Unit 3 Tourism and development

Tourism case studies

Sector change and economic case study

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1. Case Study: India's Economic Transition (Primary to Tertiary Sectors)

- **Program Name**: Economic Liberalization of 1991
- **Dates**: 1991–present
- **Details**:

  India transitioned from an agrarian-based economy to one focused on the **tertiary sector**, especially IT services. Economic reforms led by Finance Minister **Manmohan Singh** included deregulation, reduced tariffs, and open foreign investment.

- **Impact**:

  The **IT sector** (Infosys, TCS) now contributes significantly to India's GDP, demonstrating a clear shift from **primary (agriculture)** to **tertiary (services)** activities.

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2. Case Study: Nigeria's Oil Industry

- **Program Name**: Niger Delta Development Commission (NDDC)
- **Dates**: Established in 2000
- **Details**:

  Nigeria's oil sector provides **90% of export revenues** but caused severe **pollution** and **conflict** in the Niger Delta.

- **Impact**:

  The NDDC aimed to promote sustainable development, but **corruption** limited effectiveness. Oil spills and gas flaring damaged ecosystems and harmed local communities.

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3. Case Study: China's Manufacturing Boom

- **Program Name**: Special Economic Zones (SEZs)
- **Dates**: Launched in 1980
- **Details**:

  Starting with **Shenzhen**, SEZs attracted foreign investment via tax breaks and deregulation.
- **Impact**:

  China became the **world's manufacturing hub**, lifting millions out of poverty and becoming the top global exporter by 2010. However, **pollution** and **urban congestion** increased.

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4. Case Study: Bangladesh's Garment Industry

- **Program Name**: Export Processing Zones (EPZs)
- **Dates**: Established in 1983
- **Details**:

  EPZs attracted foreign investment by relaxing labor laws. Major brands like H&M and Zara source from here.
- **Impact**:

  80% of export earnings come from garments. Millions employed, but poor working conditions led to disasters like **Rana Plaza (2013)** with 1,100+ deaths.

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5. Case Study: Costa Rica's Eco-Tourism

- **Program Name**: National System of Conservation Areas (SINAC)
- **Dates**: Established in 1994
- **Details**:

  SINAC manages over **25% of Costa Rica's land**, including national parks and reserves.
- **Impact**:

  Attracts sustainable tourism and supports biodiversity while empowering **local communities**. Eco-tourism is a **major contributor** to GDP.

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6. Case Study: Germany's Energiewende (Energy Transition Program)

- **Program Name**: Energiewende
- **Dates**: Launched in 2000
- **Details**:

  Germany shifted from fossil fuels and nuclear energy to **solar and wind power**, in line with **EU targets**.
- **Impact**:

  By 2020, over **40% of electricity** came from renewables. Although praised for sustainability, the program faced challenges like high energy costs.

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7. Case Study: Overfishing of Atlantic Cod in Canada

- **Location**: North Atlantic, especially Newfoundland
- **Issue**: Collapse of the **Atlantic cod fishery**
- **Details**:

  Unsustainable fishing from the **1950s–1990s** led to cod stocks crashing to **1% of original levels**.
- **Impact**:

  A **1992 moratorium** caused 40,000 job losses. The **ecosystem changed**, with cod failing to recover fully even decades later.
- **Lesson**:

  Highlights the dangers of **overconsumption** and lack of sustainable resource management.

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8. Case Study: North American Free Trade Agreement (NAFTA → USMCA)

- **Agreement Name**: North American Free Trade Agreement (NAFTA); replaced by **United States-Mexico-Canada Agreement (USMCA)**
- **Dates**: NAFTA signed in 1992, effective January 1, 1994; replaced by USMCA in 2020
- **Countries Involved**: United States, Canada, Mexico

- **Details**:

  NAFTA eliminated most tariffs and trade barriers, facilitating increased trade across North America. Key areas included agricultural trade, investment protections, and dispute resolution mechanisms.

- **Impact**:

  Significantly boosted trade but led to job losses in U.S. manufacturing due to outsourcing to Mexico. USMCA updated labor laws, digital trade, and environmental standards.

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9. Case Study: European Union (EU) Single Market

- **Agreement Name**: European Single Market
- **Dates**: Established on January 1, 1993
- **Countries Involved**: 27 EU member states
- **Details**:

  Allows free movement of goods, services, capital, and people across the EU. Harmonizes regulations and promotes cross-border business.

- **Impact**:

  Boosted trade within the EU and helped integrate member economies. The introduction of the euro facilitated further economic cohesion for Eurozone countriesp

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13. Case Study: ASEAN Free Trade Area (AFTA)

- **Agreement Name**: ASEAN Free Trade Area (AFTA)
- **Dates**: Signed in 1992, effective January 1, 1993
- **Countries Involved**: 10 ASEAN nations
- **Details**:

  CEPT agreement gradually reduced intra-ASEAN tariffs. Focuses on making Southeast Asia more competitive globally.

- **Impact**:

  Strengthened trade among member states and attracted foreign investment to the region.

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15. Case Study: Circular Economy – Patagonia

- **Company**: Patagonia (Outdoor Clothing Brand)
- **Details**:

  Promotes a **circular economy** by encouraging customers to **repair, recycle, and reuse** clothing.
- **Practices**:
  - **Worn Wear Program**: Collects used gear, repairs it, and resells it.
  - **Recycled Materials**: Uses materials like polyester made from old plastic bottles.
  - **Longevity & Repairability**: Products are made durable and repair-friendly.
- **Impact**:

  Reduces waste, encourages sustainable consumption, and minimizes environmental footprint.

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16. Case Study: Linear Economy – Fast Fashion (e.g., H&M, Zara)

- **Industry**: Fast Fashion
- **Details**:

  In a **linear economy**, resources are extracted, products are manufactured, consumed, and discarded.

  Fast fashion brands produce cheap, short-lived clothing.
- **Practices**:
  - Quick production cycles with non-recyclable materials.
  - Consumers encouraged to buy often, wear briefly, and discard.
- **Impact**:

  Massive textile waste, environmental degradation, and overconsumption of water and energy.

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17. Case Study: Overfishing of Atlantic Cod – Canada

- **Location**: North Atlantic (Newfoundland, Canada)
- **Issue**: Collapse of **Atlantic cod fishery**
- **Timeline**: 1950s–1990s; **moratorium in 1992**
- **Details**:

  Overfishing caused stocks to plummet to **1%** of their historical size.
- **Impact**:
  - **40,000 jobs lost**, economic devastation.
  - Altered marine ecosystems.
  - Cod populations have yet to fully recover.
- **Lesson**:

  Unsustainable resource use can lead to irreversible ecological and social consequences.

Case Study 1: Costa Rica – Eco-Tourism and Sustainable Development

Overview:

Costa Rica, a global leader in eco-tourism, has made sustainability a national priority since the early 1990s. Over 25% of its land is protected under national parks and biological reserves, coordinated by the **National System of Conservation Areas (SINAC)**, established in **1994**.

Cultural Impacts: Preservation vs. Commodification

- **Preservation**: In areas like **Monteverde** and **Tortuguero**, eco-tourism has provided funds to preserve **indigenous Bribri and Cabécar territories**, integrating language and traditional medicine into visitor experiences.
- **Cultural commodification**: However, in **La Fortuna**, some traditional farming communities have turned homes into souvenir shops or staged "indigenous welcome ceremonies" that are not authentic. These changes began accelerating after the rise of mass tourism post-**2008**, with the expansion of tourism infrastructure near **Arenal Volcano**.

Environmental Impacts

- **Positive**:
  - **Certification for Sustainable Tourism (CST)** launched in **1997**, ensures tourism businesses meet sustainability metrics (e.g., water use, waste disposal, energy).
  - **Reserva Biológica Bosque Nuboso Monteverde** charges visitor fees that directly fund reforestation and wildlife corridors.
- **Negative**:
  - **Manuel Antonio National Park** was temporarily closed in **2008** due to ecosystem stress from over-visitation (exceeding 600 daily visitors).
  - Waste buildup in **Tamarindo Beach**, driven by surf tourism, led to algae blooms and turtle nesting disruptions until **Blue Flag Ecological Certification** was enforced in **2015**.

Economic Impacts

- Tourism accounts for over **6.3% of GDP** (as of **2020**), providing jobs in eco-lodges, guiding, and conservation.
- Programs like **"Rural Tourism Development Program" (2002)** support smallholder participation in tourism by training farmers to run homestays and create value-added products (e.g., cocoa tours, medicinal herb workshops).

Management Strategies

- **SINAC**, working with **MINAE (Ministry of Environment)**, applies zoning laws to cap visitor numbers in fragile areas.
- Since **2018**, Costa Rica introduced **carbon-neutral certification for tour operators**, aligning with its goal to become **carbon neutral by 2050**.

Evaluation

Costa Rica successfully integrates economic growth with conservation and cultural heritage. However, areas like **Jacó** and **Quepos** show signs of environmental degradation and real estate-driven displacement. Cultural performances risk becoming superficial due to tourist demand. Nonetheless, regulation, investment in education, and community ownership have helped maintain Costa Rica's leadership in sustainable tourism.

Case Study 2: Mount Bromo Region, East Java, Indonesia – Balancing Eco-Tourism and Sacred Land

Overview:

Mount Bromo, located in **Bromo Tengger Semeru National Park (TNBTS)**, is one of Indonesia's most iconic volcanoes and a cultural site for the **Tenggerese** people. Tourism surged after government promotion in **2015** as part of the **"10 New Balis" national campaign**.

Cultural Impacts: Commodification and Resistance

- **Traditional Ceremony: Yadnya Kasada** – Annually held at **Poten Temple** in the caldera. Tourists increasingly attend but have disrupted the ritual by throwing fake offerings or taking drone footage. In **2023**, local elders imposed a **temporary access ban to the temple during peak festival days** due to disrespectful behavior.
- **Cultural tourism** has included scripted versions of Tenggerese rituals in **Ngadisari** since **2019**, often criticized by elders for diluting the spiritual meaning.
- **Desa Wisata Program (2018)** encouraged villagers to turn homes into guesthouses, but some now feel rituals are being performed more for visitor photos than for the gods.

Environmental Impacts

- **Sea of Sand degradation**: Jeep tourism (800+ jeeps/day in peak season) has caused dust pollution and road erosion. As a result, the **"One-Way Jeep Route System"** was implemented in **2022** to reduce damage.
- **Plastic pollution**: Visitor waste peaked during New Year holidays. The **2024 "Bring-Back-Your-Waste" pilot program** was introduced in **Ngadas** and **Jetak**, enforcing a no-plastic policy.
- **Ash plain vegetation** is threatened by ATV tours, banned from sensitive zones in **2023** under the **Trail Zoning Program**.

Economic Impacts

- Income from tourism now exceeds traditional farming income in villages like **Cemoro Lawang**.
- **Pokdarwis Bromo** (local tourism cooperatives) manage jeep services and lodge booking, ensuring profits stay local.
- However, land prices surged between **2015–2022**, forcing some poorer families to sell ancestral farmland.

Management Strategies

- **TNBTS Authority** and **Ministry of Tourism** launched the **Bromo Eco-Tourism Regulation Program** in **2021**, including:
  - Lodging limits based on carrying capacity.
  - Mandatory training for guides in sustainability and Tenggerese cultural etiquette.
- **Sacred site zoning** initiated in **2022** protects forest shrines and bans loudspeakers, drones, and non-local food vendors within 500m.

Evaluation

Mount Bromo is a prime example of both opportunity and risk in cultural and environmental tourism. While local incomes have grown, tensions between authenticity and commodification remain high. Efforts such as the **Sacred Site Access Code (2023)** and community-led governance (e.g., **Pokdarwis**) show promise. Yet, without consistent enforcement and cultural respect from tourists, long-term sustainability may be compromised.

Costa Rica – Tangible and Intangible Tourism Resources

Tangible Resources:

- **National Parks and Reserves** (e.g., Corcovado, Monteverde) – protect rich biodiversity.
- **Volcanoes** (e.g., Arenal, Poás) – iconic natural landmarks with hiking and hot springs.
- **Beaches and Rainforests** – Pacific and Caribbean coastlines offer diverse ecotourism.

- **Biodiversity Hotspot** – over 5% of global species found in a small land area.

Intangible Resources:

- **“Pura Vida” Philosophy** – cultural identity centered on simplicity, happiness, and wellness.
- **Sustainability Ethos** – national pride in conservation, renewable energy, and carbon neutrality.
- **Community-Based Ecotourism** – locals as guides and hosts in homestays and cooperatives.
- **Peaceful Reputation** – no army since 1949 promotes a safe and inviting image.

Importance:

- Blends scenic landscapes with cultural values that support sustainable and ethical tourism.
- Intangible identity (Pura Vida) helps market Costa Rica as an eco-conscious brand globally.

Mount Bromo (Indonesia) – Tangible and Intangible Tourism Resources

Tangible Resources:

- **Bromo Crater and Sea of Sand (Lautan Pasir)** – dramatic volcanic terrain.
- **Sunrise Viewpoints (e.g., Penanjakan)** – major visual attraction.
- **Tengger Caldera Ecosystem** – highland agriculture, ash plains, and endemic species.
- **Proximity to National Park (TNBTS)** – supports adventure and nature-based tourism.

Intangible Resources:

- **Tenggerese Culture** – preserved Hindu practices unique to East Java.
- **Yadnya Kasada Festival** – ritual offerings into the volcano, attracting cultural tourists.

- **Sacred Geography** – spiritual connection to Mount Bromo shapes village life and tourism.
- **Local Storytelling and Ritual Etiquette** – passed down orally, offering immersive visitor experiences.

Importance:

- Combines dramatic geography with deep-rooted spiritual and cultural traditions.
- Intangible heritage adds authenticity and uniqueness, distinguishing it from other volcanic sites.

Case Study 1: China’s Manufacturing Boom through Special Economic Zones (SEZs)

Program Name: Special Economic Zones (SEZs)

Launch Date: 1980

Key Cities: Shenzhen (first), Zhuhai, Shantou, Xiamen, followed by others such as Pudong (Shanghai)

Background and Causes

- In 1978, under **Deng Xiaoping’s Open Door Policy**, China began shifting from a closed, centrally planned economy to a more market-oriented one.
- China faced widespread poverty, low productivity, and stagnating growth after the Cultural Revolution.
- To attract foreign investment and experiment with market reforms without overhauling the entire system, the government designated SEZs — regions with **tax breaks, relaxed labor laws, land use flexibility**, and **fewer bureaucratic restrictions**.
- The first SEZ, **Shenzhen**, was a fishing village with 30,000 people in 1980.

How SEZs Functioned

- SEZs allowed **100% foreign ownership**, **duty-free imports**, and streamlined customs.
- Companies from **Japan, Hong Kong, the USA, and Taiwan** were among the first to invest.

- These zones emphasized **light manufacturing**, **electronics**, and **textiles**, eventually advancing to high-tech industries.

Impacts

- **Shenzhen's GDP** grew from **USD 27 million in 1980** to over **USD 400 billion by 2020**.
- By **2006**, SEZs accounted for **22% of China's GDP**, **45% of FDI**, and **60% of exports**.
- SEZs generated over **30 million jobs** and facilitated the migration of rural populations to urban centers, fueling urbanization.
- **By 2010**, China became the **world's largest exporter** and **"factory of the world."**

Challenges and Evaluation

- **Environmental damage**: rapid growth caused significant **air, water, and soil pollution** in SEZ cities.
- **Urban inequality**: rural-urban wealth gap widened as SEZs created modern, high-income bubbles surrounded by poorer regions.
- **Worker rights**: poor labor protections led to long hours and unsafe conditions in many factories (e.g., **Foxconn suicides**, 2010).
- Despite challenges, the SEZ model was considered a **highly successful economic experiment**, replicated in other developing countries.

Case Study 2: India's Economic Transition – From Primary to Tertiary Sector

Program Name: Economic Liberalization Reforms

Initiation Date: July 24, 1991

Architect: Dr. Manmohan Singh (Finance Minister), under PM P. V. Narasimha Rao

Background and Causes

- India in 1991 faced a **balance of payments crisis** with only enough foreign reserves to cover three weeks of imports.

- Heavy government control, protectionism, and state-owned monopolies hindered industrial efficiency.
- India accepted a **structural adjustment loan** from the **International Monetary Fund (IMF)** and agreed to liberalize its economy.

Key Reforms

- **Deregulation**: Reduced government control on industries, allowing private businesses to thrive.
- **Privatization**: Disinvestment in public sector enterprises.
- **Foreign Direct Investment (FDI)**: Allowed foreign companies to invest in sectors like telecom, IT, and retail.
- **Tariff reduction**: Lowered import duties, promoting globalization.
- **Tax reform**: Introduced VAT and streamlined taxation.

Impacts

- **GDP growth** accelerated from an average of **3.5% (pre-1991)** to over **7% in the 2000s**.
- **IT sector boom**: Companies like **Infosys**, **Wipro**, and **TCS** became global leaders, making India a global IT outsourcing hub.
- **Service sector growth**: The tertiary sector now accounts for **over 55% of India's GDP** (as of 2022).
- **Urban middle class expansion**: Cities like **Bangalore**, **Hyderabad**, and **Gurgaon** became tech and services hubs.

Challenges and Evaluation

- **Inequality**: Rural areas and poorer states (e.g., Bihar, UP) lagged behind urban centers in the south and west.
- **Jobless growth**: While GDP rose, **employment growth was slower**, especially in manufacturing.
- **Agriculture neglected**: The primary sector saw slower reform, and farmer distress continued.
- Despite this, India's transformation is viewed as one of the **most successful post-colonial economic transitions**, especially in positioning

India in the global digital economy.