the daily business practices of enterprises in the tourism sector.

Interviewees were asked the following questions: ‘Do you consider local government policies and plans for sustainable tourism development in your business strategy?’ and ‘If so – which ones and why and how do you respond to such?’ The semi-structured interviews showed that tourism enterprises in Hue do tend to recognize the existence and importance of these initiatives in the current institutional frameworks to their business strategy. This importance can be illustrated by quotes from the interviewees. An interviewee from a joint-venture enterprise explained:

*...I think it is very effective in terms of driving the firm's daily business as we pay fees for waste management such as daily waste collections - so the more waste we leave, the more money we have to pay...we also have to follow government regulations on environment, especially at tourist destination such as asking our customers not to smoke or making, illegal use of heritage objects ... otherwise we are in trouble and will receive a high-fine for non-compliance that is very expensive for us, we may even have our business license withdrawn...*

Another interviewee from a large-scale enterprise said:

*...I think we all know them as they are directly related to our business. We should recognize that local government faces difficulty in finding which firm is non-compliant with current government regulations in their daily business. None of us want to have trouble with local government; we don't want to be fined ...*

Another interviewee said:

*...I am sure we can do more in terms of compliance with government's programmes and policies in terms of environment and tourism development in Hue. However, we need to ensure that other firms are also on board....*

Non-compliance charges and access fees to tourism resources are encouraging enterprises towards more environmentally friendly practices. For example, tourism enterprises who want greater access to tourism resources will have to pay more fees – and so will get reduced returns according to the ‘decreasingly marginal benefit’ rule. And so, the conclusion can be reached that institutional economic instruments can become a

most influential factor in encouraging enterprises in the tourism sector to adopt sustainable practices.

**Table 6.21: Loaded factors of perceived influence on enterprises' adoption of sustainable tourism practices**

Initiatives	Loaded Factors				Communalities
	1	2	3	4	
Provincial liberalization and diversification of tourism service	0.78	0.00	0.21	0.08	0.661
Fee for waste management	0.66	0.10	0.07	0.16	0.572
Non-compliance charges	0.66	0.35	-0.06	0.00	0.565
Access fee to tourism resources	0.53	0.23	0.11	-0.49	0.583
National master plan for sustainable tourism development from 1995–2010	0.22	0.64	0.37	0.09	0.606
National Tourism Ordinance of 1999	0.32	0.58	0.31	0.19	0.576
National Tourism Action Program 2002–2005	-0.03	0.77	0.19	0.03	0.632
National regulation on culture and heritage management	0.23	0.74	-0.16	0.03	0.621
Environmental Law	0.02	0.20	0.80	-0.21	0.726
Enterprise Law	0.34	0.08	0.68	0.20	0.634
Land Law	0.13	0.17	0.23	0.75	0.671
Property rights	0.18	0.08	-0.19	0.66	0.509
Administrative charge	0.48	0.11	0.10	0.09	
<b><i>Eigenvalues</i></b>	<b>3.80</b>	<b>2.38</b>	<b>1.50</b>	<b>1.08</b>	
<b><i>Cumulative % of variance</i></b>	<b>29.25</b>	<b>39.83</b>	<b>49.51</b>	<b>57.79</b>	
<b><i>Cronbach's alpha</i></b>	<b>0.76</b>	<b>0.69</b>	<b>0.55</b>	<b>0.37</b>	

(Note: Attraction Method: Principle Component Analysis, and rotation method: Varimax with Kaiser Normalization)

The Factor Analysis then indicated that the National Programs on Sustainable Tourism Development was the second most significant factor driving tourism enterprises' adoption of sustainable tourism practices. Factor 2, the National Programs on Sustainable Tourism, is comprised of four items: the National Master Plan for Sustainable Tourism Development, the National Tourism Ordinance, the National Tourism Action Program and the National Regulations on Cultural and Heritage Management. It is important to

keep in mind that these programmes are generally national guidelines for the tourism industry's adoption of sustainable tourism practices. These initiatives provide the overall institutional framework for environmental management and sustainable tourism development upon which decisions and regulations can be specified at the provincial level. Accordingly, they are often considered to be 'top-down' programmes with limited influence on tourism firms' actual adoption of sustainable tourism practices.

The semi-structured interviews also indicated that tourism enterprises tend to consider the current institutional framework in their business strategy but that there are significant differences in their adoption according to the different policies. The respondents indicated that although they do receive guidelines from local government when a new national programme comes out, they find it hard to accommodate these programmes into their daily business practices. The most frequently recurring reasons quoted are lack of detailed guidelines for their business, lack of consultancy, and lack of knowledge and resources. A mean score of 3.5 (Table 6.22) illustrates the relatively low influence that national programmes on sustainable tourism development have on the tourism enterprises' actual adoption of sustainable tourism practices. Quotes from the interviews illustrate this point:

*...if you ask us whether we consider government policy and plans for sustainable tourism development in our business, I am quite sure to say that many of us [tourism firms] will say 'yes'. Why? If you want to establish a new tourism business you will know why... I mean you have to understand the current institutional framework...but I think it is a little bit difficult to adopt these in daily business because we can afford it... we are quite busy in running business. We need more government advice and support...*

*Yes, we know them [national programs], the Hue Department of Tourism often sends us up-to-date documents if there is any new policy... I would say we are not less willingness to adopt them, but you see they are quite general and far from our service. Look at National Master Plan for sustainable tourism development or National Tourism Action Program, they [government] just provide general guidelines for the tourism industry but lack specific information at business level. I mean it is really hard to accommodate in our business, and I think other firms are facing the same challenge.*

The third factor loaded was titled ‘Government Laws’ and consisted of two laws, namely Environmental Law and Enterprise Law. It should be noted that these two government laws play a very important part in Vietnam’s current institutional framework, not only for the tourism industry but also for other industries. The Enterprise Law works to facilitate the establishment and operation of firms, while the Environmental Law facilitates the accomplishment of environmentally friendly practices in business and assists to strengthen environmental management capacity at all levels, especially within industrial sectors.

This research has shown that the influences of these two laws on tourism enterprises’ adoption of environmentally friendly practices are relatively limited (mean score of perceived influence = 3.3). A possible explanation is that both the Enterprise Law and Environment Law are facilitating a general framework for all, whereas the adoption of sustainable tourism practices requires instruments that can overcome the ‘common pool’ nature of tourism resources. It is stated that the ‘common pool’ nature of tourism resources causes over-exploitation and a lack of incentive for individuals to maintain or improve those resources (Briassoulis, 2002).

**Table 6.22: Means of perceived influence of factors on tourism enterprises’ adoption of sustainable tourism practices**

<b>Factor</b>	<b><i>N</i></b>	<b>Mean</b>
Factor 1 (Institutional Economic Instruments)	132	4.3
Factor 2 (National Programs on Sustainable Tourism Development)	109	3.5
Factor 3 (National Laws)	176	3.3

A cross-tabulation with a Chi-square test was performed (at a significance level of 0.05) to determine if there are any differences in the perceived influences of the current institutional framework on the tourism enterprises’ adoption of environmentally

sustainable tourism practices between the enterprises' different ownership structures. As shown in Table 6.23, there is a slightly difference but this is not statistically significant.

The results highlight that more than 70% of state-owned and joint-venture enterprises and nearly half of the privately owned enterprises considered Factor 1 (institutional economic instruments) to be 'very' or 'extremely' influential on their adoption of environmentally friendly practices into their daily business. This result reflects the strong effectiveness of institutional economic instruments in driving tourism enterprises' responses to sustainable tourism practices or, in other words, reflects that tourism enterprises tend to recognize the effectiveness of institutional economic instruments on their adoption of sustainable tourism practices.

Table 6.23 also reveals that there is a statistically significant difference in the perceived influence of Factor 2 (National Programs on Sustainable Tourism) and Factor 3 (National Laws) on enterprises with different ownership structures. Again, state-owned and joint-venture enterprises perceived these factors to be more influential on their adoption of sustainable tourism practices than did privately owned enterprises. For example, about 60% of state-owned and 80% of joint-venture enterprises considered Factor 2 to be 'very' or 'extremely' influential on their decision to adopt sustainable tourism practices into their daily business, whereas just 20% of the privately owned enterprises rated the influence of this factor so highly (see Table 6.23).

Table 6.23: Perceived influences of factors on tourism enterprises' adoption of sustainable tourism practices, according to ownership structures

	Level of perceived influence (%)					2-sided $\chi^2$ Test ( $\alpha = 0.05$ ) Significance
	Only slightly	Moderate	Fairly	Very	Extremely	
<b>Factor 1: Institutional Economic Instruments</b>						
Private ownership	0.9	9.0	44.1	44.1	1.8	0.126
State ownership	0.0	0.0	27.3	54.5	18.2	
Joint-venture	0.0	0.0	22.2	55.6	22.2	
<b>Factor 2: National Programs on Sustainable Tourism Development</b>						
Private ownership	5.7	33.3	40.2	19.5	1.1	0.002*
State ownership	0.0	16.7	25.0	58.3	0.0	
Joint-venture	0.0	0.0	22.2	55.6	22.2	
<b>Factor 3: National Laws</b>						
Private ownership	15.1	25.7	32.9	25.0	1.3	0.027*
State ownership	0.0	14.3	35.7	50.0	0.0	
Joint-venture	0.0	0.0	66.7	33.3	0.0	

(\*Difference statistically significant at the 0.05 level)

The cross-tabulation with a Chi-square test was repeated to investigate any differences related to the scale of the enterprises. The analysis revealed that there are statistically significant differences existing between the perceived influences of the three loaded factors and the scale of enterprises. The majority (80%) of large-scale enterprises (capital exceeding VND5 billion) rate institutional economic instruments as 'very' and 'extremely' influential on their adoption of sustainable tourism practices; this figure contrasts with about 55% of medium-scale enterprises (capital of VND1–5 billion) and just 23% of small-scale enterprises (capital less than VND1 billion). Similar findings were also found when the ratings of the perceived influences of Factors 2 and 3 on the enterprises' adoption of sustainable tourism practices were compared across the different scales of the enterprises.



**Table 6.24:** Perceived influence of factors on tourism enterprises' adoption of sustainable tourism practices, according to the scale of the enterprises

Factor	Level of influence (%)					2-sided $\chi^2$ Test ( $\alpha = 0.05$ )  Significance
	Only slightly	Moderate	Fairly	Very	Extremely	
Factor 1: Institutional Economic Instruments						
Less than 1 Billion (VND)	2.5	17.5	57.5	22.5	0.0	0.000*
1–5 Billion (VND)	0.0	3.6	41.8	54.5	0.0	
More than 5 Billion (VND)	0.0	0.0	20.0	62.9	17.1	
Factor 2: National Programs on Sustainable Tourism Development						
Less than 1 Billion (VND)	12.0	52.0	24.0	12.0	0.0	0.000*
1–5 Billion (VND)	2.2	35.6	44.4	17.8	0.0	
More than 5 Billion (VND)	0.0	2.7	37.8	51.4	8.1	
Factor 3: National Laws						
Less than 1 Billion (VND)	25.9	29.3	36.2	8.6	0.0	0.000*
1–5 Billion (VND)	9.0	25.6	29.5	35.9	0.0	
More than 5 Billion (VND)	0.0	7.9	47.4	39.5	5.3	

(\*Difference statistically significant at the 0.05 level)

In Chapter One the research question was asked: ‘Do the current policies and plans incentivize or motivate tourism enterprises to adopt environmentally friendly practices in their daily business practices in Hue and in Vietnam?’ The above result partly answers this question: institutional economic instruments appear to be strongly effective in encouraging tourism enterprises to adopt environmentally friendly practices, while national programmes on sustainable tourism development and national laws have only a limited effect. In order to determine the rank correlation between the perceived influence of the current institutional framework and enterprises' adoption of sustainable tourism practices, a Spearman correlation was used. The result of this correlation model highlights that there are positive correlations, but weak association existed between the perceived influential of current institutional framework and their adoption of sustainable tourism practices (see Table 6.25).

The correlation was statistically significant between Factor 1 and five of the six sustainable tourism practices. In other words, institutional economic instruments were perceived to influence tourism enterprises' adoption of nearly all of the practices. There was one exception: although there was a positive correlation between institutional economic instruments and material savings, this correlation was not statistically significant – even though adoption of this practice can reduce an enterprise's operating costs. There were also positive correlations, but again these were not statistically significant, between National Programs on Sustainable Tourism (Factor 2), National Laws (Factor 3), and tourism enterprises' adoption of sustainable tourism practices. In other words, these factors have only limited effectiveness in driving tourism firm towards sustainable practices in their daily business.

**Table 6.25: Ranked correlation between the perceived influence of factors and enterprises' adoption of sustainable tourism practices**

	Factor 1		Factor 2		Factor 3	
	Rs Value	Approximate significance	Rs Value	Approximate significance	Rs Value	Approximate significance
Recycling activities and waste minimization	0.320*	0.000	0.261*	0.008	0.133	0.086
Funding for public environmental activities	0.254*	0.008	0.188	0.052	0.098	0.200
Energy savings	0.337*	0.013	0.202	0.044	0.086	0.271
Material savings	0.010	0.916	0.046	0.647	0.036	0.651
Annual environmental impact assessment	0.320*	0.019	0.086	0.409	0.021	0.791
Enhancing the surrounding environment	0.350*	0.007	0.122	0.238	0.212	0.046

*(\*Correlation statistically significant at the 0.01 level)*

Tosun (2001) and Erdogan and Baris (2007) argue that a clean environment is a basic component of quality service and is thus important for the development of tourism. Sustainable tourism development also calls for the inclusion of environmentally friendly practices in every phase of a business, from policy making to daily routine practices. However, the fact remains that in Vietnam the tourism industry is very largely comprised

of small operators who, although reliant on tourism resources, often take very little responsibility for the environment. These enterprises may work on the assumption that if they do not use the resources, others will. They let the government alone take responsibility for environmental management. However, such actions by individual firms could lead to a situation in which they are worse off because tourism resources have become degraded, there is an associated decline in tourism development, and hence the sustainability of the whole tourism industry is threatened (Middleton, 1997; Briassoulis, 2002; Mason, 2003).

Environmental pollution and unsustainable practices at tourist destinations highlight the so-called 'free-rider' issue that has become endemic in some parts of the Vietnamese tourism industry. This problem is especially pertinent in developing countries where there is a lack of strong enforcement of an institutional framework for tourism resource management. Tourism enterprises often capitalize on tourism resources for their business by exploiting them, while their responsibility is limited to only that of all the other stakeholders at the tourist destinations (Jamieson & Noble, 2000; Huybers & Bennett, 2002; Briassoulis, 2002). The lessons learned from the past experiences of tourism development suggest that the extent to which sustainable tourism development can be obtained is largely dependent on how well it is managed (Jamieson & Noble, 2000; Chon, 2000). In other words, defining an effective framework to reduce the 'free-rider' issue in the tourism industry is a critical step on the road of transforming the tourism enterprises' awareness of sustainable tourism practices into their daily business.

A review of recent literature reveals that market mechanisms with regulating structures that can overcome identified weakness in tourism resource management can be effective in influencing enterprises to adopt sustainable tourism practices while, at the same time, ensuring the economic viability of their business. However, the highly fragmented structure of the tourism industry in Hue, with more than 80% of enterprises being privately owned small-scale enterprises, creates a challenge: the market mechanism will not create optimum solutions for sustainable tourism development when privately owned small enterprises have access to common resources, but are not willing to contribute to their protection (Wanhill, 2002; Vernon et al., 2003; Hillary, 2004). Wanhill (2000)

demonstrated that negative externalities (i.e. negative impacts of tourism) resulted from the expansion of private enterprises with ‘free-rider’ access to tourism resources. This study found that the Hue tourism industry is largely dependent on public goods such as cultural heritages, natural landscapes and intangible cultural values – and that all of these can be considered to be ‘open-access’ resources in the context of a lack of enforcement of government policies. Meanwhile, 85% of the tourism enterprises in Hue are privately owned, small and characterised as having low financial capacity and a lack of resources. Their business is mainly based on access to tourism resources, while their awareness and responses (i.e. their adoption of environmentally friendly practices) are limited due to a lack of resources, high implementation costs, the lack of enforcement of government policies and regulations, and the highly competitive environment. Accordingly, government plans for sustainable tourism development are far away from reality, and it will be hard to turn them into reality. Tosun and Timothy (2001) suggest that moving towards sustainable tourism development in developing countries largely depends on changes in the political economic context and requires strong mechanisms to drive tourism enterprises towards sustainable practices.

The research found that there is a statistically significant difference in the perceived influence of current government regulations on tourism enterprises’ adoption of sustainable tourism practices depending on the scale of the enterprise and on its ownership structure. These findings contradict previous studies that argue that government regulations can be applied transparently throughout the tourism sector, regardless of the enterprise’s size, its type of activities, or its ownership structure (Frederico, 2002). However, the findings of this study are consistent with those from past literature (Harrison, 1996; Rondenelli and Berry, 2000; Claver-Contés et al., 2007); i.e. ‘command-and-control regulations’, such as the National Master Program on Sustainable Tourism (Factor 2) and National Laws (Factor 3), discourage tourism enterprises from adopting innovative environmental practices.

Ali (2006) states that we currently lack effective means to translate the conceptual ideas into actions, and so any sustainable tourism policy runs the risk of being irrelevant and unfeasible to the real world of tourism development. However, this study provides strong

evidence that institutional economic instruments *are* effective in driving tourism enterprises towards adopting sustainable tourism practices. Furthermore, evidence from other studies (Wanhill, 2002; Roca et al., 2005) also argues positively for the effectiveness of economic instruments on influencing tourism enterprises' adoption of sustainable tourism practices. These studies suggest that governments could implement a range of instruments such as charging user-fees for access, environmental taxation, or other liability practices in order to drive enterprises towards the desired goals of sustainability. Middleton and Hawkins (1998) state that using economic instruments such as taxes, fees or pricing of tourism resources in order to discriminate or discourage use, has become the most influential tool to reduce the demand on available tourism products, thus helping to reduce the over-exploitation of tourism resources and the negative impacts of mass-tourism development.

Unsustainable practices continue because the costs of these practices are carried by the environment, not by the tourism enterprises. The application of economic instruments can promote the internalization of these environmental costs to enterprises in the most efficient manner (see Figure 2.2). Institutional economic instruments can also enhance the capacity of a government to deal with development issues, promote technology innovation, and influence business and consumption patterns (Panayotou, 1994). It is not equivocal that under the condition of failure of market economics, institutional economic instruments are said to work more efficiently in the stimulation of tourism firms' response towards sustainable tourism practices than either stakeholder or organizational ethics, or top-down government policies.

## **CHAPTER SEVEN**

### **CONCLUSIONS AND RESEARCH AGENDA**

This chapter revisits the main conclusions of the study and discusses their broader significance. A summary and discussion of the tourism industry in the city of Hue and its responses to the rise of sustainable tourism development and environmental management initiatives are presented. The remainder of this chapter is then dedicated to exploring the contributions and implications of the study, with the last section presenting a possible research agenda for the study of enterprise response to the rise of sustainable development initiatives in Vietnam.

#### **7.1 Key Findings**

The concept of sustainable tourism involves the management of all tourism resources in a way that fulfils economic, social and aesthetic needs while maintaining cultural integrity and ecological diversity (Bramwell & Lane, 1993; WTO, 1996; McKercher, 2003). A large number of studies (Carlsen et al., 2001; Tosun, 2001; Wanhill, 2002; Le et al., 2006) have concluded that a long road is often faced when trying to transform the concept of sustainable tourism from theory into practice because there are many barriers constraining the tourism industry from implementing sustainable practices. Additionally, it is stated that few stakeholders have a good understanding of what is required to develop successful sustainable tourism because this concept is broad and complex (McKercher, 2003).

The adoption of sustainable tourism practices and environmental management more generally will improve the competitiveness and sustainability of a tourism destination. It is argued that if the destination is properly managed then tourism resources that appeal to tourists can be maintained over time. The protection of unique resources also means that the destination can have a greater opportunity to be differentiated from its competitors

(Hassan, 2000; Huybers & Bennett, 2003). There is, however, certainly no ‘one size fit all’ practice for destination management as no two destinations are the same and, therefore, the choices and paths taken to sustainable tourism vary from destination to destination (Ali, 2006 McKercher, 2003).

Destination development models clearly suggest the significance of understanding the nature of tourism enterprises and their motivations because different types of tourism enterprises will generate different impacts on the sustainable development of a destination (Presenza, 2006). It is also argued that an understanding of the attitudes and responses of enterprises to sustainable tourism initiatives will assist in the successful implementation of policies designed to encourage the adoption of sustainable tourism development (Vernon et al., 2003).

This thesis is devoted to an investigation of the tourism industry’s awareness of, and responses to, the rise of sustainable tourism and environmental management initiatives in the city of Hue, Vietnam – a developing country. The research objectives of this study are to: (1) understand the current nature of the tourism industry as well as the political and economic context within which it operates in the city of Hue; (2) study the attributes of tourism enterprises, and the enterprises’ attitudes towards both sustainable tourism practices and the current institutional framework within which they are operating (3) identify the barriers affecting the responses of tourism enterprises to sustainable tourism practices and environmental measures; (4) begin to identify appropriate tools to drive tourism enterprises to respond positively to sustainable tourism practices in order to enhance positive outcomes for the tourism industry while mitigating the detrimental impacts of tourism.

Vereczi (2006) states that evaluation of industry responses to sustainable tourism practices at a tourism destination requires a range of data and information, both quantitative and qualitative, to be gathered from various stakeholders. In this thesis, a ‘triangulation’ of various research methods was applied; this allowed the study to capitalize on the advantages and overcome the weaknesses of a range of approaches (Milne & Ateljevic, 2003). The documentary method provided information used to

understand the current socio-cultural and political and economic context of the research site. Semi-structured interviews provided an in-depth understanding of enterprises' responses to sustainable tourism approaches and awareness of policies influencing the sustainability of Hue's tourism industry. The questionnaire survey was used to collect data about attributes of the enterprises, as well as their attitudes towards and the barriers they faced to adopting sustainable tourism practices. This source of quantitative information is helpful for testing and validating theoretical concepts used in this study. The qualitative and quantitative information complement each other and so strengthen the findings of this study.

Previous studies on tourism enterprises' attitudes toward sustainable tourism (Bramwell & Lane, 2000; Howie, 2003) argue that the industry's awareness of and response to sustainable tourism practices and environmental issues is configured by and interwoven with the local, national and global political and economic contexts, and by a range of socio-cultural forces. This study shows that while the transition from a centrally planned economy to a market-based system has opened up great opportunities for tourism development in Vietnam, and Hue specifically, there are also very real challenges that accompany such growth.

The development of a tourism industry in the city of Hue has involved the construction of infrastructures such as hotels, resorts, restaurants, and recreation facilities such as golf courses, tennis courts and swimming pools. These facilities are built for tourists not for the local communities, yet they occupy a large space where local people had imbedded their livelihoods. Furthermore, the construction of these facilities can have the same negative impacts, such as soil erosion, changes in water runoff and damage to the natural environment, as any other construction project. Direct use of natural resources, both renewable and non-renewable, in the provision of tourist facilities is one of the most significant direct impacts of tourism in a given area; this can lead to conflict over resources between local communities and the tourism industry (Luong, 2005b; Thang, 2004).



The process of economic reform has also led to a rapid shift in the ownership structure of those businesses involved in the tourism industry: privately owned small-scale enterprises now dominate the industry (85% of all registered tourism businesses. From 2000 to 2005 the number of tourism enterprises in the city of Hue more than doubled, from over 1900 to 4200. This rapid expansion of privately owned firms has created a highly fragmented tourism industry in Hue – a characteristic that is considered by some researchers to be a major barrier to the successful implementation of government programmes on sustainable tourism development and environmentally friendly business practice (Cooper, 1997, Tosun, 2001).

The current institutional framework for sustainable development in the city of Hue can be classified into three categories. The first involves businesses, with a special focus on voluntary instruments such as self-regulation programmes and education and public activities to encourage sustainable development and environmental protection. The second category, also focused at the business level, involves mixed formal instruments such as subsidies, and institutional economic instruments such as fees, taxes, and mandatory industry regulations. The third category is government policies and programmes on sustainable tourism development and environmental management; these operate at both the regional and business level.

A system for environmental management within the tourism industry has been established from central government down to the local government level. The study, however, highlights the ‘top-down’ nature of the current administrative system in the Vietnamese tourism industry. There is a lack of ‘space’ for local communities and tourism enterprises in setting out, as well as implementing, plans and policies on sustainable tourism development and environmental management. Additionally, the findings illustrate that these government initiatives rely heavily on ‘command-and-control’ approaches involving mandatory frameworks that force tourism enterprises into adopting environmentally friendly practices into their daily business.

Despite great effort made by local government to implement these plans and policies, this research shows they have limited effectiveness in driving tourism enterprises towards

environmentally friendly practices. For example, implementation of national laws such as the Environmental Law and the Enterprises Law has had little effect at the local business level. This study confirms findings of past literature (Harrison, 1996 Rondinelli & Berry, 2000; Claver-Cortés et al., 2007) that command-and-control regulations often discourage tourism enterprises from adopting innovative environmental practices.

The nature of tourism enterprises in Hue does not differ significantly from those described in many previous studies in developing countries (Rangel, 2000; Tosun, 2001; Le et al., 2006) in terms of their capital capacity, human resources, aims, and awareness of sustainable tourism practices. This study found that three-quarters of the tourism enterprises in the city of Hue are small scale, and that many of them have low financial capacity and a lack of human resources. There is significant variation in attributes existing between different ownership structures: state-owned and joint-venture enterprises have better resources (such as financial capacity, human resources and facilities) than privately owned ones. There is a significant association between tourism enterprises' demographic factors and their attitudes towards sustainable tourism practices.

The tourism industry's awareness of sustainable tourism is low. The awareness of possible impacts of the Hue tourism industry on the environment is consistent with their awareness of the concept of sustainable tourism, i.e. the industry is more concerned about tangible detrimental influences such as monument degradation, road congestion and water pollution, and is less aware of the possible long-term negative impacts that tourism might have on local cultures and social issues (Robinson, 1996; McKercher, 2003). This influences businesses' adoption of environmentally friendly practices into their daily routines.

This study shows that despite the fact that many tourism businesses in Hue have begun to adopt sustainable practices, the results vary by business type and are not always impressive. When the environmentally friendly practices are simple and shown to minimize operating costs, then there is no significant variation in their adoption by tourism enterprises with different demographics. However, there is a slightly significant

difference in the adoption of innovative sustainable tourism practices depending on the size of a tourism enterprise because activities such as funding for public environmental activities or producing environmental impact assessment reports may increase operating costs in the short term.

Hunter and Green (1995), Stabler and Goodall (1997), and Middleton and Hawkins (1998) all suggest that the reason why there is difference in the adoption of environmentally friendly practices between small- and large-scale tourism enterprises is that the implementation of innovative sustainable practices leads to a reduction in a business's profitability. In contrast, simple sustainable practices such as energy savings, material savings and waste minimization have minimal set-up costs but can generate immediate operational savings. In the context of Hue's highly competitive tourism industry, cost reduction and profit maximization have become significant motives shaping the tourism enterprises' uptake of environmentally friendly practices. The study shows, for example, that Hue tourism enterprises were quick to adopt simple energy- and material-saving and recycling activities, but fewer enterprises adopted more innovative sustainable practices.

The findings of this study offer some explanation for the limited adoption of environmentally friendly practices by tourism enterprises in the city of Hue. Barriers constraining Hue tourism enterprises from adopting such practices do not differ significantly from those barriers identified in previous studies set in developed countries (Dewhurst & Thomas, 2003; Huybers & Benett, 2003; Le et al, 2006). The high cost of implementing some practices, a highly competitive market, a lack of resources, the lack of enforcement by government of institutional frameworks, and the lack of knowledge about sustainable tourism, are the main barriers faced by Hue tourism firms.

This study demonstrates there is a some difference between small- and large-scale enterprises in the barriers faced to adopting sustainable tourism practices. The findings reveal that small-scale tourism enterprises are more strongly influenced by a range of internal constraints – such as the possible high costs of implementing sustainable practices, a lack of capital and human resources, and a lack of knowledge – and that these

constraints combine to shape an enterprise's response to sustainable tourism practices. Meanwhile, external barriers such as the lack of enforcement of government policies, tourists' behaviour, and low public awareness all play a more crucial role in shaping the actions of large-scale enterprises.

Regarding the current institutional framework for sustainable tourism development, it is argued that a 'top-down' approach with 'command-and-control' instruments discourages tourism firms from adopting environmentally friendly practices (Harrison, 1999; Claver-Cortés et al., 2007). The ineffectiveness of government initiatives currently available in driving tourism enterprises' responses towards sustainable practices highlights the need for an alternative approach. This researcher suggests that institutional economic instruments could be a more effective way for governments to encourage tourism enterprises in the city of Hue to adopt sustainable practices, as other studies confirm (Wanhill, 2002; Roca et al., 2005).

## **7.2 Contributions of the Research**

The paradigm of sustainable development is only about 20 years old; the concept of sustainable tourism is even younger and is still evolving (McKercher, 2003). In fact, a large number of studies have been conducted to examine how environmentally friendly practices are integrated into daily business activities and these have become among the most discussed topics in the study of sustainable tourism over the last two decades (Rangel, 2000; Wanhill, 2002; Simpson et al., 2004; Le et al., 2006). Most of these studies have been carried out in the context of developed countries; there are relatively few studies that have been conducted in the context of developing nations. In order to stay close to the vision of sustainable tourism development in the context of a developing country, it is important to understand tourism enterprises' attributes, barriers, and responses to sustainable tourism development. To return to the research objectives, the question is: What are the contributions and implications of the thesis findings to debates on the links between tourism enterprises and sustainable tourism development.

The findings of this study demonstrate that in response to the high growth rate of tourism in Vietnam, a large number of privately owned, small-scale enterprises entered the tourism sector. The dominance of these small-scale enterprises challenges sustainable tourism development in the city of Hue, because many of them have low financial capacity, limited resources and less awareness, and adoption, of sustainable tourism practices.

Some authors argue that while tourism enterprises are often aware of the principles of sustainable tourism, they find it hard to accommodate these practices into their daily business (de Haas, 2002; Cruz, 2003). However, the findings of this research confirm the more usual critique made by previous studies (Cooper, 1997; Adeoti, 2000; Roca et al., 2005; Mycoo, 2006) that tourism enterprises, especially small-scale ones, have limited awareness of the detrimental effects that tourism can have on the environment or of sustainable tourism practices. This research confirms that low awareness is one of the barriers constraining the adoption of sustainable practices by tourism enterprises in the city of Hue into their daily business. To achieve sustainable tourism, it will be necessary to both increase awareness and improve the attitudes of tourism enterprises towards sustainable practices.

An important contribution of this study is to clarify that the size of a tourism enterprise and its ownership structure is a significant factor influencing its adoption of environmentally friendly practices in Vietnam. There is no significant difference in adopting environmentally friendly practices between enterprises of different sizes if the practices are simple and can quickly result in cost savings. However, as the complexity of introducing environmental measures increases, only the larger-scale tourism enterprises are in a position to bear the short-term implementation costs. This thesis confirms a similarity in the adoption of sustainable tourism practices between tourism enterprises in developed and developing countries, such as Vietnam (Hunter & Green, 1995; Middleton & Hawkins, 1998; Bramwell & Alletorp, 2001; Carlsen et al., 2001; Chan & Lam, 2003; Huybers & Bennett, 2003; Chan, 2005). It can be argued that resources, implementation costs and profitability all influence tourism enterprises in their adoption of sustainable tourism practices. This research also reinforces that fact that

small-scale enterprises are less likely to adopt innovative sustainable tourism practices than are large-scale enterprises.

Third, this thesis offers insights into tourism enterprises and the barriers to their adoption of environmental sustainable practices in the context of Hue, Vietnam – a city in a developing country. Generally, this study reinforces conclusions made by previous studies done in developed countries (Vernon et al., 2003; Wanhill, 2002; Silva & McDill, 2004; Hillary, 2004) and in developing countries (Tosun, 2001; Le et al., 2006). Additionally, this study helps to classify barriers into two types – internal and external – in association with the scale of the tourism enterprises. For example, small-scale tourism enterprises are much more likely to be constrained by internal barriers such as a lack of resources, infrastructure and knowledge, and high implementation costs, while larger enterprises are more concerned about the lack of enforcement of government policies, poor public infrastructure, or low public awareness about tourism.

The study also illustrates that a highly competitive market constrains small-scale enterprises' adoption of environmentally friendly practices. This finding contradicts the findings of previous studies (Rangel, 2000; Dewhurst & Thomas, 2003) that revealed a positive correlation between tourism enterprises and their adoption of sustainable tourism practices in the context of highly competitive environment. These authors concluded that the enterprises perceiving a higher level of competition would be more proactive in adopting environmentally friendly practices in order to gain and sustain their competitive advantage in highly competitive environment. They explained that in a less competitive environment, the enterprise may not see any advantage to adopting environmentally friendly practices. However, this study argues that adopting environmentally friendly practices is not a key competitive strategy in a developing context where most enterprises are small scale and are struggling to survive. A lack of resources and knowledge, and high implementation costs are defined as barriers constraining small-scale enterprises from adopting environmentally friendly practices. Thus, these enterprises tend to find ways to minimize their operating costs, including the cost of innovatively sustainable practices, to ensure their survival in a highly competitive environment.

This study confirms the theoretical framework of Diffusion of Innovation Theory that tourism enterprises' adoption of environmentally friendly practice is influenced by a variety of factors including the demographic factors of the enterprises, the characteristics of their practices, and the context in which they operate (Thomas, 2000; Vernon et al., 2003; Huybers & Bennett, 2003; Twining-Ward & Butler, 2002; Chan, 2005). In other words, factors such as the scale of an enterprise and its financial capacity, the government institutional framework, customer demand, and the highly competitive nature of the tourism industry in the city of Hue are all influencing enterprises' adoption of environmentally friendly practices. This study also confirms that perceived economic benefit (i.e. business return) is one of the most important factors motivating tourism enterprises, especially the smaller-scale ones, to get involved in environmentally friendly practices.

Studies of government policies promoting sustainable tourism development (Berry & Ladkin, 1997; Silva & McDill, 2004) showed that many such policies are vague and do little to encourage enthusiasm for, or an understanding of, sustainable tourism development. Tourism enterprises, especially small-scale ones, often face difficulties in finding, obtaining and understanding current policies and guidelines relevant to their business. Harris (2000) argues that the inadequacy of governance tools is one reason why sustainable development has been slow in being implemented. Harris (2000) suggests that good governance is a precondition for implementation of sustainable development strategies in any country. Findings from recent studies (Frederico, 2002; Dwyer & Kim, 2003; McMullen, 2006; Le et al., 2006) suggest that government regulations play an important part in driving tourism enterprises' adoption of sustainable practices. Dwyer and Kim (2003) point out that environmentally friendly performance varies systematically with the quality of a country's regulatory regime. It is also essential that government regulations can be applied transparently throughout the tourism sector, regardless of business size, type of tourist activity, or location, to ensure that any potentially negative impacts that tourism might have on the local community and the environment are minimized.

This study demonstrates that the Vietnamese government's policies and programmes on sustainable tourism development generally involve mandatory regulations and can be characterized as a 'command-and-control' approach. The government's management initiatives have specific requirements for pollution control technologies, equipment, or inputs; these have been strongly criticized for being costly, legalistic, and an obstacle to small-scale tourism enterprises in their adoption of sustainable practices. This study demonstrates that the current national programmes and laws, while they are not failing in absolute terms, still have only limited effectiveness in driving tourism enterprises to adopt environmentally friendly practices. A possible explanation shares similarities with that discussed in Richardson (1987) and Tosun and Timothy (2001), i.e. top-down policies addressing economic and environmental issues in tourism have limited influence because they deal with their respective issues in a vertical 'top-down' way. In this system, all decisions and plans are made and implemented without careful consideration of local conditions and without local participation. It also means that a greater dialogue and co-operation within and between stakeholders such as governments, the tourism industry and local communities is necessary for local participation in tourism development.

Lipscombe and Thwaites, (2003) argue that there are two key problems facing the development of sustainable tourism in Vietnam: one is the lack of opportunity for participation by local communities, and another is the conflict between sustainable tourism management and tourism development objectives. Local governments often set high annual growth targets for the tourism industry (e.g. targets for revenue and the number of tourist arrivals), but they show less concern for improving the supporting infrastructure. This research suggests that the key to overcoming the current problems in government policies and programmes on sustainable tourism development is to enable greater collaboration between the stakeholders.

Finding effective means for managing the environment and encouraging the tourism industry to adopt more environmentally friendly practices are major concerns, not only for governments and practitioners but also for scholars. Unfortunately, we currently lack effective means to transform the concept of sustainable development into the practicality



of tourism development (Ali, 2006). This study reveals that institutional economic instruments are effective in driving tourism enterprises towards adopting more environmentally friendly practices. Governments have a wide range of economic instruments, such as charge and liability systems, to choose from. Using these instruments helps to choke off tourism enterprises' demand for tourism resources, thus driving them towards the optimum social points at which we achieve sustainable development. This study argues that institutional economic instruments can overcome deficiencies in a market-based economic mechanism to drive the tourism industry towards more sustainable practices and so enhance positive outcomes for tourism development.

### **7.3 New Research Agenda**

Given the relatively poor adoption of environmentally friendly practices by tourism enterprises in the city of Hue and the low visibility of sustainable tourism development in most tourist destinations, additional research is clearly needed. It is obvious that enterprises are finding it hard to accommodate the large number of sustainable tourism principles into their daily business. This research reveals that institutional economic instruments have the potential to drive tourism enterprises to adopt environmentally friendly practices. However, in different political and economic contexts, the extent and the efficacy of using these instruments may be different. Future research should look at the incorporation of the principles of sustainable tourism practices and institutional economic instruments into tourism planning and management at specific tourist destinations. This would enhance our understanding of sustainable tourism development, and make a significant contribution towards the achievement of such development in Vietnam in general and, in particular, in the city of Hue.

The tourism enterprises in this study all showed willingness to adopt sustainable tourism practices that would reduce costs and maximize profit, but they were less willing to adopt innovative sustainable tourism practices that consume resources in the short-time and only provide benefits in the long-term. The study also indicates that the best way to

convince tourism enterprises to adopt environmentally sustainable practices is to show them an example of a similar business which has adopted such practices and where environmental improvement and cost savings are clearly demonstrated. There is a need for future research to focus on the quantification of the costs and benefits of adopting sustainable tourism practices, as the production of 'hard figures' might help convince enterprises in the tourism sector of the value of sustainable tourism development. Future research should also focus on the quantification of costs and benefits of adopting sustainable practices in the specific context of each sector, i.e. accommodation, tour operation, and food and beverage.

Achieving sustainable tourism development at a particular destination is more complicated than just considering the practices of a single or multiple enterprises: many different stakeholders (e.g. visitors, tourism enterprises, authorities, local communities) with a range of interests will have an involvement in the destination. Therefore, achieving sustainable development within a tourism destination requires the efforts and participation of multiple stakeholders. More research on the possible complementary – and conflicting – responses of multiple stakeholders would be an important contribution to the theory of planning and managing sustainable tourism development.

According to the Diffusion of Innovation Theory, the adoption of environmentally friendly practices by tourism enterprises is driven by a variety of motivations and barriers that are influenced by the demographic factors of the enterprises, characteristics of their practices, and of the context in which they operate. Any changes in any of these factors may lead enterprises to change their attitudes toward sustainable tourism practices, yet past studies have often presented findings from a certain time and context – in other words, these findings cannot be generalized and validated for another population if there are any changes in these influencing factors. In fact, these factors often change through the time. Thus, it is important to conduct ongoing research to develop a fuller understanding of the tourism industry's response to sustainable practices, i.e. to conduct the same research on the same tourism enterprises through different years. Such a study would allow the researcher to highlight dynamic responses to sustainable tourism

initiatives according to changes in the context, characteristics of practices, and demographic factors of the enterprises.

The number of variables representing the demographic factors of tourism enterprises that were included in this study was limited. It is likely that if the number of variables was increased to include, for example, the location of enterprises, their market share, their attitude towards change, and their reputation, then greater insights would be gained about the motivations of these enterprises and also the barriers they face when responding to sustainable tourism development.

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## APPENDIX

### Appendix 1: Participant information sheets

#### Participant Information Sheet



**Date Information Sheet Produced:** 15 December 2005

#### **Project Title**

**Tourism Industry Responses to the rise of Sustainable Tourism and Related Environmental Policy Initiatives: the case of Hue City, Vietnam**

#### **Invitation**

You are invited to participate in this research looking at the tourism industry responses sustainable tourism and related environmental policy initiatives in this area.

#### **What is the purpose of this research?**

This study will contribute to the continuing debate about and to build up a body of knowledge on sustainable tourism.

The study will provide an improved understanding of tourism enterprises' attributes, barriers, and responses to adoption of environmental policy initiatives, and the sustainable tourism practices is critical if we are to extend the concepts of sustainable

tourism development and environmental sustainability into practice. The research will also give us better understanding of sustainable tourism and environmental management in the different socio-economic contexts. Furthermore, the research will provide recommendations to assist tourism administrators and policy-makers design appropriate tools and strategy to encourage sustainable tourism development in Hue and more generally elsewhere. Finally, the thesis will develop a research agenda in the sustainable tourism study by incorporation between economic instruments, and environmental management

**How are people chosen to be asked to be part of this research?**

A representative sample of tourism enterprises with a presence in City will be randomly selected and invited to participate.

**What happens in this research?**

We would like to ask a series of questions with a focus on your enterprises' attribute, awareness and attitudes towards environmental and related policies (including perceived barriers) and their adoption of sustainable tourism practices. We would also like to know your opinions about constraints and limiting factors in the decision-making process in daily business that cannot be easily managed in environmental management, sustainable tourism practices.

**What are the discomforts and risks?**

There are some questions related to theoretical aspects of sustainable tourism, and institutional frameworks. Some questions may be repetitive in various ways for statistical purpose only. These discomforts may make you feel not very comfortably.

**How will these discomforts and risks be alleviated?**

There is no right or wrong answer here; we are just interested in capturing your ideas on the focus of this study. If you are not clear or have any query about any questions and any words used in this survey, please ask researcher for clarification.

**What are the benefits?**

This study will enhance our understanding the current context and nature of sustainable tourism planning initiatives in Vietnam, particularly in Hue. The study will also build up a body of knowledge on sustainable tourism development that tourism business, Hue Department of Tourism and Government can use for planning and promotion for sustainable tourism development. This will be freely available on [www.tri.org.nz](http://www.tri.org.nz)

**How will my privacy be protected?**

Please be assured that your details and those of your business will keep strictly confidential and they will not be shared to anyone other than the research team under any circumstances. No business will be individually identifiable in the research report or outcomes.

**What are the costs of participating in this research?**

The only cost to participate will be your time - approximately 1 - 2 hours.

**What opportunity do I have to consider this invitation?**

We will contact you via email, mail or phone or in person to invite you to participate prior to this study.

**How do I agree to participate in this research?**

Please read and sign the “Consent to Participate” form to join the study.

**Will I receive feedback on the results of this research?**

The results of this research will be presented in seminar, workshops or publication.

The results of this research will be available on our website [www.tri.org.nz](http://www.tri.org.nz).

**What do I do if I have concerns about this research?**

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *enter name, email address, and a work phone number*.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTECH, Madeline Banda, [madeline.banda@aut.ac.nz](mailto:madeline.banda@aut.ac.nz), 921 9999 ext 8044.

**Who do I contact for further information about this research?**

Researcher Contact Details: **Tinh Bui Duc**, [bdtinh@yahoo.com.sg](mailto:bdtinh@yahoo.com.sg) or [tbuiduc@aut.ac.nz](mailto:tbuiduc@aut.ac.nz)

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**In Vietnam**

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**Approved by the Auckland University of Technology Ethics Committee on 05/07/06,  
AUTECH Reference number 06/112.**

## Appendix 2: Participant information sheets in Vietnamese

### Trang Thông tin Người tham gia



#### Phỏng Vấn

Ngày hoàn thành Trang Thông tin: 10/07/06

#### Tên Đề Tài:

**Ngành Du Lịch với Phát Triển Du Lịch Bền Vững và Quản Lý Môi Trường:  
Trường Hợp của Thành Phố Huế, Việt Nam**

#### Lời mời

Xin trân trọng kính mời Ông/Bà tham gia vào cuộc phỏng vấn, đề tài này nhằm nghiên cứu những ứng xử của ngành du lịch với sự xuất hiện của du lịch bền vững và các chính sách quản lý môi trường ở thành phố Huế.

Sự tham gia của Ông/Bà là tự nguyện và do vậy Ông/Bà có thể dừng việc trả lời của mình tại bất cứ lúc nào trong quá trình phỏng vấn.

#### Mục tiêu của nghiên cứu này là gì?

Nghiên cứu này là một phần yêu cầu đối với một Nghiên Cứu Sinh tại Trường Đại học Công Nghệ Auckland, New Zealand.

Nghiên cứu này sẽ đóng góp vào những vấn đề đang tranh luận và hỗ trợ xây dựng những kiến thức về du lịch bền vững. Nghiên cứu sẽ đưa ra những nhận thức được chứng minh về những đặc điểm, rào cản và ứng xử của các doanh nghiệp du lịch về các chính sách môi trường và xu hướng hoạt động du lịch bền vững. Những kết quả nghiên cứu là rất quan trọng để chúng ta có thể nhân rộng khái niệm phát triển du lịch bền vững và bền vững môi trường vào thực tiễn kinh doanh du lịch. Đề tài này cũng sẽ cung cấp những kiến thức về du lịch bền vững và quản lý môi trường trong những bối cảnh kinh tế xã hội khác nhau. Ngoài ra, nghiên cứu cũng sẽ đề xuất những kiến nghị nhằm hỗ trợ các nhà quản lý du lịch và những người xây dựng chính sách những công cụ và chiến lược phù hợp để khuyến khích phát triển du lịch bền vững ở thành phố Huế và những khu vực khác. Cuối cùng, đề tài sẽ phát triển một chương trình nghiên cứu về du lịch bền vững bởi sự kết hợp giữa các công cụ kinh tế với quản lý môi trường trong du lịch.

**Việc lựa chọn những người tham gia phỏng vấn trong nghiên cứu này được thực hiện như thế nào?**

Một mẫu đại diện gồm những nhà quản lý, chủ sở hữu và các chuyên gia của các doanh nghiệp du lịch đóng tại Huế sẽ được lựa chọn một cách ngẫu nhiên và mời tham gia nghiên cứu.

Dựa vào danh sách các doanh nghiệp du lịch do Sở Du Lịch Huế cung cấp, các doanh nghiệp sẽ được nhận diện phân theo 4 loại hình dịch vụ cơ bản, trong đó bao gồm 140 doanh nghiệp cung cấp dịch vụ phòng ngủ, 210 doanh nghiệp cung cấp dịch vụ ăn uống và giải khát, 150 doanh nghiệp cung cấp dịch vụ vận tải, và còn lại là các doanh nghiệp cung cấp dịch vụ khác liên quan du lịch. Việc phân bổ mẫu điều tra sẽ được thiết lập nhằm phản ánh được đặc điểm ngành du lịch ở Huế, bao gồm 5 doanh nghiệp cung cấp dịch vụ phòng ngủ, 5 doanh nghiệp cung cấp dịch vụ ăn uống và giải khát, 5 doanh nghiệp cung cấp dịch vụ vận chuyển, và 5 doanh nghiệp cung cấp dịch vụ khác liên quan đến du lịch. Kỹ thuật chọn mẫu ngẫu nhiên sẽ được sử dụng để lựa chọn các doanh nghiệp trong từng nhóm dịch vụ, cụ thể 5 doanh nghiệp cung cấp dịch vụ phòng ngủ sẽ được lựa chọn theo quy luật cứ 25 doanh nghiệp chọn 1 doanh nghiệp bắt đầu từ doanh nghiệp đầu tiên trong danh sách của nhóm này, 5 doanh nghiệp cung cấp ăn uống và giải khát sẽ được lựa chọn theo quy luật cứ 40 doanh nghiệp chọn 1 doanh nghiệp bắt đầu từ doanh nghiệp đầu tiên trong danh sách của nhóm này, 5 doanh nghiệp vận tải sẽ được lựa chọn theo quy luật cứ 30 doanh nghiệp chọn 1 doanh nghiệp bắt đầu từ doanh nghiệp đầu tiên trong danh sách, và 5 doanh nghiệp cung cấp dịch vụ khác liên quan đến du lịch được lựa chọn theo quy luật cứ 50 doanh nghiệp chọn 1 doanh nghiệp bắt đầu từ doanh nghiệp đầu tiên trong danh sách của nhóm này.

**Điều gì sẽ xảy ra với nghiên cứu này?**

Chúng tôi muốn hỏi một số câu hỏi tập trung vào những đặc điểm, nhận thức và hành vi của doanh nghiệp Ông/Bà về các chính sách quản lý về môi trường (bao gồm cả những rào cản) và hoạt động du lịch bền vững. Chúng tôi cũng muốn biết ý kiến của Ông/Bà về những hạn chế và những nhân tố giới hạn trong quá trình ra quyết định trong công việc kinh doanh hàng ngày mà không thể dễ dàng quản lý nó đối với hoạt động quản lý môi trường và du lịch bền vững.

**Có những sự bất tiện và những nguy cơ nào?**

Có thể có một số câu hỏi liên quan đến khái niệm du lịch bền vững mà Ông/Bà chưa nghe đến. Tôi sẽ rất vui mừng và giải thích rõ hơn cho Ông/Bà trong trường hợp Ông/Bà cần. Một vài câu hỏi được lặp lại dưới nhiều hình thức khác nhau nhằm mục đích phân tích thống kê do vậy có thể tạo ra cảm giác khó chịu cho Ông/Bà trong quá trình phỏng vấn.

**Bằng cách nào những sự bất tiện và nguy cơ này được giảm thiểu?**

Không có việc trả lời sai hay đúng ở trong nghiên cứu này; chúng tôi chỉ quan tâm đến việc thu thập ý kiến của Ông/Bà về những vấn đề trọng tâm của nghiên cứu này. Nếu Ông/Bà không rõ hoặc có bất cứ băn khoăn nào về bất cứ câu hỏi nào và từ ngữ sử dụng trong bản câu hỏi phỏng vấn, xin vui lòng hỏi trực tiếp cán bộ nghiên cứu để được giải thích. Sự tham gia của Ông/Bà vào nghiên cứu này là hoàn toàn tự nguyện



và Ông/Bà có thể từ chối hoặc dừng việc trả lời của mình bất cứ lúc nào trong quá trình phỏng vấn.

### **Có những lợi ích nào?**

Nghiên cứu này sẽ nâng cao sự hiểu biết của chúng ta về bối cảnh hiện tại và bản chất của những sáng kiến về kế hoạch phát triển du lịch bền vững ở Việt Nam và đặc biệt ở Thành Phố Huế. Đề tài cũng sẽ hỗ trợ xây dựng kiến thức về phát triển du lịch bền vững trong đó ngành du lịch có thể hoạt động, Sở Du Lịch Huế và Chính quyền có thể sử dụng cho việc lập kế hoạch và khuyến khích phát triển du lịch bền vững. Kết quả nghiên cứu sẽ được đăng tải tự do trên trang web [www.tri.org.nz](http://www.tri.org.nz).

### **Những vấn đề cá nhân của tôi sẽ được bảo vệ như thế nào?**

Xin Ông/Bà yên tâm rằng những thông tin cá nhân của Ông/Bà cũng như liên quan đến công việc kinh doanh sẽ được lưu giữ cẩn thận và sẽ không chia sẻ với bất cứ ai dưới bất cứ điều kiện nào ngoài cán bộ nghiên cứu. Không có một doanh nghiệp có thể hưởng lợi riêng lẻ từ báo cáo kết quả nghiên cứu này.

### **Những chi phí của việc tham gia vào nghiên cứu này?**

Chi phí duy nhất mà Ông/Bà phải bỏ ra sẽ là thời gian của Ông/Bà – thời gian xấp xỉ 1 giờ 30 phút.

### **Tôi có cơ hội nào để cân nhắc lời mời này không?**

Chúng tôi sẽ liên lạc với Ông/Bà thông qua thư điện tử hoặc thư tín đính kèm “Mẫu đơn Đồng ý Tham gia Nghiên cứu” và “Trang Thông tin Người Tham gia” đến và mời Ông/Bà tham gia trước khi cuộc phỏng vấn được thực hiện, những bản phôtô của những mẫu giấy này cũng sẽ được mang đến cuộc phỏng vấn. Việc tham gia vào nghiên cứu này là hoàn toàn tự nguyện và Ông/Bà có thể đọc kỹ những mẫu đơn đính kèm và trả lời có đồng ý hoặc không đồng ý đối với lời mời này.

### **Bằng cách nào tôi có thể đồng ý tham gia nghiên cứu này?**

Xin Ông/Bà đọc và ký tên vào mẫu đơn “Đồng ý Tham Gia Nghiên Cứu”.

### **Tôi sẽ nhận được phản hồi về kết quả của nghiên cứu này?**

Kết quả của nghiên cứu này sẽ được trình bày tại các Hội Nghị, Hội thảo hoặc các ấn phẩm.

Toàn bộ báo cáo của nghiên cứu này, và tóm tắt kết quả nghiên cứu bằng tiếng Việt, sẽ có ở trang web của chúng tôi [www.tri.org.nz](http://www.tri.org.nz).

### **Tôi nên làm gì nếu tôi có quan tâm về nghiên cứu này?**

Bất cứ sự quan tâm nào liên quan đến nghiên cứu này nên được thông báo ngay cho Người Hướng dẫn nghiên cứu Giáo Sư Simon Milne, email: [simon.milne@aut.ac.nz](mailto:simon.milne@aut.ac.nz), Điện thoại +64 9 921 9245.

Những quan tâm liên quan đến việc thực hiện nghiên cứu nên thông báo cho Thư ký thứ nhất, Hội đồng Đạo đức của Trường Đại học Công Nghệ Auckland, Madeline Banda, [madeline.banda@aut.ac.nz](mailto:madeline.banda@aut.ac.nz), 921 9999 ext 8044.

**Tôi liên lạc với ai để có được nhiều thông tin hơn về nghiên cứu này?**

***Địa chỉ liên lạc của nghiên cứu viên: Bùi Đức Tính***

**In New Zealand**

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***Địa chỉ liên lạc của giáo viên hướng dẫn:***

**Simon Milne.** Email [simon.milne@aut.ac.nz](mailto:simon.milne@aut.ac.nz) or điện thoại (64-9) 921 9999 ext 9245

**Chris Batstone.** Email [CBatston@aut.ac.nz](mailto:CBatston@aut.ac.nz) or điện thoại (64-9) 921 9999 ext 5505

**Được chấp nhận bởi Hội Đồng Đạo Đức Trường Đại Học Công Nghệ Auckland (AUTC), ngày 05/07/06, AUTC, Mã số 06/112.**

**Appendix 3: Consent to participation in research**

**CONSENT TO PARTICIPATION IN RESEARCH**

Title of Project:

**Tourism Industry Responses to Environmental Policy Initiatives and the Rise of Sustainable Tourism: the case of Hue City, Vietnam**

Project Supervisor: **Professor: SIMON MILNE**

Researcher: **Tinh Bui Duc**

- 
- I have read and understood the information provided about this research project (Information Sheet dated :.....)
  - I have had an opportunity to ask questions and to have them answered.
  - I understand that the interview will be audio-taped and transcribed.
  - I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.

- If I withdraw, I understand that all relevant tapes and transcripts, or parts thereof, will be destroyed.
- I agree to take part in this research.
- I wish to receive a copy of the report from the research: tick one: Yes ☐ No ☐

Participant signature: .....

Participant name: .....

Participant Contact Details (if appropriate):

.....  
 .....  
 .....  
 .....

Date:

**Approved by the Auckland University of Technology Ethics Committee on 05/07/06,  
 AUTEC Reference number 06/112.**

Note: The Participant should retain a copy of this form.

Appendix 4: **Consent to participation in research in Vietnamese**

### **ĐỒNG Ý THAM GIA NGHIÊN CỨU**

Phỏng vấn

Tên đề tài:

**Ngành Du Lịch và Những Ứng Xử với Sự Xuất Hiện của Du Lịch Bền Vững và Các Chính Sách Quản Lý Môi Trường: Trường Hợp của Thành Phố Huế, Việt Nam**

Giáo Viên Hướng Dẫn: **Giáo Sư: SIMON MILNE**

Nghiên Cứu Sinh: **Bùi Đức Tính**

- 
- Tôi đã đọc và hiểu những thông tin về công trình nghiên cứu này (trang thông tin đề ngày: 16/06/2006)
  - Tôi đã có cơ hội để hỏi các câu hỏi liên quan và được trả lời đầy đủ.
  - Tôi biết rằng cuộc phỏng vấn sẽ được thu âm và được chuyển biên.
  - Tôi hiểu rằng tôi có thể không tham gia hoặc không cung cấp bất cứ thông gì cho nghiên cứu này vào bất cứ lúc nào trước khi hoàn thành phỏng vấn, không phải chịu bất cứ sự bất tiện nào cả.

- Nếu tôi không tham gia, tôi hiểu rằng tất cả bằng từ và thông tin liên quan, hoặc các phần liên quan đến việc phỏng vấn này sẽ được hủy bỏ.
- Tôi đồng ý tham gia vào nghiên cứu này.
- Tôi mong muốn nhận được một bản báo cáo của nghiên cứu này:  
Chọn một: Có ☐ Không ☐

Chữ ký của người tham gia.....

Tên của người tham gia .....

Địa chỉ liên lạc chi tiết (nếu thích hợp):

.....  
.....  
.....  
.....

Ngày:

**Được thông qua bởi Hội Đồng Đạo Đức của Trường Đại học Công Nghệ Auckland ngày 05/07/06, Hội Đồng Đạo Đức của Trường Đại Học Công Nghệ Auckland mã số AUTECH 06/112**

Lưu ý: Người tham gia phỏng vấn nên giữ một bản của mẫu đơn này.

## Appendix 5: Semi-structured interview questionnaire

### QUESTIONNAIRE FOR SEMI-STRUCTURED INTERVIEW

#### Section 1 - Background about the interviewee

- (1) Would you please tell me something about yourself:
  - Your hometown?
  - Your education?
- (2) What is your job and your position in your firm:
  - Manager?
  - Owner?
  - Manager and Owner?
  - Others (please specify.....)
- (3) How long have you been working in the tourism (or tourism-related) sector?
- (4) What types of work in tourism have you done prior to this?
- (5) What courses/programmes or tertiary education have you received?

- (6) Have you ever heard the term Sustainable Development? What does it mean from your perspective?
- (7) Have you ever heard the term sustainable tourism and environmental management in tourism?
- (8) Have you ever attended in any course or seminar/workshop, lecture related to:
- Sustainable tourism?
  - Environmental management?

## **Section 2 - Background about the firm**

- (1) What tourism services do you currently have on offer?
- (2) What is the current ownership structure of your firm?
- (3) How long has your firm been operating in the tourism sector?
- (4) How would you describe your firm?
- Business evolution from your start?
  - Capital?
  - Return on investment?
  - Employees?
- (5) How did they change in your business by last year?
- Business evolution?
  - Capital?
  - Return on investment?
  - Employees (Full-time, Part-time, Seasonal, and Family Members?)
- (7) How would you describe your market niche?
- (8) Please describe your competitive environment and how it has evolved since your setting up?
- (9) How would you describe the role that tourism plays in your business?
- (10) What is percentage of your turnover attributable to Tourism?
- (11) Are key decisions of the firm made by a 'hands on' team or individual, or is there a formal board structure that makes the decisions?
- (12) What government departments did you have to deal with in your business:
- Setting up?
  - Operating?
  - Planning new development?
- (13) Has your firm ever received guidelines from government or tourism – related departments when new policies on tourism and environment come out? (Please specify if possible)
- (14) Has your firm ever received consultation from government officials or experts from tourism – related departments when new policies on tourism and environment come out?
- (Please specify if possible)

(15) How much do you know about current policies on tourism development and environmental management at the;

- Provincial government level?
- Central government level?
- Global level?

(16) Do you consider local government policy and plans for sustainable tourism development in your business strategy?

(17) If so – which ones and why, also how do you respond to policy?

(18) Are there non-tourism specific policies on environmental management that have an impact on your current business?

### **Section 3: Your firm and sustainable tourism**

(1) What are your thoughts on how ‘sustainable tourism’ is relevant to your business? Sustainable tourism is defined as tourism-related activities that meet certain criteria to fulfill the needs of different stakeholders and contribute to overall sustainable development (WTO, 1999).

The concept of sustainable tourism incorporates economic, social, and ecological aspects of tourism development, and emphasizes the generation of benefits for multiple stakeholders rather than only powerful actors (Milne, 1998)

(2) How do you describe the relationship between your current business and sustainable tourism practices?

(3) How do you describe:

- A community?
- Local Cultural value?
- Environment?

(4) How would you describe the relationship between your tourism business and the following items?

- Local cultural values?
- Community?
- Environment?

(5) What linkages does your firm have with the local community:

- Employment?
- Purchase of supplies?
- Other inter-firm networks?

(6) Has your firm experienced any conflicts in the operation of your business with:

- Local community?
- Local Businesses?

(7) Do you believe that promoting environmental management will lead to sustainable tourism development? If so, then what are you doing specifically in your business?

(8) If local government asks your firm to pay a fee for the environmental management and conservation of tourism resources that you use as part of your operations how would you respond?

- (9) Are you aware of the national sustainable tourism framework? If yes what is your opinion of it?
- (10) Did you receive any information and/or consultation about the framework? If yes did you find it helpful in terms of your business operations?
- (11) Are you aware of the Hue City sustainable tourism framework? If yes what is your opinion of it?
- (12) How would you describe the relationship between your business plan and the sustainable development framework of the city government?
- (13) What do you feel are the three major challenges facing tourism development in Hue?

- (1).....
- (2).....
- (3).....

#### **Section 4: Your firm and general environmental Issues**

- (1) What impacts does tourism have on the environment (both natural and social environment) in Hue?
- (2) Have you personally had some aspect of your life adversely affected by tourism?
- (3) What government regulations, policies, plans or economic instruments for environmental management do you have to comply with in your business?
- Fee for waste management
  - Tourism resource use fee
  - Special tax on environment
  - Property rights
  - Administrative fees
  - Other (please specify)
- (4) Would you please give a grade from 1-5 (5 being best, 1 worst) for each of the following items according to its effectiveness in environmental management in the Hue tourism industry?
- Fee for waste management
  - Tourism resource use fee
  - Special tax on environment
  - Property rights
  - Administrative fees
  - Other liabilities
- (5) Have you received any assistance or consultation to develop/adopt these government measures for environmental management?
- (6) How would you describe your compliance with the above environmental management instruments?

(7) From your perspective have any of the following items acted as barriers to the uptake/adoption of above instruments?

- A lack of resources (including, capital, infrastructure,
- A lack of guideline
- A lack of information
- A lack of trained staff
- Other problem?

(8) What kind of friendly environmentally measures do you practice to reduce the environmental impacts of your business?

(9) What are the benefits of these measures aside from environmental performance?

- Financial gain?
- Reduce costs?
- Personal growth and satisfaction?
- Good marketing tool?
- Other, please specify: .....

(10) Are government (local-regional-national) environmental and related policies motivating factors in terms of your own businesses' environmental practices? If yes or no – why?

(11) Has your firm ever been involved in any of following activities:

- Tourist Education (environmental/cultural sensitivity)
- Staff training or education (environmental/cultural sensitivity)
- Carrying out Environmental Impact Reviews
- Other (please specify)

(12) Have you encountered any barrier to uptake of government policies and instruments for environmental management?

- Difficulties in practicalities
- Lack of infrastructures
- Lack of expertise
- Lack of enforcement
- Others (please specify;.....)

13 Are there any other points that you would like to raise or reinforce?

Thank you very much for your help

THE END OF INTERVIEW

## Appendix 6: Semi-structured interviews in Vietnamese



## **BẢN CÂU HỎI PHỎNG VẤN**

### **Phần 1: Thông tin chung của người tham gia phỏng vấn**

- (1) Ông/Bà vui lòng kể một vài thông tin về bản thân?
  - Quê hương?
  - Trình độ học vấn?
- (2) Công việc của ông/bà hiện tại là gì, và vị trí của ông/bà trong doanh nghiệp?
  - Quản lý?
  - Chủ sở hữu?
  - Quản lý và chủ sở hữu?
  - Công việc khác (Xin vui lòng chi tiết .....)
- (3) Ông/bà đã làm việc trong lĩnh vực du lịch hoặc liên quan đến du lịch trong bao lâu ?
- (4) Ông/bà đã làm công việc gì trước khi làm công việc hiện tại?
- (5) Những khoá học và chương trình hoặc bằng cấp mà ông/bà có được?
- (6) Ông/bà đã bao giờ nghe đến thuật ngữ Phát triển Bền vững? Nó có ý nghĩa gì xét trên theo quan điểm của ông/bà?
- (7) Ông/bà đã bao giờ nghe thuật ngữ Du lịch bền vững và Quản lý môi trường trong du lịch?
- (8) Ông/bà đã bao giờ tham dự bất kỳ khoá đào tạo, hội thảo, hội thảo chuyên đề liên quan đến:
  - Du lịch bền vững?
  - Quản lý môi trường trong du lịch?

### **Phần 2: Thông tin chung về doanh nghiệp**

- (1) Những dịch vụ du lịch nào mà doanh nghiệp của ông bà đang cung cấp?
- (2) Hình thức sở hữu doanh nghiệp của ông/bà?
- (3) Doanh nghiệp của ông bà đã hoạt động trong lĩnh vực du lịch trong bao lâu?
- (4) Xin Ông/bà nói về những vấn đề sau của doanh nghiệp?
  - Sự phát triển kinh doanh từ lúc ông/bà bắt đầu?
  - Nguồn vốn kinh doanh?
  - Lợi nhuận đầu tư?
  - Đội ngũ nhân viên?
- (5) Những thay đổi trong hoạt động kinh doanh của ông/bà so với năm ngoái?
  - Sự tiến triển về kinh doanh?
  - Nguồn vốn kinh doanh?
  - Lợi nhuận đầu tư?
  - Đội ngũ nhân viên (Người làm chính, Bán thời gian, Lao động mùa vụ và Thành viên gia đình)?
- (6) Đối thủ cạnh tranh của doanh nghiệp ông/bà?
- (7) Ông/bà đánh giá thế nào về thị phần của doanh nghiệp?

(8) Xin ông/bà vui lòng miêu tả môi trường cạnh tranh hiện tại, sự thay đổi của môi trường cạnh tranh kể từ khi doanh nghiệp ông bà thành lập?

(9) Du lịch đóng vai trò như thế nào trong doanh nghiệp của ông/bà?

(10) Du lịch đóng góp khoảng bao nhiêu phần trăm trong tổng doanh thu của doanh nghiệp?

(11) Việc ra những quyết định quan trọng trong doanh nghiệp của ông/bà được thực hiện bởi một cá nhân hay một nhóm, hoặc có ban quản trị doanh nghiệp thực hiện việc ra quyết định?

(12) Những cơ quan chính quyền nào ông/bà phải tiếp xúc trong công việc kinh doanh của mình?

- Thành lập doanh nghiệp?
- Quá trình hoạt động?
- Lập kế hoạch phát triển mới?

(13) Doanh nghiệp của ông/bà có nhận được hướng dẫn của chính quyền, hoặc các cơ quan liên quan đến du lịch về các chính sách mới về du lịch và môi trường được ban hành (Xin vui lòng chi tiết nếu có thể)?

(14) Doanh nghiệp của ông/bà có bao giờ nhận được sự tư vấn từ chính quyền hoặc các cơ quan liên quan khi có chính sách mới về du lịch và môi trường được ban hành (Xin vui lòng chi tiết nếu có thể)?

(15) Xin ông/bà cho biết mức độ hiểu biết thông tin của ông/bà về các chính sách hiện tại về du lịch và quản lý môi trường tại?

- Cấp tỉnh?
- Cấp quốc gia?
- Cấp quốc tế?

Khái niệm du lịch bền vững được định nghĩa là tất cả các hoạt động liên quan đến du lịch đáp ứng những tiêu chuẩn nhất định và thoả mãn nhu cầu của nhiều đối tượng khác nhau và đóng góp vào sự phát triển bền vững chung (APEC, 1996).

Khái niệm du lịch bền vững kết hợp các khía cạnh kinh tế, xã hội, sinh thái trong sự phát triển du lịch và nhấn mạnh việc tạo ra lợi ích cho nhiều chủ thể trong xã hội hơn là chỉ cho các chủ thể có quyền lực (Milne, 1998).

(16) Ông/bà có cân nhắc các chính sách và kế hoạch về phát triển du lịch bền vững của chính quyền các cấp trong chiến lược kinh doanh của mình?

(17) Nếu có - những chính sách nào, tại sao, cũng như cách thức ông bà đã tiếp nhận nó như thế nào?

(18) Có chính sách về quản lý môi trường nào không liên quan đến du lịch có ảnh hưởng đến hoạt động kinh doanh của doanh nghiệp?

### **Phần 3: Doanh nghiệp và Du lịch bền vững**

- (1) Ông/bà suy nghĩ như thế nào về mức độ liên quan giữa du lịch bền vững và hoạt động kinh doanh của mình?
- (2) Ông/bà có thể miêu tả mối quan hệ về hoạt động kinh doanh hiện tại của doanh nghiệp với du lịch bền vững?
- (3) Ông/bà có ý kiến như thế nào về các vai trò của các vấn đề sau trong hoạt động kinh doanh của mình?
  - Cộng đồng dân cư?
  - Văn hoá truyền thống?
  - Môi trường (tự nhiên và xã hội)?
- (4) Ông/bà có thể miêu tả mối quan hệ về hoạt động kinh doanh của doanh nghiệp và các đối tượng sau?
  - Văn hoá địa phương?
  - Cộng đồng dân cư?
  - Môi trường?
- (5) Những mối quan hệ nào có thể có giữa doanh nghiệp và cộng đồng dân cư địa phương?
  - Việc làm?
  - Mua các yếu tố đầu vào?
  - Mối quan hệ với các doanh nghiệp khác?
- (6) Trong hoạt động kinh doanh của doanh nghiệp của ông/bà đã bao giờ có những mâu thuẫn với?
  - Cộng đồng người dân địa phương?
  - Các doanh nghiệp địa phương cung cấp cùng dịch vụ?
- (7) Theo ông/bà việc khuyến khích hoạt động quản lý môi trường có thể dẫn đến phát triển du lịch bền vững không?
  - Nếu có, Ông bà đã làm gì cụ thể cho doanh nghiệp của mình?
- (8) Nếu chính quyền địa phương yêu cầu doanh nghiệp của ông/bà phải trả phí quản lý môi trường và bảo tồn tài nguyên du lịch mà doanh nghiệp của mình đang sử dụng, ông bà sẽ làm gì?
- (9) Ông/bà có biết về chiến lược phát triển bền vững quốc gia? Nếu có, ông/bà có ý kiến gì về chiến lược đó?
- (10) Ông/bà có nhận được thông tin hay sự tư vấn về chiến lược đó? Nếu có, nó có hữu dụng cho hoạt động kinh doanh của doanh nghiệp?
- (11) Ông/bà có biết về chiến lược phát triển du lịch bền vững của thành phố Huế? Nếu có, ông/bà có ý kiến gì về chiến lược đó?
- (12) Ông/bà có thể miêu tả mối quan hệ giữa kế hoạch kinh doanh của doanh nghiệp và chiến lược phát triển bền vững của chính quyền thành phố?
- (13) Theo ông/bà 3 thách thức lớn nhất của ngành du lịch thành phố Huế là gì?
  - (1).....
  - ...

(2).....

...

(3).....

...

#### **Phân 4: Doanh nghiệp và những vấn đề chung về môi trường**

(1) Những ảnh hưởng của du lịch đối với môi trường (kể cả môi trường tự nhiên và môi trường xã hội) ở Huế?

(2) Về phương diện cá nhân, du lịch có thể có những ảnh hưởng bất lợi gì đến cuộc sống của ông/bà?

(3) Những quy định, chính sách, kế hoạch hoặc các công cụ kinh tế cho hoạt động quản lý môi trường của chính quyền mà doanh nghiệp phải tuân thủ trong hoạt động kinh doanh của mình?

- Phí quản lý rác thải?
- Phí sử dụng tài nguyên du lịch?
- Thuế đặc biệt về môi trường?
- Quyền sở hữu tài sản?
- Phí quản lý?
- Công cụ khác (xin vui lòng chi tiết.....)?

(4) Xin ông/bà vui lòng đánh giá bằng cách cho điểm từ 1 đến 5 (5 tốt nhất, và 1 là xấu nhất) cho mỗi công cụ sau theo hiệu quả trong việc quản lý môi trường của ngành du lịch ở Huế?

- Phí quản lý rác thải?
- Phí sử dụng tài nguyên du lịch?
- Thuế đặc biệt về môi trường?
- Quyền sở hữu tài sản?
- Phí quản lý?
- Công cụ khác (xin vui lòng chi tiết.....)?

(5) Ông/bà đã bao giờ nhận được sự trợ giúp hoặc tư vấn để nắm bắt và triển khai những công cụ quản lý môi trường trên?

(6) Xin ông/bà đánh giá mức độ tuân thủ của mình về những công cụ quản lý môi trường trên?

(7) Theo ông/bà, những vấn đề sau vấn đề nào cản trở doanh nghiệp trong việc hiểu và chấp nhận các công cụ trên?

- Thiếu nguồn lực (bao gồm: Nguồn vốn kinh doanh, và cơ sở hạ tầng)?
- Thiếu hướng dẫn?
- Thiếu thông tin?
- Thiếu cán bộ được đào tạo?
- Các vấn đề khác?

(8) Những công cụ nào ông/bà đang thực hiện để hạn chế các tác động về môi trường trong việc kinh doanh của ông bà?

- (9) Những lợi ích của việc thực hiện các công cụ quản lý môi trường trên mang lại?
- Lợi ích tài chính?
  - Giảm chi phí?
  - Thoả mãn sự phát triển cá nhân?
  - Là công cụ tốt cho marketing?
  - Lợi ích khác, xin vui lòng chi tiết .....
- (10) Các chính sách liên quan đến quản lý môi trường của chính quyền là các nhân tố thúc đẩy hoạt động kinh doanh của doanh nghiệp? Có hay không - tại sao?
- (11) Doanh nghiệp của ông bà có tham gia vào các hoạt động sau đây không?
- Đào tạo du lịch (các vấn đề về môi trường/văn hoá)?
  - Đào tạo và tập huấn cán bộ?
  - Thực hiện đánh giá tác động môi trường?
  - Các công việc khác (Xin vui lòng chi tiết)?
- (12) Ông/bà có bao giờ phải đương đầu với rào cản nào trong việc nắm bắt các chính sách của và các công cụ quản lý môi trường của chính quyền?
- Những khó khăn trong triển khai hoạt động? *(Hoạt động quản lý môi trường có thể quá khó để triển khai hoặc phát triển trong hoạt động kinh doanh hàng ngày của doanh nghiệp)*
  - Thiếu cơ sở hạ tầng?
  - Thiếu kiến thức và chuyên gia?
  - Thiếu tính bắt buộc thực thi?
  - Lý do khác (xin vui lòng chi tiết;.....)?
- (13) Ông bà kiến nghị hoặc đề xuất về các vấn đề liên quan ở phần trên?

Xin chân thành cảm ơn sự giúp đỡ của ông/bà

KẾT THÚC PHÒNG VẤN

## Appendix 7: Questionnaire for survey on tourism industry

### QUESTIONNAIRE SURVEY

**Dear Sir/Madam,**

My name is Tinh Bui Duc. I am currently a Ph.D. candidate in the New Zealand Tourism Research Institute (NZTRI), Faculty of Applied Humanities, Auckland University of Technology (AUT), New Zealand. My supervisor is Professor Simon Milne, Director of New Zealand Tourism Research Institute, AUT. I would be grateful if you could participate in my research on the tourism industry in Hue and its response to the rise of sustainable tourism and related environmental policy initiatives. This study will attempt to understand the current context and nature of sustainable tourism planning initiatives in Vietnam, particularly within the province and city of Hue. It will then focus on the business dimension of the sustainable tourism process - studying tourism enterprise attributes, attitudes towards environmental, and related policies (including perceived barriers to uptake/adoption), and the impacts of environmental policy initiatives on tourism and tourism-related businesses in Hue. The survey will ask you a variety of questions about your enterprises and sustainable tourism. There are no right, or wrong answers here, I am just interested in capturing your awareness of, and opinions on, the adoption of sustainable tourism practices and environmental management.

When you return your survey, it will be processed by me at NZTRI, AUT, New Zealand. When the study is complete we can, if you request, provide your enterprise with a summary report by email. General research findings will also be available from the NZTRI website ([www.tri.org.nz](http://www.tri.org.nz)). Please be assured that your individual answers will be kept strictly confidential and they will not be shared with any third party.

By completing this questionnaire, you will be indicating your consent to participate in this survey. When filling out the survey, please answer all questions wherever application. Please remember that your participation in the survey is entirely voluntary, you may withdraw from the research at any point in this form.

If you have any queries or you are not clear about the meaning of any words used in the survey, please ask the survey administrator for clarification.

I would like to express my profound thanks for your time and assistance.

**Researcher - Tinh Bui Duc**  
**Contact**

New Zealand Tourism Research Institute  
Faculty of Applied Humanities  
Auckland University of Technology  
Private Bag 92006  
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**Project supervisor - Professor Simon Milne**  
**Contact**

Director of NZTRI  
Faculty of Applied Humanities  
Auckland University of Technology  
Private Bag 92006  
Auckland 1020, New Zealand  
Tel: 64-9-921-9999 extn 5778  
Fax: 64-9-921-9876

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Simon Milne*, email: [simon.milne@aut.ac.nz](mailto:simon.milne@aut.ac.nz), Phone +64 9 921 9245..

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTECH, Madeline Banda, [madeline.banda@aut.ac.nz](mailto:madeline.banda@aut.ac.nz), 921 9999 ext 8044.

**Approved by the Auckland University of Technology Ethics Committee on 05/07/06, AUTECH Reference number 06/112.**

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## SECTION 1: ENTERPRISE PROFILE

### Q1. What is the main tourism service that you provide?

- |                       |                          |                        |                          |
|-----------------------|--------------------------|------------------------|--------------------------|
| (1) Accommodation     | <input type="checkbox"/> | (2) Food and Beverage  | <input type="checkbox"/> |
| (3) Transportation    | <input type="checkbox"/> | (4) Tourist activities | <input type="checkbox"/> |
| (5) Tourism Developer | <input type="checkbox"/> |                        |                          |
| (6) Other (please     |                          |                        |                          |

*specify*:.....  
.....)

### Q2. What other tourism services do you provide?

- |                                    |                          |                        |                          |
|------------------------------------|--------------------------|------------------------|--------------------------|
| (1) Accommodation                  | <input type="checkbox"/> | (2) Food and Beverage  | <input type="checkbox"/> |
| (3) Transportation                 | <input type="checkbox"/> | (4) Tourist activities | <input type="checkbox"/> |
| (5) Tourism Developer              | <input type="checkbox"/> |                        |                          |
| (6) Other (please <i>specify</i> : |                          |                        |                          |

.....)

### Q3. What is the current ownership structure of your firm?

- |                                     |                          |                     |                          |
|-------------------------------------|--------------------------|---------------------|--------------------------|
| (1) Private-ownership               | <input type="checkbox"/> | (2) State-ownership | <input type="checkbox"/> |
| (3) Joint venture (% .....          | <input type="checkbox"/> |                     |                          |
| (4) Other: (please <i>specify</i> : |                          |                     |                          |

.....)

### Q4. How long has this business been operating?

.....years,

### Q5. How long have you worked in this business?

.....years,

### Q6. How long have you been working in the tourism industry in general?

.....years

### Q7a. What was the turnover of this business in the last financial year?

..... (VND)

### Q7b. What percentage of your turnover is attributable to Tourism?

- |                   |                          |                    |                          |
|-------------------|--------------------------|--------------------|--------------------------|
| (1) Less than 25% | <input type="checkbox"/> | (2) From 25% - 50% | <input type="checkbox"/> |
|-------------------|--------------------------|--------------------|--------------------------|

(3) From 51% - 75% ☐

(4) From 76% - 100 % ☐

**Q8. How many workers do you employ?**

Number of employees: ..... (Person)

**Q9: What is the total asset value of this business?**

.....(VND)

## **SECTION 2: TOURISM AND THE ENVIRONMENT**

**Q10a. What does environmental tourism mean to you and your business?**

.....

**Q10b. How important is the issue of environmental sustainability in tourism to you generally?**

.....

**Q11. In the context of Hue City, please indicate on the scale bellow what influence tourism has on the following where 1 = very negative and 6 = very positive.**

1	Road Congestion	1	2	3	4	5	6
2	Monument degradation	1	2	3	4	5	6
3	Water pollution	1	2	3	4	5	6
4	Air pollution	1	2	3	4	5	6
5	Cultural traditions and values	1	2	3	4	5	6
6	Levels of crime	1	2	3	4	5	6
7	Communities' economic development	1	2	3	4	5	6
8	Reuse of materials	1	2	3	4	5	6
9	Overall quality of life	1	2	3	4	5	6

**Q12. Are you aware of the following sustainable tourism planning initiatives and environmental policies? (Tick as many as applicable to you)**

<b>Policies</b>	<b>Yes</b>	<b>No</b>
1. National Master Plan for tourism development from 1995 – 2010		
2. National Tourism Ordinance of 1999		
3. National Tourism Action Program 2002 - 2005		
4. Provincial Liberalization and Diversification of tourism industry		
5. Environmental Law		
6. Enterprise Law		
7. Land Law		
8. National Regulation on culture and heritage management		
9. Fee for waste management		
10. Non-compliance charges		
11. Property Rights		
12. Administrative Charge		



13. Tourism resource access fee		
---------------------------------	--	--

### SECTION 3: YOUR BUSINESS AND THE ENVIRONMENTAL BEHAVIOR

**Q13. On a scale from 1 – 6 (where 1 = the least influential, and 6 = the most influential) please indicate the degree which to the following policies/regulations influence your enterprise adoption of sustainable tourism practices**

Policies	1	2	3	4	5	6
1. National Master Plan for tourism development from 1995 – 2010	1	2	3	4	5	6
2. National Tourism Ordinance of 1999	1	2	3	4	5	6
3. National Tourism Action Program 2002 - 2005	1	2	3	4	5	6
4. Liberalization and Diversification of tourism industry	1	2	3	4	5	6
5. Environmental Law	1	2	3	4	5	6
6. Enterprise Law	1	2	3	4	5	6
7. Land Law	1	2	3	4	5	6
8. Regulation on culture and heritage management	1	2	3	4	5	6
9. Fee for waste management	1	2	3	4	5	6
10. Non-compliance charges	1	2	3	4	5	6
11. Property Rights	1	2	3	4	5	6
12. Administrative Charge	1	2	3	4	5	6
13. Access fees to tourism resources	1	2	3	4	5	6

**Q14. Which of following measures do you currently practice in your business?**

Measures	YES/NO	What is the main reason to practice this or not to practice this?
1. Recycling activities/Waste minimization		
2. Funding of public environmental activities		
3. Energy saving (e.g. petrol, electricity)		
4. Material saving (e.g. Water, logistics)		
5. Annual environmental impacts assessment report		
6. Enhancing surrounding environment (natural and social environment)		

**Q15. On a scale from 1 to 6 (where 1 = not difficult at all, and 6 = extremely difficult) please indicate what are barriers to allow you do more environmental sustainability in your business.**

1	High Implementing Cost	1	2	3	4	5	6
2	A lack of infrastructure/resources	1	2	3	4	5	6
3	A lack of regulation/policy enforcement	1	2	3	4	5	6
4	A lack of knowledge/experiences	1	2	3	4	5	6
5	Competitive behaviors	1	2	3	4	5	6
6	Consumer behaviors (tourists' demand)	1	2	3	4	5	6

**Q16. Thinking about the future of your business, do you agree or disagree with following statements on a scale from 1 to 6 (where 1 – Strongly disagree, and 6 = Strongly agree).**

1	We will have our own environmental activities enhancing surrounding environment for the firm	1	2	3	4	5	6
2	We will change our business strategy to encompass sustainable tourism practices and related environmental policy initiatives in our daily business	1	2	3	4	5	6
3	We will provide our staff with training courses on sustainable tourism and environmental management practices	1	2	3	4	5	6
4	We will develop programs on visitor education (providing pre-visit information, brochure on cultural value, traditions, and environment)	1	2	3	4	5	6
5	We will install more facilities for waste management and recycling	1	2	3	4	5	6
6	We will set up our self-regulation on sustainable practices for our firm's business	1	2	3	4	5	6
7	We will encourage visitors to consume environmentally friendly products	1	2	3	4	5	6
8	We will promote conservation and sustainable use tourist resources	1	2	3	4	5	6
9	We will maintain and promote social, cultural and natural diversity	1	2	3	4	5	6
10	We will build close economic link with local communities	1	2	3	4	5	6

**Q17. Which of following would helpful in assisting you to enhance the future of sustainable tourism? (Tick as many as applicable to you)**

**Tick**

1	Networking on sustainable tourism between business managers and government	
2	Exchanging knowledge/experience on environmentally sustainable tourism within business managers, and between business manager and government officials	
3	Organizing workshops on environmentally sustainable tourism for business managers	
4	You have more voice in provincial/state tourism development planning	
5	Improve local awareness of environmental and tourism resource conservations	
6	Improving public infrastructure (sewerage, drainage, waste bin, etc.) at tourism destinations	
7	Improving public participation in environmentally sustainable tourism development	

8	Well – trained staff resource	
9	More incentive regulations/policies for environmentally sustainable tourism	
10	Government have clear regulations/policies on environmentally sustainable tourism	
11	Government have master plan for environmentally sustainable tourism	
12	Government have consultancy/guidelines on environmentally sustainable tourism	
13	Providing more opportunities to access to financial sources for your business	

**Q18. Do you have any further suggestion for environmentally sustainable tourism?**

.....  
.....  
.....

#### **SECTION 4: PERSONAL DETAILS**

**Q19. Current Job Designation:**

- (1) Manager ☐ (2) Owner ☐  
(3) Owner and Manager ☐ (4) Staff ☐  
(5) Other (please specify.....)

**Q20. Your Age:** ..... (Years)

**Q21. Gender** (please tick one):

- (1) Male ☐ (2) Female ☐

**Q22. Highest Educational Qualification** (please tick one)

- (1) Under High school ☐ (2) High school ☐  
(3) Diploma Education ☐ (4) Bachelor ☐  
(5). Advanced Degrees (MA, PhD) ☐  
(6) Others (please specify:.....)

**THANK YOU VERY MUCH**

**END OF SURVEY**



## BẢN CÂU HỎI ĐIỀU TRA

**Kính thưa Quý Ông/Quý Bà,**

Tôi tên là Bùi Đức Tính. Hiện, tôi là học viên tiến sỹ tại Viện Nghiên cứu Du lịch New Zealand (NZTRI), Khoa Khoa học Ứng dụng Con người, Trường Đại học Công nghệ Auckland (AUT), New Zealand. Giáo viên hướng của tôi là Giáo sư Simon Milne. Giám đốc Viện Nghiên cứu Du lịch New Zealand, Trường Đại học Công nghệ Auckland. Tôi rất biết ơn Ông/Bà về việc tham gia vào cuộc điều tra này. Nghiên. Đề tài sẽ tập trung vào khía cạnh của doanh nghiệp trong quá trình phát triển du lịch bền vững với việc nghiên cứu các đặc điểm, hành vi hướng về sự phát triển du lịch bền vững, môi trường và các chính sách quản lý (bao gồm cả các rào cản đối với nhận thức và thực hiện), và ảnh hưởng của các chính sách quản lý đối với các doanh nghiệp trong hoạt động trong lĩnh vực du lịch ở Huế. Không có câu trả lời đúng hoặc sai trong bản hỏi này, ở đây tôi chỉ muốn thu thập những thông tin về hiểu biết và ý kiến của Ông/Bà trong việc tiếp nhận xu hướng du lịch bền vững và quản lý môi trường.

Khi Ông/Bà hoàn thành việc trả lời, các thông tin sẽ được phân tích tại Viện Nghiên cứu Du lịch New Zealand, AUT. Khi nghiên cứu hoàn thành, nếu Ông/Bà có nhu cầu, chúng tôi sẽ gửi báo cáo tóm tắt đến cho Ông/Bà thông qua thư điện tử. Những kết quả nghiên cứu cơ bản cũng sẽ có ở trang web của NZTRI ([www.tri.org.nz](http://www.tri.org.nz)). Xin Ông/Bà yên tâm rằng tất cả những câu trả lời của Ông/Bà sẽ được cất giữ cẩn thận và sẽ không chia sẻ với bất cứ cá nhân hoặc tổ chức thứ ba nào.

Bằng việc hoàn thành bản câu hỏi này cũng chính là sự đồng ý của Ông/Bà trong việc tham gia nghiên cứu này. Khi trả lời câu hỏi, xin Ông/Bà vui lòng trả lời tất cả các câu hỏi mà Ông/Bà có thể. Xin Ông/Bà nhớ rằng việc trả lời các câu hỏi là hoàn toàn tự nguyện, và Ông/Bà có thể dừng việc trả lời bất cứ lúc nào và bất cứ câu hỏi nào trong bản hỏi này.

Nếu Ông/Bà có bất cứ thắc mắc nào hoặc Ông/Bà chưa rõ về ý nghĩa của bất cứ từ ngữ nào sử dụng trong bản hỏi này, xin vui lòng hỏi người thực hiện để được giải thích và làm rõ.

Xin chân thành cảm ơn sự giúp đỡ và thời gian quý báu của Ông/Bà.

**Nghiên cứu viên: Bùi Đức Tính**  
**Địa chỉ**  
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Bất cứ vấn đề thắc mắc nào liên quan đến nội dung của nghiên cứu này có thể liên hệ trực tiếp Giáo viên hướng dẫn Giáo sư Simon Milne, Email: [simon.milne@aut.ac.nz](mailto:simon.milne@aut.ac.nz) hoặc điện thoại (+64-9) 921 9245.

Những vấn đề liên quan đến quá trình thực hiện nghiên cứu này, xin liên hệ Thư Ký hội đồng AUTECT, Madeline Banda, [Madeline/banda@aut.ac.nz](mailto:Madeline/banda@aut.ac.nz), điện thoại 921 – 9999 ext 8044.

**Bản hỏi được thông qua bởi Hội Đồng Đạo Đức Trường AUT (AUTECT), ngày 05/07/06, AUTECH. Mã số 06/112.**

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## PHẦN 1: THÔNG TIN DOANH NGHIỆP

### Q1. Dịch vụ du lịch chính nào dưới đây doanh nghiệp của Ông/Bà đang cung cấp?

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| (1) Lưu trú                             | <input type="checkbox"/> | (2) Ăn uống và giải khát | <input type="checkbox"/> |
| (3) Vận chuyển                          | <input type="checkbox"/> | (4) Lữ hành              | <input type="checkbox"/> |
| (5) Nhà phát triển du lịch              | <input type="checkbox"/> |                          |                          |
| (6) Khác ( xin vui lòng chi tiết:.....) |                          |                          |                          |

### Q2. Ngoài dịch vụ chính đó, doanh nghiệp còn cung cấp những dịch vụ nào khác?

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| (1) Lưu trú                             | <input type="checkbox"/> | (2) Ăn uống và giải khát | <input type="checkbox"/> |
| (3) Vận chuyển                          | <input type="checkbox"/> | (4) Lữ hành              | <input type="checkbox"/> |
| (5) Nhà phát triển du lịch              | <input type="checkbox"/> |                          |                          |
| (6) Khác ( xin vui lòng chi tiết:.....) |                          |                          |                          |

### Q3. Hình thức sở hữu doanh nghiệp hiện tại của ông/bà là gì?

- |   |                          |                     |                          |
|---|--------------------------|---------------------|--------------------------|
| (1) Sở hữu tư nhân                              | <input type="checkbox"/> | (2) Sở hữu nhà nước | <input type="checkbox"/> |
| (3) Liên doanh (% ..... vốn góp)                | <input type="checkbox"/> |                     |                          |
| (4) Hình thức khác (xin vui lòng chi tiết ..... |                          |                     |                          |

### Q4. Doanh nghiệp của Ông/Bà đã hoạt động được bao lâu?

.....Năm,

**Q5. Ông/Bà đã làm việc trong doanh nghiệp này bao lâu?**

.....Năm,

**Q6. Ông/Bà đã làm việc trong lĩnh vực du lịch trong bao lâu?**

.....Năm

**Q7a. Doanh thu của doanh nghiệp năm ngoái được bao nhiêu?**

..... (Nghìn đồng)

**Q7b. Du lịch đóng góp bao nhiêu phần trăm (%) trong tổng doanh thu của doanh nghiệp?**

(1) Dưới 25% ☐ (2) Từ 25% - 50% ☐

(3) Từ 51% - 75% ☐ (4) Từ 76% - 100 % ☐

**Q8. Ông/Bà thuê bao nhiêu nhân viên trong doanh nghiệp?**

Số cán bộ nhân viên: ..... (Người)

**Q9: Tổng giá trị tài sản của doanh nghiệp?**

.....(Nghìn đồng)

## **PHẦN 2: KINH DOANH DU LỊCH VÀ MÔI TRƯỜNG**

**Q10a. Du lịch và môi trường có ý nghĩa như thế nào với Ông/Bà?**

.....

**Q10b. Theo Ông/Bà bền vững môi trường trong du lịch quan trọng như thế nào đối với Kinh doanh du lịch?** .....

**Q11. Trong bối cảnh ở Huế, xin vui lòng chỉ ra mức độ ảnh hưởng của ngành du lịch đối với các vấn đề sau, trong đó 1 = ảnh hưởng rất tiêu cực và 6 = Ảnh hưởng rất tốt.**

1	Kẹt đường ở các điểm du lịch	1	2	3	4	5	6
2	Làm suy thoái các di tích	1	2	3	4	5	6
3	Ô nhiễm nguồn nước	1	2	3	4	5	6
4	Ô nhiễm không khí	1	2	3	4	5	6
5	Giá trị văn hoá truyền thống	1	2	3	4	5	6
6	Tội phạm, vi phạm pháp luật và các vấn đề xử lý	1	2	3	4	5	6
7	Sự phát triển kinh tế của cộng đồng	1	2	3	4	5	6
8	Tái sử dụng các loại nguyên liệu	1	2	3	4	5	6
9	Cuộc sống chung của người dân	1	2	3	4	5	6

**Q12. Ông/Bà có biết về những kế hoạch về du lịch bền vững và chính sách quản lý môi trường dưới đây? (Chọn nhiều theo sự hiểu biết của Ông/Bà)**

Chính sách và kế hoạch	Có	Không
1. Kế hoạch quốc gia về phát triển du lịch giai đoạn 1995 – 2010		
2. Pháp lệnh du lịch năm 1999		

3. Chương trình quốc gia hành động về du lịch 2002 - 2005		
4. Chính sách đa dạng hoá và tự do hoá dịch vụ du lịch của tỉnh TTH		
5. Kế hoạch quốc gia về phát triển du lịch bền vững		
6. Luật bảo vệ môi trường		
7. Luật doanh nghiệp		
8. Luật đất đai		
9. Quy định Nhà nước về quản lý văn hoá và di tích		
10. Lệ phí quản lý rác thải		
11. Các xử phạt do không chấp hành các quy định và chính sách		
12. Quyền tài sản trong quản lý tài nguyên du lịch		
13. Phí quản lý du lịch		
14. Phí sử dụng tài nguyên du lịch		

### PHẦN 3: DOANH NGHIỆP VÀ HÀNH VI ĐỐI VỚI MÔI TRƯỜNG

**Q13. Với mức độ từ 1 – 6** (1 = hoàn toàn Không ảnh hưởng, và 6 = ảnh hưởng rất lớn)  
Xin vui lòng chỉ ra mức độ ảnh hưởng (ĐIỀU CHỈNH) của các chính sách và quy định sau đối với hoạt động kinh doanh của Ông/Bà?

Chính sách/quy định	1	2	3	4	5	6
1. Kế hoạch quốc gia về phát triển du lịch giai đoạn 1995 – 2010	1	2	3	4	5	6
2. Pháp lệnh du lịch năm 1999	1	2	3	4	5	6
3. Chương trình quốc gia hành động về du lịch 2002 - 2005	1	2	3	4	5	6
4. Chính sách đa dạng hoá và tự do hoá dịch vụ du lịch của tỉnh	1	2	3	4	5	6
5. Kế hoạch quốc gia về phát triển du lịch bền vững	1	2	3	4	5	6
6. Luật bảo vệ môi trường	1	2	3	4	5	6
7. Luật doanh nghiệp	1	2	3	4	5	6
8. Luật đất đai	1	2	3	4	5	6
9. Quy định Nhà nước về quản lý văn hoá và di tích	1	2	3	4	5	6
10. Phí quản lý rác thải	1	2	3	4	5	6
11. Các quy định về xử phạt do không chấp hành các quy định	1	2	3	4	5	6
12. Quyền tài sản trong quản lý tài nguyên du lịch	1	2	3	4	5	6
13. Phí quản lý du lịch	1	2	3	4	5	6
14. Phí sử dụng tài nguyên du lịch	1	2	3	4	5	6

**Q14. Ông/Bà đang thực hiện những hoạt động nào sau đây?**

Hoạt động	Có/Không	Lý do chính Ông/Bà thực hiện hoặc không thực hiện hoạt động này
1. Các hoạt động tái chế rác thải		
2. Tài trợ cho các hoạt động môi trường công cộng		
3. Tiết kiệm năng lượng		
4. Tiết kiệm nước		

5. Thực hiện đánh giá tác động môi trường hàng năm		
6. Bảo vệ môi trường xung quanh doanh nghiệp		

**Q15. Với mức độ từ 1 - 6 (1 = Hoàn toàn không khó khăn, và 6 = Cực kỳ khó khăn) xin Ông/Bà chỉ ra những rào cản hạn chế việc đảm bảo môi trường và kinh doanh du lịch bền vững trong kinh doanh của doanh nghiệp.**

1	Chi phí thực hiện cao	1	2	3	4	5	6
2	Thiếu cơ sở hạ tầng	1	2	3	4	5	6
3	Các chính sách và quy định thiếu tính thực thi	1	2	3	4	5	6
4	Thiếu kiến thức và kinh nghiệm	1	2	3	4	5	6
5	Do khả năng cạnh tranh	1	2	3	4	5	6
6	Hành vi của khách hàng (Nhu cầu của du khách)	1	2	3	4	5	6

**Q16. Hãy nghĩ về tương lai của hoạt động kinh doanh của Ông/Bà, Ông/Bà đồng ý hay không đồng ý với các ý kiến sau, theo mức độ từ 1 – 6 (1 – Hoàn toàn không đồng ý, và 6 là hoàn toàn đồng ý).**

1	Chúng tôi sẽ không chú ý nhiều đến du lịch bền vững và quản lý môi trường trong kinh doanh du lịch	1	2	3	4	5	6
2	Chúng tôi sẽ bảo vệ môi trường và xây dựng những quy định riêng để bảo đảm kinh doanh bền vững	1	2	3	4	5	6
3	Chúng tôi sẽ thay đổi chiến lược kinh doanh để thích ứng với sự xuất hiện của du lịch bền vững và các chính quản lý môi trường	1	2	3	4	5	6
4	Chúng tôi sẽ tổ chức các khoá tập huấn về hoạt động du lịch bền vững và quản lý môi trường cho cán bộ nhân viên trong doanh nghiệp	1	2	3	4	5	6
5	Chúng tôi sẽ triển khai chương trình hướng dẫn du khách (cung cấp thông tin về giá trị văn hoá, truyền thống và môi trường địa phương)	1	2	3	4	5	6
6	Chúng tôi sẽ lắp đặt thêm phương tiện để tái chế và xử lý rác thải	1	2	3	4	5	6
7	Chúng tôi sẽ thiết lập những quy định riêng về quản lý môi trường và du lịch bền vững trong doanh nghiệp	1	2	3	4	5	6
8	Chúng tôi sẽ khuyến khích du khách sử dụng các sản phẩm thân thiện với môi trường	1	2	3	4	5	6
9	Chúng tôi sẽ thúc đẩy việc bảo tồn và sử dụng bền vững tài nguyên du lịch	1	2	3	4	5	6
10	Chúng tôi sẽ giữ vững và thúc đẩy sự đa dạng về tự nhiên, văn hoá và xã hội trong kinh doanh	1	2	3	4	5	6
11	Chúng tôi sẽ xây dựng quan hệ kinh tế gắn gũi với cộng đồng địa phương xung quanh doanh nghiệp	1	2	3	4	5	6

**Q17. Những vấn đề nào sau đây sẽ có ích và hỗ trợ cho Ông/Bà để thúc đẩy phát triển du lịch bền vững trong tương lai? (Hãy chọn nhiều theo đánh giá của Ông/Bà)**



Đánh dấu Tick để chọn

1	Xây dựng mạng lưới về du lịch bền vững giữa doanh nghiệp và chính quyền địa phương	
2	Trao đổi kiến thức/kinh nghiệm về du lịch bền vững giữa các doanh nghiệp và doanh nghiệp với chính quyền	
3	Tổ chức hội thảo về du lịch bền vững cho các doanh nghiệp	
4	Doanh nghiệp có thêm tiếng nói trong việc lập kế hoạch phát triển du lịch của Nhà nước và tỉnh	
5	Nâng cao nhận thức của người dân địa phương về bảo tồn tài nguyên du lịch và quản lý môi trường	
6	Cải thiện cơ sở hạ tầng công cộng (Hệ thống thoát nước, công rãnh, thùng rác, .v.v. ở các điểm du lịch)	
7	Nâng cao sự tham gia của xã hội vào phát triển du lịch bền vững	
8	Nhiều nguồn cán bộ và nhân viên được đào tạo tốt hơn	
9	Thêm nhiều quy định và chính sách khuyến khích đối với phát triển du lịch bền vững	
10	Chính quyền có quy định và chính sách rõ ràng hơn về phát triển du lịch bền vững môi trường	
11	Chính quyền có kế hoạch chiến lược hợp lý cho phát triển du lịch bền vững	
12	Chính quyền có thêm sự tư vấn/hướng dẫn về phát triển du lịch bền vững	
13	Tạo ra nhiều cơ hội cho các doanh nghiệp tiếp cận các nguồn tài chính để phát triển	

**Q18. Ông/Bà có kiến nghị gì thêm để phát triển du lịch bền vững môi trường?**

.....

.....

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#### PHẦN 4: THÔNG TIN CÁ NHÂN

**Q19. Vai trò hiện tại của Ông/Bà trong doanh nghiệp:**

- (1) Giám đốc ☐ (2) Chủ sở hữu ☐
- (3) Chủ sở hữu và giám đốc ☐ (4) Nhân viên ☐
- (5) Khác (Xin vui lòng chi tiết .....)

**Q20. Tuổi của Ông/Bà:** ..... (Tuổi)

**Q21. Giới tính** (Xin vui lòng chọn một):

- (1) Nam ☐ (2) Nữ ☐

**Q22. Bằng cấp đào tạo cao nhất mà Ông/Bà có được** (Xin vui lòng chọn một)

- (1) Dưới trung học ☐ (2) Trung học ☐
- ☐ (3) Cao đẳng ☐ (4) Đại học ☐
- ☐ (5). Bằng cấp cao (Thạc sỹ, Tiến sỹ) ☐
- (6) Khác (xin vui lòng chi tiết:.....)

**XIN CHÂN THÀNH CẢM ƠN SỰ GIÚP ĐỖ CỦA ÔNG BÀ**  
**KẾT THÚC BẢN HỎI**

**Appendix 9: Distribution (%) of tourism enterprises  
by ratings and years of operation**

Years of operation	Levels of importance (*)				Means
	Slightly important	Fairly Important	Very Important	Extremely Important	
1 - 5 years	2.8	34.7	41.7	20.8	3.8
6 - 10 years	0	31.4	35.7	32.9	4.0
11 - 15 years	0	4.5	45.5	50.0	4.5
Over 15 years	0	0	33.3	66.7	4.7
Total	1.2	27.7	39.3	31.8	4.0

*(2-sided  $\chi^2$  Test ( $\alpha = 0.05$ ); \*p-value = 0.000, difference is statistical significant at the 0.05 level)*

**Appendix 10: Distribution (%) of tourism enterprises by ratings and  
number of sub-services**

No. of sub-services	Level of importance (*)				Mean
	Slightly important	Fairly Important	Very Important	Extremely Important	
1	0.0	12.9	32.3	54.8	4.4
2	2.3	21.8	46.0	29.9	4.0
3	0.0	46.9	32.7	20.4	3.7
4	0.0	33.3	33.3	33.3	3.9
Average	1.2	27.7	39.3	31.8	

*(2-sided  $\chi^2$  Test ( $\alpha = 0.05$ ); \*p-value = 0.000, difference is statistical significant at the 0.05 level)*

### Appendix 11: The Tourism industry and negative impacts on environment

Impacts on	Negative impacts	
	N =	%
Monument degradation	31	79.5
Water (river) pollution	25	64.1
Waste at destinations	23	59
Congestion at tourism destination	19	48.7
Local people's livelihood	17	43.6
Prostitution and socio violence	12	30.8

(Total ends up more than 100% as interviewees have more than 1 option in answer)

### Appendix 12: Tourism firms on environmentally friendly practices by the years of operation

(Unit: %)

Measures		Years of operation				$\chi^2$ - Tests Sig. (2-sided)
		1 - 5 years	6 - 10 years	11 - 15 years	Over 15 years	
1. Recycling activities/Waste minimization	No	34.7	26.1	33.3	0.0	0.153
	Yes	65.3	73.9	66.7	100.0	
2. Funding of public environmental activities	No	62.7	54.9	54.5	11.1	0.033*
	Yes	37.3	45.1	45.5	88.9	
3. Energy saving (e.g. petrol, electricity)	No	13.3	10.8	0.0	11.1	0.378
	Yes	86.7	89.2	100.0	88.9	
4. Material saving (e.g. Water, facilities)	No	4.3	10.6	10.0	11.1	0.537
	Yes	95.7	89.4	90.0	88.9	
5. Annual environmental impacts assessment report	No	61.2	47.7	33.3	14.3	0.028*
	Yes	38.8	52.3	66.7	85.7	
6. Enhancing surrounding environment	No	33.8	29.7	15.0	14.3	0.333
	Yes	66.2	70.3	85.0	85.7	

(Note: \* Statistically significant at 0.05 level)

**Appendix 13: Tourism firms on environmentally friendly practices by percentage of revenues attributable to tourism**

(Unit: %)

		Percentage of revenue attributable to tourism				$\chi^2$ - Tests
		Under 25%	25-50 %	51-75 %	76-100 %	Sig. (2-sided)
1. Recycling activities/Waste minimization	No	55.6	38.2	20.0	29.5	0.070
	Yes	44.4	61.8	80.0	70.5	
2. Funding of public environmental activities	No	80.0	79.4	47.1	49.2	0.004*
	Yes	20.0	20.6	52.9	50.8	
3. Energy saving (e.g. petrol, electricity)	No	20.0	18.2	12.3	3.3	0.093
	Yes	80.0	81.8	87.7	96.7	
4. Material saving (e.g. Water, facilities)	No	22.2	8.8	6.8	6.6	0.423
	Yes	77.8	91.2	93.2	93.4	
5. Annual environmental impacts assessment report	No	70.0	46.7	49.1	48.3	0.612
	Yes	30.0	53.3	50.9	51.7	
6. Enhancing surrounding environment	No	30.0	41.9	26.2	23.1	0.301
	Yes	70.0	58.1	73.8	76.9	

(Note: \* Statistically significant at 0.05 level)

**Appendix 14: Tourism and their rating the difficulty of barrier to sustainable tourism practice by ownership structure**

(Unit: %)

Barriers	Level of difficulty						Total	$\chi^2$ - Test Sig. (2- sided)
	Not at all	Only slightly	Moderate	Fairly	Very	Extremely		
<b>High implementing cost</b>								
Private ownership	0.0	2.6	16.1	32.9	34.2	14.2	100	0.000*
State ownership	0.0	0.0	57.1	28.6	14.3	0.0	100	
Join Venture	0.0	44.4	33.3	11.1	11.1	0.0	100	
<b>A lack of infrastructure/resources</b>								
Private ownership	0.7	1.3	11.8	42.1	34.2	9.9	100	0.000*

State ownership	0.0	0.0	35.7	35.7	28.6		100	
Join Venture	0.0	44.4	22.2	22.2	11.1		100	
<b>A lack of regulation/policy enforcement</b>								
Private ownership	0.0	0.7	14.0	30.0	46.7	8.7	100	
State ownership	0.0	0.0	14.3	28.6	50.0	7.1	100	
Join Venture	0.0	0.0	0.0	12.5	87.5	0.0	100	0.900
<b>A lack of knowledge/experiences</b>								
Private ownership	0.7	2.0	8.0	39.3	29.3	20.7	100	
State ownership	0.0	0.0	23.1	53.8	15.4	7.7	100	
Join Venture	0.0	11.1	44.4	44.4	0.0	0.0	100	0.013*
<b>Competitive behaviors</b>								
Private ownership	1.4	1.4	15.6	32.0	32.7	17.0	100	
State ownership	7.1	7.1	14.3	57.1	14.3	0.0	100	
Join Venture	0.0	0.0	33.3	55.6	11.1	0.0	100	0.211
<b>Consumer behaviors (tourists' demand)</b>								
Private ownership	1.4	3.5	26.8	30.3	31.7	6.3	100	
State ownership	0.0	0.0	21.4	35.7	42.9	0.0	100	
Join Venture	0.0	0.0	12.5	37.5	50.0	0.0	100	0.963

( \*Statistical significant is at 0.05 level)