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TOURISM IN HONG KONG AND SINGAPORE: POLICIES, MUTUAL LEARNING AND COLLABORATION OPPORTUNITIES

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CERTIFICATE OF ORIGINALITY

I hereby declare that this thesis is my own work and that, to the best of my knowledge and belief, it reproduces no material previously published or written nor material which has been accepted for the award of any other degree or diploma, except where due acknowledgement has been made in the text.

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20 Jan 04

Date

Synopsis

The Asia Pacific region is one of the fastest-growing tourism regions in the world. The establishment of tourism partnerships in APEC and ASEAN, for example, has indicated the interdependence of some countries/cities in the region as well as the importance of regional tourism cooperation in the economic development of destinations. Hong Kong and Singapore are two important tourism hubs that share discernible similarities. However, few studies, if any, have yet analyzed and compared their tourism policies for the 21st century, which is an element that shapes destination competitiveness. The feasibility and value of mutual learning or cooperation/collaboration between the two governments were also not addressed in previous research. This thesis filled the gaps by: (1) comparing the tourism policies formulated for the 21st century by the Hong Kong and Singapore governments; (2) exploring whether mutual learning or (3) collaboration between the two governments would be beneficial or detrimental to the enhancement of their respective destination competitiveness. The rationale of proposed arguments and specific suggestions were also explored.

This qualitative research adopts a comparative study design. Both primary and secondary data were collected. The comparison of tourism policies of the two cities (Objective 1) was based on secondary data and an Analytical Framework for Destination Competitiveness and Sustainability Policies adapted from Ritchie's & Crouch's (2000) model. The issues of mutual learning and collaboration (Objective 2 and 3) were investigated using primary findings collected by means of in-depth interviews with government officials, key industrial players, academics and international tourism organizations.

Among the various aspects of policies studied, five are considered to have shown the biggest contrasts between the governance of Hong Kong and Singapore governments in the

context of tourism. They are vision formulation, provision of tourism infrastructure and product development, crisis management, policies for the private sector, and policies on competition and cooperation with other cities/countries. The significant differences are essentially due to the different governance philosophies and political agenda of the two governments.

The participants of this study were not unanimous on the notions that mutual learning or intergovernmental collaboration between the governments of Hong Kong and Singapore is feasible or beneficial to enhancing their respective destination competitiveness. With regard to mutual learning, some interviewees expressed that the governments should "do things in their own way" due to the differences in political systems, governance philosophy, and destination uniqueness. Others agreed that they should learn from each other in order to enhance competitiveness. Specific suggestions categorized into attitudinal and strategic aspects were given. In terms of collaboration, three arguments were put forward: (1) intergovernmental collaboration is necessary and beneficial; possible areas of collaboration include exchange of intelligence, marketing and aviation; (2) it is not feasible although it may be worthwhile; and (3) it is not necessary and/or has little value.

This study has provided insights into the three research objectives. Not only does it fill the research gaps, essential destination competitiveness issues are also addressed together with practical recommendations to the governments. The findings should be of value to the decision makers in the administration. In addition, an analytical framework for destination competitiveness and sustainability policies was developed, which enables a systematic and effective comparison of tourism policies between two destinations.

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List of Abbreviations

AA	Airport Authority
AAPA	Association of Asia-Pacific Airlines
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of South East Asian Nations
ASEANTA	Association of South East Asian Nations Tourism Association
BBC	British Broadcasting Corporation
CAD	Civil Aviation Department
CED	Customs & Excise Department
CEPA	Closer Economic Partnership Agreement
DCI	Destination Competitiveness Index
DMO	Destination Management Organization
EATOF	East Asia Inter-Regional Tourism Forum
EDB	Economic Development Board
EIU	Economic Intelligence Unit
EMB	Education and Manpower Bureau
ERC	Economic Review Committee
ESCAP	Economic and Social Commission for Asia and The Pacific
ESDS	Environmentally Sustainable Development Strategy
EU	Efficiency Unit
FU	Feedback Unit
GCI	Growth Competitiveness Index
GDP	Gross Domestic Product
HARTCO	Hong Kong Association of Registered Tour Coordinators
HISUS	Hotel Industry Skills Upgrading Scheme
HIWG	Hotel Industry Working Group
HKCSD	Hong Kong Census and Statistics Department
HKMH	Hong Kong Museum of History
HKPC	Hong Kong Productivity Council
HKTA	Hong Kong Tourist Association
HKTB	Hong Kong Tourism Board
HMS	Hostel Management School

IACT	International Advisory Council for Tourism
IATA	International Air Transport Association
ICA	Immigration & Checkpoints Authority
IMD	Institute for Management Development
JCTI	Joint Council of the Travel Industry of Hong Kong
MICE	Meetings, Incentives, Conventions and Exhibitions
MICI	Microeconomic Competitiveness Index
MOE	Ministry of Education
NEA	National Environmental Authority
OECD	Organization for Economic Cooperation and Development
PAP	People's Action Party
PATA	Pacific Asia Travel Association
PSD	Public Service Division
SAR	Special Administrative Region
SARS	Severe Acute Respiratory Syndrome
SCOT	Sub-Committee of Tourism
SDC	Sentosa Development Corporation
SIA	Singapore Airlines
SIR	Singapore Immigration & Registration
SGP	Singapore Green Plan
SPRING	Standard, Productivity and Innovation Board
STB	Singapore Tourism Board
STPB	Singapore Tourism Promotion Board
TC	Tourism Commission
TDAS	Tourism Development Assistance Scheme
TOP	Tourism Orientation Program
TWG	Tourism Working Group
UAI	Union des Association Internationales
UNESCAP	United Nations Economic and Social Commission for Asia and The Pacific
URA	Urban Redevelopment Authority
WEF	World Economic Forum
WHO	World Health Organization
WTO	World Tourism Organization

Chapter One. Introduction

This chapter first provides a background to the study and presents the problems to be investigated. Then specific study objectives are stated. Towards the end of the chapter, the scope and significance of the study, and definition of key terms are explained.

1.1 Background

Tourism is one of the most remarkable success stories of modern times. The industry has grown rapidly and steadily for the past 30 years in terms of the income it generates and number of people who travel abroad (Frangialli, 1998). According to the World Tourism Organization (WTO), there will be 1.6 billion international tourists by the year 2020, spending more than US$2 trillion annually – or US$5 billion every day (WTO, 1999; Frangialli, 1998).

Although Europe is still the top region of the world in terms of tourism activity, its growth rate in international tourism arrivals in 2002 over 2001 has been relatively smaller and below the world average (WTO, 2003). On the contrary, tourism in the Asia Pacific region has been growing prominently, as countries within the region have progressively developed their tourism products, and international access to the region has improved and the cost of access has been reduced. Tourist arrivals in Asia-Pacific grew more than five times as many between 1980 and 2001, with a growth rate over the period averaging 8.3% a year (WTO, 2000a; 2003). In 2001, Hong Kong was the second most popular destination in the region while Singapore ranked fifth (WTO, 2002a).

1.1.1 Singapore and Hong Kong

Located at the tip of the Malaysian Peninsula, the Republic of Singapore occupies an extremely important strategic position between Malaysia and Indonesia, on the main sea route from Europe to East Asia (Edwards & Wong, 1996). The 600 km^2 "Lion City" was formerly under the governance of Great Britain (1819-1959) and Malaysia until 1965 when it declared independence (Knowledgenet, 2001). The number of tourist arrivals grew from 2.5 million in 1979 to 7.6 million in 2002 (WTO, 1983; STB, 2003a). Situated 2600 km away (northeast), on the eastern side of the Pearl River Delta is the Hong Kong Special Administrative Region (SAR) of the People's Republic of China, the gateway to Mainland China. This 1000 km^2 territory was also a British colony since 1842 until sovereignty was returned to China in 1997. Similar to Singapore, Hong Kong received 2.1 million visitors back in 1979 (WTO, 1983). By 2002, the number had risen to 16.6 million (HKTB, 2003a).

Economists, investors and academics often compare Hong Kong and Singapore in aspects of economic performance[1], government efficiency[2], business efficiency[3], and infrastructure[4] (IMD, 2002; Healy, 1998). The comparison dates back to the 1960s when the economies of the two cities started to boom and as they evolved into the two major financial centers in Asia (Gapinski, 1999; Andrews, 1997; Johnson-Hill & Tran, 1981). Together with the Republic of Korea and Taiwan Province, they were acclaimed as "The Four Dragons/Tigers of Asia" for their distinguished economic strengths in the region. In 2003, The Lion City was ranked the second most competitive state among countries with populations of less than 20 million while Hong Kong was ranked ninth by the Switzerland-based International Institute for Management Development (IMD, 2003).

Singapore and Hong Kong share discernible similarities in the context of tourism. As past British colonies with the majority of the population being Chinese (Lim, 2001), both offer to tourists the 'East meets West' cultural experiences. In these two small urban destinations, the major tourist activities are shopping and dining

[1] Macro-economic evaluation of the domestic economy (IMD, 2002).
[2] Extent to which government policies are conducive to competitiveness (IMD, 2002).
[3] Extent to which enterprises are performing in an innovative, profitable and responsible manner (IMD, 2002).
[4] Extent to which basic, technological, scientific and human resources meet the needs of business (IMD, 2002).

besides sight-seeing (HKTA, 2000a; STB, 2000a). In terms of infrastructure, Hong Kong and Singapore have reputable airports (Hong Kong International Airport and Changi Airport respectively), efficient transportation networks, and state-of-the-art convention and exhibition facilities (Wong, 2002). The promotion tag lines used by the Hong Kong Tourism Board[5] (HKTB) and Singapore Tourism Board[6] (STB) "City of Life: Hong Kong is it!" and "Live it up in New Asia – Singapore", both emphasize the vibrancy of the respective destinations.

From 1998 to 2000 (after the Asian Financial Crisis of 1997), the annual growth rates in visitor arrivals for both Hong Kong and Singapore were more than 11% (Turner & Witt, 2001). Tourism accounted for over 5% of GDP (Gross Domestic Product) in 2001 in both economies (HKCSD, 2002; EDB, 2002). In the same year, the industry generated US$8.3 billion in revenue for Hong Kong and about US$5.3 billion for Singapore (HKTB, 2002a; STB, 2002b). To sustain such levels of revenue or indeed to improve them requires the destinations to maintain and, where possible, to enhance their competitiveness. According to Porter (1998) and the competitiveness paradigm developed by the World Tourism Organization in 2000 (WTO, 2000b), the public sector is one of the four key elements that shape destination competitiveness. It is the government that plans and provides a framework for tourism, for example, investment in tourism infrastructure and allocation of resources. Consequently, the formulation of competitive tourism policies is the key to success for a destination. On this ground, it is important to study how a destination can improve by learning from another similar destination with a comparable level of competitiveness (such as Hong

[5] HKTB was reconstituted under the Hong Kong Tourist Association (Amendment) Bill 2001 on 1st April 2001 from the Hong Kong Tourist Association (HKTA) which was established in 1957. The main functions of HKTB are to coordinate marketing effort for the tourism industry and to assist the HKSAR Government to formulate tourism policies by carrying out research.

[6] The Singapore Tourism Promotion Board (STPB) was established in 1964 expanded its role and was renamed in 1997 as the Singapore Tourism Board (STB). STB is a government body which is responsible for both policy formulation and destination marketing.

Kong and Singapore), and to examine opportunities for collaboration with the view of achieving synergies.

At the turn of the millennium, the two cities' governments have laid down some new tourism policies and strategic frameworks for tourism development. In 1996, the Singapore Tourism Promotion Board[7] introduced "Tourism 21 – Vision of a Tourism Capital". The Republic aims to achieve the distinction as a 'must-see' destination, a tourism business center, and an undisputed tourism hub for the Asia Pacific region. Four years later, the Tourism Commission of Hong Kong[8] (2000) developed a policy paper titled "Hong Kong Tourism: Expanding the Horizons". HKSAR has the vision of establishing and promoting itself as Asia's premier international city, a world-class destination for leisure and business visitors.

Although there are studies that compare the economies (Pritchard, 2001; Anonymous, 2000; Healy, 1998) and particular sectors of the tourism industry (Wong & Kwan, 2001) in Singapore and Hong Kong, very few, if any, have analyzed the tourism policies of the two governments for the 21st century. A thorough literature search revealed that there has been no past research that examined the mutual learning and/or collaborative relationship between the two destinations. Hence, there are gaps in previous research that need to be addressed.

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[7] The predecessor of STB. See footnote 6.

[8] The Tourism Commission (TC) is the governmental tourism policy-making body of Hong Kong.

1.2 Problem Statement

The share of the East Asia and Pacific region[9] in international tourist arrivals is forecasted to be 25.4% of the world by the year 2020, which is more than three-fold of that in 1995 (7.5%) (WTO, 2000a). These figures reflect the remarkable economic growth and potential in the region as a whole (EATOF, 1999). Some countries/cities in the region try to capitalize on the economic opportunities by forming partnerships. The Association of South East Asian Nations (ASEAN) is a classic example.

What are the implications of the case of ASEAN for Hong Kong and Singapore? Would partnerships between Hong Kong and Singapore be beneficial or detrimental to their respective competitiveness?

ASEAN was formed in 1967 to provide a framework and mechanism for regional cooperation amongst member nations[10] including Singapore. Hitherto, it is one of the most influential bodies of alliance in the world both economically and politically. According to Thanat Khoman (1992), the Foreign Minister of Thailand when ASEAN was founded in Bangkok, there were numerous reasons for the establishment of the Association. The most important of them was the fact that, with the withdrawal of the colonial powers, there would have been a power vacuum which could have attracted outsiders to step in for political gains. As the colonial masters had discouraged any form of intra-regional contact, the idea of neighbors working together in a joint effort was thus to be encouraged. Secondly, cooperation among disparate members located in distant lands could be ineffective. Southeast Asia had therefore to strive to build cooperation among those who lived close to one another

[9] This region includes countries/territories in North-East Asia, South-East Asia, Australasia, Micronesia, Melanesia, and Polynesia (WTO, 2000a).
[10] By year 2002, ASEAN member countries included Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Laos, Myanmar, and Cambodia.

and shared common interests. Thirdly, the need to join forces became imperative for the Southeast Asian countries in order to be heard internationally and to be effective. The motivation for their efforts to band together was thus to strengthen their position and protect themselves against big power rivalry. Finally, it is common knowledge that cooperation and ultimately integration serve the interests of all – something that individual efforts can never achieve (Khoman, 1992). To date, it is still true that cooperation allows partners to complement each other's strengths and weaknesses, and enables the development of synergies. The influence and power of the body of alliance can also be strengthened.

Particularly in the tourism sector, partnership was formalized in 1976 following the formation of the Sub-Committee on Tourism (SCOT) under the ASEAN Committee on Trade and Tourism (ASEAN, 1998). The objectives of the cooperation in the tourism sector were (1) to develop and promote ASEAN as a single and collective tourism destination with world class standards, facilities and attractions; (2) to enhance cooperation in the tourism sector among member countries, involving both public and private sectors, in order to achieve facilitation of intra-ASEAN travel and free trade and investment in tourism services, and (3) to provide a common forum for discussion of major issues and developments in travel and tourism.

In the first formal meeting of the ASEAN Tourism Ministers held in 1998, the Plan of Action for ASEAN Cooperation in Tourism and a draft Ministerial Understanding on ASEAN Cooperation in Tourism were submitted for approval. The Plan of Action strived to provide greater tourism interaction and cooperation, and bind ASEAN member countries into a more solidly cohesive regional alliance into the new millennium. The strategic document proposed an enhancement in exchange of information and experience, development of tourism infrastructure, and joint approaches in addressing international and regional tourism issues in areas of common interest (ASEAN, 1998). This plan was drawn up to bring the success to a new height after various fruitful cooperative endeavors in tourism by the Association. Some of the prominent achievements of ASEAN tourism cooperation were the Visit ASEAN Campaign, the hosting of the ASEAN Tourism Forum as an annual event since 1981, and the establishment of the ASEAN Tourism Information Center in 1988 as a central coordinating arm. Six ASEAN Promotional Chapters for Tourism were also founded in major tourist markets (ASEAN, 1998; 2001).

The case of ASEAN has shown the strong interdependence of some countries/cities in the Asia Pacific region. It has, in addition, proved the importance of regional tourism cooperation in the economic development of destinations. Hong Kong and Singapore are destinations that share discernible similarities in the context of tourism (*see Section 1.1*) as well as economic leaders in Asia. Yet to date, no formal long-term partnership has been established between the tourism policy bodies of the two cities although both have formed cooperation agreements individually with other countries (Wong, 2002). The Lion City is not only a member of ASEAN but also a tourism agreement partner of Australia, India and China (STB, 1997a). On the other hand, Hong Kong works closely with Macao and Guangdong Province in China and is part of the Pearl River Delta Tourism Marketing Organization. In 2000, the SAR also joined the destination marketing network, East Asia Inter-Regional Tourism Forum[11] (EATOF) (Hwang, 2001). The only formal link between Hong Kong's and Singapore's tourism policy bodies is the APEC (Asia Pacific Economic Cooperation)

[11] By 2002, members included Cebu in the Philippines, Chiang Mai in Thailand, Jilin in China, Hong Kong in China, Sarawak in Malaysia, Tottori in Japan, TUV Aimag in Mongolia, Yogyakarta in Indonesia, and Kangwondo in Korea.

Tourism Working Group[12]. However, no direct cooperative relationship between the two cities has been brought about.

Is mutual learning or cooperation/collaboration[13] between Hong Kong and Singapore feasible or worthwhile? Would the establishment of such relationships be beneficial to enhancing their respective destination competitiveness as in the case of ASEAN?

There is a paucity of studies that address these issues, and as explained in *Section 1.1*, analyses on the tourism policies of Hong Kong and Singapore for the 21st century are yet minimal. With the escalating competition from cities such as Shanghai and Bangkok in the region (Anonymous, 2001), the lack of research may limit improvements in the destination competitiveness of Hong Kong and Singapore, and may jeopardize their vision to become tourism 'capitals'.

This research attempts: (1) to compare the tourism policies formulated for the 21st century by the Hong Kong and Singapore governments; (2) to explore whether mutual learning or (3) collaboration between the two governments would be beneficial or detrimental to the enhancement of their respective destination competitiveness. The rationale of proposed arguments and specific suggestions are also explored. Despite the fact that Hong Kong and Singapore have long been perceived as competitors in various aspects, it is time to take a new perspective of the vast and diverse Asia Pacific region which will give rise to a few 'tourism capitals'.

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[12] The Tourism Working Group (TWG) was formed in 1991. It brings together tourism administrators to share information, exchange views and develop areas of cooperation on trade and policies. It has 22 members from all over Asia Pacific. It has four policy goals: (1) removal of impediments to tourism business and investment, (2) increase mobility of visitors and demand for tourism goods and services, (3) sustainable management of tourism outcomes and impacts, and (4) enhance recognition and understanding of tourism as a vehicle for economic and social development (TWG, 2002a).

[13] See distinction of 'cooperation' and 'collaboration' in *Section 1.7*.

Each capital can be setting trends in its own unique way (STB, 1997b) yet collaborating in developing synergies.

1.3 Research Questions

This research addresses the following questions:

1. What are the similarities and differences between the tourism policies formulated for the 21st century by the Hong Kong and Singapore governments?
2. Would mutual learning between the Hong Kong and Singapore governments be beneficial or detrimental to the enhancement of their respective destination competitiveness?
   a) Why or why not?
   b) If mutual learning is beneficial, in what aspects should they do so?
3. Would collaboration between the Hong Kong and Singapore governments be beneficial or detrimental to the enhancement of their respective destination competitiveness?
   a) Why or why not?
   b) If collaboration is beneficial, in what aspects should they do so?

1.4 Research Objectives

The objectives of this study are: (1) to compare the tourism policies formulated for the 21st century by the Hong Kong and Singapore governments; (2) to explore whether mutual learning or (3) collaboration between the two governments would be beneficial or detrimental to the enhancement of their respective destination competitiveness. The rationale of proposed arguments and specific suggestions are also explored.

1.5 Scope of Study

This study explores mutual learning and collaboration opportunities between the governments of Hong Kong and Singapore in tourism by comparing their (tourism) policies formulated for the 21st century, which may be already implemented or may yet have to be implemented. The focus is on the two policy papers "Tourism 21 – Vision of a Tourism Capital" introduced by Singapore Tourism Promotion Board in 1996, and "Hong Kong Tourism: Expanding the Horizons" prepared by the Tourism Commission of Hong Kong in 2000, as well as policies that were formulated thereafter that are based on the policy papers. Policies that affect tourism, such as aviation and immigration policies, are also included.

The study of tourism policy can take various approaches and dimensions (Hall & Jenkins, 1995). Broadly speaking, researchers analyze (1) the policy environment – power arrangements, values/ideology and institutional arrangements, (2) the policy arena – roles and influences of interest groups, institutions, institutional leadership and significant individuals, and (3) the policy process – demands, decisions, outputs and outcomes – which is embraced in the policy arena and the policy environment (Hall, 1994). For the current research, the candidate concentrated on studying the policy outputs and outcomes of Hong Kong and Singapore, and in part the policy environment and policy arena which may influence the feasibility and nature of collaboration between the two cities.

The nature and type of tourism policy is multifarious. In this study, tourism policy was categorized into strategic level and operational level policies. The former concerns macro planning and development of a destination, and the latter deals with the travel experience of visitors.

1.6 Significance of Study

The contribution of this study is threefold. First, the issues that are being examined are of importance to the economies of Hong Kong and Singapore. Second, the study has produced results that are of value to the decision makers in the two governments. Third, a generalizable analytical framework for tourism policies has been developed.

1.6.1 The importance of the problem

Tourism is an important economic sector in Hong Kong and Singapore. It accounted for over 5% of GDP in 2001 in both economies (HKCSD, 2002; EDB, 2002). According to the WTO (2002a), Hong Kong ranked second and Singapore ranked fifth in the 'East Asia/Pacific region' in terms of arrivals in 2001. As explained in *Section 1.2,* countries/cities in the Asia Pacific region are interdependent in building destination competitiveness, and regional tourism cooperation is important in the economic development of destinations. However, formal long-term relationships have not yet been established between the public sector tourism organizations[14] of the two cities. In addition, there is a paucity of studies that explore if mutual learning or intergovernmental cooperation/collaboration would be beneficial to enhancing their respective destination competitiveness. By addressing these issues, this research has added to the existing knowledge, and provided practical recommendations that are constructive to the respective destination competitiveness of Hong Kong and Singapore, and regional tourism development as a whole.

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[14] They are the Hong Kong Tourism Board (a statutory body), the Tourism Commission of Hong Kong and the Singapore Tourism Board.

1.6.2 Value to decision makers

The recommendations in this study are based on detailed analyses of secondary data as well as on primary research findings collected from government officials, key industrial players, academics and international tourism organizations. These participants help reflect a comprehensive and realistic picture of the issues being examined and give different perspectives of opinions. Therefore, not only does this research address significant issues of destination competitiveness and tourism collaboration, its results should also be of value to the decision makers in the governments of Hong Kong and Singapore.

1.6.3 Analytical framework

An analytical framework for destination competitiveness and sustainability policies (see Table 2 in *Section 2.8*) was developed at the very beginning of the study. The framework, which was adapted from Ritchie's & Crouch's generic model of Destination Competitiveness/Sustainability (2000) (Figure 6 in *Section 2.7.2.3*), enables a systematic and effective comparison of tourism policies between two destinations. Its application may indeed extend beyond Hong Kong and Singapore to other destinations.

1.7 Definition of Key Terms

While it may be unusual to define terms in a dissertation, the candidate feels that it is necessary because destination competitiveness and policy are complex matters where a lot of terms are open to interpretation. This section, therefore, does not mean to define terms that are generally understood but to clarify any ambiguity and to give preciseness to some key terms used in this study.

Policy

Policy refers to public policy. It is a course of action, inaction, decisions and non-decisions of public authorities to address a given problem or interrelated set of problems (Pal, 1992; Dye, 2002; Hall & Jenkins, 1995).

Strategy

'An integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage' (Hitt, Ireland & Hoskinsson, 2001:127).

Tourism

Tourism is the sum of the phenomena and relationships arising from the interaction of visitors, business suppliers, host governments, and host communities in the process of attracting and hosting these visitors (McIntosh & Goeldner, 1990; Hall & Jenkins, 1995).

Tourism Policy

Tourism policy is a sector policy, which is a course of action, inaction, decisions and non-decisions of public authorities to address a given problem, interrelated set of problems, concerns or opportunities with respect to tourism (Hall & Jenkins, 1995; Chong, 1999).

Cooperation

'Cooperation is the partnership between two or more parties, characterized by informal trade-offs and by attempts to establish reciprocity in the absence of rules. Cooperation often occurs as part of the process of collaboration' (Gray, 1989:5).

Collaboration

'Collaboration is a process of joint decision making among key stakeholders of a problem domain (i.e. the way a problem is conceptualized by the stakeholders) about the future of that domain. There are five key aspects: (1) the stakeholders are interdependent, (2) solutions emerge by dealing constructively with differences, (3) joint ownership of decisions is involved, (4) stakeholders assume collective responsibility for the future direction of the domain, and (5) collaboration is an emergent process' (Gray, 1989:242).

Alliance

Alliance is an association of two or more separate and independent organizations by a formal agreement cooperating in a selected project or area with complementary strategic objectives and mutual benefits (Dev & Klein, 1993; Garnham, 1996).

Strategic competitiveness

Strategic competitiveness of a destination is achieved when the destination successfully formulates and implements a value-creating strategy and/or policy (Hitt, Ireland & Hoskinsson, 2001).

Sustainable tourism development

Sustainable tourism development 'meets the needs of present tourists and host regions while protecting and enhancing the opportunity for the future. It is envisaged as leading to management of resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems' (WTO, 1995:1).

Destination competitiveness & sustainability

Destination competitiveness and sustainability are 'the actual success of the destination as measured by the contribution which tourism makes to enhancing the sustainable well-being of destination residents; plus the extent to which the foregoing level of success has been achieved through an effective deployment of destination resources' (Ritchie, Crouch & Hudson, 2001:4).

1.8 Organization of chapters

This thesis is divided into five chapters. *Chapter One* introduced the research rationale, objectives and significance. *Chapter Two* presents the theoretical background of this study as well as the historical background of tourism development in Hong Kong and Singapore. *Chapter Three* explains the methods and instruments used to collect data, and data analysis strategies. Findings, interpretation and discussions are presented in *Chapter Four* followed by conclusions and recommendations in *Chapter Five*.

Findings, interpretation and discussions are put together in one chapter because the qualitative data would have little meaning if presented without further explanation.

Chapter Two. Literature Review

As Fitzpatrick, Secrist & Wright (1998) noted, the purpose of a literature review is to establish the needs for a study and the likelihood for obtaining meaningful, relevant, and significant results. This chapter acquaints the reader with the theoretical background of this study and the historical background of tourism development in Hong Kong and Singapore. It also provides an overview of the policy-making literature. Existing studies relative to what has been found, who has done what and when, as well as the latest research studies on tourism policy, destination competitiveness and inter-governmental collaboration in tourism were investigated.

The last section of this chapter proposes an analytical framework for tourism policies which was built based upon Ritchie's & Crouch's (2000) Destination Competitiveness and Sustainability Model. The framework is used for the purpose of comparing tourism policies of Hong Kong and Singapore.

2.1 Development of Tourism

In the book *Global Tourism,* Theobald (1998) gave a brief account of the history of tourism. He pointed out that travel has existed since the beginning of time when primitive man set out, often traversing great distances, in search of food and clothing necessary for his survival. Throughout the course of history, people have traveled for purposes of trade, religious conviction, economic gain, war, migration and other equally compelling motivations. In the Roman era, wealthy aristocrats and high government officials also traveled for pleasure. Historians suggest that the advent of mass tourism began in England during the Industrial Revolution with the rise of the middle class and relatively inexpensive transportation. The creation of the commercial airline industry following the Second World War and the subsequent introduction of the jet aircraft in the 1950s signaled the rapid growth and expansion of international travel. Throughout recorded history, travel has played a vital role in the development of civilizations.

Tourism today has grown significantly in economic and social importance. As more and more governments recognize the important role that the industry can play in generating foreign exchange earnings, creating jobs and contributing to tax revenues, the competition for tourist spending is becoming ever more intense. Pressure on national and local governments to rapidly develop their tourism potential to meet demand and produce benefits, makes it essential to plan carefully the human and environmental impacts of tourism development (Frangialli, 1998).

Crandall (1994) proposed that there were positive and negative aspects of potential social impacts of tourism. Socio-economically, tourism has effects on individual economic independence, labor force displacement (migration to tourism region for employment), changes in employment, changes in land value, improved living standards, and changes in political-economic systems. Socio-culturally, tourism can bring about growth in undesirable activities (e.g. prostitution and crime), social dualism (which can interrupt the normal and unique process of local development), demonstration effect (where local residents live beyond their means and increase the consumption of imported goods), culture as a commercial commodity, and growth of resentment and hostility towards tourists.

Excessive and badly planned tourism development also affects the physical environment of destinations. Pollution of the natural environment and disturbance to local ecological systems are some potentially serious negative environmental and ecological impacts of tourism. The rise of 'green' consciousness in the late 1980s urged the tourism industry and governments to be more responsible and to take sustainability into account when they planned for tourism development (Archer & Cooper, 1998). According to the World Tourism Organization (1995), sustainable tourism development 'meets the needs of present tourist and host regions while protecting and enhancing the opportunity for the future'. It is envisaged as leading to management of resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.

All indications are that tourism will continue to grow in the foreseeable future. There will be 1.6 billion international tourists by the year 2020, spending more than US$2 trillion annually – or US$5 billion every day (WTO, 1999; Frangialli, 1998). In spite of the economic benefits tourism can bring, both the public and private sectors must not neglect the issue of environmental sustainability and the negative impact on local residents. After all, the well-being of destination residents is most crucial (Ritchie, Crouch & Hudson, 2001).

2.2 Development of Tourism in Hong Kong

2.2.1 From the 1930s to 1950s –The dawn of tourism development

The Hong Kong Tourist Association (HKTA) (the predecessor of the Hong Kong Tourism Board) was officially established in June 1957, under the chairmanship of Mr. W.C.G. Knowles. Since 1958, after Major H.F. Stanley from London became the first Executive Director of HKTA (HKTB, 2002b), Hong Kong tourism was actively promoted (HKMH, 2002). However, prior to that year, several significant developments and government policies that directly affected tourism, e.g. in the areas of immigration and aviation, can be identified.

Kai Tak was the first airport of Hong Kong. According to the Civil Aviation Department (CAD) of Hong Kong (2002), Kai Tak began as an airport for public transportation in 1936 when the first commercial passengers flight from Penang operated by the Imperial Airways landed. In the following years, Air France began its air services from Indochina, China National Aviation Corporation from Guangzhou and Shanghai, and Eurasia Aviation Corporation operating between Hong Kong and Beijing. In 1946, after the Second World War (1939-1945), a local airline, Cathay Pacific Airways, began operations with DC3 aircraft. The Civil Aviation Department was established in the same year charged with the responsibility of administering the air services activities of the territory. Some general policies of the allocation of air routes to and from Hong Kong were adopted in 1950.

In 1954, the colonial Government approved a master plan for airport development. A 2529-meter runway was constructed in 1958 on a promontory into Kowloon Bay. The name Hong Kong International Airport was officially adopted for Kai Tak Airport (CAD, 2002). In that year, 103,055 visitors from 74 countries arrived in Hong Kong, two-thirds from the United States and Britain (HKTB, 2002b). Western countries were the major source markets.

2.2.2 The 1960s – A decade of milestones

The 1960s were a decade of milestones for the tourism industry of Hong Kong. Table 1 summarizes various aspects of development (including destination marketing and research) and government policies that had significant impacts on the industry. One may notice that the industry was very much private sector driven during its infant stage of development.

Table 1: Events in the 1960s with significant impact on Hong Kong tourism

I) Developments and Milestones

- Concern was expressed since 1960 that convention and cruise business was constrained by a lack of adequate facilities.
- Three large hotels were opened in 1963 – Hilton, Mandarin and President – boosting the number of rooms available by 76% to 5907.
- HKTA sponsored the first tourism course at Hong Kong University in 1963.
- The relaxation of outbound travel restrictions in 1964 led to soaring arrivals from Japan.
- A Conventions Director was appointed in the HKTA in 1964.
- Feasibility studies were commissioned to explore the potential for new conference, trade fair and exhibition facilities; holiday resort development; and the building of an oceanarium.
- Visitor comfort was enhanced by the introduction of air-conditioned tour coaches.
- Visitor arrivals passed the half-million mark for the first time in 1966.
- The opening of the Lion Rock Tunnel in 1967 enhanced opportunities for tours to the New Territories.

Table 1 (cont'd)

- With rapid growth in arrivals in the late 1960s, the industry saw an impending shortage of medium-rate hotel accommodation.
- Tourism receipts broke the HK$1 billion barrier, reaching HK$1.32 billion in 1969.

II) Political Events/Government Policies

- Departure tax was introduced at Kai Tak, the first airport in the region to do so.
- A new immigration department was established in 1961.
- The Financial Secretary proposed introduction of a hotel accommodation levy to fund the HKTA's development.
- A passenger terminal building was built at Kai Tak in 1963.
- Pro-China riots broke out in 1967, badly affecting tourist confidence.
- Touting was made an offence in 1967.
- An Economic Tourist Committee was set up in 1968, which comprised of three high officials of the Colonial Secretariat and the Chairman of HKTA.
- The Government expressed that development of a convention and exhibition complex was not urgently needed.
- The Hong Kong Association for Travel Agents proposed the licensing of travel agents in 1969.
- HKTA demanded the Government to play a paramount role in development of tourism.
- The Immigration Department introduced a visa waiver scheme to 47 countries. More manpower was staffed for passenger clearance.

III) Destination Marketing

- Various promotion campaigns were launched by HKTA in Europe and the United States.
- Overseas representative offices were set up in major cities in the United States, Canada and Japan.

Table 1 (cont'd)

- The allure of Hong Kong was enhanced by her portrayal in western movies, such as "The World of Suzie Wong". American servicemen frequented the territory on leave.
- A domestic public relations campaign was launched in 1966 to make Hong Kong residents more aware of the importance of tourism to the economy.
- HKTA embarked on its first cooperative advertising campaign with Cathay Pacific in Southeast Asia in 1968.
- The Honorary Student Scheme was launched encouraging Hong Kong young people studying abroad to promote their home city.

IV) Research

- New arrival and departure cards were introduced at immigration to capture detailed visitor information since 1961.
- International Market Research Survey was commissioned by HKTA.
- A new Research Department was established in HKTA in 1969.

Sources: HKTB, 2002b; HKMH, 2002; Documents from the Public Record Office

2.2.3 The 1970s – Development of tourism infrastructure

The joint efforts of HKTA and the Hong Kong Government in the 1970s set milestones in the development of public transportation network and tourism infrastructure.

With its industrial boom during the 1960s and 1970s, Hong Kong became renowned for its abundant supply of cheap goods and thus, gained its reputation as a shopping paradise (HKMH, 2002). In 1972, tourism contributed 7% of Hong Kong's GDP and employed 100,000 directly and indirectly, making it the second most important industry after textiles (HKTB, 2002b). It also gave rise to the tertiary industry (such as the retail, restaurant and entertainment businesses) which initiated an economic change to the previously manufacture-dependent Hong Kong. With such substantial influences in the territory, the tourism industry received greater support and endorsement from the Government.

Although the industry had been very much private sector driven, the development of tourism infrastructure required Government's coordination and public land of good location. In 1970, improvement to the Kai Tak passenger terminal increased its capacity to 2200 passengers an hour and taxiways were widened to enable the new Boeing 747 Jumbo jets to land. In 1972, the Cross Harbor Tunnel was opened and this made travel between Hong Kong Island and Kai Tak Airport much easier. In 1975, convention and exhibition travel was given a boost with the opening of two much-needed facilities: the Hong Kong Convention Center in Wan Chai and the World Trade Center in Causeway Bay. The Kowloon-Canton Railway terminus was relocated to Hung Hom and the old Tsim Sha Tsui terminus closed, paving the way for a complete redevelopment of Tsim Sha Tsui waterfront over the next few years that would provide major new hotels, cultural facilities and other tourism infrastructure (HKTB, 2002b). Moreover, the runway of Kai Tak was extended to meet the long haul operating requirements of the 31 airlines that operated into Hong Kong (CAD, 2002). In 1977, *Ocean Park* was officially opened after 13 years of planning and discussions. Two years later, the first section of the Mass Transit Railway (MTR) opened. The underground system was a cornerstone to the development of Hong Kong's economy.

In addition to the above infrastructural developments, some other economic and political factors contributed to the rapid growth in visitor arrivals that reached two million in 1978. Eased currency restrictions in Japan in 1976 stimulated the Japanese market. In 1977, Mainland China was re-opened to inbound tourism. It was believed that considerable potential existed for developing a mutuality of interest in tourism between China and Hong Kong. In 1979, arrivals from Taiwan were boosted in the first quarter by the relaxation of the ban on traveling to Hong Kong as a first destination, but the ban was imposed again in April. In the same year, through trains from Hong Kong to Guangzhou were restored for the first time in 30 years (HKTB, 2002b).

In spite of the above-mentioned favorable factors, the tourism industry faced the challenge of economic downturn in western source market countries in early 1970s, such as the economic uncertainties in the United States in 1971 and the world fuel crisis in 1974. The market composition changed, with Japan, Southeast Asia and Australia having become the largest source markets. Growth in arrivals and tourism receipts was retained (HKTB, 2002b).

2.2.4 The 1980s – Slowdown in growth

The 1980s was marked by slower growth rates in visitor arrivals compared with the previous decades. In 1980, Hong Kong recorded a modest 4% visitor growth in a difficult year for tourism worldwide, hit by inflation, high fuel costs and economic uncertainties. The average length of stay was reduced as China became an increasingly popular follow-on destination. In 1982, Hong Kong was affected on all fronts by the global economic recession. Visitor arrivals gained less than 3%. Fortunately, shortly after the recession, growth in arrivals bounced back to 23.4% in 1984. The United States and Canada regained from Southeast Asia their positions as Hong Kong's top source markets. This was partly due to United Airlines' takeover of Pan Am's trans-Pacific routes, making Hong Kong easily accessible to more United States inland cities, and Cathay Pacific's launch of a San Francisco service. In 1987, arrivals reached a record of 4.5 million but then fell 20% in the second half of 1989 due to the events of 4 June at Tiananmen Square (HKTB, 2002b).

In spite of the slowdown in growth, some factors and development projects had significant impacts on the industry. The most important of all were the opening of the Hong Kong Convention and Exhibition Center in 1988, and the announcement of the construction of a new airport at Chek Lap Kok replacing the badly congested Kai Tak in 1989. The establishment of the Hong Kong Convention and Exhibition Center firmly established Hong Kong as the region's top conference venue. Convention and exhibition visitors increased by 27%, topping 100,000 for the first time in 1988. In 1981 three hotels were also opened in the newly developed Tsim Sha Tsui East, which helped ease the hotel supply situation. By that year, there were over 16,000 available rooms in Hong Kong. In 1984, HKTA assisted in the formation of the Hong Kong Association of Registered Tour Coordinators (HARTCO) in order to strengthen tour guide standards. In 1985, **complementary destination marketing** was introduced with other National Tourism Organizations in the region to boost long-haul arrivals. This marked the first cooperative efforts between Hong Kong and other regional countries. In 1987 and 1988, restrictions of outbound travel were relaxed in Taiwan and South Korea and Taiwan quickly became Hong Kong's second largest source market (HKTB, 2002b).

2.2.5 1990 to 2002 – A new era

The 1990s was a decade of breakthroughs which were mostly attributed to the development of information technology and the closer linkage between Hong Kong and Mainland China.

With the relaxation of currency restrictions on visitors from Mainland China in 1993, both the number of Mainland visitors and their spending in Hong Kong increased rapidly. The Mainland became the largest source market with a 21% market share in 1994. The total visitor numbers hit eight figures (10,200,000) for the first time, generating 8% of Hong Kong's GDP in 1995. However, due to the dissipation of pre-handover[15] interest, the Asian economic crisis and the outbreak of avian flu in 1997-98, declines in arrivals were recorded. The Hong Kong International Airport at Chep Lap Kok was opened in the second half of 1998. Tourism was revived with 11.5% growth in 1999 partly because of lower hotel and shopping prices (HKTB, 2002b). In the same year, the Government signed an agreement with the Walt Disney Corporation to build Hong Kong Disneyland, due to open in 2005. The theme park would not only add attractiveness to the city destination, it would also be a good opportunity for Hong Kong to re-package itself as a family destination (Pine, 2002).

Several new institutional restructuring arrangements were noted during the 1990s. Soon after the handover of Hong Kong's sovereignty to China, the Chief Executive announced the setting up of the Tourism Task Force where the industry and the Government came together in a partnership forum to explore new ideas. In 1999, the Government established the Tourism Commission, the first time Hong Kong has had a government department with specific responsibility for tourism policy and

[15] Hong Kong sovereignty was handed back to China on 1st July 1997.

development (HKTB, 2002b). In 2001, HKTA was reconstituted to the current Hong Kong Tourism Board which is no longer an association of members but a body that better represent Hong Kong's tourism-related industries in their entirety (HKTA, 2001a).

By 2002, Hong Kong was the most popular single destination in Asia and the 14th most popular in the world, visited by 16.6 million travelers (HKTB, 2003a).

2.2.6 2003 – A hard hit

The travel industry faced an unprecedented challenge in spring 2003. On 2 April, the World Health Organization (WHO) made the advisory against non-essential travel to Hong Kong due to the outbreak of Severe Acute Respiratory Syndrome (SARS). Total arrivals in the month plunged 64.8% compared to 1.40 million arrivals the same time in the previous year. Average occupancy rate across all categories of hotels and tourist guest houses also dropped 65%. Although the advisory was lifted on 23 May and the city was removed from WHO's list of SARS-affected areas on 23 June, it took several months before the performance started to regain their previous momentum (HKTB, 2003b).

Statistics of arrivals and tourism receipts from 1979 to 2002 are attached in Appendix 2.

2.3 Development of Tourism in Singapore

2.3.1 Establishment of Singapore Tourist Promotion Board

The Singapore Tourist Promotion Board (STPB) was first established in 1964 – one year prior to its separation from Malaysia – with the mandate to promote Singapore as a tourist destination. The Singapore Government believed that an organization was needed to coordinate the efforts of hotels, airlines and travel agents in promoting the overall image of the destination (STB, 1997c). It can be noted that the Board was quite different from HKTA. STPB was a governmental organization while HKTA was an association of the private sector established seven years earlier. Hong Kong tourism was thus more private sector driven.

2.3.2 The 1960s and 1970s – Development of tourism infrastructure

Besides developing marketing campaigns, STPB also established travel agent licensing and tourist guide training. Through the 1960s and 1970s, the Board actively encouraged investment in infrastructural development such as the building of hotels and tourist attractions like the Jurong BirdPark and the resort island of Sentosa. In the 1970s, the Board marketed the city as a venue for conventions and organized events to draw visitors (STB, 1997c). Earlier in that decade, in 1972, Singapore Airlines became an independent airline[16] with a route network spanning 22 cities in 18 countries (SIA, 2002).

2.3.3 The 1980s – Strong Government support and remarkable growth in arrivals

In 1981, the Changi Airport commenced its operations at the eastern tip of Singapore (Changi Airport, 2001). Wong (1997) and Khan (1998) noted that although the Singapore Government had been supporting tourism by providing tourism-related

[16] Malayan Airways first operated in 1947. In 1966, it was renamed as the Malaysia-Singapore Airlines in deference to the carrier's joint shareholders, the governments of Malaysia and Singapore (SIA, 2002)

infrastructure, the support was rather 'lukewarm' and tourism remained a low-key sector until 1983, when visitor arrivals declined, for the first time, by 3.5%. The Government responded quickly and appointed a high-powered task force to investigate the reasons for such a decline and to formulate guidelines for the development of tourism. The team of experts found that the tourist industry faced serious structural problems which included travel restrictions imposed by some ASEAN neighbors, Singapore's uncompetitive position as a tourist destination, and the loss of attractiveness.

The STPB was reorganized and expanded in 1984 in order to reflect the new needs of the industry. In 1986, the Board together with the Ministry of Trade and Industry implemented a S$1 billion Tourism Development Plan, which called for the saving of historic districts, such as Chinatown, Little India and Arab Street, and the rejuvenation of the Singapore River (STB, 1997c). Packages of attractive tax incentives were also offered to encourage both domestic as well as foreign investments in tourism-related projects. The second half of the decade recorded tremendous growth in arrivals. In only five years time, between 1985 and 1990, the number of visitors rose from 3 million to 5.3 million (WTO, 1987-1991).

2.3.4 1990 to 2000 – Realizing the new vision

The 1990s was a decade of breakthroughs for Singapore tourism. In 1991, the second terminal of Changi Airport commenced operations, expanding the airport capacity to 44 million passengers (Changi Airport, 2001). In the same year, the Ministry of Trade and Industry aimed to establish the Lion City as a premier visitor destination with universal appeal and a leading international hub for aviation, convention/exhibition and travel/tourism-related services in line with other long-term economic policies. Soon after, in 1993, the STPB prepared a Strategic Plan for Growth 1993-95 emphasizing the need for diversifying the tourism product by various means (Khan, 1998). Three years later, the national tourism master plan "Tourism 21 – Vision of A Tourism Capital" was launched as the result of collaborative effort undertaken by STPB and the local tourism industry. The plan served as a blueprint for Singapore tourism development in the 21st century (STB, 1997c). In 1997, STPB was renamed as the Singapore Tourism Board (STB), expanding its role beyond that of simply tourist promotion. It aimed to 'establish Singapore as a leading force in global tourism and a unique and attractive destination, offer an integrated tourism experience linked to regional development' (STB, 1997a:1).

At the turn of the millennium, Singapore had become a well-developed tourist destination. The Republic had prominent achievements, especially in the MICE (meetings, incentives, conventions and exhibitions) sector. By 2000, one of the top international MICE organizations, the Union des Association Internationales (UAI), had rated Singapore as the top convention city in Asia seventeen years in a row. In addition, UAI ranked Singapore fifth in the world consecutively in 1999 and 2000 (STB, 2001a, 2002a).

2.3.5 2001 to 2003 – Years of challenges

Unlike Hong Kong, which was shielded by the inbound market from Mainland China against the threat of visitor declines due to terrorist attacks in 2001-02 (9-11 incident and Bali bombing) (HKTB, 2003a), Singapore experienced a negative (cumulative) growth of -0.4% between year 2000 and 2002 when arrivals dropped to 7.6 million (STB, 2003a). The situation was worse upon the outbreak of SARS. Although the Lion City was not issued any travel warning, arrivals dived by 75% in the first two weeks of May 2003 compared to the same period in the previous year (Tan, 2003a). Total arrivals for the year 2003 were projected to decline by 40% (Cheong, 2003). On 31 May, Singapore was removed from WHO's list of SARS-affected areas. Recovery in visitor numbers started to come through in early June as arrivals increased by 45-50% compared to May 2003 (STB, 2003b).

Statistics of arrivals and tourism receipts from 1979 to 2002 are attached in Appendix 2.

2.3.6 Comparison of the tourism development between Singapore and Hong Kong

Based on the figures presented in Appendix 2 and the above-mentioned, it can be noted that Hong Kong has surpassed Singapore in terms of arrivals and tourism receipts since 1984. This could be partly the effect of the Mainland Chinese, Taiwanese, South Korean and Japanese markets. Hong Kong may have a geographical advantage over Singapore as Hong Kong is physically closer to these affluent source markets. In addition, Hong Kong could have been few years ahead in developing the tourism industry – HKTA was founded in 1957 while STPB was established in 1964. However, such argument will have to be confirmed when more information is obtained on impacts of other government policies in Singapore.

As mentioned in *Section 2.2.1*, it was noted that Singapore adopted a more government driven approach in developing tourism while Hong Kong's was more private sector driven. It is difficult to make judgment on the appropriateness of either approach; however, such difference may have imposed significant impact on the development of the industry in general. More research is required to make more elaborate and consolidated conclusions in this regard. This was carried out in the following stage of the research.

2.4 Public Policy

Dye (2002:1) defined public policy as 'whatever governments choose to do or not to do'. Easton (1953:128, cited in Richter & Richter, 1985) suggested that policy consists of 'a web of decisions and actions that allocate values'. Even though a government might not issue a specific document labeled a policy statement, it may still make decisions and take actions which practically make effective choices between a set of alternatives.

Dye (2002) also pointed out that public policies may regulate behavior, organize bureaucracies, distribute benefits, or extract taxes – or all these things at once. They can be studied for a variety of reasons. First, understanding the causes and consequences of policy decisions improves our knowledge of society. Policy studies incorporate the ideas and methods of economics, sociology, anthropology, psychology, history, law, and public administration, as well as political science. Generally, policy study adds to the breadth, significance, reliability, and theoretical development of the social sciences. Second, public policy can be studied for professional reasons: understanding the causes and consequences of public policy permits us to apply social science knowledge to the solution of practical problems. Finally, public policy can be studied for political purposes: to ensure that the nation adopts the 'right' policies to achieve the 'right' goals, as in the case of this research.

Policy analysis, according to Quade (1982:5), is 'any type of analysis that generates and presents information in such a way as to improve the basis for policy-makers to exercise their judgment'. In policy analysis, the word 'analysis' is used in its most general sense; it implies the use of intuition and judgment and encompasses not only the examination of policy by decomposition into its components but also the design and synthesis of new alternatives. The activities involved may range from research to illuminate or provide insight into an anticipated issue or problem to evaluation of a completed program. Some policy analyses are informal, involving nothing more than hard and careful thinking whereas others require extensive data gathering and elaborate calculation employing sophisticated mathematical processes.

Dunn (1994) claimed that policy analysis is not confined to the development and testing of general descriptive theories. Policy analysis should go beyond traditional disciplinary concerns and produce policy-relevant information that may be utilized to resolve problems in specific political settings. Dunn argued that the aims of policy analysis extend beyond the production of facts. Policy analysts should seek also to produce information about values and preferable courses of action. Policy analysis therefore includes policy evaluation as well as policy recommendation.

2.5 Tourism Policy

Tourism policy is a sector policy, which is a course of action, inaction, decisions and non-decisions of public authorities to address a given problem, interrelated set of problems, concerns or opportunities with respect to tourism (Hall & Jenkins, 1995; Chong, 1999).

A government plays particular roles in planning, development and regulation (WTO, 1997). It has the mandate to formulate a vision for tourism, fulfill the unique requirements for development, minimize the negative impacts of tourism, and reap the rewards tourism brings. In addition to consultation and collaboration with all interested stakeholders, adequate infrastructure and an enabling environment for tourism business have to be provided to foster development. The government should also assure the well-being of local communities, industry employees as well as international and domestic visitors by regulations (WTO, 2000b). Edgell (1990) pointed out that the highest purpose of tourism policy is to integrate the economic, political, cultural, intellectual, and environmental benefits of tourism cohesively with people, destinations, and countries in order to improve global quality of life and provide a foundation for peace and prosperity.

The following subsections review existing literature on various models that have been developed in analyzing policy structure, policy system and policy-making process.

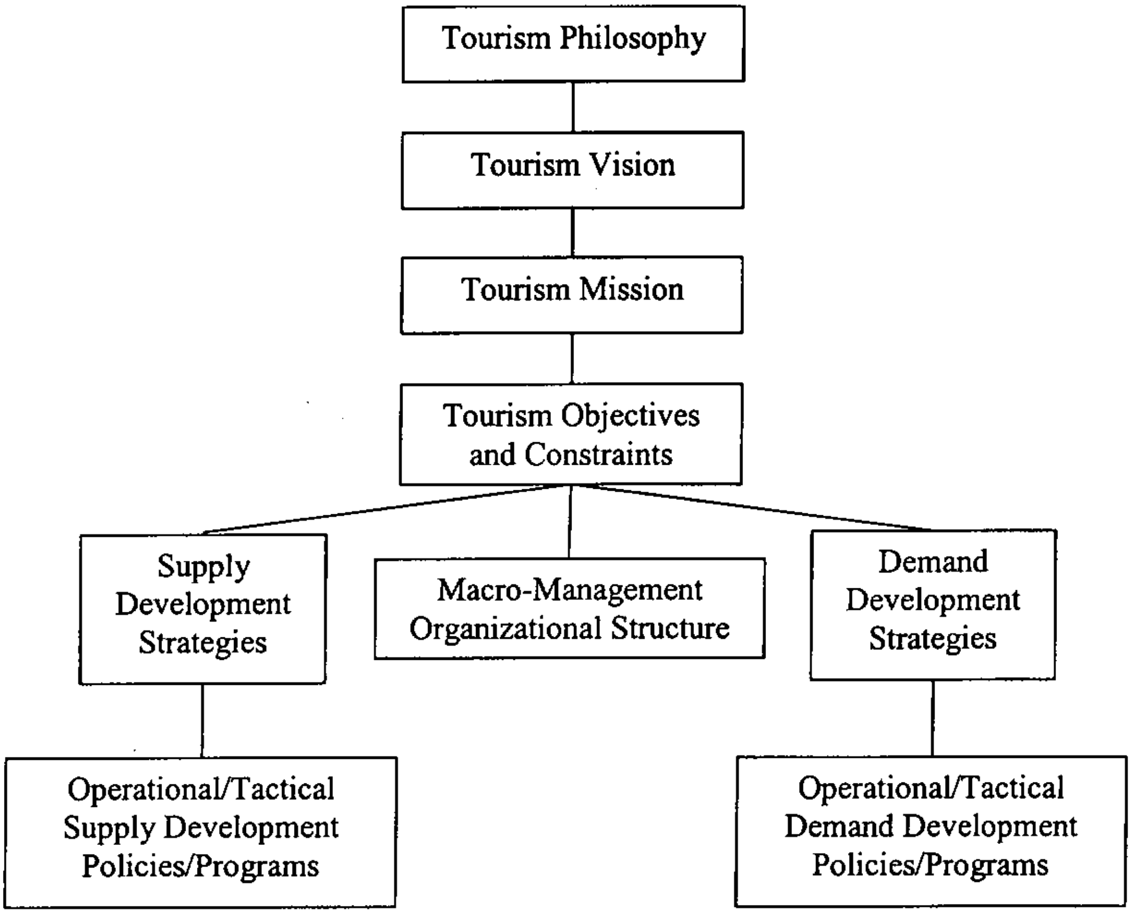
2.5.1 Tourism policy structure and composition

Goeldner, Ritchie & McIntosh (1999) suggested that there is no single model defining the content of tourism destination policy. The framework they proposed (Figure 1) provides a set of guidelines for successful destination development and operations. The authors believed that tourism development strategies were viewed as specific major actions or patterns of action over time designed to attain the objectives of the tourism system of a country or region. These strategies can be divided into three broad categories: supply development strategies, demand development strategies, and organizational structure strategies.

Supply development strategies are concerned with major actions related to five main categories of resources, each of which is required to provide an attractive, viable tourism destination. These are: physical resources, human resources, financial resources, information resources, and program/activity resources.

In terms of demand development strategies, decisions with respect to three primary components and three secondary components are involved. The former includes the overall level of marketing support that should be provided, the identification of a strategic destination positioning in the marketplace, and the selection of strategic target markets. Secondary components of demand development strategies include promotion policy, pricing policy, and packaging policy.

Figure 1: The structure and composition of tourism policy



Source: Goeldner, Ritchie & McIntosh, 1999:454

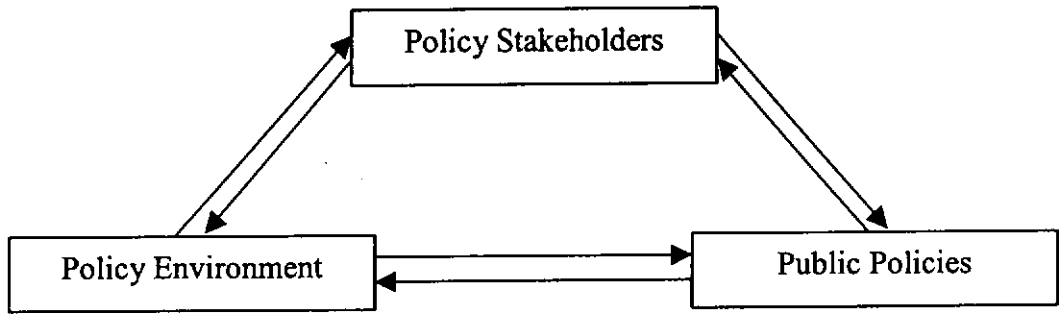
Finally, the third category of policy is organizational policy. It was proposed that a destination must have a Destination Management Organization (DMO) committed to develop and implement tourism policy of a destination. DMOs can be either a public sector agency, or a private sector driven organization with clearly defined roles policy, structure policy, and funding policy.

2.5.2 Policy system

According to Dye (2002) and Dunn (1994), a policy system, or the overall institutional pattern within which policies are made, involves interrelationship among three elements: public policies, policy stakeholders, and policy environments (Figure 2). Although this policy system is not tourism-specific, it forms a fundamental framework for tourism policy studies. In fact, a tourism policy model developed by

Hall (1994), that will be discussed later in this section, employed very similar concepts as Dye and Dunn.

Figure 2: Three elements of a policy system



Source: Dye, 2002; Dunn, 1994

Public policies, which are long series of more or less related choices made by governmental bodies and officials, are formulated in issue areas which range from defense, energy, and health to education, welfare, and crime. In any one of these areas there are many different policy issues, that are actual or potential courses of government action that involve conflicts among different segments of the community. A given policy issue is usually the result of conflicting definitions of a policy problem.

Dye (2002) and Dunn (1994) also pointed out that the definition of a policy problem depends on the pattern of involvement of particular policy stakeholders, that is individuals or groups which have a stake in policies because they affect and are affected by governmental decisions. Policy stakeholders often respond in markedly different ways to the same information about a policy environment. A policy environment, which is the specific context in which events surrounding a policy issue occur, influences and is in turn influenced by policy stakeholders and public policies. Hence, policy systems contain processes which are dialectical in nature, meaning that objective and subjective dimensions of policy-making are inseparable in practice. Policy systems are subjective human products created by the conscious choices of policy stakeholders; policy systems are an objective reality manifested in observable actions and their consequences; policy stakeholders are products of policy systems. Policy analysts, no less than other policy actors, are both creators and products of policy systems.

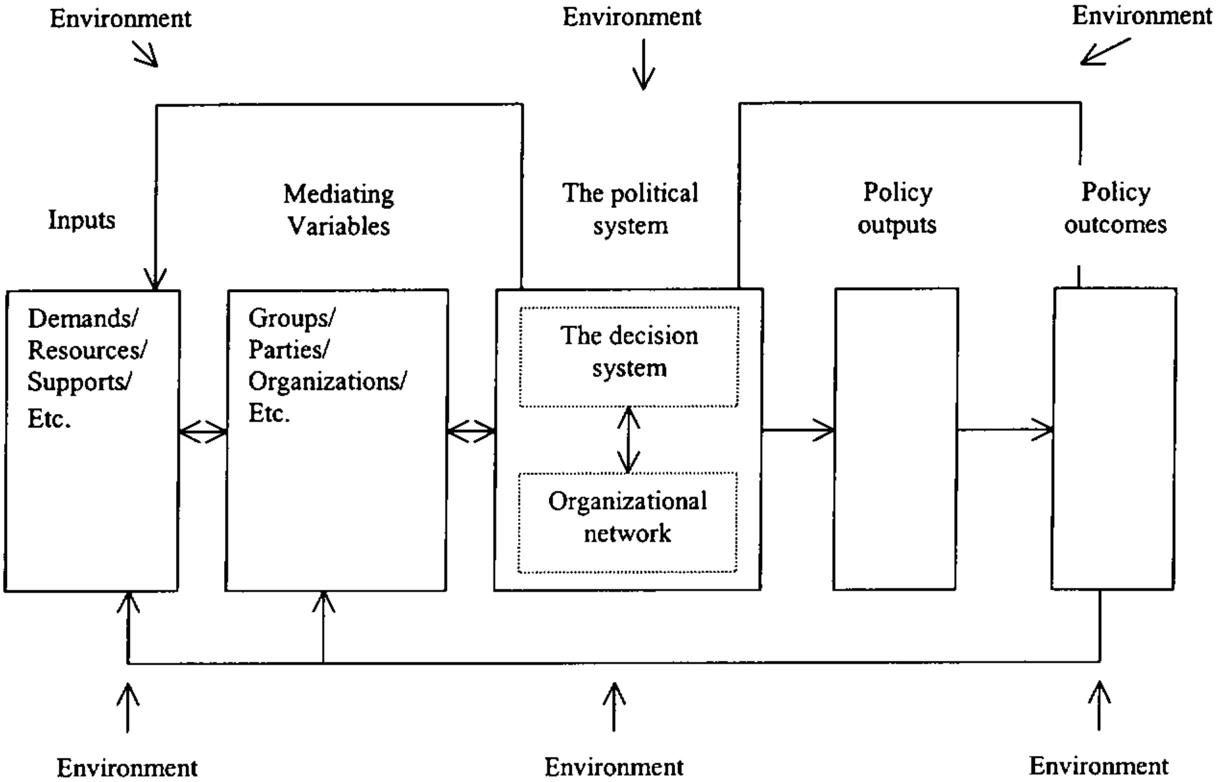
2.5.3 Tourism policy-making process

There are two major types of policy-making process model. Some suggest that the process occurs in identifiable stages and that each stage can be examined separately (Dye, 2002), others take the possible impact of various environmental variables into account.

Dye (2002) and Dunn (1994) adopted the former approach. They argued that the policy-making process (in general) can be visualized as a series of interdependent phases arrayed through time: problem identification, agenda setting, policy formulation, policy adoption, policy implementation, and policy evaluation. These phases represent ongoing activities that occur through time. Each phase is related to the next. Policy evaluation is linked to agenda setting, as well as to the intermediate phases, in a non-linear cycle or round of activities. Goeldner, Ritchie & McIntosh (1999), who proposed a tourism-specific policy-making model, also conceptualized the process as four main phases: definitional phase (defining philosophy and vision), analytical phase (analyzing internal and external environment), operational phase, and implementation phase. However, it is thought that such a model is oversimplified with the interrelationship of phases and the evaluation phase omitted.

The second approach of studying policy-making process, which takes into consideration environmental variables, is adopted by Jenkins (1978, cited in Hall & Jenkins, 1995) and Hall (1994). Jenkins's model (Figure 3) was amended from earlier work by Easton (1965, cited in Hall, 1994). It is a systemic model which implies that public policy is best understood by considering the operation of a political system in its environment and by examining how such a system maintains itself and changes over time (Jenkins, 1978, cited in Hall & Jenkins, 1995). In brief, the model describes policy-making as an 'inputs-process-outputs-outcomes' process, with inputs interrelated to outcomes.

Figure 3: Systems model of the policy-making process[17]

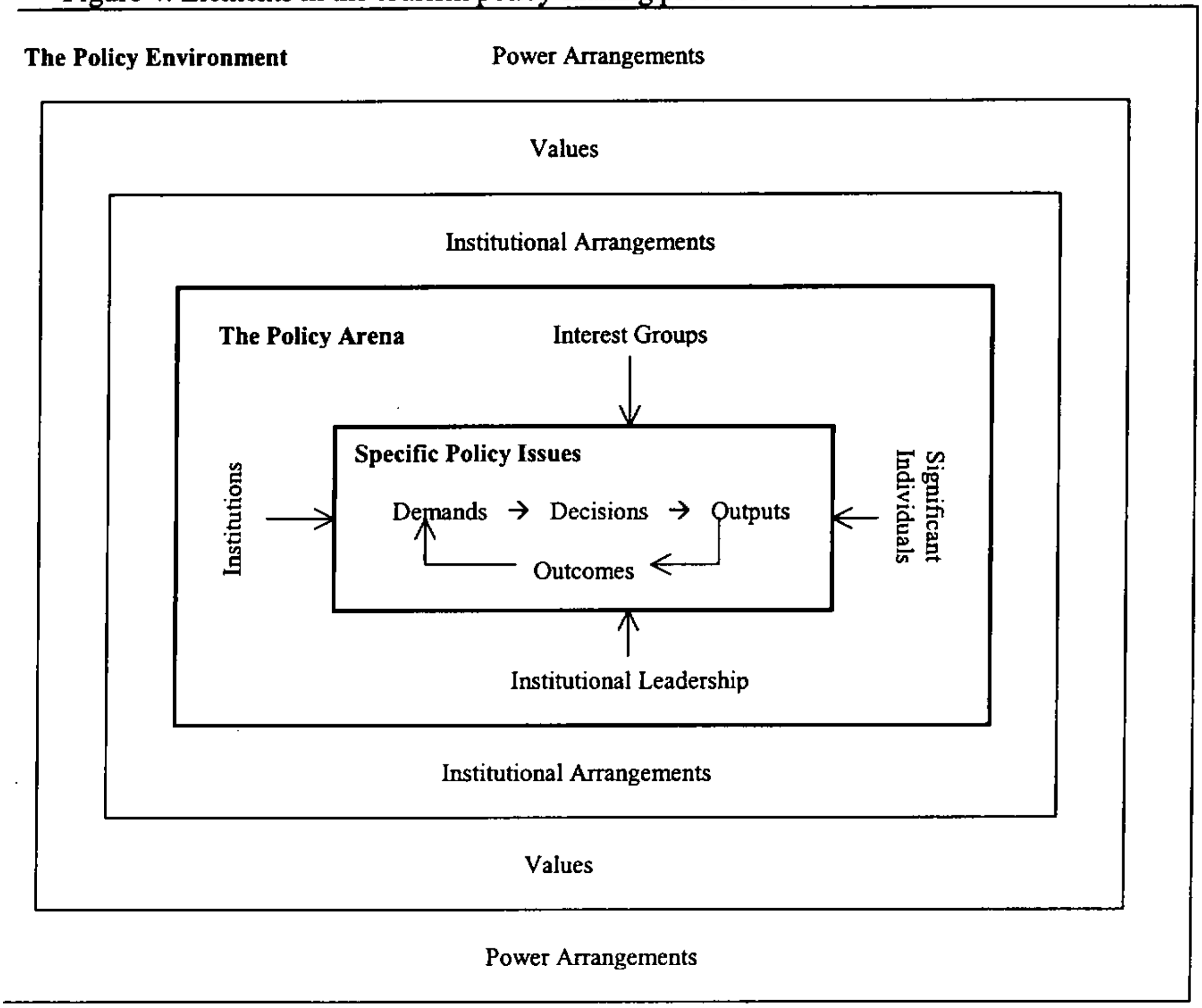


Source: Jenkins, 1978 cited in Hall & Jenkins, 1995:11

[17] Environmental variables which vary with time include socio-economic, physical, and political variables.

Hall's model (1994) (Figure 4) differs from Jenkins' in the way that it points out the specific elements in the policy environment that affect the tourism policy-making process. It also highlights the competing aspirations of the elements with conflicting interests. In contrast with Dye (2002), Dunn (1994) and Goeldner, Ritchie & McIntosh (1999), Hall & Jenkins (1995) suggested that the dynamics of the policy process can be so complex that it is often difficult, and perhaps even pointless, to become engrossed in trying to distinguish between policy formulation and implementation. Such distinctions in the policy process are, at times, unfounded. Policy formulation and implementation are difficult to separate on a consistent basis because policy is often formulated as it is implemented and vice versa. The upper levels of the machinery of government may not know when the bureaucracy is formulating or implementing policy, and both may lack reliable information on both the policy arena in question, and the ensuing decisions, actions and policy outcomes. In some circumstances, the bureaucracy can work independently of government policy, and lower level bureaucrats can defy authoritative directions.

Figure 4: Elements in the tourism policy-making process



Source: Hall, 1994:50

In view of the specificity of Hall's model (1994) in describing the policy environment and the fact that it does not neglect the dynamics of the policy-making process, it is argued that Hall's model can best explain the tourism policy-making process among the five policy-making models discussed. It will serve as the reference model of policy-making in this study.

2.6 Competitiveness

There is no universal and exact definition of the term 'competitiveness'. In the context of economics, one may study the competitiveness of either nations or business entities.

According to Garelli[18] (2002), nations compete to sustain and increase their standard of living. This is however a multifaceted concept, which can lead to differences in measurements and definitions. The Organization for Economic Cooperation and Development (OECD) defined competitiveness as 'the degree to which a country can, under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the long term' (cited in Rouvinen, 2002:4). The World Competitiveness Yearbook, on the other hand, looks at the relationship between a country's national environment and the wealth creation process. It focuses on the outcome of the interaction of four competitiveness factors, which generally define a country's national environment. These are: economic performance, government efficiency, business efficiency, and infrastructure[19] (IMD, 2002a). The World Economic Forum, the organization which publishes The Global Competitiveness Report employs two distinct but complementary approaches to the analysis of competitiveness. The first is the use of the Growth Competitiveness Index (GCI) that aims to measure the capacity of the national economy to achieve sustained economic growth over the medium term, controlling for the current level of development. The second approach is to use microeconomic indicators, Microeconomic Competitiveness Index (MICI) to measure the set of institutions,

[18] Stephane Garelli is a Professor at the International Institute for Management Development (IMD) and Director of the World Competitiveness Project. IMD is a Switzerland-based business school that publishes the World Competitiveness Yearbook.

[19] See also footnote 1 to 4 in *Section 1.1*.

market structures, and economic policies supportive of high current levels of prosperity, referring mainly to an economy's effective utilization of its current stock of resources, or the productive potential (WEF, 2003). Although measurements for national competitiveness vary, the common ground appears to be the government's ability to provide an environment that facilitates economic growth.

Various definitions of competitiveness also exist when it comes to business entities. Some organizations view competitiveness as the ability to persuade customers to choose their offerings over alternatives while others view competitiveness as the ability to improve continuously process capabilities. Feurer & Chaharbaghi (1994) proposed a holistic definition of competitiveness which attempts to determine the competitive position of an organization in a measurable form. Such a measurement should allow a comparison of the competitive position of an organization against that of its competitors. In essence, the authors suggested that 'competitiveness is relative and not absolute. It depends on shareholder and customer values, financial strength which determines the ability to act and react within the competitive environment and the potential of people and technology in implementing the necessary strategic changes. Competitiveness can only be sustained if an appropriate balance is maintained between these factors which can be of a conflicting nature'. Taking a simpler approach, Hitt, Ireland & Hoskinsson (2001) argued that strategic competitiveness is achieved when the organization successfully formulates and implements a value-creating strategy. Porter (1998), a leading scholar and author in the study of industrial competition, points out that competitiveness lies in the organization's ability to create, innovate and sustain its competitive advantage. In other words, firms succeed relative to their competitors if they possess sustainable competitive advantage. There are two basic types of competitive advantage: lower cost and differentiation. Lower cost is the ability to design, produce, and market a comparable product more efficiently than its competitors. Differentiation is the ability to provide unique and superior value to the buyer in terms of product quality, special features, or after-sale service.

In the context of travel and tourism, a destination could be viewed as an amalgam of products and services, and visitors can be seen as customers. Hence, definitions of competitiveness for nations may seem less appropriate than those for business entities. However, attributed to the special nature of tourism, which involves intangible services and various economic sectors, competitiveness of a destination deserves a specialized definition.

2.7 Destination Competitiveness

2.7.1 Definitions

Over the past several decades, tourism has clearly demonstrated that it is capable of creating wealth and prosperity for a destination and employment and social well-being for its local inhabitants (WTO, 2000b). However, there are destinations that were successful in the past and are now faced with a declining growth in demand and falling revenues from tourism (e.g. Acapulco in Mexico). Some have suffered high social and environmental costs in the process of tourism development (e.g. Caribe River-Medina Beach in Venezuela). For a destination to achieve sustainable tourism development – in economic, social and environmental terms – it needs to focus on improving both the quality of life of its local inhabitants and their economic and social well-being. The World Tourism Organization (WTO) (2000b) believed that the only way to achieve this is by being and staying competitive.

The WTO (2000b:66) defined destination competitiveness as 'the capacity of a destination to compete successfully against its main rivals in the world, to generate above average levels of wealth, and to sustain this over time at the lowest social and environmental cost'. Ritchie, Crouch & Hudson proposed a similar definition except that they considered destination competitiveness and sustainability as one thing. They suggested that the measure of destination competitiveness and sustainability is 'a blend of two dimensions: the actual success of the destination as measured by the contribution which tourism makes to enhancing the sustainable well-being of destination residents; plus the extent to which the foregoing level of success has been achieved through an effective deployment of destination resources' (Ritchie, Crouch & Hudson, 2001:4).

2.7.2 Achieving destination competitiveness

After understanding the nature of destination competitiveness/sustainability, it would be important to study how it can be achieved. In this regard, several generalizable models (i.e. excluding models that were designed for specific destinations) have been put forward in the existing literature.

2.7.2.1 Four competitive strategies

Poon (1993) considered competitive strategies critically important for tourism destinations to 'sail' a new tourism course because tourism is a volatile and sensitive industry. It can be destroyed overnight by a riot, an epidemic like SARS, or even a bad storm. Therefore, competitive strategies are necessary to give tourism destinations the capability to anticipate change, the flexibility to accommodate change and the robustness to overcome bad times. The industry is also fiercely competitive, and increasingly so. In addition to its importance in a destination's economy, focused and specialized competitive strategies are crucial. Hence, Poon identified four strategies for the success of destinations which were based on the concepts of flexibility, specialization and focus. They are: to put the environment first, to make tourism a lead sector, to strengthen distribution channels in the marketplace, and to build a dynamic private sector.

Already there is a growing awareness among tourism destinations of the disadvantages that tourism brings. The trend is toward more planning, monitoring, assessment and a more cautious development of the tourism sector. Tourism destinations are realizing that they have to *put their environment first* by building responsible tourism, fostering a culture of conservation, and developing an environmental focus. The second strategy suggested by Poon (1993) was *making* *tourism a lead sector*. In order to do so, it is important to realize tourism's axial potential – the industry can produce a domino effect on virtually every other sector of the economy, to adopt new development strategies – such as developing specialized sectors and continuous innovation, and to develop the services sector. The third strategy was *strengthening marketing and distribution channels* by ensuring adequate air access, building private-public sectors collaboration, and focusing on product development. Lastly, it was believed that a *dynamic private sector* must be fostered by encouraging innovation, professionalizing the industry and increasing regional cooperation of entities.

Although the above four strategies suggested by Poon (1993) are essential for achieving destination competitiveness, they are more applicable and constructive to newly developing destinations than to well-developed ones. Developed destinations such as Hong Kong and Singapore already have strong marketing and distribution channels, and a dynamic private sector. In addition, a more rigorous and comprehensive framework is required in setting out criteria of destination competitiveness.

2.7.2.2 A new paradigm for competitiveness and partnership in tourism

WTO (2000b) took a more 'macro' perspective in its 'New Paradigm for Competitiveness and Partnership in Tourism'. It was argued that destination competitiveness has three pillars: the competitive activities of the tourism cluster, their operational efficiency, and the competitive 'diamond' (Figure 5).

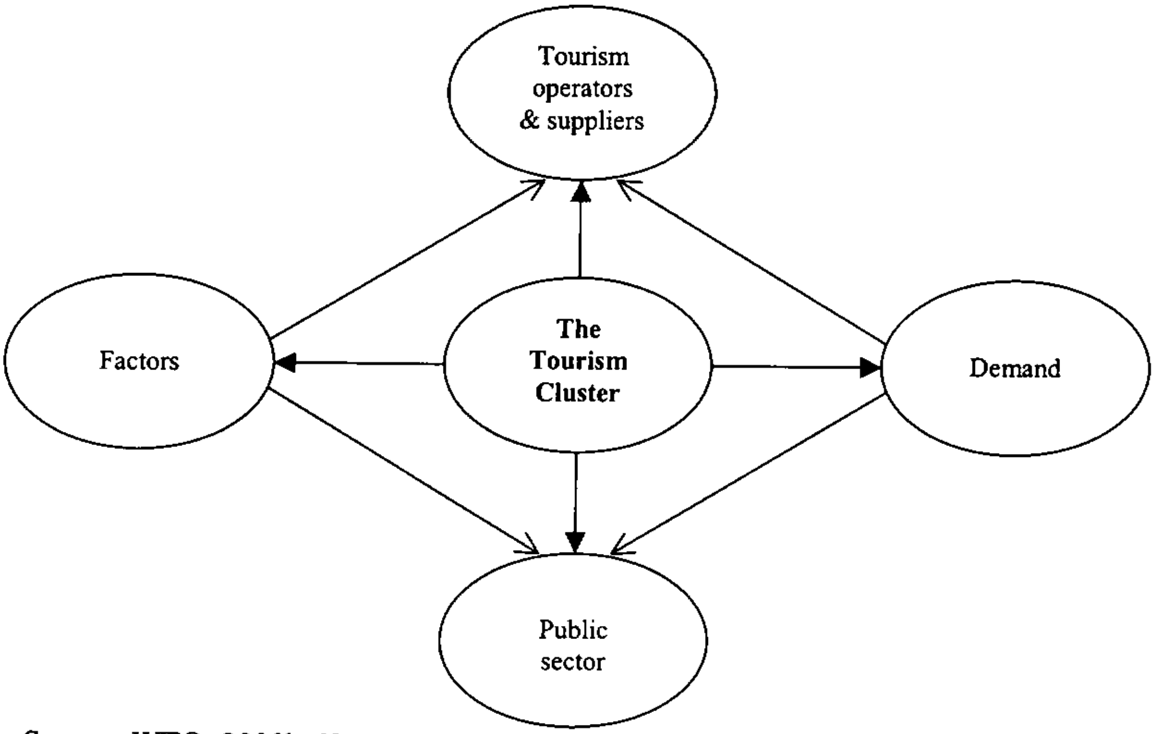
A tourism cluster is a group of integrated and coordinated tourism resources that contribute to providing visitors with the experiences they expect from the destinations (e.g. airlines, attractions and accommodation are part of a tourism cluster). WTO believes that tourism competitiveness is achieved at the local destination level through a renewed capacity to innovate and constantly improve, using all its resources in the highest and most sustainable way. Hence, clusters are the basic competitive units that are directly involved in the national or international competitive scene in competition with other tourism clusters. Although certain national policies may greatly encourage the process of construction of a good level of competitiveness in the clusters, tourism competitiveness is not created at national level.

The second pillar of destination competitiveness is the operational efficiency of clusters, which is 'the combined result of the efficiency of operation of each one of the various actors intervening in the different tourism value chains' (WTO, 2000b:73). It reduces the operational costs and enhances the perceived value for the visitor, therefore reinforcing the competitiveness of the tourism cluster. This offers, at the same time, great opportunities for effective cooperation between all stakeholders. Tourism clusters are operationally more efficient and more competitive when they have a high level of *Attractiveness* (good value for effort), are effective in their *Marketing*, show a high level of *Productivity* in terms of financial, technological and human resources, and are efficient in their *Management* of the destination's tourism system – also know as the A.M.P.M. Approach.

The third pillar of destination competitiveness is the competitive diamond. It is a business environment that stimulates the permanent processes of innovation and improvement in quality, high operational efficiency in carrying out the competitive activities within tourism clusters, and a high level of productivity in using resources. Borrowing Michael Porter's ideas, the diamond is comprised of tourism operators &

suppliers, demand, public sector and factors (the quality and quantity of infrastructure and resources for tourism). The most competitive diamond, in essence, implies best management practices among tourism operators and suppliers, a high volume of demand, an efficient public sector, and sufficient high quality infrastructure and resources.

Figure 5: The Competitive Diamond of a Tourism Cluster



Source: WTO, 2000b:69

On top of the three pillars, WTO pointed out that partnerships between all the different actors involved in the tourism cluster, including the various public sector authorities and private sector operators (public-public, public-private and private-private), is absolutely essential in order to analyze options, reach agreements and bring together intellectual, technical and financial capabilities to build up competitiveness together. Central authorities, i.e. the central government, play the role of improving the national competitive diamond, which in turns facilitate the development of better local cluster diamonds. The local authorities will thus be encouraged to support the whole process and get more actively involved in local partnerships. Improvement of the national competitive diamond would also provide global leadership and economies of scale to ensure the availability of the best resources and latest technologies to the private sector.

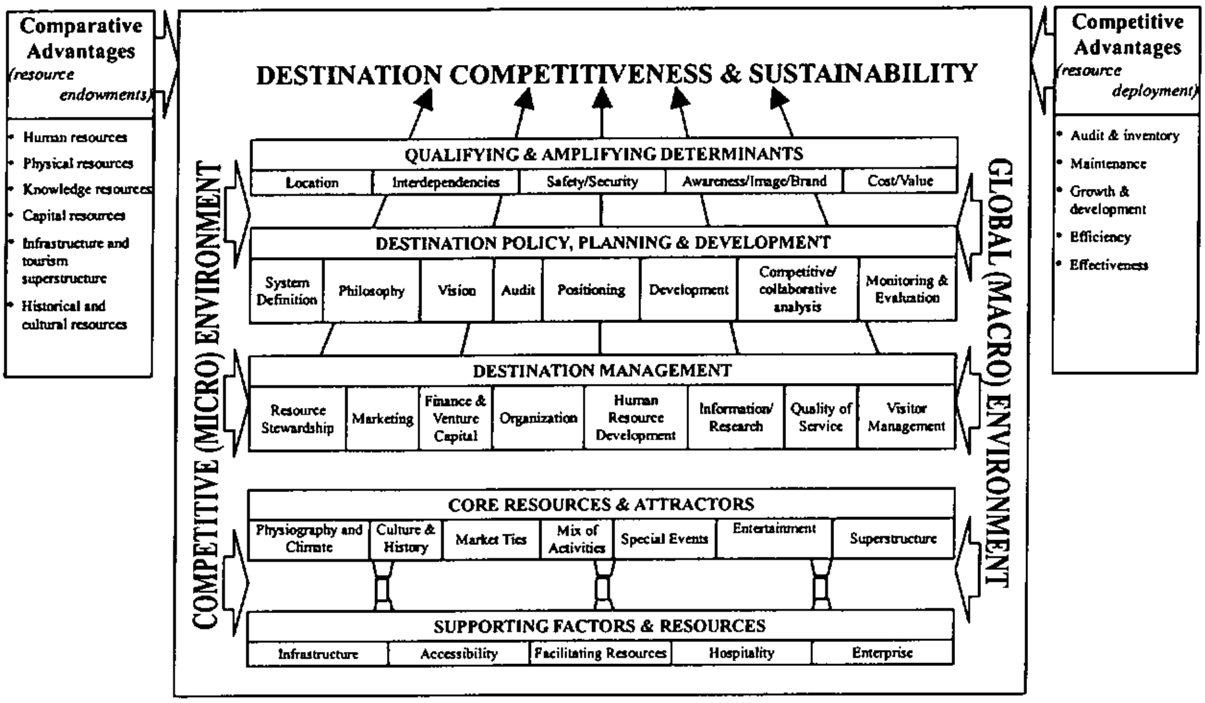
Finally in the new paradigm, WTO stressed that the local clusters, regional and central governments and international organizations must join forces and act at global level to influence more effectively the basic tourism competitive forces, improving at world level the competitive diamond of the tourism industry. This statement echoes the core of this study – the question of potential for collaboration between Hong Kong and Singapore.

Both WTO's paradigm (WTO, 2000b) and the strategies proposed by Poon (1993) were constructive to destinations in building competitiveness. They may serve as guidelines for setting out the scope of collaboration among destinations. However, taking into consideration that this research requires a detailed and comprehensive theoretical framework for the purpose of tourism policies comparison between Hong Kong and Singapore, the candidate adopted Ritchie's & Crouch's (2000) Destination Competitiveness & Sustainability Model as a base of building an analytical framework for tourism policies.

2.7.2.3 Destination competitiveness/sustainability model

As mentioned in *Section 2.7.1* of this chapter, Ritchie, Crouch & Hudson (2001:4) believed that the measure of a tourism destination competitiveness and sustainability is a blend of two dimensions: 'the actual success of the destination as measured by the contribution which tourism makes to enhancing the sustainable well-being of destination residents; plus the extent to which the foregoing level of success has been achieved through an effective deployment of destination resources'.

Figure 6: Destination Competitiveness and Sustainability



Source: Ritchie & Crouch, 2000:3

In a special issue of the journal *Tourism Management* (Volume 21, Issue 1) on destination competitiveness, Ritchie and Crouch (2000) presented their updated model of Destination Competitiveness & Sustainability (Figure 6). It was based on the one they developed in 1999 (Crouch & Ritchie, 1999), which constitutes comparative advantages, competitive advantages, the competitive (micro) environment, the global (macro) environment, and four modules: core resources & attractors, supporting factors & resources, destination management, and qualifying & amplifying determinants. In the updated version, a new module, destination policy, planning & development, was added so that issues of critical policy, planning and development can be sufficiently covered.

Comparative advantage concerns a destination's factor endowments, both naturally occurring as well as created. Porter (1998) identified five broad categories: human resources, physical resources, knowledge resources, capital resources, and infrastructure. In a tourism context it seems appropriate to add historical and cultural resources as an additional significant resource category and to expand the infrastructure category to include tourism superstructure[20] (Crouch & Ritchie, 1999).

Where comparative advantages constitute the resources available to a destination, competitive advantages relate to a destination's ability to use these resources effectively over the long-term. A destination endowed with a wealth of resources may not be as competitive as a destination lacking in resources but which is utilizing the little it has much more effectively. In other words, a destination that has a tourism vision, shares this vision among all stakeholders, understands both its strengths as well as its weaknesses, develops an appropriate marketing strategy, and implements it successfully may be more competitive than one that has never asked what role tourism is to play in its economic and social development (Crouch & Ritchie, 1999).

[20] It comprised primarily of accommodation facilities, food services, transportation facilities, and major attractions that many view as the 'tourism industry' (Crouch & Ritchie, 1999).

A destination's competitive (micro) environment constitutes the most salient elements that define its immediate arena of competition (Kotler, 1988). Apart from the destination itself, it includes members of the travel trade, tourism markets, competitive destinations, and a destination's public or stakeholders. As components of the tourism system, they shape the immediate environment within which a destination must adapt in order to compete (Crouch & Ritchie, 1999).

The global (macro) environment is made up of major global forces. Some of these forces relate to a growing concern for the natural environment, the economic restructuring of economies that is occurring worldwide, the shifting demographics of the marketplace, the increasingly complex technology-human resource interface, the emergence of cultural diversity in a homogenous world, the global spread of democracy (Ritchie, 1992), and now, health and security of travelers. They present a given destination with a number of special concerns, problems, or issues that it must either adapt to, or overcome, if it is to remain competitive. At the same time, these forces provide destinations with a whole new spectrum of opportunities for innovation and market exploitation (Crouch & Ritchie, 1999).

The module, 'core resources and attractors', describes the primary elements of destination appeal. These factors are the key motivators for visitation to a destination. Whereas other modules are essential for success and profitability, it is the core resources and attractors that are the fundamental reasons that prospective visitors choose one destination over another. These factors fall into seven categories: physiography & climate, culture & history, market ties, mix of activities, special events, entertainment, and the tourism superstructure[21] (Crouch & Ritchie, 1999; Ritchie & Crouch, 2000).

Supporting factors and resources exert more of a secondary effect by providing a firm foundation upon which a successful tourism industry can be established. They include general infrastructure, accessibility, facilitating resources (e.g. financial institutions, quality of manpower), hospitality, and entrepreneurship[22] (Crouch & Ritchie, 1999; Ritchie & Crouch, 2000).

The destination management component of the model focuses on those activities that can enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of the supporting factors and resources, and best adapt to the constraints imposed by the qualifying determinants. It includes eight factors, namely resource stewardship, marketing, finance & venture capital, organization, human resources development, information/research, quality of service, and visitor management[23] (Crouch & Ritchie, 1999; Ritchie & Crouch, 2000).

Qualifying & amplifying determinants represent matters whose impact on the competitiveness of a destination is to define its scale, limit, or potential. These qualifiers moderate, modify, or mitigate destination competitiveness by filtering the influence of the other three groups of factors. They may be so important as to represent a ceiling to tourism demand and potential, but are largely beyond the control or influence of the tourism sector alone to do anything about. There are five determinants: location, interdependencies between destinations of either a competitive

[21] For definition of factors, see Appendix 1.
[22] For definition of factors, see Appendix 1.
[23] For definition of factors, see Appendix 1.

or complementary nature, safety/security, awareness/image/brand, and cost/value[24] (Crouch & Ritchie, 1999; Ritchie & Crouch, 2000).

The last and newly added module is destination policy, planning & development. Tourism policy seeks primarily to create an environment within which tourism can flourish in an adaptive, sustainable manner. Tourism master planning infers a more rigid, more bureaucratic approach in which the parameters for long-term development of tourism destinations are set out in somewhat static terms. Master plans tend to be seen as rather fixed prescriptions for development. This module includes eight factors: system definition, philosophy, vision, audit, positioning, development, competitive/collaborative analysis, and monitoring & evaluation[25] (Ritchie & Crouch, 2000).

Based on this model plus further research, Ritchie and Crouch presented the Destination Competitiveness Index (DCI) at a WTO Think Tank conference in Madrid in 2002 (WTO, 2002b). The index measures a destination's overall performance vis-à-vis other destinations on four "core indicators": economic performance, sustainability, visitor satisfaction, and management action. This shows that the model is more than a set of conceptual propositions – the suggested destination competitiveness and sustainability can actually be practically quantified and measured.

[24] For definition of factors, see Appendix 1.
[25] For definition of factors, see Appendix 1.

2.8 The Analytical Framework of Tourism Policies

The candidate agrees with the comprehensiveness of Ritchie's & Crouch's model (2000) and that the government of a destination can formulate tourism policies embracing the above components for achieving competitiveness and sustainability. However, since the model was not designed for comparative policy studies, its format, structure, and some terminologies are not applicable to policy analysis. For example, there is no policy as "interdependencies policy", or "mix of activities policy". Therefore, in order to perform a more effective policy-comparison exercise, a new analytical framework of tourism policies was designed based on Ritchie's & Crouch's model. With all elements in the model embraced, tourism policies are now categorized as strategic level and operational level policies (Table 2). The former refers to macro planning and development of the destination, and the latter deals with the travel experience of visitors at a micro level. Nevertheless, these two levels of policies are not necessarily mutually exclusive. For example, vision formulation is solely strategic as it depicts the future ideal status the destination wants to achieve, while environmental sustainability management requires both strategic and operational level policies. For instance, a government's decision to develop ecotourism (strategic level) versus improvement of existing country parks to be 'tourist-friendly' by improving signage (operational level).

Strategic level policies are further classified by type of stakeholders involved. The public sector (i.e. the government itself), private sector, and the community are 'internal' stakeholders – stakeholders within the destination. Other cities/countries and source markets are 'external' stakeholders – stakeholders outside the destination. In other words, this part of the framework analyzes the policies concerning the internal governance of the government, as well as policies dealing with various stakeholders. The second half of the framework analyzes operational level policies, which are classified by the four stages of visitor experience: pre-arrival, arrival, during the stay and departure.

Table 3 shows how elements in Ritchie's & Crouch's model (Figure 6) fit in the proposed analytical framework (Table 2). While modules of the model correspond to most of the elements in the framework, there is one element "crisis management" (Item h in Table 2) added by the candidate that was not included in the model. The addition is in view of various devastating incidents to tourism in the period of 2001 to 2003. There was the 9-11 terrorist attack in the United States in 2001, the United States air war upon Afghanistan in October 2001, Bali bombing in October 2002, the war between Iraq and the United States and its allies in March/April 2003, and the SARS outbreak during March to June 2003. This series of incidents led to great fear in traveling – travelers feared their health and safety may be jeopardized. Both the industry and destination management organizations worldwide were faced with unprecedented challenges. Effective crisis management has since then become indispensable in the public and private sectors.

According to PATA (2003:4), "the most effective crisis management occurs where a potential crisis is detected and dealt with quickly. Where a crisis is unforeseen, poorly anticipated or unavoidable, the crisis will quickly come to the attention of the key stakeholders within the organization and may also come to the media's attention. In this case, crisis contingency or continuity plan, prepared in advance, are proactively implemented to mitigate loss to lives, property and business and pre-empt bad publicity." Taking into consideration the devastating effects of the crises to tourism in 2001 to 2003 and the importance of crisis management as pointed out by PATA, an effective government policy on crisis management is imperative to all destinations. This explains why a new element was added to the analytical framework.

Table 2: An Analytical Framework for Destination Competitiveness and Sustainability Policies

<table>
<tr>
<td>Strategic (macro) Level Policies</td>
<td colspan="2">INTERNAL Stakeholders
1. The Public Sector
a) Vision formulation
b) Provision of tourism infrastructure
c) Product development
d) Immigration and customs policies
e) Environmental sustainability management
f) Policy implementation efficiency and effectiveness
g) Monitoring and evaluation of performance
h) Crisis management

2. Private Sector
a) Provision of favorable business environment
b) Public-private sector cooperation

3. Community
a) Community's attitude towards and involvement in tourism</td>
<td colspan="2">EXTERNAL Stakeholders
1. Other Cities/Countries
a) Competition
b) Collaboration/Cooperation

2. Source markets
a) Strategic destination marketing</td>
</tr>
<tr>
<td>Operational (micro) Level Policies</td>
<td>Pre-arrival
a) Accessibility and entry restrictions
b) Marketing</td>
<td>Arrival
a) Airport facilities
b) Rail facilities
c) Road facilities
d) Sea ports
e) Border control
f) Customs</td>
<td>During the stay
a) Destination attributes
b) Service quality
c) Hospitality</td>
<td>Departure
a) Airport facilities
b) Rail facilities
c) Road facilities
d) Sea ports
e) Border control
f) Customs</td>
</tr>
</table>

Adapted from Ritchie & Crouch (2000)

Table 3: Relationships between Ritchie's & Crouch's model (Figure 6) and the proposed analytical framework (Table 2)

ELEMENTS OF THE PROPOSED ANALYTICAL FRAMEWORK	CORRESPONDING MODULES OF RITCHIE'S & CROUCH'S MODEL (2000)
STRATEGIC LEVEL POLICIES **Internal Stakeholders** ***1. The Public Sector*** Vision formulation	Destination policy, planning & development
Provision of tourism infrastructure	Comparative advantages Core resources & attractors Supporting factors & resources
Product development	Destination management Destination policy, planning & development Qualifying & amplifying determinants
Immigration and customs policies	Destination management
Environmental sustainability management	Destination management
Policy implementation efficiency and effectiveness	Destination policy, planning & development Competitive advantages
Monitoring and evaluation of performance	Destination policy, planning & development Competitive advantages
Crisis management	(No exact corresponding module; closest match Qualifying & amplifying determinants)
2. Private Sector Provision of favorable business environment	Destination management Supporting factors & resources
Public-private sector cooperation	Destination policy, planning & development
3. Community Community's attitude towards and involvement in tourism	Destination policy, planning & development Supporting factors & resources
External Stakeholders ***1. Other Cities/Countries*** Competition Collaboration/Cooperation	Qualifying & amplifying determinants Destination policy, planning & development
2. Source markets Strategic destination marketing	Core resources & attractors Destination management Destination policy, planning & development

Table 3 (cont'd):

ELEMENTS OF THE PROPOSED ANALYTICAL FRAMEWORK	CORRESPONDING MODULES OF RITCHIE'S & CROUCH'S MODEL (2000)
OPERATIONAL LEVEL POLICIES ***Pre-arrival*** Accessibility and entry restrictions	Destination management
Marketing	Destination management Qualifying & amplifying determinants
Arrival/Departure Airport facilities Rail facilities Road facilities Sea ports Border control Customs	Destination management Supporting factors & resources Qualifying & amplifying determinants Comparative advantages
During the stay Destination attributes	Core resources & attractors Qualifying & amplifying determinants Comparative advantages
Service quality	Destination management Comparative advantages
Hospitality	Supporting factors & resources

The advantages of employing the proposed analytical framework for comparing or analyzing tourism policies of destinations are that it is clear, concise and easy to be understood without having comprehensiveness sacrificed. It embraces a holistic set of elements required of a competitive and sustainable destination – a model that was constructed with primary and secondary data over a period of five years by Ritchie and Crouch.

With this analytical framework, the first research objective – to compare tourism policies formulated for the 21st century of Hong Kong and Singapore – can be achieved. Together with primary data, mutual learning and collaboration opportunities between the two cities can be investigated.

2.9 Collaboration in Tourism

2.9.1 Definition

Gray (1989) suggested that collaboration is a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible. Collaboration was defined as an interactive process of joint decision making among key autonomous stakeholders of a problem domain (i.e. the way a problem is conceptualized by the stakeholders) about the future of that domain, using shared rules, norms and structures (Gray, 1989:227; Wood & Gray, 1991:148). The definition has five key aspects: (1) the stakeholders are interdependent, (2) solutions emerge by dealing constructively with differences, (3) joint ownership of decisions is involved, (4) stakeholders assume collective responsibility for the future direction of the domain, and (5) collaboration is an emergent process (Gray, 1989:227). Wood's and Gray's definition was widely employed as a base of study on collaboration (Bramwell & Lane, 2000; Selin, 2000).

2.9.2 Purpose of collaboration

In the context of tourism, Bramwell & Lane (2000) explained the purpose of collaboration. They pointed out that each stakeholder of the problem domain controls resources, such as knowledge, expertise, constituency and capital, but on their own they are unlikely to possess all the resources necessary to achieve their objectives and to plan effectively for their future in relation to a significant tourism development issue. Thus, a number of stakeholders may work together if they consider that their chances of realizing their goals and creating new opportunities in a problem domain are greater by performing jointly rather than by acting alone. This resource dependency and stakeholder interdependence means there are potential mutual or collective benefits from stakeholders collaborating with each other (Gray, 1989; Selin & Beason, 1991; Bramwell & Lane, 2000). There may be synergistic gains from sharing resources, risks and rewards, and from the prioritization of 'collaborative advantage' rather than individual 'competitive advantage' (Huxham, 1996).

2.9.3 Benefits of collaboration

There are many potential benefits when diverse stakeholders affected by tourism attempt to collaborate and to agree on policies and plans about how they should proceed. The first and foremost benefit of collaboration is the increase of the quality of solutions considered by the parties because solutions are based on a broad, comprehensive analysis of the problem. For instance, there may be greater consideration of the diverse economic, environmental and social issues that affect the sustainable development of resources. Moreover, the collective capacity to respond to the problem is also increased as stakeholders apply a variety of complementary resources to solving it (Gray, 1989). Table 4 summarizes the potential benefits of collaboration in tourism.

Table 4: Potential benefits of collaboration in tourism

• Broad comprehensive analysis of the problem domain improves the quality of solutions • Response capability is more diversified • The process ensures that each stakeholder's interests are considered in any agreement • Greater recognition of the importance of non-economic issues and interests if they are included in the collaborative framework, and this may strengthen the range of tourism products available • A pooling of the resources of stakeholders may lead to their more effective use • Parties most familiar with the problem may bring their knowledge, attitudes and other capacities to the policy-making process • The potential to discover novel, innovative solutions is enhanced • Participation enhances acceptance of solution and willingness to implement it • Coordination of the policies and related actions of the multiple stakeholders can be improved • More constructive and less adversarial attitudes might result in consequence of working together • Relations between the stakeholders improve • Mechanisms for coordinating future actions among the stakeholders can be established

Adapted from Gray, 1989; Bramwell & Lane, 2000

2.9.4 Potential problems of collaboration

In spite of the benefits listed above, collaboration has its problems. One potential difficulty is the perceptions and misperceptions that prospective partners hold about one another. Overcoming mistrust is difficult because the prospective partners are different in a lot of ways, e.g. their core missions, type of people employed, language, and operation timetables. Furthermore, complex hierarchical system of organizations, bureaucracy of governments, pressures to maintain the status quo, diversity of interests, power and politics are potential hindrances of formation of a collaborative relationship. Hence, it should not be assumed that each of the various stakeholders would automatically believe it is in their best interest to participate in a partnership (Bramwell & Lane, 2000). Table 5 summarizes the potential problems of collaboration in tourism.

Table 5: Potential problems of collaboration in tourism

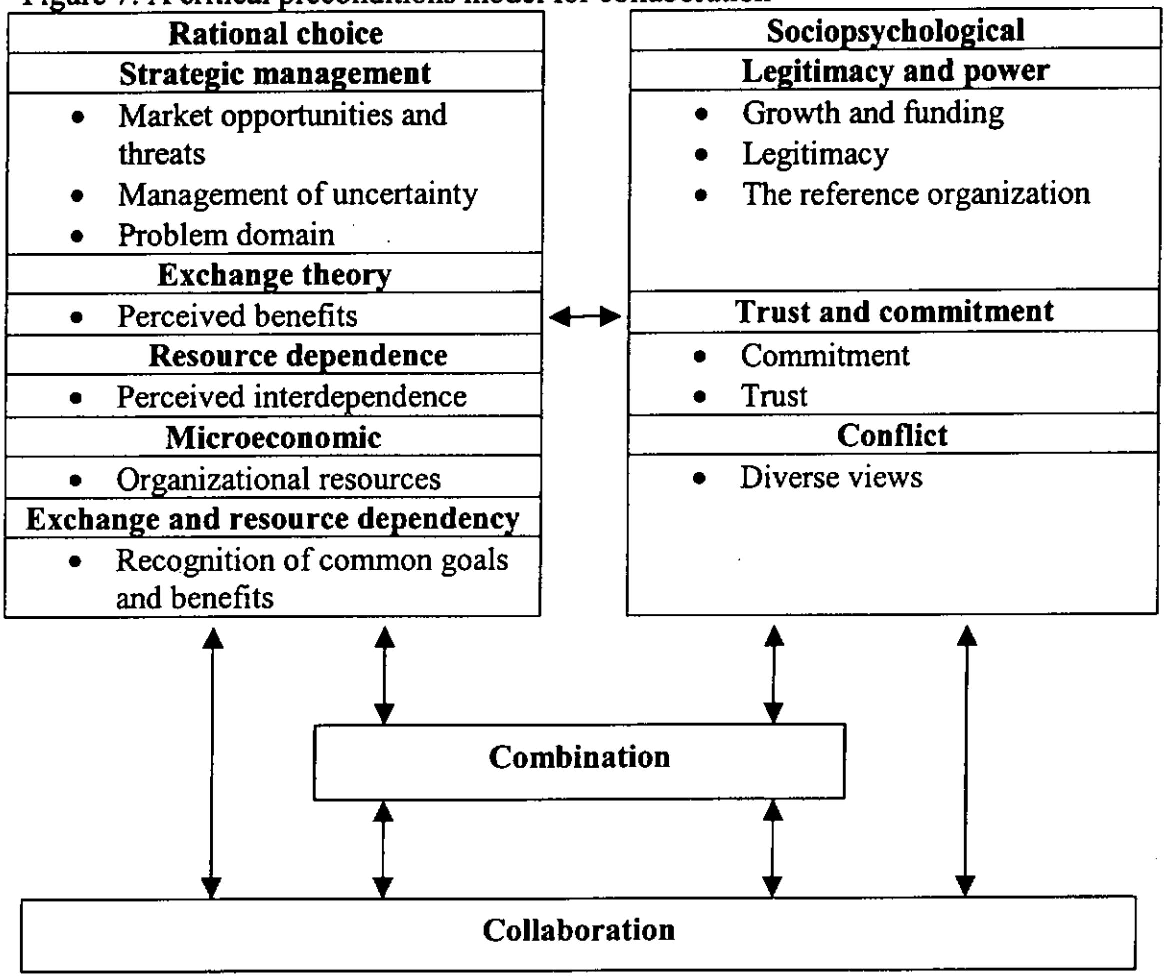
• There may be limited tradition of stakeholders participating in policy-making
• Actors may not be disposed to reduce their own power or to work together with unfamiliar partners or previous adversaries
• Healthy competition may be stifled
• Collaborative efforts may be under-resourced in relation to requirements for additional staff time, leadership and administrative resources
• Involving a range of stakeholders in policy-making may be costly and time-consuming
• There may be fragmentation in decision making and reduced control over implementation

Adapted from Bramwell & Lane, 2000

2.9.5 Preconditions for successful collaboration – the case of tourism marketing

Jantarat & Williams (2000) proposed a model of critical preconditions for successful collaborative tourism marketing (Figure 7), which can be a useful reference for tourism collaboration in general. The model highlights the highly interactive nature and complexities of collaboration and identifies how participating parties' past experiences, their perceptions of the benefits to be obtained from collaboration, and their assessment of likely future relations impact decision making. Furthermore, it acknowledges the situation-specific nature of managerial actions, as well as its cumulative effects. In other words, collaborative relationships are the sum of perceived past, present and future benefits. The authors claimed that, essentially, collaboration will be enhanced when stakeholders have positive past experiences and trust in the collaborative initiator and/or convener's ability to achieve the goals of the collaborative project. These issues need to be understood by conveners and conveyed to participants if collaborative ventures are to succeed, for domain focus and consensus will further facilitate collaboration.

Figure 7: A critical preconditions model for collaboration



Source: Jantarat & Williams, 2000:126

2.9.6 The collaborative process

Gray (1989) introduced a three-phase generic model of collaboration. She pointed out that although certain phases may be more significant for some collaboration than for others, there remains a fundamental set of issues that must be addressed in the course of any collaboration. The three phases are: problem setting, direction setting, and implementation. Table 6 provides a list of steps in each phase of the collaborative process.

Table 6: The collaborative process

Phase 1: Problem setting

- Common definition of problem
- Commitment to collaborate
- Identification of stakeholders
- Legitimacy of stakeholders
- Convener characteristics
- Identification of resources

Phase 2: Direction setting

- Establishing ground rules
- Agenda setting
- Organizing subgroups
- Joint information search
- Exploring options
- Reaching agreement and closing the deal

Phase 3: Implementation

- Dealing with constituencies
- Building external support
- Structuring
- Monitoring the agreement and ensuring compliance

Source: Gray, 1989

The problem-setting phase is concerned with getting to the table so that face-to-face dialogue can begin. Often this is the most difficult step. Problem setting requires identification of the stakeholders, mutual acknowledgement of the issues that join them, and building commitment to address these issues through face-to-face negotiations. This phase has also been referred to as pre-negotiation. During the direction-setting phase, stakeholders identify the interests that brought them to the table. They sort out which of their interests are the same, which are opposed, and which are unique or different and can form the basis for eventual trade-offs. Carefully forged agreements can fall apart after agreement is reached unless deliberate attention is given to several issues during the implementation phase of collaboration. These issues include structuring, monitoring the agreement and ensuring compliance (Gray, 1989).

In the case of Hong Kong and Singapore, should tourism collaboration exist, the problem domain can be enhancing destination competitiveness and sustainability in the 21st century. The stakeholders involved include the two governments, destination management organizations, i.e. Hong Kong Tourism Board, Tourism Commission of Hong Kong and Singapore Tourism Board, the private sector and the communities of the two cities. The feasibility, the possible scope and intensity of their collaborative relations will be further discussed later in this study.

2.9.7 Examples of intergovernmental tourism collaboration

As Richter (1994) noted, tourism is an arena for regional and international cooperation, which may facilitate constructive exchanges on other thornier political issues. For example collaboration on environmental problems and tourism development have been two policy areas on which Europe has worked since 1989.

Several Hong Kong- and/or Singapore-related intergovernmental tourism organizations like the Association of South East Nations (ASEAN) Cooperation in Tourism, East Asia Inter-Regional Tourism Forum (EATOF), and Asia Pacific Economic Cooperation (APEC) Tourism Working Group were previously mentioned in *Chapter 1*. There is another organization, the Organization for Economic Cooperation and Development (OECD) whose members are essentially European and North American countries[26]. Its Tourism Committee, established in 1961, is made up of senior policy makers in the tourism area who meet once a year to discuss major developments affecting the industry, take action when required, assemble material on policies in its Annual Report, and contributes to the work of other parts of the OECD. The mission of the Tourism Committee is to promote action to maximize the benefits of tourism to the economies of OECD member countries by increasing the understanding of the economic importance of tourism, promoting the liberalization of policies towards international tourism flows, fostering international cooperation in these fields, and providing a forum for dissemination, analysis and benchmarking of the tourism policies and administration of member countries against comparable economies (OECD, 1996).

Another example of intergovernmental tourism partnership is demonstrated by the tourism agreements entered into by the United States government. From 1978 to 1999, the United States had negotiated tourism agreements with nine countries[27]. Basically, the agreements aim to increase two-way tourism and support efforts by each other's national tourism organization. They also improve tourism facilitation, encourage investments in each other's tourism industry, and promote the sharing of research, statistics and information. Macroscopically, the agreements suggest mutual cooperation on policy issues in international tourism, provide for regular consultations on tourism matters, and enhance mutual understanding and goodwill (Edgell, 1999; Hall, 1996).

[26] By the first half of year 2002, OECD had 30 member countries (OECD, 2002).
[27] They include Mexico, Venezuela, Egypt, the Philippines, Hungary, Yugoslavia, Argentina, Poland, and Morocco.

In addition to the above agreements with the nine countries, the United States has also established close cross-border partnership with Canada in managing tourism resources in the international parks along their border. In his study, Timothy (2000) found that in the three US-Canada parks: International Peace Garden, Roosevelt Campobello International Park, and Waterton-Glacier International Peace Park, the cross-border partnership has been instrumental in advancing the principles of sustainable tourism. Infrastructural development within the parks has increased efficiency and equity. Ecological harmony and balance were encouraged as both countries work together to protect natural resources and wildlife. In terms of human resources, every effort was made to employ an equal number of Americans and Canadians. Work visas are unnecessary for either nationality. With regards to promotion, joint tourism literature and Internet sites were developed, which provide a balanced view of both sections (US-Canada) of the parks. Within the literature of each individual park, the other is promoted and visits are encouraged. Despite the above positive outcomes, the partnerships may delay action in some instances as participating parties have to go through complex partnership procedures. Nevertheless, the US-Canada experience with international parks was, in general, positive and contributed to a bi-national understanding of sustainability and peace (Timothy, 2000).

The above examples show that tourism collaboration among international destinations is not rare and the relationship can be constructive. The question is whether collaboration between Hong Kong and Singapore is feasible and worthwhile in the view of enhancing their destination competitiveness. These issues will be further addressed and examined in *Chapter 4*.

2.10 Chapter Summary

This chapter reviewed the literature of eight general topics that construct the essential theoretical background and research framework for the current study. The topics were: development of tourism, tourism development in Hong Kong and Singapore, public policy, tourism policy, competitiveness, destination competitiveness, and collaboration in tourism.

The past helps us understand the present and predict the future. *Section 2.2* and *2.3* demonstrated how tourism was 'born' in Hong Kong and Singapore and what events and activities have given shape to the current state of development in the two cities. Information contained in these two sections may allow to draw more informed conclusions at the later stage of the research.

Section 2.4 and *2.5* acquainted the reader with knowledge on the nature and structure of tourism policy, the policy system and the policy-making process. Development of understanding in these aspects is crucial in examining how tourism collaboration can be formed between Hong Kong and Singapore and the feasibility to do so. Among various models of tourism policy-making process, Hall's (1994) was chosen as the reference model.

Section 2.6 and *2.7* on competitiveness and destination competitiveness did not only help set out the scope of collaboration between Hong Kong and Singapore, they also gave rise to the 'Analytical Framework of Tourism Policies' in *Section 2.8*. This framework was adapted from Ritchie's & Crouch's (2000) model of destination competitiveness and sustainability. The framework will be employed to compare the tourism policies formulated for the 21^{st} century by the Hong Kong and Singapore governments.

Lastly in *Section 2.9*, the purpose, benefits, potential problems, preconditions and process of collaboration were explained. Examples of intergovernmental tourism collaboration were also provided. Together with *Chapter 1*, this section forms the point of reference should tourism collaboration between Hong Kong and Singapore be seen as feasible and worthwhile later in the study.

The following chapter, Methodology, demonstrates how (by what means) the research objectives listed in *Chapter 1* can be achieved.

Chapter Three. Methodology

This chapter presents the research design of this study, which is a specific plan for studying the research problems. It contains five major elements: the research perspective, the research type, the research context and the participants, the methods and instruments used to collect data, and data analysis strategies. A conclusion is given at the end of the chapter.

3.1 The Research Perspective

A research perspective is a general view and use of research approaches and methods (Glatthorn, 1998). There are two major perspectives: quantitative and qualitative. This research adopts the latter. Qualitative research can be broadly defined as 'any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification' (Strauss & Corbin, 1990:17). The decision of adopting a qualitative research methodology depends very much on the nature of the research problem. Qualitative methods can be used to better understand any phenomenon about which little is yet known. They can also be used to gain new perspectives on things about which much is already known, or to gain more in-depth information that may be difficult to convey quantitatively (Strauss & Corbin, 1990; Marshall & Rossman, 1999). Research problems tend to be framed as open-ended questions that will support discovery of new information (Hoepfl, 1997). The key objectives of this study are to explore how Singapore and Hong Kong can learn from and collaborate with each other so as to enhance their destination competitiveness. As mentioned in *Chapter 1*, no research has been done in this regard, and the solutions to this problem cannot be found statistically or quantitatively but by seeking in-depth information from the key stakeholders. Therefore, the use of qualitative methods in this research is appropriate and justifiable.

3.2 The Research Type

Research type is the general research approach. This study adopts a comparative case study approach.

3.2.1 Justifying the research type

Comparative studies in tourism research refer to 'social scientific analyses involving more than one social system or in the same social system at more than one point in time' (Warwick & Osherson, 1973:8 cited in Pearce, 1993). It was also noted that comparative analysis must at the very least draw out and attempt to account for similarities and differences. Case study is 'an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident' (Yin, 1989:23). The case study method has a distinct advantage when a 'how' or 'why' question is being asked about a contemporary set of events over which the researcher has little or no control. The method is appropriate when researchers desire to define topics broadly and not narrowly; to cover contextual conditions and not just the phenomenon of study; and to rely on multiple and not singular sources of evidence (Noble, 1997).

It is appropriate and justifiable for the current study to adopt a comparative case study approach because the first part of this study, which will identify the similarities and differences of the tourism policies between Hong Kong and Singapore, may give rise to practical implications of how the two cities can learn from and collaborate with each other. Clearly, tourism policy-making and destination competitiveness are things over which the candidate has no control. In addition, the investigation on such broad issues requires the study of contextual conditions so as to gain a holistic perspective. Information has to be collected from various sources, such as the government, the industry and the community.

3.2.2 Issues of comparative research

Pearce (1993) suggested that comparative research stimulates the development of theory, and has the potential of developing generalizations and explanations with practical implications and applications. Comparative studies can also demonstrate the practical possibilities and constraints of transferring experiences and learning from others, something that will undoubtedly become more significant with the increasing globalization of the world economy and the tourism industry. Pearce cited Feldman (1978:87) on comparative public policy: 'The introduction of comparison into the analysis of public policy promises to explore the range of choice available to societies whose perception of choice may be bound by institutions, economic, social structure, and culture. It promises insight into the role of institutions by exploring parallel institutions[28] operation in other systems'.

There are a number of general issues arising from comparative studies. First, specific objectives should be defined beforehand and a common method or framework of analysis should be used. Second, there is the question of conceptual equivalence and equivalence of measurement, especially in cross-cultural studies. In other words, it has to be made clear whether certain concepts and terms used mean the same thing in each study area. Third, contextual factors need to be clearly and explicitly identified and described because the extent to which experiences can be transferred successfully will depend largely on the similarity of salient conditions between

[28] Parallel institutions in this study are the Tourism Commission of Hong Kong and the Singapore Tourism Board, which are the policy-making institutions in the respective destination.

countries or cases (Pearce, 1993). These issues will be further addressed in the findings section of this study.

3.2.3 Issues of case studies

Case study method stimulates the researcher to explore the interactions between ideas and evidence. The flexibility in its approach does not restrict or constrain the examination of evidence (Noble, 1997). Its ability to open the way for discoveries was recognized by Shaughnessy & Zechmeister (1997) and Berg (2000) as the scientific benefit. Berg (2000) claimed that case study method can easily serve as the breeding ground for insights and even hypotheses that may be pursued in subsequent studies. However, whenever one considers the scientific value of case studies, two points should be addressed. They are the objectivity of the researcher and the generalizability of findings.

Qualitative research is often viewed as suspect when questions of objectivity[29] are asked. However, Berg (2000) argued that considerations of objectivity are regularly undertaken by all who undertake social scientific research – whether quantitatively or qualitatively oriented. For example, when a quantitative methodologist identifies the level of statistical acceptability for some statistical measure, it is often a subjective decision. How would the results be different if the statistically significant level is set at the 0.001 level instead of the 0.05 level? Thus, objectivity lies someplace other than in the kinds of decisions made by a researcher regarding various aspects of the research strategy (as in qualitative research).

[29] Instead of "objectivity", Lincoln & Guba (1985) used the term "confirmability", which refers to the neutrality of the research interpretation.

As in any scientific research, findings from a single study are seldom accepted immediately without question and additional research investigations are often needed. In this light, case study methods are as objective as any other data collection and analysis strategies used by social scientists.

The second concern addresses the question of generalizability, or transferability as suggested by Lincoln & Guba (1985). They claimed that the researcher cannot specify the transferability of findings but provide sufficient information that can then be used by the reader to determine whether the findings are applicable to the new situation. Berg (2000) thought that the question of generalizability is not necessary to ask because there is clearly a scientific value to gain from investigating some single category of individual, group, or event simply to gain an understanding of that individual, group, or event. For those who are seriously concerned with generalizability, case methods are still generalizable to some extent. The logic lies in the fact that few human behaviors are unique, idiosyncratic, and spontaneous. Even if this were the case, the attempt to undertake any type of survey research on an aggregate group would be useless. Therefore, this study of tourism policies, which are the results of human decisions, should not be devalued for its use of a comparative case study approach.

3.3 The Research Context and the Participants

The research context refers to the time and place of a study. This study commenced on 1st October 2001 and was completed by the end of July 2003. In this 22-month period, the first 12 months were spent on building a detailed research framework (i.e. research problem identification, literature review, and defining methodology). Primary data were collected from October to December 2002, while secondary data collection was ongoing throughout the study. All were collected in both Hong Kong and Singapore. From January to May 2003, data were analyzed and interpreted. The last two months were spent on writing up of and "fine-tuning" the thesis.

Primary data were collected by means of in-depth interviews with a few exceptions where the participants were neither based in Hong Kong nor Singapore. In those cases, questionnaires with exactly the same questions as in the face-to-face interviews were sent. Replies were in written form.

Participants of this study widely represent the tourism industry. The public sector, the private sector, academia, international tourism organizations and the sub-sectors of the above were targeted. The intention was to collect opinions of various perspectives to tackle the research problems. The degree of representation of participants turned out to be as planned. Table 7 shows a list of sectors and sub-sectors to which participants belonged. The list also infers the nature of information obtained.

A total of twenty-five individuals participated. They were selected on the basis of their expertise in areas relevant to the research. They held at least managerial positions in their respective organizations, and/or were experienced enough to provide insightful comments on the research questions. Table 8 shows in detail from whom and how the data were collected.

Table 7: Sectors and sub-sectors to which participants belonged

The Public Sector (Hong Kong/Singapore) • Policy-making body • Destination marketing body • Intergovernmental liaison representative	**The Private Sector** (Hong Kong/Singapore) • Airlines • Hotels • Inbound travel agencies • Associations of the above • Attractions • Cruise lines • Convention and exhibition centers
Academia (Hong Kong/Singapore/New Zealand) Scholars specialized in: • Tourism policy • Destination competitiveness • Tourism collaboration • International collaboration	**International Tourism Organizations** (which drive international cooperation in tourism; based in Singapore and Thailand) • Pacific Asia Travel Association[30] (PATA) • Asia Pacific Economic Cooperation (APEC) Tourism Working Group • Tourism Unit of United Nations Economic and Social Commission for Asia and The Pacific (ESCAP)

Each participant was given a reference code that is referred to throughout the thesis. The code consists of two letters and one number. The first letter indicates whether the participant were affiliated with H – an organization in Hong Kong, S – an organization in Singapore, or I – an international organization or an organization in countries other than Hong Kong and Singapore. The second letter represents the sector the participant belonged to: B – public sector, V – private sector, A – academia, or O – international tourism organizations. Finally, a number is used to just differentiate individual participants. The purpose of this coding system is to allow

[30] PATA was founded in 1951 with the mission to enhance the growth, value and quality of Pacific Asia travel and tourism for the benefit of its membership which include nearly 100 governments, state and city tourism bodies, airlines and cruise lines, and hundreds of travel industry companies (PATA, 2002).

concise and precise referencing when data are presented and analyzed in *Chapter 4*. Instead of using names, which fail to infer the context, the codes can inform the reader where and which sector the participant was from. By referring to Table 8, further details can be found.

Details of the pre-interview planning process and the issues of the use of different languages in the interviews are further discussed in *Section 3.4.2.3* and *3.5.2* respectively.

Table 8: Sources of data collected

Group of Participant	Reference Code	Name of Participant	Designation	Organization	Remark on Background of Participant	Means of Collecting Data	Language used
Singapore Public Sector	SB1	Mr Chang Chee Pey & Mr Timothy Chew	Director, Sightseeing & Attractions; Assistant Manager, Competitive Analysis	Singapore Tourism Board	Mr Chang was Manager, Competitive Analysis at the time of interview	Face-to-Face Interview	English
	SB2	Mr Colin Teo	Regional Director (China)	Singapore Tourism Board in Hong Kong		Face-to-Face Interview	Cantonese complemented with English
Hong Kong Public Sector	HB1	Mr Duncan Pescod	Deputy Tourism Commissioner	Tourism Commission	Experienced Civil Servant	Face-to-Face Interview	English
	HB2	Ms Bonnie Ngan	General Manager, Corporate Communication and Public Relations	Hong Kong Tourism Board	Joined HKTB in 2001. Previously worked in the banking sector	Face-to-Face Interview	Cantonese complemented with English
	HB3	Mr Mike Rowse	Director-General	InvestHK	Former and First Tourism Commisssioner (1999-2000)	Face-to-Face Interview	English
	HB4	Mrs Amy Chan	Honorary Professor, School of Hotel and Tourism Management	The Hong Kong Polytechnic University	Former Executive Director of Hong Kong Tourist Association (1994-2000)	Face-to-Face Interview	Cantonese complemented with English
	HB5	Ms Grace Kwok	Deputy Director	Hong Kong Economic and Trade Office in Singapore	Interviewee liaises with the trading department of Singapore Government	Lunch Meeting	Cantonese complemented with English

Table 8 (cont'd)

Group of Participant	Reference Code	Name of Participant	Designation	Organization	Remark on Background of Participant	Means of Collecting Data	Language used
Singapore Private Sector	SV1	Mr Darrell Metzger	Chief Executive Officer	Sentosa Development Corporation	Former CEO of Ocean Park, Hong Kong; CEO of Atlantis Adventure, Hawaii; leading position in The Walt Disney Co.	Face-to-Face Interview	English
	SV2	Mr Robert Khoo	Chief Executive Officer	National Association of Travel Agents Singapore	Also Secretary-General, ASEANTA; Director of Tourism Mgt Instit of S'p; Had studied in HK	Face-to-Face Interview	English
	SV3	Ms Margaret Heng	Director	Singapore Hotel Association		Face-to-Face Interview	English
	SV4	Mr James Papineau	Director, Marketing and Sales	Suntec Singapore International CEC		Face-to-Face Interview	English
Hong Kong Private Sector	HV1	Mr Paul Pei	Director, Sales and Marketing	Ocean Park	Previously served as Vice President, Marketing and Development of Beaufort Hotels in Singapore	Face-to-Face Interview	English
	HV2	Mr James Lu	Executive Director	Hong Kong Hotels Association		Face-to-Face Interview	Cantonese complemented with English
	HV3	Ms Chan Shuk Fong	Assistant Executive Director	Federation of Hong Kong Hotel Owners		Face-to-Face Interview	Cantonese complemented with English
	HV4	Mr Cliff Wallace	Managing Director	Hong Kong Convention and Exhibition Center		Face-to-Face Interview	English

Table 8 (cont'd)

Group of Participant	Reference Code	Name of Participant	Designation	Organization	Remark on Background of Participant	Means of Collecting Data	Language used
Hong Kong Private Sector (cont'd)	HV5	Ms Rosita Ng	Manager, Corporate Communication	Cathay Pacific Airways		Face-to-Face Interview	Cantonese complemented with English
	HV6	(Name not to be disclosed upon interviewee's request)	(Top Management)	Star Cruise (HK)		Face-to-Face Interview	English
Singapore Academia	SA1	Dr Peggy Teo	Associate Professor, Department of Geography	National University of Singapore	Well-known scholar in Singapore; extensive research done in tourism in Asia	Telephone Interview (Dr Teo was physically unwell for face-to-face interview)	English
Hong Kong Academia	HA1	Dr John Ap	Associate Professor, School of Hotel and Tourism Management	The Hong Kong Polytechnic University	Well known scholar in tourism	Face-to-Face Interview	English
	HA2	Dr Barry Mak	Assistant Professor, School of Hotel and Tourism Management	The Hong Kong Polytechnic University	Also Director of Travel Industry Council of HK	Face-to-Face Interview	Cantonese complemented with English
International Academia	IA1	Professor Michael Hall	Head, Department of Tourism, School of Business	University of Otago, New Zealand	Internationally renowned scholar, had written a few books on tourism policies and tourism in Asia	Written reply	English

Table 8 (cont'd)

Group of Participant	Reference Code	Name of Participant	Designation	Organization	Remark on Background of Participant	Means of Collecting Data	Language used
International Tourism Organizations	IO1	Ms Anita Douglas	Director (Program)	Asia Pacific Economic Cooperation (APEC) Secretariat	Office in Singapore	Face-to-Face Interview	English
	IO2	Mr Ryuji Yamakawa	Chief, Transport Policy and Tourism Section, Transport and Tourism Division	United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)	Very experienced tourism professional; former staff of Japan National Tourist Organization	Written reply	English
	IO3	Mr John Koldowski	Managing Director, Strategic Information Center	Pacific Asia Tourism Association (PATA)	Highly qualified tourism research professional	Written reply	English

3.4 Data Collection

3.4.1 Secondary data

Secondary data are data that have been previously collected for some projects other than the one at hand, usually used to clarify issues in the early stages of a research effort (Zikmund, 2000:106,124). The purposes of collecting secondary data for this study were:

(1) to obtain descriptive information and facts with regards to, for example, the performance of Hong Kong and Singapore as a destination, the vision of the governments in tourism and their policies;

(2) to build the framework for comparing the two destinations' tourism policies, as explained in *Section 2.8*, based on previous studies;

(3) to review previous research that evaluated or commented on the destination competitiveness of Hong Kong and Singapore, and that compared the two cities; and

(4) to a lesser extent, to serve as supplementary information for primary data analysis.

The secondary data collected for this study came from a wide variety of sources, which can be classified into four major categories: academic research (both journals and books), government publications, international tourism organization publications, and newspapers and magazines. Information on contemporary issues such as crisis management was mostly obtained from the last two categories of sources. The collection process was an ongoing one so that the content of the thesis could be updated until submission.

Table 9 shows the strengths and weaknesses of secondary data.

Table 9: Strengths and weaknesses of secondary data

Strengths
• Relatively less expensive than acquiring primary data
• Can usually be obtained quickly
• A good source of reference of major events, crises, social conflicts
• Provides context information
• Facilitates analysis, validity checks, and triangulation
• Easy to be manipulated and categorized for analysis
• Allows wide range of types of data and participants
• Easy and efficient to be administered and managed
• Already an established instrument
Weaknesses
• Information may be outdated
• Variation in definition of terms
• Different units of measurement
• No control over data's accuracy
• Lack of information to verify the data's accuracy
• Data may be open to multiple interpretations due to cultural differences
• Highly dependent on the ability of the researcher to be resourceful, systematic, and honest

Sources: Zikmund, 2000; Marshall & Rossman, 1999

Given the weaknesses of secondary data listed in Table 9, Zikmund (2000) and Marshall & Rossman (1999) advised researchers to observe the following. Variances in terms or classifications should be scrutinized to determine if differences are important. When quantitative data are reported in a format that does not meet the needs of the current research, they should be converted to a format suitable to achieve the research objective. Whenever possible, the accuracy of data and possibility of existence of bias should be evaluated by, for example, the integrity and reputation of the party that originally conducted the research. Cross-checks of data from multiple sources, including the primary data, can also be made to compare the data from one source with those from another. If there is an inconsistency, one should attempt to identify reasons for the differences or to determine which data are most likely to be correct (Zikmund, 2000). The candidate had observed the above and the secondary data collected were verified to be correct to the best of her knowledge.

3.4.2 Primary data – In-depth interviews

3.4.2.1 The nature of in-depth interviews

Interviewing can be simply defined as 'a conversation with a purpose' (Berg, 2000:66). The researcher explores a few general topics to help uncover the participant's views but otherwise respects how the participant frames and structures the response. In other words, the participant's perspective on the phenomenon of interest should unfold as the participant views it, not as the researcher views it (Marshall & Rossman, 1999). Table 10 shows the strengths and weaknesses of interviewing.

Table 10: Strengths and weaknesses of interviewing

Strengths

- Fosters face-to-face interactions with participants
- Useful for uncovering participants' perspectives
- Focuses on specific themes and situation
- Data collected in natural setting
- Facilitates immediate follow-up for clarification
- Useful for describing complex situations/interactions
- Data can be rich, deep and subtle
- Facilitates discovery of unexpected phenomena
- Provides context information
- Facilitates analysis, validity checks, and triangulation

Weaknesses

- Data are open to multiple interpretations due to cultural differences
- Dependent on cooperation of small group of key individuals
- Difficult to replicate by other researchers
- Especially dependent on openness and honesty of participants
- Highly dependent on the ability of the researcher to be resourceful, systematic, and honest

Sources: Marshall & Rossman, 1999; Kvale, 1996

3.4.2.2 In-depth interviews of this study

Interviews can be categorized into three types: completely structured interviews (with fixed response options), completely unstructured interviews (where themes, issues and questions emerge from the ongoing interaction between interviewer and interviewee), and semi-structured interviews (Lee, 1999). This study employed the third type, semi-structured interviews, which have an overarching topic, general themes, targeted issues, and specific questions, with a predetermined sequence for their occurrence. On the other hand, the interviewer is free to pursue emergent topics and themes, and probe more deeply than the initially planned questions.

The purpose of conducting in-depth interviews for this study was to collect insightful professional opinions and comments on destination competitiveness of Hong Kong and Singapore; whether the two destinations can learn from each other; and/or collaborate to enhance their respective destination competitiveness. Such opinions and comments are not available in the existing literature. There is no better way to gather information than collecting it from a group of experts and key stakeholders who are influential, prominent and well-informed in their respective organizations or community.

The interviewing of those 'elite' individuals can be termed 'elite interviewing' (Marshall & Rossman, 1999). This type of interviewing has many advantages. Valuable and insightful information that is not documented or disclosed to the public, can be gained from these participants because of the positions they hold in social, political, or administrative realms. Elites can usually provide an overall view of the *real* situation. They are more likely than other participants to be familiar with the interrelationships and the conflicts of interest between stakeholders. Elites are also able to report on their organizations' policies, past histories, and future plans from a particular perspective. In essence, in-depth interviewing with elites is an effective way of collecting data to solve complex strategic management problems that have not yet been studied.

3.4.2.3 Stage 1: Planning for the interviews

The use of interviewing as a technique for data collection involves three stages: planning before the interview, during the interview, and after the interview. The first stage includes thematizing, designing and framing of the interview, followed by formulating interview questions and understanding the criteria for judging the quality of an interview. The second stage requires the researcher to effectively obtain relevant data by, for example, active listening. Issues involved in this stage are discussed in the following section. Finally, after conducting the interview, the researcher has to analyze the data and give meaning to them (implications of results). This stage is explained in detail in *Section 3.5.*

At the beginning of the planning process, the researcher made clear the interrelationships among the study's purpose, the research question, and the analytic method. This 'thematizing' included reference to existing theory, literature, and the researcher's insight. The interviews of this study:

a) intend to generate practical suggestions for the Hong Kong and Singapore governments on destination competitiveness enhancement;
b) have particular focus on mutual learning and collaboration between the two cities; and
c) explore issues that are not yet studied or documented.

After thematizing the interviews, an overall plan of how to conduct the study was developed. The researcher determined exactly who to interview, how many interviews to conduct as well as their duration and format. As pointed out in *Section 3.3*, initially targeted participants of this study widely represented the tourism industry, and a list of the sectors and sub-sectors to which participants belonged is shown in Table 7. In terms of the optimal number of interviews, Guba (1978, cited in Hoepfl, 1997) suggested few strict guidelines. One may base the number on the following criteria: (1) exhaustion of resources, (2) emergence of regularities, and (3) overextension, i.e. going too far beyond the boundaries of the research. The decision to stop sampling must take into account the research goals, the need to achieve depth, and the possibility of greater breadth through examination of a variety of interview participants. For this study, if the degree of representation described in Table 7 is to be achieved, approximately twenty-five interviews have to be conducted (see Table 11). As far as duration of interview is concerned, considering the availability of the prospective 'elite' interviewees and the scope of questions, approximately forty-five minutes would be appropriate. With regards to the interview format, as explained in *Section 3.4.2.2*, questions would be open-ended and provocative in nature. The interviewees can therefore freely use their knowledge and imagination to give opinions or comments instead of simply hard facts or policy statements. Some ad hoc questions can be asked to probe into issues raised by the interviewee that are relevant to the research purpose.

Table 11: Targeted sampling

Sector and sub-sector of prospective participants	Hong Kong	Singapore	International
Public Sector			
Policy-making body	1	1	0
Destination marketing body	1	0	0
Intergovernmental liaison representative	1	1	0
Subtotal		*5*	
Private Sector			
Airlines	1	1	0
Hotels	1	1	0
Inbound travel agencies	1	1	0
Attractions	1	1	0
Cruise lines	1	1	0
Convention and exhibition centers	1	1	0
Associations/Coalitions	1 or more	1 or more	0
Subtotal		*14*	
Academia	1	1	1
Subtotal		*3*	
International Tourism Organizations	0	0	Approx. 3
Subtotal		*3*	
TOTAL		**25**	

The next step was to frame the interview, i.e. to define the interview situation. According to Lee (1999), framing involves:

a) making small talk with the interviewee at the beginning to set him/her at ease;

b) explaining to the interviewee the interview's purpose;

c) providing an overview of the interview agenda (e.g. topics and questions),

d) the expected nature of responses,

e) the extent of informality,

f) the probing nature of some follow-up questions;

g) stating that a debriefing will be provided at the end of the interview; the interviewee may ask questions about the research;

h) ensuring the confidentiality of information obtained; explaining that the interview is for the sole purpose of academic research; and

i) asking for the consent of field notes and tape recordings.

The next step was to formulate the interview questions. Since the interviews of this study were semi-structured, there was time allowed to probe and explore issues uncovered by the interviewer other than those predetermined inquiry areas. Therefore, the pre-set questions served as a skeleton of the interview, indicating the key issues that must be covered within the limited interview time. As noted by Berg (2000), questions should be neutral and should not make judgments in the context. Moreover, questions should be concise and focus on one issue at a time. Complex or double-barreled questions would confuse the interviewee. Finally, the sequence of questions asked was kept logical and sensitive or controversial questions were saved until the later part of the interview.

Beside the 'skeleton', several types of interview questions were flexibly used for various purposes. As Kvale (1996) suggested: (1) introductory questions that elicited personal opinions and framed subsequent questions, e.g. "Can you tell me about …?"; (2) probing questions that were used to seek new information without stating the theme the interviewer wished to pursue, e.g. "What do you mean by …?"; (3) specifying questions that moved the discussion toward greater specificity; (4) direct questions that introduced new topics and themes; (5) indirect questions to which interviewees could respond personally or in reference to a general group; (6) structured questions that were used to shift to a new topic when a current topic was unlikely to generate any more discussion; (7) interpretative questions that rephrased or summarized the interviewee's remarks so as to redirect discussion or avoid misunderstanding; (8) silence, although it is not a type of question, but well-placed pauses can be effective at eliciting comments.

The skeleton of inquiry for this study's interviews was:

1) General performance

a) How would you evaluate the performance of the tourism industry over the last five years in ***Hong Kong***?

b) How would you evaluate the performance of the tourism industry over the last five years in ***Singapore***?

2) Destination competitiveness

a) What makes a tourist destination competitive?

b) In what aspects do government policies affect destination competitiveness?

c) Which government policies have had the biggest impacts on ***Hong Kong's*** competitiveness as tourist destination?

d) Which government policies have had the biggest impacts on ***Singapore's*** competitiveness as tourist destination?

3) Mutual learning

a) How would you comment on ***Hong Kong Government's*** effort in shaping the destination competitiveness?

b) How would you comment on ***Singapore Government's*** effort in shaping the destination competitiveness?

c) Do you see the need of mutual learning between the two governments? If so, in which areas/aspects?

4) Intergovernmental collaboration

a) Would intergovernmental collaboration between the two cities be beneficial or detrimental to the enhancement of their respective destination competitiveness? Please give reasons.

The questions on mutual learning and intergovernmental collaboration are complicated and not intuitive. The above interview questions are arranged in a way to maximize the quantity and quality (richness) of the interview output, by preparing the interviewee's mind before reaching the foci of the interview. The first two questions (1a-b) on the general industry performance serve as "warm-up" questions, putting the interview in the context of tourism in Hong Kong and Singapore tourism. The second set of questions (2a-c) on destination competitiveness intends, first, to understand what destination competitiveness is and the role government plays in the eye of the interviewee, because different definitions could lead to very different viewpoints on remaining questions. Second, answers to these questions can serve as supplements to the secondary data collected for policy comparisons. The third purpose is to prepare the interviewee to answer the key questions on mutual learning and intergovernmental collaboration by asking him/her to recall relevant policies in the two destinations. By then, the interviewee should be ready to give opinions on the key research questions, i.e. the third and fourth sets of questions. Participants' responses to question 2a-d are summarized in Appendix 4.

The questions were finalized in late September 2002. Interview request letters (Appendix 3) were then sent to more than thirty individuals/organizations of the targeted sub-sectors (as in Table 7). A total of twenty-five individuals agreed to participate in the study. Eight of them were from the public sector, ten from the private sector, four from academia, and three from international tourism organizations (for details, please refer to *Section 3.3*).

The last step of the planning stage was to understand the general criteria of a good interview. Lee (1999) suggested the followings:

- The conversation is spontaneous, rich and specific
- The answers are relevant to the questions asked
- The interviewer's questions are short and the interviewee's responses are long
- The interviewer follows-up or clarifies the meanings of the interviewee's answers throughout the interview
- The interviewer interprets interviewee response throughout the interview
- The interviewer corroborates interpretations during the course of the interview
- The interview appears self-communicating

The above had been consistently observed so that the valuable interview time with the 'elite' interviewees was made to its best use.

3.4.2.4 Stage 2: During the interview

The success of an interview does not only depend on the planning stage, but also

- the establishment of a trusting, comfortable rapport between the interviewer and the interviewee,
- the effectiveness of communication between them, as well as
- how the interview is carried out as planned.

The establishment of a good rapport can be aided by a comfortable place for the interview, where both the interviewer and the interviewee would not be distracted. Most of the interviews of this study were conducted in a conference room or in the interviewee's office. The interviews were seldom interrupted. The candidate was always dressed in business attire with a professional appearance. This is especially important for elite interviewing because the interviewees understand that their professionalism is the reason for them being chosen. They would expect the occasion to be formal and serious. The interview usually started with several minutes of chatting and small talk so as to set the interviewee at ease. In order to gain more trust, the interviewees were well informed about the exact purpose of the interview and how the data would be used. They would feel more comfortable and willing to give true opinions when they are told information obtained would not be published unless consented. They were also given the chance to ask questions about the research. In addition, a recording device was not used unless agreed to by the interviewee. At the end of the interview, the interviewer expressed gratitude and appreciation to the interviewee's contribution to the research.

Effective communication basically refers to how well verbal or non-verbal messages are conveyed and received by either party. As mentioned in *Section 3.4.2.3*, questions should be short, clear, understandable, and posed in an appropriate sequence. When asking questions, the interviewer tried to be relaxed, affirmative and present herself naturally. Active listening skills were demonstrated by, e.g. offering non-verbal responses, showing interest in the interviewee's answers, and responding quickly to new issues. Other than listening, the interviewer remained critical. Responses were not necessarily taken at face value. They were interpreted throughout the interview, especially the physical context, facial expressions, or body language of the interviewees. Although the contextual information and subtle nuances may seem irrelevant at the time of the interview, they may gain significance later at the stage of data analysis (Johns & Lee-Ross, 1998). When only short, superficial answers were given, probing questions would be posed, or a simple pause might yield additional information. Last but not least, the interviewer tried to connect points and issues raised throughout the interview so as to understand the logic and interrelationships of them.

The third thing paid attention to during the interviews was not to get off track, that is, to obtain only information that is relevant to the research purpose. The themes and skeleton of the interview (as described in *Section 3.4.2.3*) were written down and kept in front of the interviewer at all times. Furthermore, she was conscious about the time allocated to each predetermined research aspect because the elite interviewees usually have very busy schedules. The average length of each interview was 41 minutes.

The following section explains how data were analyzed, which is stage three of the interviewing process.

3.5 Data Analysis

3.5.1 Primary data analysis

Qualitative data collection and analysis often go hand in hand to build a coherent interpretation of the data (Kvale, 1996; Taylor & Bogdan, 1998; Marshall & Rossman, 1999). Throughout the process of in-depth interviewing, the candidate had been looking for emerging themes and keeping track of concepts or ideas in order to facilitate further, intensive analysis and interpretation of data after all interviews were conducted. It would otherwise be a disaster when over ten hours of interviews are analyzed all at once without prior organization. The initial analysis was done by constructing simple charts and tables to highlight patterns in the data. For example, on the question of mutual learning, data were first categorized into 'for', 'against' and 'neutral'. Then, say under the category 'for', suggested aspects for mutual learning were sorted and grouped. In some cases, the researcher may decide if additional interviews are required at this stage if no regular patterns have emerged, some aspects of the issues have not been revealed, or simply, there seems to be room for further investigation (see also *Section 3.4.2.3*). For this study, additional interviews were not necessary as the degree of representation of participants was considered wide enough, and that some repetitive patterns of data had emerged (for details, please refer to *Section 4.2* and *4.3*).

When all interviews were completed and written replies received (from IA1, IO2 and IO3), the analysis was refined. As suggested by Taylor and Bogdan (1998), data have to be read and reread. Not only would it help 'engage' the researcher with the data but also help him/her continually discover new ideas and interpretations. In this study, four tables (general performance, destination competitiveness, mutual learning, and intergovernmental collaboration) were constructed based on the skeleton of inquiry in *Section 3.4.2.3*. Recordings, field notes and written replies were revisited for at least three times to identify the standpoints of participants on each issue and to categorize them. Key points and quotes were noted in the tables. Sometimes if an interviewee addressed two issues at the same time, the data would be repeatedly recorded in the two relevant tables. When Chinese was used during the interview (as indicated in Table 8 in *Section 3.3*), it would be translated into English to the best of the researcher's ability. The consistency of terminology was observed.

The next step was developing a storyline to give meanings to the data, i.e. interpretation. The following questions would need to be answered:

a) Why did the participant take such standpoint?
b) How did the participant's opinion relate to his/her background?
c) Was there any unanimity within the same group of participants? E.g. Did all practitioners from Hong Kong have the same view on the same issue?
d) How did different groups of opinions contradict with each other?
e) Was there common ground?
f) Do the secondary data or the literature provide further information for interpretation?

At the same time, practical recommendations have been woven together with the interpretations whenever appropriate.

3.5.2 Secondary data analysis

The secondary data were analyzed in a similar approach. The analysis started as the data were collected. They were initially sorted into categories laid out in Table 2 in *Section 2.8* chronologically. Official information released by the governments was put together. Others containing critics or comments from the public were separately filed, with those of similar nature grouped together. Themes emerged could then easily be identified. The data were finally intensively analyzed and interpreted to serve the purposes mentioned in *Section 3.4.1*: to describe facts, to review comments or evaluation by the public on certain policy issues, to build the policy analytical framework, and to a lesser extent, to supplement primary data analysis.

The primary and secondary data were complementary in this study. The primary data were sometimes used as one of the sources for cross-checking, i.e. verifying the accuracy of secondary data. At other times, the primary data helped substantiate the argument put forward with the secondary data, and vice versa.

As in the case with primary data analysis, practical recommendations were added whenever appropriate while analyzing the secondary data.

3.6 The Trustworthiness of Findings

After so much effort, how can readers be persuaded that the research findings are worth paying attention to? Lincoln & Guba (1985) proposed that the trustworthiness of a qualitative research entails four criteria: confirmability[31], transferability[32], credibility[33], and dependability[34]. The former two criteria were already addressed in *Section 3.2.3*. Credibility refers to the extent to which the findings represent the multiple realities adequately. It can be examined by making segments of the raw data available for others to analyze, and by methods triangulation (Patton, 1990) which compares the consistency of the results produced with another study employing alternative research approach or data collection methods. The fourth criterion, dependability, refers to the "stability" of the findings if the research is repeated (in the same context). Yet, as Lincoln & Guba (1985) pointed out, there can be no credibility without dependability, therefore, the former is sufficient to establish the latter. Nevertheless, the authors proposed that the dependability of qualitative research can be enhanced by examining the consistency of the research process and the research product.

While it has been to the best of the candidate's effort to make this research as confirmable, transferable, credible and dependable as possible, the adjudication should be left to the reader, using the above information as guideline.

[31] Also known as objectivity conventionally.
[32] Also known as generalizability or external validity conventionally.
[33] Also known as internal validity conventionally.
[34] Also known as reliability conventionally.

3.7 Chapter Summary

This chapter explained five aspects of the methodology of this study: the research perspective, the research type, the research context and the participants, the methods and instruments used to collect data, and data analysis strategies.

This study adopts a qualitative, comparative case study design. The issues of objectivity/confirmability and generalizability/transferability of case studies were addressed in *Section 3.2.3*.

Both primary and secondary data are employed in this study. The former was collected by means of in-depth interviews. In the *Section 3.3*, background of participants who came from the public and private sectors of Hong Kong and Singapore, academia, and international tourism organizations was introduced.

Section 3.4 explained in detail how secondary and primary data were collected. The strengths and weaknesses of the data collection methods were also presented.

The last section described data analysis strategies. The qualitative data were analyzed once they were collected. By rereading or re-listening, sorting and categorizing, emerging themes emerged were sought. The data were intensively analyzed and finally interpreted to answer the research questions.

The next chapter presents, analyses and interprets both the primary and secondary data in detail.

Chapter Four. Findings, Interpretation & Discussions

This chapter presents and discusses three groups of findings: comparison of tourism policies, mutual learning, and intergovernmental collaboration. Comparison of tourism policies is based mainly on secondary data, supplemented with primary findings where appropriate.

4.1 Comparison of Tourism Policies

The comparison of tourism policies between Singapore and Hong Kong is based on the analytical framework (Table 12, replica of Table 2) developed in *Section 2.8*. Apart from identifying similarities and differences, any issues emerged are further analyzed and discussed. Where appropriate and applicable, primary data were used to supplement the comparison.

Table 12: An Analytical Framework for Destination Competitiveness and Sustainability Policies (Replica of Table 2; continued on next page)

Strategic (macro) Level Policies	**INTERNAL Stakeholders** ***1. The Public Sector*** a) Vision formulation b) Provision of tourism infrastructure c) Product development d) Immigration and customs policies e) Environmental sustainability management f) Policy implementation efficiency and effectiveness g) Monitoring and evaluation of performance h) Crisis management ***2. Private Sector*** a) Provision of favorable business environment b) Public-private sector cooperation ***3. Community*** a) Community's attitude towards and involvement in tourism	**EXTERNAL Stakeholders** ***1. Other Cities/Countries*** a) Competition b) Collaboration/Cooperation ***2. Source markets*** a) Strategic destination marketing

Table 12 (cont'd)

Operational (micro) Level Policies	**Pre-arrival** a) Accessibility and entry restrictions b) Marketing	**Arrival** a) Airport facilities b) Rail facilities c) Road facilities d) Sea ports e) Border control f) Customs	**During the stay** a) Destination attributes b) Service quality c) Hospitality	**Departure** a) Airport facilities b) Rail facilities c) Road facilities d) Sea ports e) Border control f) Customs

Adapted from Ritchie & Crouch (2000)

4.1.1 Strategic level policies

4.1.1.1 Internal stakeholder – The public sector

A) Vision formulation – Vision for the 21st century

A vision is "a general statement that describes the highest aspirations and ideals of an organization" (Hitt, Ireland & Hoskisson, 2001:24). A government's vision for tourism may depend very much on its vision for the state as a whole. Political scientist Linda K. Richter pointed out that "tourism is a highly political phenomenon" (1989:2). Regardless of their ideological disposition, governments have frequently used tourism as a vehicle to advance other political agendas (Richter, 1989). Hong Kong and Singapore in particular, are no exceptions. Therefore, to better understand the two cities' vision on tourism, one should start with the broader objectives of the governments.

In Singapore, the STPB (the predecessor of STB) launched its master plan *Tourism 21: Vision of a Tourism Capital* in 1996. The tourism capital vision embodies three aspects: tourism destination, tourism business center, and tourism hub. In other words, Singapore does not only want to become an attractive destination, but also a location for tourism investments in and a vital link to the Asia Pacific region (STPB, 1996). The master plan as well as the marketing initiatives undertaken prior to the formulation of the plan were actually tailored to complement and support the People's Action Party[35]'s pursuit of political goals both internally and externally. Internally, tourism was a tool to create a multicultural national identity and to manage domestic politics. In the 1960s, the racial diversity in Singapore was a threat to social and political stability. Each of the racial groups, Malays, Indians, Chinese and Arabs, speaks its own language (not to mention the dialects), believes in different religions, and even maintains its own education system. Tourism then took on a propaganda role portraying the Lion City as an exotic island where many cultures and ethnic groups lived harmoniously together, and instilling pride and loyalty amongst Singaporeans to the ruling PAP. Externally, tourism emerged as an aspect of foreign policy, serving, for instance, to counter Western criticisms of Singapore's authoritarian politics by marketing the country as an island paradise. It was also integral to efforts to position Singapore within the region, spearheading a drive to gain economic advantage over neighboring countries (Hall & Oehlers, 2000). This explains why the STPB emphasized so much in the master plan Singapore's position of being a hub in Asia.

Now that Singapore has already evolved into one of the most competitive countries in the world and a country with the best quality of life in Asia (IMD, 2002b), tourism is no longer as political as it was. Its new main role is to fuel the Republic's economic restructuring in the new economy (ERC, 2003).

Comparatively, the political agenda of tourism in Hong Kong was much less complicated than that of Singapore. While Singapore was nothing more than an

[35] PAP is the political party in power in Singapore since 1959.

abandoned child on a deserted island – the PAP virtually had to start everything from scratch after its expulsion from Malaysia in 1965, Hong Kong was embraced by its British guardian and its Chinese mother. Tourism in Hong Kong, therefore, has simply been playing the role of a source of foreign exchange. It was not until the end of the 20th century, when the Hong Kong Government started to recognize the importance of tourism as an instrument to economic restructuring, that the Tourism Commission was established. In 2000 (one year after the establishment of TC), the Government finally launched its first tourism policy paper *Hong Kong Tourism: Expanding the Horizons.* The Government's vision for tourism is "to establish and promote Hong Kong as Asia's premier international city, a world-class destination for leisure and business visitors" (TC, 2000:1).

Comparing the vision statements of the two destinations, on one hand, they are similar as both want to be an attractive destination. On the other hand, the scope of Singapore's is wider than that of Hong Kong's. The elements tourism business center and tourism hub are unique to Singapore. In addition, the vision statement of Hong Kong is relatively vague and somewhat too general – for example, the term "international city" can be interpreted in many ways. The vision was only made clear in the part "Strategy", where it says Hong Kong will be positioned as "Asia's pre-eminent international and cosmopolitan city, preferred gateway to the region and the Chinese Mainland, premier business and services center in the region, events capital of Asia, and a kaleidoscope of attractions" (TC, 2000:1). The industry members may seem to share a similar sentiment. In late December 2002, the Joint Council of the Travel Industry of Hong Kong (JCTI) submitted a position paper to the Chief Executive seeking the creation of a "Year 2020 Vision" (JCTI, 2002). Since vision statement is the backbone of development and that the current statement fails to provide a clear direction to the public, it is imperative for the Hong Kong Government to refine it as soon as possible.

B) Tourism infrastructure & product development

Because the two governments being studied often develop tourism infrastructure and tourism products under one plan or package, the two issues are discussed together in this section.

Tourism infrastructure is the resources required for tourism. It can be tangible or intangible. For example, hotels, theatres, transportation to remote attractions are tangible (physical) tourism infrastructure; a quality tourism workforce is intangible tourism infrastructure. Tourism products can be sites or physical attractions that tourists visit, or activities or events that visitors participate in. For instance, theme parks and museums are site-based tourism products; art or entertainment performances and spa services are activity-based tourism products.

From the secondary data collected, distinctive differences were noted in the tourism development "philosophies" of Hong Kong and Singapore. First, the Hong Kong Government has placed more emphasis on developing or building new tangible tourism infrastructure and physical attractions, while the Singapore Government, setting its sights on becoming a "lifestyle hub" (Yeo, 2003), has done more on renewing existing physical infrastructure and attractions as well as developing activity-based tourism products. Second, it was found that Singapore is less matured than Hong Kong in building its quality tourism workforce (intangible tourism infrastructure). The two arguments are substantiated below in the "Hardware" and "Software" sub-sections respectively.

Hardware

Building new attractions and infrastructure as well as capitalizing on the existing ones are both important strategies of Hong Kong and Singapore in luring visitors. However, in terms of the number and scale of projects, Hong Kong has done more in developing new attractions and infrastructure while Singapore has done better in revitalizing its existing assets. In August 2001, the SAR Government announced a US$2.3 billion tourism master plan which will bring about the development of several new attractions and supporting infrastructure, including an "Arts and Culture Belt" in Kowloon, Tung Chung cable car, theme parks on Lantau, a Fishermen's Wharf in Aberdeen, and an international wetland park in northern New Territories (Yeung, 2001). Yet the long awaited second cruise terminal was not included. Even in the year of 2003, the Government is still "exploring" its options (Sinclair, 2003; Cheung 2003), while Singapore's Cruise Center has already established its reputation as the regional cruise hub for several years (STB, 2003c). There is also the SkyCity development project in Hong Kong where an 11-hectare exhibition center will be built in 2005 near the airport. The center will be partly funded by the Government (up to approximately US$250 million) (AA, 2001). In Singapore, in spite of its mega cruise terminal, there are few large-scale new physical infrastructure/product development projects. Three have been identified: the "Development of Southern Islands", the "Renaissance City Project" and the construction of a new two-stadium complex. The Southern Island project intends to develop recreational facilities and resorts on John's, Lazarus and Palau Serignat islands (STB, 1997). The Renaissance City Project aims to elevate the country's arts tourism as well as to make Singapore a lifestyle hub. A key component is the construction of the US$350 million Esplanade Theatres, which was opened in October 2002 (Osborne, 2001). Announced in February 2003, a US$380 million multi-purpose sports complex will be built in Kallang in an ambitious bid to turn

Singapore into a vibrant sports city. The complex, which will be ready in 2009, is considered the sports equivalent of the Esplanade. The new stadia can also be used for entertainment events such as concerts (Low, 2003).

In terms of revitalizing existing attractions, Singapore has made substantial effort in the product reformulation project "Thematic Development". The idea is to weave exciting themes around existing areas with potential to give them distinct identities, and to support them with infrastructure and activities. Extensive restoration of historical buildings and heritage preservation have been undertaken with the support from the National Heritage Board (STPB, 1996). Examples of these districts are Chinatown, Little India, Orchard Road, Singapore River, and Civic District. There is also a significant urban redevelopment initiative – a "New Downtown" will be built on a 372-hectare site of reclaimed land in Marina Bay (adjacent to the ageing Central Business District) over a period of up to 15 years (Ho, 2002). Though not purposely developed for tourism, this piece of land at the waterfront can potentially become part of Singapore's tourism product inventory. Another example of the Republic's revitalization effort is the US$68 million expansion of the Singapore History Museum. The 117 year-old venue was closed for three years of renovations early in 2003 (Chow, 2003). In Hong Kong, such revitalization projects are less in number and they are smaller in scale. Efforts are limited to preserving and restoring historical and archeological sites.

Apart from the fact that Singapore is more into renewing existing physical infrastructure and products than Hong Kong, it was noted that the Lion City has chosen to strengthen its activity-based products and places less emphasis on site-based, physical products like Hong Kong. As part of its vision, STB aims to turn Singapore into a destination that offers unique, memorable experiences to visitors. To establish its uniqueness, focus has been put on activity-based tourism products that are barely imitable by other destinations. The term "lifestyle hub" embraces elements of arts, architecture, food, fashion, sports and nightlife (STB, 2003d). Healthcare services, education services, events, and cruises are also tourism products targeted for development. To achieve the goal of being a lifestyle hub, STB was restructured in January 2003, where seven Strategic Tourism Units (STU) that reflect the core purposes of visitors were established (namely, business travel & MICE, healthcare services, education services, sightseeing & attractions, tourism shopping, events, and cruise). Its Chief Executive Lim Neo Chian pointed out that the STUs are "seven engines of growth that will conceive exciting and innovative experiences that will entice visitors to Singapore" (STB, 2003a). Core segments such as shopping and sightseeing could be rejuvenated, the cruise, events and business and MICE segments could be grown, and emerging segments such as healthcare and education services could be developed by the restructuring.

The development of the spa industry is an illustrative example of Singapore Government's devotion to activity-based tourism products. In a public speech in March 2003, George Yeo, Minister for Trade & Industry who oversees the STB pointed out that: "*The (spa) sector has been growing rapidly, with the number of spas growing from 2 in 1994 to 30 in 2002, offering visitors a wide spectrum of choice*" (Yeo, 2003:1). To raise the standard of local spa operations, STB encourages world-class spa resorts to go to Singapore and help make the country a hub for the spa industry. In addition to marketing support, STB provides financial grants to spa operations through the Tourism Development Assistance Scheme (TDAS). The Board also works with the Ministry of Manpower and the industry on joint training initiatives in view of building up a pool of trained and qualified spa professionals for the long-term growth of the sector. This example helps illustrate that although Singapore may not be as strong as destinations like Hong Kong with site-based, physical tourism products, substantial resources have been devoted to activity-based products offering unique and memorable experiences to visitors.

Software

A destination would not be competitive without a pool of well-trained, professional service providers. A quality tourism workforce is an indispensable part of tourism infrastructure. It is the responsibility of the government to spearhead the provision of education and training in tourism in its destination. Education and training can be categorized into two types: pre-employment education and training, and in-service or continuing education and training. The former intends to prepare and equip young people with the skills and knowledge to develop a career in the industry. The latter refers to upgrading of the existing skills and knowledge of industry personnel, or development of skills for those who previously worked in a different field. In this sub-section, the institutional arrangement for and the nature of tourism education and training available in Hong Kong and Singapore are compared and analyzed.

Institutionally, the human capital development and education systems of Hong Kong and Singapore in general are very different. In the SAR, education and manpower development are under one single government agency, the Education and Manpower Bureau. It oversees both pre-employment and in-service education and training. In Singapore, three ministries are involved: Ministry of Education overseeing pre-employment education with Ministry of Manpower and Standard, Productivity &

Innovation Board (SPRING) of Ministry of Trade and Industry managing in-service education and training.

Faced with the challenges of economic restructuring, both governments consider continuing education and training important. The new economy does not only demand new skills and expertise, the quality and competitiveness of manpower must also keep pace with the changing world. In Singapore, a statutory board, Continuing Education and Training Board, is to be established by the end of 2003 (Chia, 2003). There is also the Employees Retraining Board in Hong Kong. These show the Governments' determination in enhancing the quality of the workforce. In particular, tourism is increasingly important to the two economies (see also *Section 1.1.1*). As the tourism workforce grows, its quality standards and professionalism must be maintained and where possible enhanced.

In terms of the nature of support given in continuing education and training in tourism, both governments have devoted resources in by offering financial assistance to industry associations to develop training programs and providing incentives to employees to receive training. Comparatively, Singapore has a greater diversity of programs, schemes or systems than Hong Kong but most of those programs are non-industry-specific (MOM, 2003; SPRING, 2003; EMB, 2003). For example, there is the National Skills Recognition System (NSRS) in Singapore, which is not only applied to the tourism industry, keeps the skills standards at the appropriate service-oriented level, and all workers will be trained along the same guidelines (STB, 2002c). Hong Kong does not have a system equivalent to NSRS that is spearheaded by the Government. Nonetheless, a training program especially designed for tourism, the Tourism Orientation Program (TOP), was launched by the HKTB in 2002, providing a structured one-year orientation to mainly tourism graduates in Hong Kong. The program involves continuous learning and development through working as "tourism hosts" in the frontline of the tourism industry. The purpose is to train a cadre of professional and customer-orientated personnel to serve the tourism industry, thus raising the industry's overall service standards (TOP, 2002). In March 2003, the Education and Manpower Bureau also announced the launching of the Hotel Industry Skills Upgrading Scheme (HISUS), aiming to upgrade the skills of in-service hotel workers so as to enhance their competitiveness in the industry (HIWG, 2003). The establishment of NSRS, TOP and HISUS show both the Singapore and Hong Kong governments strive to enhance the quality of their tourism workforce.

With respect to pre-employment education and training in tourism, Hong Kong is relatively more mature than Singapore in terms of the history and variety of programs offered. Since 1991, full-time degree programs specializing in tourism have been offered in tertiary institutions in Hong Kong, while such academic courses are not currently[36] available in Singapore (overseas distant learning programs excluded). Only diploma programs that are essentially vocational or practical in nature are available (STB, 2002c). Comparatively, the SAR has a more balanced portfolio of academic and vocational programs in tourism (EMB, 2003).

Nevertheless, after the *Tourism 21* Status Review in 2001, the Singapore Government has decided to make the country a regional tourism education hub (STB, 2001d). A number of initiatives have since then been undertaken. For example, the International Hotel Management School (HMS International) was established in 2002. Led by the former Chief Executive of STB, Yeo Khee Leng, HMS International is a

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[36] There used to be one but was closed down.

private-public sector collaborative venture formed by the STB and key members of the hotel industry. It aims to partner with renowned hospitality schools in the USA and Europe to conduct executive management and master degree programs in Singapore, as well as conducting research into hospitality businesses, catering to the needs of the hospitality industry in the region (STB, 2002d). In February 2003, a memorandum of understanding was signed between HMS International, Nanyang Business School, and the Cornell Hotel School to launch a two-year Masters program in Singapore in 2004. It is expected that the program will attract both local and international students from Asia and the Middle East (NBS, 2003). Apart from the establishment of HMS International, a tourism academy will be open in June 2006 on the Sentosa Island. Sentosa Development Corporation (SDC), a statutory board under the Ministry of Trade and Industry, will develop and own the US$8.7 million facilities while courses will be run and managed by Temasek Polytechnic (Yeo, 2003; Chiam, 2003). It may be too early to tell whether the goal of becoming a regional tourism education hub can be realized, but this strategic move shows that Singapore is making an effort to rectify its shortcomings. After all, it is its people that make what Singapore is today. Investing in the human capital is investing for the future.

C) Immigration and customs

The immigration policies of Hong Kong and Singapore are liberal and open. Their customs formalities for travelers are also generally visitor-friendly. A number of participants of this study, including interviewees Paul Pei (HV1) and Chan Shuk Fong (HV3), as well commented that the immigration departments of both cities had made contributions in facilitating entry of visitors. This section shows the commonalities and differences between the two destinations in the aspects of immigration/customs institutional arrangement, and measures to enhancing travel convenience for visitors.

In Singapore, immigration and customs controls of travelers are performed by one single, new government agency under the Ministry of Home Affairs, Immigration & Checkpoints Authority (ICA). ICA came into operation on 1 April 2003, bringing together the former Singapore Immigration & Registration (SIR) and the enforcement work performed by the former Customs & Excise Department (CED) (ICA, 2003). In Hong Kong, immigration and customs are controlled by two different government departments – the Immigration Department and the Customs and Excise Department, both under the Secretary for Security.

In the area of facilitating travel, the Immigration Department of Hong Kong has made prominent efforts. For example, the quota system for the Hong Kong Group Tour Scheme from Mainland China was abolished with effect from January 2002, and the validity of Mainland business visit endorsements was extended with effect from December 2001. For Taiwan visitors, an "iPermit" electronic system was launched in March 2002, enabling Taiwanese to obtain entry permits in just a few minutes. There is also the Asia-Pacific Economic Co-operation (APEC) Business Travel Card scheme that allows holders to make multiple visits to participating economies without visas. Singapore had not yet joined the scheme at the time of writing. (ID, 2002)

Although Singapore does not have as many new initiatives as Hong Kong does in its visa regime, Singapore is not less competitive in this regard. On 25 July 2003, Hong Kong's Chief Executive Tung Chee Hwa announced that, as a result of the Closer Economic Partnership Agreement (CEPA) signed between Hong Kong and the Chinese Mainland on 30 June 2003, residents of Shanghai and Beijing (in addition to four cities in Guangdong) will be allowed to travel to Hong Kong with individual visas instead of group visas (Anonymous, 2003a). On the same day, the Singapore Government also announced the launching of a six-month pilot program that will allow individual Chinese tourists to apply for visas to Singapore through three nominated travel agencies in Beijing, Shanghai and Guangzhou. Although the Singapore Government may have taken a bolder step into making the program permanent, they have responded quickly to Hong Kong's strategic move (Chua, 2003). In 1999 a newspaper article compared Singapore's immigration policies against Hong Kong's. It was pointed out that the procedure for a Chinese private business executive to get a visa entering Singapore was much shorter and simpler. Hong Kong could have made an extra US$2.6 billion a year in income if its visa regime was more relaxed (Anonymous, 1999). In October 2002, the Singapore authority further relaxed and simplified the requirements and procedures for nationals from the "up-and-coming economy" to visit the Lion City (Boo & Hong, 2002). Besides longer stays, the visitors can also make multiple stops, so they can "squeeze in a cruise and visit nearby countries in-between". The changes were part of Singapore's plan "to ride on China's growing economic prowess". These examples illustrate that Singapore has had competitive immigration policies, in this case, for one of the world's largest outbound markets, China.

In addition to a favorable visa regime, the customs departments of both destinations are committed to high standard of service to travelers. In Singapore, the ICA pledges to clear arrival passengers (by sea, land or air) within 4 minutes for 95% of the time (CED, 2003). For Hong Kong, the corresponding performance pledge is within 15 minutes (CED, 2002). The absolute figures are not intended to be compared, but they infer the two cities are conscious about the efficiency of the services they provide to travelers, which is constructive to making a good first and last impression to visitors.

D) Environmental sustainability management

According to the World Tourism Organization, sustainable tourism development 'meets the needs of present tourists and host regions while protecting and enhancing the opportunity for the future. It is envisaged as leading to management of resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems' (WTO, 1995). Hence, a destination's environmental sustainability management policy for tourism should ensure the operation and development of tourism does not deplete the quality of the natural environment and heritage. In some destinations, the policy may also aim to promote the awareness of environmental protection through travel to natural, pristine areas (also known as eco-tourism).

Neither Hong Kong nor Singapore has an official or formal environmental sustainability management policy that focuses only on tourism. However, the former Hong Kong Tourist Association and the Hong Kong Productivity Council introduced the "Environmentally Sustainable Development Strategy for Hong Kong's Travel and Tourism Industry" (ESDS) in 1999 (prior to the establishment of TC). The project aimed to provide practical recommendations to help industry proprietors cut costs while helping to sustain Hong Kong's environment into the future. The recommendations covered four areas, namely environmental management; sustainable training, education and public awareness; facilitating exchange of information, skills and technology related to sustainable travel and tourism development; and land use planning and new tourism product development (HKPC, 1999). In Singapore, no such project has yet been undertaken and the industry follows essentially the national environmental policies formulated by the Ministry of the Environment and the

National Environment Authority (NEA, 2003). In 2002, the Government launched "The Singapore Green Plan (SGP) 2012" as the nation's blueprint towards environmental sustainability. The plan is in fact the continuation of the former Prime Minister Lee Kuan Yew's pursuit of transforming Singapore into a "garden city". The idea sprouted as early as in 1968. Now the "SGP 2012" endeavors to lead the Republic towards a "model green city – a tropical city of excellence" (MOE, 2002). Drawing on the country's 30 years of sustained efforts, the UNESCAP commended Singapore for having successfully turned the city green in a considerably short time by carrying out the policies and measures effectively and efficiently (UNESCAP, 2002). In spite of the Government's success in implementing the national environmental sustainability policies and preserving heritage (see also part *B* of this section), the STB may still consider drawing up a tourism industry-focused strategy so that specific problems encountered can be addressed and tailor-made, practical recommendations can be provided to practitioners.

In some destinations, the environmental sustainability management policy also aims to promote the awareness of environmental protection through eco-tourism. In Hong Kong and Singapore, such policy has not yet been formulated. In the SAR, the idea of eco-tourism was only introduced to international visitors in 2001 through HKTB. The intention is to add a new element to its product portfolio and to increase of length of stay of visitors, but not to promote the awareness of environmental protection. Being the host of some unique habitats and endangered species (Stokes, 1999), plus the interests of the private sector (Leverett, 2002), Hong Kong does have the potential to develop eco-tourism. Yet governmental support and a policy governing its development are necessary. Otherwise, eco-tourism can turn out to be damaging to the environment when activities are not controlled and monitored. Also a lot of research and development are yet to be undertaken before the product can be practically launched. In Singapore, eco-tourism has not been much promoted apart from developing some visitor-friendly programs in urban farms (STB, 2000b), which should be called agri-tourism to be precise. There is also the Southern Islands Redevelopment project as mentioned in part *B*, where over 80% of the islands will remain in its natural state. However, the STB has not announced any plans for turning the place into an eco-tourism site. There are three possible reasons why Singapore has not yet developed eco-tourism. First, it does not want to divert its image of being a cosmopolitan city that has long been projected outside the country. Second, it does not need eco-tourism. Third, it does not want head-on competition with its neighbors such as Malaysia and Indonesia that are rich in natural attractions. These may explain why eco-tourism has not been promoted by the Government and that a related policy does not exist. Instead, environmental sustainability is pursued in its national development master plan, Master Plan 2003, with the vision of making Singapore a great city to live, work and play (URA, 2003).

E) Policy implementation efficiency and effectiveness

Efficiency is the extent to which a task is accomplished with the minimum amount of resources. Effectiveness is the extent to which a goal is achieved. Even the best-formulated policy will not be successful until it is implemented efficiently and effectively. While an efficient policy implementation requires simple institutional structure and administration procedures/processes, people are the key to effectiveness. Not only do civil servants need to understand what to achieve and how to achieve it, good leadership and interdepartmental coordination are also very important. This is because policies, strategic level ones in particular, often involve more than one department within the government. For example, a policy of visa facilitation mentioned in part *C* would require at least the cooperation of the DMO, the immigration department, and in some cases, the foreign affairs department. In essence, efficient policy implementation needs a simple system, and effective policy implementation requires capable civil servants, good leadership and coordination.

This study does not have sufficient data to make a detailed comparison between Hong Kong and Singapore regarding their efficiencies and effectiveness in policy implementation. However, some observations were made.

First, the governments of Hong Kong and Singapore are two of the most efficient in the world, as recognized by the World Competitiveness Yearbook. In 2003, Singapore was ranked the second most competitive state and Hong Kong ranked fourth among countries with populations of less than 20 million worldwide (IMD, 2003). One of the four criteria used for such evaluation was government efficiency. In fact, both governments have a special unit ensuring high quality of public services. In Hong Kong, it is the Efficiency Unit, which seeks to provide other departments with "high quality management consultancy services that identify opportunities for performance enhancement, design practical solutions, develop compelling business cases, and secure effective implementation" (EU, 2003). In Singapore, it is the Public Service Division. The division's mission is essentially to "shape a capable, forward-looking and effective public service, to promote best practices and continuous learning, and to provide a progressive and sound personnel management network" (PSD, 2003). The establishment of these two units evidently shows the governments' determination in pursuing effective and efficient public administration.

Second, continuous improvement has been made by both governments in administering tourism policies. For Hong Kong, it was a great leap forward when the Tourism Commission was set up in 1999. Now there is at least a government department that represents the interests of tourism and works with other government agencies when any tourism-related policies are to be formulated or implemented. Compared with the time before the TC was established, such institutional change has helped improve the effectiveness of tourism-related policy implementation. In Singapore, the Government has been open-minded and determined to cut red-tape. The Feedback Unit, a government department responsible for collecting public opinions on policies, has established four task forces[37] to act on feedback from the citizens and businesses as well as to come up with measures that remove bureaucracy (FU, 2003). For the service industry in particular, regular review and modification of regulations that negatively impact its development are conducted (ERC, 2002). For example, the licensing of public entertainment is going to be relaxed starting from July 2003 in the view of fostering a creative and vibrant society. Presently, most

[37] Zero-In-Process (ZIP) for citizens; Pro-Enterprise Panel (PEP) for businesses; Rules Review Process (RRP) by government; and Public Officers Working to Eliminate Red Tape (POWER) by public officers.

public entertainment requires prior licensing. The authority is now considering listing the types of activities that need to go through the licensing process, such as racial or religious content which affects national security. All other activities will automatically be allowed (Oon, 2003). With the more efficient licensing process, proliferation of art production and performances would be encouraged, thus helping realize the goal of becoming a lifestyle hub in Asia.

Third, when the implementation plans (or action plans) of the two destinations' vision statement/master plan were compared, *Hong Kong Tourism: Expanding the Horizons* and *Tourism 21: Vision of a Tourism Capital,* the latter was found to be better laid out than the former in terms of specificity and transparency. Although both prioritized their recommended strategies for implementation over short, medium and long term, Singapore's was more specific by suggesting measurable timeframes: 1, 5 and 10 years. The action plan also listed clearly with names of government departments and private sector institutions that would be involved for each strategy. Such specificity and transparency would certainly facilitate coordination and implementation in a more effective manner. On the contrary, the lack of these two elements in Hong Kong's rather basic plan could lead to inefficient and ineffective implementation. It should not be mistaken that flexibility would be sacrificed for specificity, because the former can be achieved by regular exercises of monitoring and evaluation as to be discussed in the next part.

Without knowing in detail the internal administration systems, it is hard to make further critical analysis or comparison between Hong Kong and Singapore with regards to their effectiveness and efficiency of policy implementation. Nevertheless, the two destinations should not be complacent. Continuous improvement has to be undertaken so that their respective destination competitiveness can be maintained and enhanced.

F) Monitoring & evaluation of performance

Monitoring serves to ensure that a policy is carried out as planned, for example, whether time schedule is followed, resources are sufficient, and objectives are achieved. At the same time, evaluation has to be undertaken both during and after the implementation exercise. Its purposes are (1) to combat any problems encountered during the process, (2) to identify incidents that have led to success or failure, (3) to examine those causes, and (4) to suggest lessons that can be learnt. The exercises of monitoring and evaluation should be carried out together on a regular basis in order to attain desirable outcomes. Even master plans that serve as the backbone for long-term development have to be reviewed in time so as to identify new challenges or opportunities in this fast changing world. In the new age of information technology, things can change in seconds. Decision makers must, therefore, be flexible in implementing their policies.

Again, since the candidate had no access to the internal administration systems of the Hong Kong and Singapore governments, insufficient data for a detailed and critical analysis was available. Nevertheless, some observations were made.

The two governments have different mechanisms for monitoring and evaluation. In the SAR, sets of sophisticated performance management systems introduced by the Efficiency Unit are in place. The systems essentially assist department heads to evaluate and measure performances, and to facilitate information exchange among departments. The public satisfaction is also monitored by means of survey (EU, 2003). However, there seemed to be no particular monitoring and evaluation mechanisms for the implementation of the *Expanding the Horizons* except the Tourism Strategy Group. The Group was set up in 1999 comprising members of the private sector and academia, with the Tourism Commissioner as the Chairperson. The Group meets four to five times a year to "make recommendations to the Government in respect of tourism development from a strategic perspective" (TC, 2003a) using *Expanding the Horizons* as the framework. However, after three years since the policy paper was introduced, no formal, official review of its implementation has been conducted despite the changes that took place in the external environment. As interviewee Mike Rowse (HB3, supervised the making of the paper) pointed out, updates on the plan should have been done given the dynamic external and internal environment.

In Singapore, the conventional monitoring and evaluation are coordinated by the Public Service Division (which is of similar nature as Hong Kong's Efficiency Unit). There is also the Feedback Unit that is responsible for gathering feedback from the public on national policies as well as disseminating information to them (FU, 2003). In 2001, Prime Minister Goh Chok Tong initiated a large-scale review exercise – the establishment of the Economic Review Committee (ERC) to fundamentally review the national development strategy and formulate a blueprint to restructure the economy (ERC, 2001). Tourism was also included in the exercise where a Tourism Working Group was set up seeking views of over one hundred individuals from the tourism industry and relevant government agencies (TWG, 2002b). The STB itself coordinated and conducted regular reviews as well. In 2000, four years after *Tourism 21* was launched, an extensive 6-month review on the master plan was carried out. The aim of Tourism 21 Status Review was to fine-tune the plan in the new millennium given the rapidly changing circumstances in the external environment. Headed by a 18-member steering committee, three other sub-committees were formed, namely the Tourism Product Development and Marketing

Committee, the Tourism Manpower and Industry Image Positioning Committee, and the Tourism Unlimited Committee. Those were all key industrial leaders who chaired the committees. A website was also set up to solicit feedback from interested members of the public (STB, 2000c). Results were announced at the Singapore Tourism Conference in March 2001. Ideas such as a tourism industry portal, a tourism academy, an urban entertainment center and building a new service culture were suggested (STB, 2001d). Apart from this major review, the STB formed the International Advisory Council for Tourism (IACT) in 1999. The Council comprises prominent leaders of global tourism and companies that span hospitality, culture, conventions and travel-related services. They meet once a year to discuss the future of Singapore's tourism industry, and to provide suggestions that will help the STB strengthen and revalidate *Tourism 21* (STB, 1999a; 2002e).

Comparatively, the STB appears to be better aware of the importance of timely review of policy implementation. A lot of efforts have been made and the processes of reviewing were transparent. TC should consider performing a formal review, or at least a progress update, for its *Expanding the Horizons* plan for new challenges and opportunities have emerged in the dynamic tourism landscape (see also *Section 2.2.5*).

G) Crisis management

A crisis can be defined as "any situation that has the potential to affect long-term confidence in an organization or a product, or which may interfere with its ability to continue operating normally" (PATA, 2003:2). Natural disasters such as earthquakes, floods, medical epidemics, and man-made ones such acts of terrorism, war and aircraft crashes, are examples. A crisis does not only possibly lead to loss of lives, property and businesses, when poorly managed, it may also cost an organization its reputation and the confidence of its stakeholders. Therefore, an effective government policy on crisis management is indispensable to all destinations.

The travel industry of Hong Kong and Singapore may have once believed that the 9-11 terrorist attack in the USA in 2001, the Bali bombing in 2002, or Gulf War II in 2003 were the worst things that could ever happen to them. But it was actually the outbreak of SARS that gave them unprecedented challenges. First discovered in November 2002 in Guangdong, China, the disease soon spread widely in the Province with 300 cases by February 2003. On 11 March 2003, Hong Kong health officials reported an outbreak of an "acute respiratory syndrome" among hospital workers. Four days later, the WHO confirmed that SARS was a worldwide health threat and that possible cases had been identified in Hong Kong, Singapore, Canada and other parts of Southeast Asia. (BBC, 2003). Hong Kong and Singapore were among the top five most infected places in the world. By 7 July, the disease had taken away the lives of 298 and 32 respectively (WHO, 2003a). On 31 May, Singapore was taken off WHO's list of SARS-affected areas (Yong, 2003). Travel advisory for Hong Kong was lifted on 23 May. And after one month, the city was declared SARS-free (WHO, 2003b).

With the health threat, visitor arrivals plunged over 70% in Hong Kong and Singapore in April 2003 compared to the same period last year (HKTB, 2003c; Anonymous, 2003b). All sectors of the travel industry were hit hard. Taking the aviation sector as an example, Cathay Pacific was reportedly losing US$3 million a day with up to two-thirds of its normal passenger loads disappearing. Singapore Airlines did not lose as much but it was still US$1 million or more a day. Only 35% of the flights before the outbreak were operated (Lee, 2003). The International Air Transport Association (IATA) claimed that SARS had caused significantly worse damage to the global airline industry than the 9-11 attacks on the USA and the war in Iraq combined. Its regional director Andrew Drysdale said, "*At no time in the history of aviation have we ever seen declines of the magnitude that we are now seeing in the Asian region as a result of SARS*" (Teves, 2003). Other tourism-related sectors – hotels, retail, entertainment and restaurants – were also faced with such difficult situations.

For the private sector, the epidemic was a matter of (business) survival. For the governments, the challenges were multifold. First and foremost, it was to contain the disease and have the WHO's travel warning lifted. At the same time, it had to help businesses sustain and keep its people employed. If these issues were not handled well, it could lose investors' confidence and this is a cost that no government can afford. Finally, the challenge was to get things back to normal when the outbreak was over.

The following compares the crisis management approaches adopted by the Hong Kong and Singapore government on SARS. It comes under three themes: containing the disease, helping businesses survive, and recovery. One may argue that this research draws on only a single incident, but the SARS case is in fact an interesting example and only rarely would management be put to a real test in a crisis as severe as SARS.

Containing the disease

The approaches that the Hong Kong and Singapore governments adopted to fight against the "war on SARS" were different. In terms of containing the disease, Singapore had taken quick and tough measures. For example, new laws were passed on 25 April to allow the Government to jail quarantine breakers for six months even for a first offence. A man was indeed locked up in early May for he had broken the law (Chong, 2003). The Republic's response was praised by numerous foreign business associations. The American Chamber of Commerce commended the Government for taking a "global leadership role" in the fight against SARS and noted that its "robust, highly coordinated and proactive approach" should be held up as a model for other countries (Koh, 2003). The Chairman of the Swiss Business Association expressed that "*There is no indication that Swiss investment in Singapore is going down. It is probably the other way around: If Singapore is able to handle the situation properly, it speaks for the country and the Government ... In the long term, this can be another reason to invest in Singapore*" (Tan, 2003b). Apart from acting decisively, the Lion City also adopted a cooperative approach. An emergency summit with ASEAN leaders and Chinese Premier Wen Jiabao was initiated by Prime Minister Goh Chok Tong. The summit, which was held in Bangkok on 28 April, resulted in a series of coordinated, mutually agreed measures to keep the countries' borders open while ensuring the scourge would be contained (Henson, 2003). Singapore and the USA are also considering setting up a joint facility with researchers in Singapore and drawing up a surveillance system to anticipate disease outbreaks.

In Hong Kong, there were more criticisms than praises. The Government had been criticized for acting too slow and with ineffective measures. For example, the suspected virus-carriers were once asked to report daily to medical centers for health checks instead of being fully quarantined. There were risks of getting others infected with such arrangement. In early April, the SAR switched to a "Singapore-style" quarantine, trying to impose tougher measures to combat the disease (Kwang, 2003a). The WHO was pleased to see the stronger efforts made (WHO, 2003c). Yet, the Government had appeared to have fought solo. While the candidate sees many possibly constructive collaboration opportunities between the two hardest hit cities in this incident, e.g. joint medical research, exchange of experiences in containing the virus, and coordinated immigration policies, no such effort had been initiated even after the Chief Executive Tung Chee Hwa attending the Bangkok Summit.

Helping businesses survive

In terms of providing aid to the travel industry, both similarities and differences were observed between the Hong Kong and Singapore governments. On 17 April, Deputy Prime Minister and Finance Minister Lee Hsien Loong announced a S$230 million relief package, rendering assistance to the tourism and transport related sectors. The package had four major components: property tax rebates for commercial property owners; training grants for tourism-related courses; rebates on aircraft landing fees and rentals for airport and airfreight center tenants; and bridging loans for tourism-related small- and medium-sized enterprises. Further help measures would be considered if more help was needed (Nathan, 2003). The Government admitted that the package may not be able to help businesses completely but the gesture signaled to people that the Government was coping with them together. On 23 April, Financial Secretary Anthony Leung announced a HK$11.87 billion (S$2.7 billion) aid package that helped not only tourism-related sectors. The package had five major components: income tax rebates in an attempt to stimulate personal spending; rent cuts on government-owned premises and utility rates waiver to relief short-term cash flow difficulties; loan guarantees for tourism-related sectors to borrow from banks to pay their staff; international publicity expenses to bring back investors and businessmen after the outbreak; and medical research and training fund (Kwang, 2003b).

It is noted that the Singapore Government acted faster than Hong Kong in drawing up the assistance measures. The president and chief executive of Raffles Holdings said, "*Singapore is the first among countries affected by SARS to act so swiftly to give assistance to the tourism and hospitality industry*" (Nathan, 2003). However, in terms of the magnitude of spending and the scope of the package, Hong Kong was spending much more and its plan seemed to be more comprehensive. The tourism component alone accounted for HK$3.5 billion while Singapore was only spending a bit more than HK$1 billion. Measures to stimulate the economy were included in Hong Kong's package but not in Singapore's. Singling out the tourism component, great differences can be identified. While Hong Kong chose to spend all its money on payroll, Singapore also spent on employees' training and reducing airport fees. In fact, Hong Kong was severely criticized for its delay in cutting airport charges and its "purely cosmetic" relief measures for the aviation industry. In late April, after Singapore and Taiwan announced their cuts, Director-General of the Association of Asia-Pacific Airlines (AAPA) Richard Stirland warned that if the Hong Kong authorities continue doing nothing, they will look not only unreasonable, but also ridiculous in the eyes of the aviation world the next time they talk of creating a world-class aviation hub in Hong Kong (AFP, 2003). Hong Kong's Airport Authority then released its relief plan in a few days but was commented as "purely cosmetic" by Stirland. "*They do not grant any real cash concessions to the airlines and the figure of US$208 million saving quoted by the authority simply has no basis in fact ... I'm sad to say, (the authority) made itself look silly,*" the Director-General said (Sinclair & Lui, 2003a; TTG, 2003a). The International Air Transport Association (IATA) also described the Government action critical. The offer to defer costs was not sufficient. "*The Government should be shoring up Hong Kong's economy, and the place to start is with transportation,*" the spokesman said. "*Hong Kong was built on transportation and if it can't function as a hub, the whole economy is at stake*" (Sinclair & Lui, 2003b). The way that the Hong Kong Government had handled this issue had truly damaged its image and reputation as an aviation hub.

Apart from the governments' solo efforts in combating the economic impact of SARS, the private sector in both cities had also played their part. There appeared to be more joint public-private initiatives in Singapore than in Hong Kong. First introduced was "The COOL Team", a joint task force from the Singapore Government (agencies including STB, SPRING, Ministry of Information & the Arts, and Civil Aviation Authority of Singapore), industry associations and private companies in the tourism-related sectors. The team endeavored to implement SARS precautionary measures in the industry and to manage the impact of the epidemic. Their first initiative was launching the "COOL Singapore" Award. The scheme was rolled out to hotels, restaurants, attractions and other tourism facilities helping them implement a set of rigorous preventive measures against the virus that would be audited to ensure compliance. Venues that fulfilled all the requirements would be awarded certificates and receive publicity and endorsement through the STB's international marketing and advertising & promotions initiatives. The purpose of the award scheme was to reassure and rebuild confidence to Singaporeans and its visitors in visiting tourism facilities (STB, 2003e). The second major joint public-private effort was the "Singapore Can-Lah" campaign. Headed by industry leaders and STB, the global publicity campaign aimed to communicate that life was normal in Singapore, rebuild confidence, and lay the groundwork for a recovery plan once the crisis is over (Sinclair & Lui, 2003c). Accurate information about the destination was disseminated daily electronically to some 800 marketing personnel working in tourism. Through the network, about 6000 overseas clients received a weekly summary. On the domestic front, Singaporeans were targeted, luring them back to tourism attractions, restaurants and shopping centers (TTG, 2003b). In Hong Kong, there was the "We Love HK" drive, urging the locals to get out and spend. The campaign was organized by the Tourism Coalition of Hong Kong comprising solely private businesses and industry associations (Sinclair & Lui, 2003c). The Government did not participate. The Tourism Commission had not announced any plans to show their support combating the challenges together with the private sector. Although the TC might have done a lot "backstage", the candidate wondered if they should have insisted on keeping its laissez-faire and low profile habits when the whole industry was confronted with an unprecedented crisis.

Recovery

HKTB's active participation came in the post-SARS promotion program. In hand with the private sector, the nine-month long "Global Tourism Revival Campaign" was launched on the day when Hong Kong was declared SARS-free (HKTB, 2003d). It included large-scale publicity programs, mega events and a full package of value-added offers. It was hoped that travelers' confidence would be restored and that they would be attracted to the special deals (Sinclair & Lui, 2003e). In Singapore, apart from the "Singapore Can-Lah" campaign, STB had initiated the

"Step Out! Singapore" program that comprised attractive offers and a line-up of events and activities throughout May and June. Not only did the program want to encourage Singaporeans back onto the streets but more importantly, to show the world that Singapore was having fun again and tourists may be tempted to join in (STB, 2003f; Chiam & Cheong, 2003). In mid-June, STB and the tourism industry kicked off another phase of recovery program named "Singapore Roars". Similar to Hong Kong's "Global Tourism Revival Campaign", the program offered discounted travel packages, mega events, as well as intensive global advertising (STB, 2003g).

In conclusion, Singapore had acted comparatively faster than Hong Kong in fighting against the crisis, and the Government's performance had earned some investors' confidence in its governance. The Republic had also proactively initiated collaborative and coordinated efforts in the region. With regard to aiding the private sector, the financial support that the Hong Kong Government had provided was greater than Singapore, but it was less in working jointly with the industry. In cutting airport charges, Hong Kong was severely criticized for its "purely cosmetic" measures. In the recovery phase, both destinations adopted similar approaches in rebuilding travelers' confidence and to lure them back. The governments had also established close collaboration with the private sector in this phase.

Although the war with SARS is over for the time-being, crisis may strike the vulnerable tourism industry again. It is important that the two governments conduct a comprehensive review and evaluation of their performances, perhaps using other countries' as the benchmark so as to better prepare themselves for the challenges ahead.

The collaborative opportunities between Hong Kong and Singapore governments given rise by the crisis are further discussed in *Section 4.3.4*.

4.1.1.2 Internal stakeholder – The private sector

A) Provision of favorable business environment

Hong Kong and Singapore are two of the best places for business in the world. According to a forecast released by the Economic Intelligence Unit (EIU) for 2002-06, Singapore and Hong Kong were ranked the first and the second best Asian nations for business respectively, and ranked fifth and sixth globally. The basis for evaluation is a set of 70 factors that affect the opportunities for, and hindrances to, the conduct of business. In the previous forecast for 1997-2001, Hong Kong was in fact ranked number one and now Singapore has taken over its regional reign. Hong Kong has lost most of its credits in the aspects of "political effectiveness" and "policy towards private enterprise". Other major concerns were the deteriorating quality of the workforce, sluggish GDP growth and the burgeoning budget deficit. In contrast, Singapore enjoys a "much stronger underlying fiscal position". In addition, the city-state overtook the SAR in labor-market quality and in its policy towards private enterprise and competition (Lyne, 2002). Despite its drop, Hong Kong still offers a very good environment for business.

The Economic Development Board (EDB) and InvestHK are the government departments responsible for promoting business investment in Singapore and Hong Kong respectively. However, in terms of promoting tourism investment, STB is the lead agency in Singapore. Hong Kong relies on InvestHK for which Mike Rowse, the former Tourism Commissioner, is Director General.

One of three elements of Singapore's vision in tourism is becoming a tourism business center. As such, STB plays a major role in attracting tourism-related companies (both local and foreign ones) to invest in Singapore so that the development of new attractions and experiences is encouraged and new opportunities for the industry can be created (STB, 1997a). To achieve its goal, the STB is proactive in providing a supportive and favorable business environment to interested investors/companies. A two-pronged approach has been adopted. First, it tries to promote the development of new tourism products that are strategically targeted (e.g. healthcare services and education services as mentioned in *Section 4.1.1.1* part *A*) by providing both financial and non-financial assistance. Second, it endeavors to raise the standard of its tourism products by encouraging foreign enterprises of world-class standard to establish their operations in Singapore.

One of the most prominent initiatives in promoting new product development is the Tourism Development Assistance Scheme (TDAS). The scheme, which has been in place since 1998, provides financial support to companies to develop new tourism products, especially those that are targeted in STB's strategic plan. For example, the agri-tourism development project mentioned in *Section 4.1.1.1* part *D* was in fact supported by TDAS. The pioneer farms that took part in the project received grants from the scheme to partially defray the costs of enhancing visitor facilities such as story boards, briefing areas, toilets, sheltered walkways, lighting and rest and refreshment areas (STB, 2000b). Research projects, resources allocation for expansion and improvement initiatives can also be funded under TDAS (STB, 1998). Apart from financial assistance, STB also offers support in marketing and human resources training. As discussed in *Section 4.1.1.1* part *B,* the spa sector will be promoted worldwide through STB's network of overseas offices. The tourism board is also working with the Ministry of Manpower to help the sector build up a pool of trained and qualified spa professionals for long-term growth (Yeo, 2003).

In order to elevate Singapore's internal strengths and to establish its reputation in high quality services, foreign, world-class businesses are invited to establish their operations in the city-state. For example, in the hotel sector, hospitality management companies are encouraged to establish their Asia Pacific headquarters in Singapore. STB thus launched the "Business Headquarters Program" where companies can take advantage of a range of "Development and Expansion Tax Incentives". Hilton International Asia-Pacific was set up under this program in 1998 (STB, 1997a).

In Hong Kong, a more market-oriented approach is adopted. Tourism product development used to follow the demand-supply mechanism. The establishment of TC and the Hong Kong Disneyland bid in 1999 indicate that the Government is getting more involved in tourism probably due to the fact that the industry is instrumental in its pursuit of other political/economic goals (see also *Section 4.1.1.1* part *A*). However, those tailor-made, attractive incentives that Singapore provides to the private sector are not offered in Hong Kong.

B) Public-private sector cooperation

The governments of Hong Kong and Singapore have different governance philosophy towards general economic development. Hong Kong adopts a market-led approach. Even facing adverse economic situation, the Chief Executive insists that "the prime mover of economic restructuring rests mainly with the private sector" (Tung, 2003:7). Singapore, on the other hand, believes in strategic pragmatism – "the Government will intervene as and when necessary to correct market failures", and the intervention depends largely on market signals (Khan, 1998:85).

The same governance philosophies apply to tourism development, which predominantly determine the nature of the public-private sector relationships. In Hong Kong, there has been a conspicuous shift in Hong Kong Government's attitude towards tourism since 1997-98, when a decline in arrivals was recorded. The shift was marked by the establishment of the Tourism Task Force and Tourism Commission in 1997 and 1999 respectively (HKTB, 2002b), the agreement with the Walt Disney Corporation to build Hong Kong Disneyland in 1999, as well as the reconstitution of the Hong Kong Tourist Association to Hong Kong Tourism Board in 2001. Before 1997, virtually all tourism development was driven only by the private sector. The institutional and structural changes delineate the Government's initiative to participate more in tourism development. The relationship between the public and the private sectors has also become closer through constant consultation at the Tourism Strategy Group headed by the Tourism Commissioner. Despite the positive changes in attitude, the SAR Government is still relatively reactive – they would react when assistance is requested, but would rarely be anticipative and proactive. In fact, industrial players are still urging the Government for a long-term vision regarding the future of Hong Kong tourism. As mentioned in *Section 4.1.1.1* part *A*, the Joint Council of the Travel

Industry of Hong Kong (JCTI) just submitted a position paper to the Chief Executive in late December 2002, which seeks essentially the creation of a "Year 2020 Vision", a stronger partnership with the Government, greater transparency in the decision-making process along with policies that can foster a better environment for tourism development (JCTI, 2002).

Singapore Government's engagement in tourism development started much earlier than Hong Kong, although it was not until 1983 when visitor arrivals declined for the first time (Khan, 1998). The master plan *Tourism 21 – Vision of a Tourism Capital* was launched in 1996 to serve as a blueprint for Singapore tourism development in the 21st century. In 2004, the STB shall complete a 10-year tourism accommodation development master plan, showing prospective hotel investors the vast investment opportunities in Singapore (Boey, 2003). These master plans indicate the proactiveness of the Government and that tourism development has been government-driven. Nevertheless, "*there is on-going dialogue with the private sector*", interviewee Margaret Heng (SV3) said; and "*the Government has listened to and involved the private sector ... ... they try to minimize intervention*", suggested interviewee Robert Khoo (SV2).

Comparatively, the public-private sector partnership of Hong Kong may not be weaker than that of Singapore, but it is noted that the leadership role in tourism development rests on the private sector in Hong Kong while it is the public sector in Singapore. Which relationship is better in shaping destination competitiveness one may ask. In well-developed, affluent destinations like the two being studied, it is believed that a balance should be sought. On one hand, due to its relatively rich resources, government would be in a better position than individual private companies to anticipate future trends of development and hence, in consultation with the industry, to formulate the vision. On the other hand, realization of the vision should rest in the hands of industrial players because they are the ones who are abreast of the market trends. They know which ideas would work and which would not at a particular moment in time, and swiftly capture business opportunities. With bureaucracy in place, government does not have the luxury of doing that, but it may act as a facilitator by removing institutional barriers for the industry.

4.1.1.3 Internal stakeholder – The community

A) Community's attitude towards and involvement in tourism

One of the most important criteria of destination competitiveness and sustainability is the extent to which tourism contributes to the "enhancement of the sustainable well-being of destination residents" (Ritchie, Crouch & Hudson, 2001). The state of "well-being" is not only the state of being economically prosperous but also being, for example, healthy and socially harmonious. In some destinations, although tourism brings substantial economic benefits, the community residents are strongly resistant to it often due to cultural or religious discord (Joseph & Kavoori, 2001). Meanwhile, host community (here refers to residents in general) is increasingly being recognized as an essential ingredient in the hospitality atmosphere of a destination (Simmons, 1994). Hence, a positive attitude from the community towards tourism, or even better community's participation in tourism, need to be cultivated in destinations that are to be competitive. Governments play an important role in this regard.

Hong Kong and Singapore are both cosmopolitan cities where the "East meets West". With their colonial histories and their economies that were built on trading, residents of both destinations are adaptive and receptive to foreign cultures and visitors. After four decades of tourism development, the challenge of the two governments is no longer getting the community to accept the existence of tourism, but to build a hospitality culture among their residents, and to involve them in hosting and planning for tourism.

Approaches adopted are similar. As early as 1976, the former HKTA launched the annual "Courtesy Campaign" to deliver the message that "courtesy pays" (HKTB, 2003e). This was followed in 1998 by the first "Be A Good Host" campaign which has been made an annual event since. The community is encouraged to be good hosts by being sincere and courteous so that visitors feel welcome and leave Hong Kong with a favorable impression. The campaign has been supported by the Government, industry members as well as the media. In 2003, TC also launched a series of Announcements in the Public Interest (APIs) that promoted the hospitality message among Hong Kong people and reminded front-line service staff in particular about the importance of service quality (TC, 2003b). In Singapore, as interviewee Rosita Ng (HV5) pointed out, "*Singaporeans were educated long time ago of the importance of tourism and how to be hospitable.*" Before its restructuring in 2003 (see also *Section 4.1.1.1* part *B*), the STB had the Tourism Culture Department that was charged with developing a national tourism culture in Singapore, promoting that "Tourism is Everybody's Business". Through various programs, the Department has brought about the realization and recognition of the true value of tourism in terms of economic contribution, employment creation and quality-of-life enhancement (STB, 2002c). Some non-academic reports/studies commented that Singaporeans are more polite to tourists than Hong Kong people are (Healy, 1998; Keung, 2000; Ram 2000).

The promotion of hospitality culture extends to and targets at students. STB makes regular visits to schools and educational institutions to spread the tourism message. In 1999, the tourism board organized a contest called "My New Asia – Singapore" encouraging students to suggest creative and workable tours for their overseas friends and relatives (STB, 1999b). In 2002, TC also held a virtually identical competition called "Enjoy Hong Kong" Itinerary Design Competition. Only this time the contest was also opened to adults (TC, 2002a). In the same year, TC produced an education kit on tourism which has been distributed to all secondary schools and relevant youth organizations (TC, 2002b).

While both destinations have adopted similar approaches in their "internal marketing" for tourism, the former HKTA made an extra effort in launching the 18-month "City of Life: Hong Kong is it!" campaign in 2001. Two of the objectives were "to establish a hospitality culture within the community, and to fortify Hong Kong's image and reputation as being a welcoming city; and to increase the awareness of residents of the importance of tourism to Hong Kong's overall economy, and to arouse their interest in participating in tourism development." With the involvement of all the eighteen District Councils, the HKTA/HKTB featured one district per month in their marketing collateral distributed worldwide and in some local TV programs. The choice of slogan and the scenic spots or activities to be highlighted were at the discretion of the individual District Council (HKTA, 2001b). Such a large-scale campaign has shown Hong Kong's determination in cultivating a stronger hospitality culture. The campaign has also sent a strong message to the community that they can play an important role in tourism development.

In terms of tourism planning, which usually comes under the cities' development master plan, community's participation is invited by means of public consultation. For example, Singapore URA's "Master Plan 2003" mentioned in *Section 4.1.1.1* part *D* as well as Hong Kong Planning Department's "Hong Kong 2030" both have gone through stages of extensive public consultation before the plans are finalized and implemented (URA, 2003; HKPD, 2003). Although the candidate does not know how much weight community's or interest groups' opinions would carry in the Governments' final decisions, they were at least addressed in interim reports.

In conclusion, the Hong Kong and Singapore governments have made efforts in promoting hospitality among residents and encouraging their involvement in tourism. Similar approaches have been adopted. The stronger tourism culture and community participation will be instrumental for both cities in enhancing respective destination competitiveness.

4.1.1.4 External stakeholder – Other cities

A) Networks of competition and collaboration/cooperation

Globalization and the intensified competition in the international environment have caused nation-states in the same region come together, share their resources and enlarge their markets, such that growth and competitiveness as a region can be achieved. This phenomenon is known as regionalism (Toh, 1996), which can be exemplified by the establishment of ASEAN and APEC. The interconnectivity in the Asia Pacific region has tied countries together through networks of cooperation and competition in the context of tourism (Teo, Chang & Ho, 2001). Hence, the study of destination competitiveness enhancement demands a "transborder approach" (Chang & Raguraman, 2001) where the cooperative and competitive relationships with other destinations in the region should be understood.

Singapore is a strong subscriber of regional interconnections as it envisions itself to be a "tourism capital", playing the roles of (1) a tourism destination of "world-class status with broad appeal"; (2) a tourism business center with a vibrant concentration of tourism, leisure and lifestyle enterprises; and (3) a tourism hub or gateway for visitors, companies and information trends entering the region (STPB, 1996). The network of regional connections that underpins the tourism capital ambitions may be either collusive in nature or competitive (Chang & Raguraman, 2001). On one hand, being in the heart of one of the world's fastest growing tourism and economic regions encourages win-win partnerships between Singapore and its neighbors. On the other hand, Singapore will have to compete with the "rousing tigers" in the region, which are attractive destinations in their own right (STPB, 1996).

Singapore's collusive relationship with other countries in the region is exhibited in a number of ways: product alignment, joint ventures and investment, information and expertise sharing, and collective representation in the marketplace (Teo, Chang & Ho, 2001; Chang & Raguraman, 2001). For example, Indonesia and Singapore signed the Indonesia-Singapore Tourism Cooperation in 1994, which called for joint identification of new tourist destinations in Indonesia for joint marketing and promotion. The twinning sought for complementarities between the tourism products of the two countries. The agreement also entailed facilitation of international investments in tourism developments and related infrastructure projects; and joint development and expansion of air links between the Republic and those new destinations in Indonesia (STB, 2000d). In 2001, the STB proposed a tourism master plan to the Cambodian Government. While Cambodia is rich in its heritage and possesses enormous tourism potential, the lack of resources, investment and expertise have limited its tourism growth. Under the proposal, both the public and private sectors of Singapore would work together with the Cambodian authority to develop the destination further. A skills institute may also be set up by the Singaporeans to help the locals acquire language and technology skills (Chua, 2001).

Singapore's regional link does not limit to its ASEAN partners. In 2002, Japan and the Lion City signed an Economic Partnership Agreement, under which the 17-day "Ginza[38]-in-Orchard Road" was organized. The purpose was to build strong partnership between the two "world-class" shopping districts. Through exchange of visits and various activities, be it business, cultural or the arts, it was hoped that the two countries' mutual understanding would be deepened, and the public awareness of

[38] Ginza is one of the most fashionable shopping and dining district in Tokyo, Japan.

the respective shopping districts would be raised further (STB, 2002f). Japan is Singapore's second largest source market in 2001 (STB, 2002b).

The regional endeavor for collective representation in the international marketplace can be exemplified by the "Together in Asia" and "Visit ASEAN" campaigns. Both being international marketing campaigns, the former was a joint initiative among Singapore, Hong Kong and Thailand in 1997-1998 (HKTA, 1999) while the latter was among all ASEAN countries launched since 1992 (ASEAN, 1998). They presented to other parts of the world (the long haul markets) the diversity and collective attractiveness of Asia.

With regards to competition, Singapore has to compete with other cities the status of being a tourism investment center and tourism gateway; this is not to mention the contention for the same tourist markets (Chang & Raguraman, 2001). For example, Hong Kong has long been considered the biggest rival of Singapore for regional headquarters of multinational companies. As mentioned in *Section 4.1.1.2* part *A*, both Singapore and Hong Kong are very competitive as business cities. In fact, the Republic just overtook the SAR as the best place for business in Asia for 2002-06 in a forecast conducted by the Economic Intelligent Unit (Lyne, 2002). Their competitive business environments as well as their well-developed tourism industries may lead to strong competition for tourism investment between them (Anonymous, 1998). For the status of being a tourism gateway, Bangkok is another contender. The capital city, which is also strategically located and geographically proximate to Singapore, is the base of a world-class airline, Thai Airways. With its relatively low cost, Bangkok can be a threat to Singapore's gateway status.

Although complementarities can be found among many Asian destinations, competition exists when the same markets are targeted. In *Section 4.1.1.*1 part *B*, it was explained that the STB has earmarked two emerging segments: healthcare and education services. There are other destinations that want a slice of the pie. Early in 2003, Thailand declared to join the battle between Singapore and Malaysia (Ahmad, 2002) to be regional hub for healthcare services, education and media sectors. The move was expected to general billions of US dollars and thousands of high-value jobs (Tang, 2003).

The above examples illustrate that while Singapore and Thailand could be marketing partners, they could be too competitors in other aspects. In other words, the regional interconnectedness presents both opportunities (in collaboration) and challenges (in competition) to Singapore.

Hong Kong is faced with virtually the same situation as Singapore, i.e. coexistence of cooperation and competition. Hong Kong envisions to be Asia's premier international city and a world-class destination for leisure and business visitors, by positioning itself as (1) Asia's pre-eminent international and cosmopolitan city, (2) preferred gateway to the region and the Chinese mainland, (3) premier business and services center in the region, (4) events capital of Asia, and (5) a kaleidoscope of attractions (TC, 2001:1). The aspects of which it colludes (e.g. product alignment, joint ventures and investment, information and expertise sharing, and collective representation in the marketplace) and competes with other destinations in the region (e.g. status of tourism gateway, market share) are very similar to those of Singapore. The only differences seen are that while Singapore has a closer relationship with Southeast Asian countries, Hong Kong often works with Macau and/or Guangdong, Mainland China (particularly in the Pearl River Delta Tourism Marketing Organization; HKTB, 2002c); and the Hong Kong authorities (HKTB or TC) appeared to be much less involved than STB in regional tourism development if they are not less transparent. The former (difference) can be easily explained by geographical proximity. The explanation for the latter is more complex. Singapore's regional tourism policies are part of its integral policy to ASEAN. Together with other policy areas, tourism is instrumental to Singapore in asserting influence and establishing its political territory and regional positioning among ASEAN countries. Hong Kong, being part of China, does not have such concern. Therefore, Hong Kong would have less initiative in taking part in regional development.

Notwithstanding the differences between Hong Kong and Singapore, in this globalizing era, "transborder approach" has become imperative for tourism development in Asia. It is inevitable that the two destinations would be faced with collaboration/cooperation and competition at the same time. How effective they can achieve their goals depends on their ability to secure regional cooperation while negotiating the tensions from competition (Chang & Raguraman, 2001).

4.1.1.5 External stakeholder – Source markets

A) Strategic destination marketing

As mentioned in *Chapter 1*, the role of destination marketing is performed by the HKTB and STB in Hong Kong and Singapore respectively. These two organizations are two of the best of their kind in Asia. In 2001, the former HKTA was named by the *World Travel Awards* as "Asia-Pacific's Leading Tourist & Convention Board" (HKTB, 2002b). In the same year, STB won the "Top Innovator" and the "Best Overall Marketing Effort" awards among national tourism organizations in the Asia Pacific from *TravelWeekly East* (STB, 2003d).

Destination marketing is more than overseas promotion or market segmentation. According to Riege & Perry (2000), DMOs or organizations that are responsible for marketing a destination can adopt a three-pronged approach – a combination of consumer-oriented, competitor-oriented, and trade-oriented strategies. Consumer-oriented strategies are marketing efforts that concentrate on identifying and satisfying market segments' needs and expectations. Competitor-oriented strategies aim to develop, maintain or defend the position of the destination. Trade-oriented strategies ensure an appropriate distribution of tourism products/services to the consumers. Although the HKTB and STB do not follow exactly the same recipe, a similar approach has been adopted by both of them.

In its *Five-Year Marketing Plan 2000 to 2004*, the former HKTA set out five aspects of marketing strategies corresponding to TC's vision (for details of the vision, see *Section 4.1.1.1* part *A*). First, in the aspect of consumer marketing, the Association, now the Board, would continue to build the brand "City of Life" and diversify Hong Kong's consumer appeal. In addition, high-yield market segments would be focused on. Information technology in marketing communications would also be used at an optimal level. Second, in the aspect of corporate communications and public relations, the Board would maximize destination and product promotion through integrated media relations and other public relations programs. There would also be more communication to the Government, business sector, media and wider Hong Kong community regarding the achievements, activities, role and strategies of HKTB. Third, for trade marketing, the Board endeavors to enhance mutually beneficial working relationships with all distribution sectors in all major markets and to ensure trade awareness of Hong Kong's multifaceted appeal. They would also assist trade to meet new marketing challenges. Fourth, for the MICE sector, the Board aims to strengthen the SAR's image as conventions and exhibitions destination, to help increase the yield and to bring in new business. Finally, in the aspect of marketing research and product development, the development of new attractions and tourism infrastructure would be facilitated, and existing tourism resources would be enhanced. In addition, the Board would set out a sustainable tourism development strategy for the industry (as mentioned in *Section 4.1.1.1* part *D*). Timely marketing research support and information on industry performance would also be provided to the public, the practitioners and the Government (HKTA, 2000b).

Although STB's strategies are not laid out in the way described above, the marketing objectives of the Board are similar to HKTB's. For example, its consumer marketing tagline "Live it up in New Asia – Singapore!" also emphasizes the vibrancy of the destination, like Hong Kong's "City of Life". In terms of diversifying the city's appeal, Singapore is portrayed under five themes (namely A City of Diverse Cultures, The Garden City, The Fun City, City for the Arts, and The Gateway City). As part of their trade marketing efforts, the Board regularly hosts travel agent educational groups to Singapore and is involved in seminars, sales missions and road shows in various countries. The purpose is to raise trade awareness of the destination's unique attractiveness. The STB has also tapped on the electronic medium to communicate with prospective visitors and the trade. For instance, an online Singapore Tourism Specialist program has been developed to enhance information dissemination and cultivate a longstanding relationship with their trade partners (STB, 2002g). There are also specialized teams in the Board that are in charge of corporate communications, international relations, and conventions and exhibitions (STB, 2003h).

However, unlike the HKTB, marketing is only one of the many responsibilities of STB. Some strategies that are regarded as marketing in nature in HKTB are in fact parts of some integral strategies in STB. For example, the development of new attractions and enhancement of existing tourism resources are parts of STB's efforts in reformulating the country's tourism products – one of the six strategic thrusts for realizing the *Tourism 21* vision (STB, 1997b). Instead of being a standalone marketing strategy, it is a direction for the seven Strategic Tourism Units that oversee different tourism products (business travel & MICE, healthcare services, education services, sightseeing & attractions, tourism shopping, events, and cruise; see also *Section 4.1.1.1* part *B*). Such difference in the approaches between HKTB and STB is due to the different institutional arrangements of tourism management in Hong Kong and Singapore. While STB is an "all-in-one" organization (policy maker and marketer altogether), HKTB is essentially a marketing body. This is not to say one way is superior to the other. More importantly, the marketing strategies should be well coordinated and act as an effective tool to realize the destination's vision.

4.1.2 Operational level policies

Table 13 compares the operational level policies of Hong Kong and Singapore. As explained in *Section 2.8*, the policies are categorized by the four stages of visitor experience: pre-arrival, arrival, during the stay and departure. Since "arrival" and "departure" consist of the same list of items for comparison, they are put together in Table 13.

In general, the operational level policies of Hong Kong and Singapore are similar. In terms of the "pre-arrival policies", the destinations are made easily accessible by air, land and sea. Their immigration regimes are as liberal. The images that the tourism boards project to lure visitors overseas ("City of Life: Hong Kong Is It!" and "Live it up in New Asia – Singapore!") both emphasize the vibrancy of the cities. Upon arrival and departure, the facilities enable travelers to transit to and from other destinations conveniently. Their airports in particular, are highly reputable. At the borders, formalities are handled in an efficient manner by the authorities of both cities. Within the destinations, high standard of service quality is being nurtured among front-line service providers, and a hospitality atmosphere is being cultivated in the community.

The policies that show evident differences are those on marketing and on the management of destination attributes. While both destinations emphasize their vibrancy, the themes featured in their marketing campaign are not the same. Shopping, dining, sightseeing (which correspond to Singapore's "Fun City"), culture, events (which correspond to Singapore's "City for the Arts"), and being gateways seem to be some common selling points. However, the STB also highlights the diverse cultures and the garden city features to prospective visitors. Indeed, as year 2001 exit surveys show, the impressions that Hong Kong and Singapore left on their visitors were different – the SAR was perceived as good shopping place and having delicious food (HKTB, 2002c), and the Lion City was remembered as a clean and green city (STB, 2002b).

It can be noted that the above comparisons echo and resemble those discussed in *Section 4.1.1* – Strategic level policies. This is because the operational level policies and strategic level policies are interrelated. It is the latter that give rise to the former. They should neither be seen as mutually exclusive nor as two distinct groups of policies.

Table 13: Comparison of Operational Level Policies

	Hong Kong	Singapore
Pre-arrival		
Accessibility	Air – Agreements with 50 countries allowing scheduled air services to, from, or through Hong Kong	Air – Agreements with 49 countries allowing scheduled air services to, from, or through Singapore
	Land – Connected to Mainland China by railways and roads	Land – Connected to Malaysia by railways and roads
	Sea – Connected to Macau, Southern Mainland China and other parts of the world by ferries and cruise liners	Sea – Connected to Malaysia and Indonesia and other parts of the world by ferries and cruise liners
Entry restrictions	Nationals of over 170 countries can visit Hong Kong visa free for visits ranging from 7 days to 6 months	Nationals of over 170 countries can visit Singapore visa free for social visits ranging from 30 to 90 days
Marketing	HKTB promotes Hong Kong through its network of 20 worldwide offices/representatives	STB promotes Singapore through its network of 26 worldwide offices/representatives
	Tagline: City of Life: Hong Kong Is It!	Tagline: Live it up in New Asia – Singapore!
	Themes featured: Shopping, dining, culture, events, sightseeing and gateway to China	Themes featured: The Garden City, The Fun City, City for the Arts, City of Diverse Cultures, The Gateway City

Table 13 (cont'd)

Arrival / Departure		
Airport facilities	Hong Kong International Airport – 550,000 sq. m passenger terminal with annual passenger capacity of 45 million, 87 million ultimate	Singapore Changi Airport – 634,100 sq. m passenger terminal with annual passenger capacity of 44 million, 64 million ultimate
	150 retail and catering outlets; beauty salon, game zone for children; shower room; internet & business facilities; plus other general facilities & services; 1,100-room airport hotel	Over 100 retail and catering outlets; nature trail; fitness center; spa; swimming pool; gaming center; movie theater; internet & business facilities; plus other general facilities & services; Transit hotel inside the Airport
	Linked to city center by Airport Express railway, buses, taxis etc.	Linked to city center by trains (MRT), buses, taxis etc.
Rail facilities	Kowloon-Canton Railway Corporation offers train services to Mainland China	Keretapi Tanah Melayu (KTM) and Eastern & Oriental Express offer train services to Malaysia and on into neighboring countries
Road facilities	Man Kam To, Sha Tau Kok and Lok Ma Chau (24-hour) crossings bordering Mainland China	Woodlands and Tuas checkpoints bordering Malaysia
Sea ports	Harbor City Ocean Terminal can accommodate mega cruise ships of up to 290 meters	Singapore Cruise Center can accommodate mega cruise ships of up to 270 meters
Border control	Clearance of passengers at Airport control point - 15 minutes; at other immigration control points - 30 minutes	(N/A)
Customs	Clearance of passengers by air, at land boundary control points and ferry terminals within 15 minutes	Clearance of passengers by air, land and sea within 4 minutes

Table 13 (cont'd)

During the stay		
Destination attributes (Visitors' impressions after visiting)*	Good shopping place (17%); Easy to get around (14%); Beautiful harbor view (10%); Delicious food (10%)	Clean city (99%); Safe city (94%); Green city (90%)
Service quality	HKTB runs Quality Tourism Services (QTS) Scheme which has accredited 3,100 retail or catering outlets	Tourism Awards honor every year individuals and organizations that have provided excellent service in all tourism sectors
Hospitality	HKTB runs "Be a Good Host" campaign; Young Ambassador Scheme; Tourism Orientation Program	Tourism Culture Department of STB promotes "Tourism is Everybody's Business"

Sources - Hong Kong:

*HKTB (2002). *Visitor Profile Report 2001*. Hong Kong: HKTB. Percentage denotes the proportion of visitors.
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Sources - Singapore:

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4.1.3 Section summary

This section provides a comprehensive analysis and comparison of the destination competitiveness and sustainability policies for the 21st century of Hong Kong and Singapore. The analytical framework developed in *Section 2.8* was employed.

Among the various aspects of policies studied, five are considered to have shown the biggest contrasts between the governance of Hong Kong and Singapore governments in the context of tourism. They are vision formulation, provision of tourism infrastructure and product development, crisis management (*Section 4.1.1.1* part *A, B* and *G*), policies for the private sector (*Section 4.1.1.2* part *A* and *B*), and policies on competition and cooperation with other cities/countries (*Section 4.1.1.4* part *A*). The significant differences are essentially due to the different governance philosophies and political agendas of the two governments.

To Singapore, tourism is more than a means to generate revenue and employment opportunities, it is also a tool to assert influence and establish its political territory and regional positioning in Asia. Having no reliable hinterland, the Singapore Government would do whatever it takes to maintain the country's competitiveness and to survive. On the other hand, tourism is relatively less political in Hong Kong, which has China as the hinterland. As a result, when compared to Hong Kong, Singapore's tourism polices are more "regional-oriented" and the Government appears to be more proactively involved in the development of tourism.

Now that the content and context of the policies are understood and compared, the questions remain are: So what? What do the similarities and differences imply?

This study goes on to explore whether the two governments could/should learn from each other and/or collaborate. If so, in what aspects. To answer these questions, professional opinions from the public and private sectors of the two cities, academia and international tourism organizations were sought. A broader insight into competitiveness and policy issues are also provided by the interviews. Data are presented, analyzed and discussed in the following two sections.

4.2 Mutual Learning

St. Augustine once said "The world is a book. He who stays at home reads only one page" (cited in Richter, 1989:22). Political scientist L. Richter (1989:22) wrote "those policymakers who make tourism policy by simply repeating a common formula may think they have provided an answer, but without comparing, searching, and probing the experience of other societies, that answer is surely limited and could well be wrong."

4.2.1 Not to learn

Participants in this research were not unanimous on the notion that mutual learning between the governments of Hong Kong and Singapore is necessary or beneficial to enhancing their respective destinations competitiveness. While most participants agreed, four (SB2, HB1, HV2 and HV4) expressed that the governments should "do things in their own way" due to the differences in political systems, governance philosophy, and destination uniqueness.

SB2 stated at the outset of the interview, "*We [Hong Kong and Singapore] should keep our uniqueness ... our governments have different directions and we sell different products.*" HB1 said, "*We don't usually study the policies of our competitors ... we tend to look at processes of individual projects ... and European, American, Australian and Chinese models on particular policy areas.*" When being asked to suggest aspects of mutual learning between Hong Kong and Singapore governments, HB1 refused to make any comments. "*Unlike Singapore, Hong Kong is not an independent nation. We have constraints that Singapore doesn't have*", he added. The data obtained from these two high-ranking government officials are incongruous with the facts revealed by other interviewees. HV2, HV6 and HA2 unanimously said the two governments do copy each other. The incongruity may be explained by the issue of "face" characterized in Asian culture, as suggested by HA1. It would not be easy for one to admit "your way is better than mine", and "my strategy follows yours" because he will lose "face" when appears to be inferior.

Besides civil servants SB2 and HB1, HV2 and HV4 of the private sector also believed that the two governments should "do things in their own way". "*Although the two destinations are doing very similar things in enhancing their competitiveness, each can use its own way ... Hong Kong and Singapore have different political systems, resources and destination uniqueness*", said HV2. HV4 advised, "*There are always things that they [the two governments] can learn from each other, but it [learning] should not be the major thrust. We [Hong Kong] may let the tail wag the dog as we try to be better than other cities*". He stressed that a destination should focus on improving itself.

4.2.2 Aspects of mutual learning

The majority of participants in this study agreed that mutual learning is beneficial to enhancing the destination competitiveness of Hong Kong and Singapore. Interviewees HV5 and SA1 both pointed out that it is beneficial for all cities or countries to learn from each other so as to enhance their competitiveness. HV1 said, "*We would be fools if we don't attempt that [mutual learning between Hong Kong and Singapore].*"

Various aspects for mutual learning were specifically suggested. It is noted that the suggestions were predominantly given by the private sector. These interviewees were eager to give recommendations on how their own government should learn from the other but seldom the other way round. The participants seemed to be more critical to their own public sector. This may be due to the fact that, being the key stakeholders, they are the immediate victims of bad policies. Another observation from the data is that the suggestions for Hong Kong learning from Singapore outnumbered those for Singapore learning from Hong Kong. Two interviewees, HB3 and HV3, even explicitly said there was not much that Singapore could learn from Hong Kong. "*A lot of good things have happened by default in Hong Kong*," said HV3, inferring that the Government did not contribute much to the success of Hong Kong tourism.

4.2.2.1 Learning from Singapore

Specific suggestions on what Hong Kong can learn from Singapore can be categorized as attitudinal aspect and strategic aspect. The former is related to the mindset and attitude of decision makers in the governments. The latter is about strategic moves in specific areas, such as marketing and aviation. There are three recommendations in each aspect.

4.2.2.1.1 Attitudinal aspect

First, some of the interviewees appreciated the recognition and proactive support that the Singapore Government offered to various sectors of the tourism industry. "*They [Singapore Government] are very proactive ... they formulate policies that would make Singapore tourist-friendly,*" said HB3. "*Tourism policy is one of their [Singapore] national policies,*" HV5 of Cathay Pacific explained, "*The Government tailor-made policies for Changi Airport and Singapore Airlines ... A lot of recognition and support are given to the tourism industry.*" HV1, who previously worked in the Singapore hotel sector, took a similar standpoint as HV5. "*The Singapore Government gave a lot of attention and recognition to the tourism industry ... for example, there was great government support in the building of Esplanade and development of art tourism ... they listen to what people want and then provide!*" HV1 pointed out. HV6 of Star Cruises, which also has prominent businesses in Singapore, noted, "*STB is proud of the cruise industry. They even gave us an award for our contribution to tourism in Singapore ... Here [in Hong Kong], they [HKTB and TC] have not recognized the cruise industry as part of the tourism industry!*" Although HV6 was disappointed and somewhat angry, he still hoped for a change in the Hong Kong Government's mindset. "*The Singapore Government started [tourism planning and development] earlier than Hong Kong,*" said HV3, "*They were aggressive and were well-aware of the importance of improving themselves.*"

The recognition and proactive support that the Singapore Government offered to the tourism industry was the most common suggestion that the participants gave, and it was often the first thing they mentioned when asked what Hong Kong can learn from Singapore. This may reflect that the partnership between the private and public sectors in Hong Kong is yet to be improved despite that effort made by the Government (see also *Section 4.1*).

Second, it was suggested that Singapore's visionary leadership was worth learning from. "*Singapore's leaders have tremendous foresight*," said HV1. He was also very impressed by the leaders' determination and efficiency in enhancing the Republic's competitiveness. "*They listen to what people want and then provide*," he added. HV6 made a similar remark, "*STB thinks like a corporation not a government, which makes them more proactive ... they listen then take action*," he added. In his opinion, HKTB and TC were not effective and efficient enough. HB4, who formerly headed the Hong Kong Tourist Association, admitted, "*They [STB] have high quality leaders ... two decades ago, potential leaders were sent overseas for education and training*." She thought that a government's vision and its commitment to long-term development were indispensable for a destination's success. As discussed in *Section 4.1*, the Hong Kong Government has been relatively reactive instead of being anticipative and proactive. HA1 commented that the Hong Kong Government lacked foresight.

Third, as suggested by HV6, Hong Kong can learn from Singapore's eager to learn attitude. "*Singapore is not shy to learn ... [STB] has been sending people "spying" in Hong Kong all the time but Hong Kong is not learning anything!*" Indeed, STB does send its staff to Hong Kong every now and then to gain a better understanding of the tourism industry. They visit individual companies as well as associations. Besides HV6, HV2 and HV3 were also approached. Just one day before the interview with HV2, Mr Lim Neo Chian, Executive Director of STB, had a meeting with HV2 and also Ms Clara Chong, Executive Director of HKTB to exchange views on destination management and tourism development. In addition, STB's headquarter has a team that specializes in conducting competitive analyses of neighboring countries. The team's manager, SB1, was also interviewed in this study. Such attitude and eagerness to learn from others' experiences deserve contemplation by Hong Kong.

4.2.2.1.2 Strategic aspect

With regards to specific strategic moves, participants gave three recommendations that Hong Kong can learn from Singapore.

First, Hong Kong can learn from Singapore's experiences in being a hub in the ASEAN (Association of South East Asian Nations) region as well as in dealing with the ASEAN's outbound markets. SA1 pointed out that Singapore is widely recognized as a hub in the ASEAN region. "*Hong Kong can learn how to be a connecting nerve in the region to generate tourism business.*" This statement has also captured the essence of Singapore's vision of becoming a "Tourism Capital" – with a trinity of roles of tourist destination, tourism business center, and tourism hub. STB believes that such positioning can generate tremendous opportunities. With hitherto six years of experience in striving for its target, Singapore definitely has learnt lessons that Hong Kong should also learn from. The Republic is also knowledgeable in the ASEAN's outbound markets. "*Singapore has a much better grasp of the ASEAN market [than Hong Kong],*" said HB4. Both SA1 and HB4 agreed that the SAR can gain better understanding of South East Asian outbound market from Singapore. Indeed, although Mainland China has become Hong Kong's top source market, it should not neglect the others because over-dependence on one single market can be risky.

Second, HV4 suggested that the Hong Kong Government should consider providing more subsidies to the private sector (which are not equivalent to its investments in large-scale attractions or infrastructure) like other governments do, including Singapore. "*The [Hong Kong] Government has been too dependent on the private sector [to develop tourism] ... it should start providing more subsidies like other governments do, for example, by putting more money into promotion and building facilities.*" Although HV4 was not an advocate in mutual learning, he suggested one thing that the SAR can learn from the Republic as well as other administrations in the world.

Third, HA2 pointed out that Hong Kong should try to liberalize its aviation policies further and Singapore would be a good example to learn from. Both HB4 and HA2 agreed that The Lion City has good open skies policies that have brought substantial economic benefits to the country. "*Singapore is very eager to improve itself ... for example, their open skies policies with Australia.*" As suggested by an aviation consultant (Dodwell, 2001), Hong Kong Government must be aggressive in liberalizing its aviation policies in order to stay competitive and to stimulate the economy further.

4.2.2.2 Learning from Hong Kong

Specific suggestions on what Singapore can learn from Hong Kong can also be categorized as attitudinal aspect and strategic aspect. The former is related to raising entrepreneurship in the country. The latter is pertinent to marketing.

4.2.2.2.1 Attitudinal aspect

The most common recommendation given was that Singapore can learn from how Hong Kong stimulates the private sector's interests in tourism development since Hong Kong has always had the image of being laissez-faire. "*Singaporeans are too dependent on their government ... they are afraid of making mistakes and so they wait for orders,*" said SV2 who took his tertiary studies in Hong Kong. The Singapore Government has actually been aware of the problem and started to seriously look into the issue of raising entrepreneurship in the country since the new millennium (Lloyd-Smith, 2002). SV2 added, "*The [Singapore] Government can see what to regulate or not, and where to stimulate people's interests to participate [in the case of Hong Kong].*" Meanwhile, SB1 was also trying to investigate in his department in STB various policies of Hong Kong, such as the land polices and the provision of tax incentives to the private sector. Taking a similar standpoint as SV2, SA1 and HV1 suggested that the Singapore Government should "let loose" more by cutting back its stakes in the economy, and encourage the "can do spirit" and entrepreneurship among its citizens; that is, to take bolder steps and to "do whatever it takes" to seize business opportunities. "*Singapore should learn to be more market driven ... so that the private sector can be more resilient to challenges,*" HV5 commented. The challenges HV5 was referring to were like those the 9-11 incident in 2001 brought.

4.2.2.2.2 Strategic aspect

Reciprocal to the first suggestion in *Section 4.2.2.1.2*, SA1 and HB4 suggested that Singapore can learn from Hong Kong's experiences in dealing with the China outbound market. However, HB4 added, "*In reality, Singapore is probably doing better [than Hong Kong]*," she made this statement based on the fact that Singaporeans' proficiency in Mandarin is generally better than Hong Kongers. In fact, Singapore's Senior Prime Minister Lee Kuan Yew envisioned the economic importance of China long ago and made Mandarin one of the most important courses in schools. "*We have to ask ourselves, 'Is Hong Kong really the expert [in the China market]?'*" said HB4, inferring that Hong Kong should not be complacent about its natural geographical advantage but try to understand better the huge, diversified source market.

4.2.2.3 Other general suggestions on mutual learning

In addition to the above suggestions for individual destination, some general comments were made. In their written replies, IA1 and IO3 suggested that the two destinations should study each other's policy and planning initiatives, "*watch what works, improve on it in their own contexts and apply it*". For example, Singapore can study the problems associated with over dependence on one single market, China, in Hong Kong.

4.2.3 Section Summary

Although not all, the majority of participants in this study agreed that mutual learning is beneficial to enhancing the destination competitiveness of Hong Kong and Singapore. A summary of individual suggestions are listed in Table 14. For those who did not support mutual learning, it was argued that the governments should "do things in their own way" due to the differences in political systems, governance philosophy, and destination uniqueness.

There are no two identical countries/cities in the world but mutual learning is not direct copying. Learning from a similar, well-performing counterpart is an important way of improving oneself.

Table 14: Summary of suggestions on mutual learning

	Hong Kong learning from Singapore	**Singapore learning from Hong Kong**
Attitudinal Aspect	• Recognition and proactive support to the industry • Government's visionary leadership • Eagerness to learn	• Raising entrepreneurship
Strategic Aspect	• Experiences of being a tourism hub in ASEAN • Knowledge in ASEAN's outbound markets • Provision of subsidies to the private sector • Air liberalization and open skies policies	• Knowledge in China's outbound market

4.3 Opportunities of Collaboration

According to HB1, HV2 and IO1, there is currently informal networking between TC and STB as well as among their international counterparts at the platforms provided by the Pacific Asia Travel Association (PATA), the World Tourism Organization (WTO) and the Asia Pacific Economic Cooperation Tourism Working Group (APEC TWG). Participants' opinions on whether formalized intergovernmental collaboration would be beneficial to enhancing the destination competitiveness of Hong Kong and Singapore vary. Essentially, three arguments were put forward: (1) intergovernmental collaboration is necessary and beneficial; (2) it is not feasible although it may be worthwhile, and (3) it is not necessary and/or has little value. There was no unanimity within any group of participants.

4.3.1 Collaboration is necessary

Participants who advocated the idea suggested three aspects of collaboration: exchange of intelligence, marketing, and aviation. HV1, SV2 and HB4 all pointed out that "*not enough has been done*", in other words, there has been a lack of intergovernmental collaboration between Hong Kong and Singapore. HB4 claimed, *"Organizations should complement each other's strengths and weaknesses by mutual learning and collaboration. They should put off their pride and show clients the vast opportunities in Asia ... ... The spirit of "Together in Asia" (which was the name of a joint marketing campaign among Hong Kong, Singapore and Thailand) should be upheld.*" SV2, who is also the Secretary-General of ASEANTA, added, *"ASEAN countries do encounter problems when they collaborate because they are different in economic power and administration efficiency ... but there would be less problems between Hong Kong and Singapore because they are both well-developed and very* *efficient."* He believed that collaboration between Hong Kong and Singapore governments is not only necessary but also feasible.

4.3.1.1 Exchange of intelligence

The participants explained the "whys" – the rationale, the "hows" – the means, and the "whats" – the contents with respect to exchange of intelligence.

HV2 emphasized that exchange is important, *"There should be exchange even if they [Hong Kong and Singapore] are competing with each other ... ... It is like our GM [general managers] circle, the general managers get together once in a while to exchange market information and to discuss management issues."* HV6 agreed that the exchanging of ideas and information can help enhance their respective destination competitiveness. *"We [Hong Kong] may not only exchange with Singapore but with other countries as well,"* HV5 added.

HB4 and IA1 suggested that exchange can be undertaken by means of staff exchange and/or by setting up special working parties to discuss specific issues. *"There were some staff exchange programs when I was serving HKTA ... ... we learnt a lot from each other,"* said HB4. In his written reply, IA1 wrote, *"They [Hong Kong and Singapore] are otherwise competing with each other [if not collaborating] ... ... Working parties [can be set up] to discuss aviation and transport relationships as well as best practice [in destination management]."*

On top of aviation issues and best practices in destination management, other aspects of intelligence exchange were recommended. IO3 wrote in his reply, *"I would like to see a standardization of how they capture and record visitor arrivals so that* *direct comparisons could be made."* Standardization of measurement for comparison or benchmarking is indeed a concern of many destination management organizations (DMO) and international tourism organizations such as WTO and PATA. Equally important were exchange of intelligence on market trends and international security. SB1, HB4 and SV3 suggested more joint marketing research can be done when the same long haul markets are targeted. *"We can pool our resources together in marketing ... and conduct joint research for the same geographical or long haul markets,"* explained HB4. In view of the recent terrorist threats (including the 9-11 incident and Bali bombing), HB1, HV2 and SV4 unanimously agreed that international security should be put on the exchange agenda. *"Countries can fight against terrorism together by exchanging intelligence on security,"* said SV4.

4.3.1.2 Marketing

Apart from joint marketing research discussed above, participants also suggested product alignment and joint promotion at long haul markets. Product alignment refers to appropriate relative positioning of tourism products in Hong Kong and Singapore so as to achieve product complementarities; some participants termed this "twinning". *"... like the theme parks in Orlando, Hong Kong and Singapore may complement each other [with their tourism products],"* suggested HV1. SV2 and SV3 both supported the idea of twinning. *"Hong Kong and Singapore can twin very well but little has been done ... There are a lot of complementary areas as well as things that can be shared,"* said SV2. HB1 and marketer HB2 were also in favor of joint marketing. *"We [Hong Kong and Singapore] can align our products and sell them to the long haul markets ..."* said HB2. HB3 gave a specific example of product alignment. *"A cruise trip can be designed with a 7-day itinerary, for example, running to and from Singapore,"* suggested HB3.

Joint promotion, especially in the long haul markets, was strongly advocated by both the public and private sectors of Hong Kong and Singapore, including SB2, HV6 and the above-mentioned participants. "*We [Hong Kong and Singapore] are too small (with limited resources and products to offer). Through joint marketing, we can pool our money and resources (including products) together,*" HV1 pointed out. Indeed, tourists from the Americas or Europe do not fly for 15 hours just to see Hong Kong or Singapore. They would like to visit various destinations in the region. Although such joint promotion programs have been undertaken before, such as the "Together in Asia" campaign in 1997-98 between Hong Kong, Singapore and Thailand, they were only one-off projects. "*We [Hong Kong and Singapore] cooperate on a case-by-case basis,*" said SB2. However, if joint marketing is proved effective, it should be done in a consistent and concerted manner.

4.3.1.3 Aviation

The third item suggested for intergovernmental collaboration is pertinent to transportation. As previously mentioned, IA1 recommended that "*Working parties [can be set up] to discuss aviation and transport relationships ...*" and IO3 mentioned "*freeing up direct air routes*" is one of the aspects possible for collaboration. Indeed, it is the government who designates the airlines to operate on certain routes and determines prices for airlines, not the private sector or individual airlines. Both Hong Kong and Singapore are well-known air hubs in the world. The Lion City in particular, has very well formulated open skies policies (see also *Section 4.2.2.1.2*). As such, the two governments can explore the opportunities of playing complementary roles in regional transportation, capitalizing on their different strategic geographic locations. Their concerted efforts may contribute to further development of transport, logistics and tourism sectors region-wide.

4.3.2 Collaboration is not feasible

Some participants (including some who gave suggestions for *Section 4.3.1*) believed that collaboration was not feasible although it may be worthwhile. Four reasons were mentioned to explain the impracticability.

First, the long time rivalry between the two cities and their egos may lead to lack of trust and willingness to cooperate. HA1 suggested that the issue of face, which is one of the characteristics of the Asian culture, leads to the infeasibility. *"The Hong Kong Government is very proud of being laissez-faire. Some [civil servants] would think "We don't want to be like Singapore (which is perceived to be authoritative)!" ... ... Singaporeans are more patriotic ... ... They are relatively more down-to-earth, open and frank. Some [Singaporeans] consider Hong Kong people cunning and boastful ..."* HA1 explained. Such differences in values, pride and ego (i.e. the issue of face) in addition to the long time rivalry between the two cities would make the two governments reluctant to cooperate. HA1 added, *"Civil servants are not risk-taking. They are there to implement [what was decided by their superiors], not to be innovative ..."* Therefore, the civil servants would not want the trouble of working with a competitor to possibly come up with better strategies for, in this case, destination competitiveness enhancement. HB3 (a civil servant), HV3, HV5 and HV6 took a similar viewpoint as HA1 that collaboration between the two governments is difficult due to their competition. HV6 mentioned in particular the Hong Kong Government is proud, and will not be willing to work with its competitor. In his opinion, the Singapore Government is eager to learn from others and is relatively modest (see also *Section 4.2.2.1.1*). SV2 and IO1 also shared their views from their experiences in ASEAN and APEC respectively. They pointed out that international cooperation is not easy because countries do not want to share ideas, their "secret weapons" or sensitive information with their counterparts. Selfishness is always a barrier to cooperation.

The second reason for the impracticability suggested by the participants is pertinent to marketing. IO3 and SB1 argued that the discernible similarities of the two destinations would make joint marketing difficult. *"The two destinations are similar. Selling them together may not work,"* SB1 was skeptical. He suspected that it may be more effective if they market with places with greater differences and complementarities.

Third, interviewees HB3, HV2, HV5, SV3 and HA2 considered the geographical distance between Hong Kong and Singapore could be a physical barrier to communication and joint product development. *"It [collaboration] is difficult because of the [geographical] distance between them [Hong Kong and Singapore],"* SV3 said. Partnership with neighboring destinations seemed more practicable to the interviewees. Yet, on 15 July 2003, Hong Kong and the Philippines signed a Memorandum of Understanding (MoU), aiming to revive bilateral tourist traffic and to promote the two destinations together to long haul travelers. Richard Gordon, Chairman of the Philippine Convention and Visitors Corporation, saw Hong Kong as a close neighbor. He hoped the Philippines can be regarded as its nearest tourist destination besides Mainland China. The signing of this MoU suggests that physical barriers can be overcome should cooperation be worthwhile.

Fourth, HA2 believed that the intangibility of results or possible benefits of collaboration between the two governments may discourage investment of resources to the relationship. *"It would be hard to measure the benefits, for example, increase in* *arrivals ... They [the two governments] would want to see how much they could get before they put in any resources,"* he said. However, it could be argued that "qualitative" benefits can also justify the collaboration, not to mention the fact that benefits of specific projects such as joint promotion are measurable. It is argued that qualitative benefits are also valuable because better policy/strategy formulation can greatly strengthen a destination's competitiveness. For example, discussion of destination management best practices can generate creative ideas and force one to think more critically; and standardization of measurement for benchmarking is an important tool for DMOs (see also *Section 4.3.1.1*).

4.3.3 Collaboration is unnecessary

There were participants who did not support the notion of intergovernmental collaboration. They considered such relationship is unnecessary and/or has little value. Three arguments were put forward.

First, HV4 argued, "*Such a relationship demands time, money and effort.*" He suggested that these resources can be better spent on sharpening their own competitive edge. It was reiterated in the interview that, in order to enhance the competitiveness of a destination, the DMO should *"surgically look at what people enjoy when they are here and what would make them come back ... focus on improving itself [the destination] and nurture what it has."*

Second, HV4 also pointed out that *"the partnership may dilute the focus and creativity"* of individual destination. The candidate only partly agrees with this argument. It is possible that one may lose its individuality ("focus") when cooperating with the others, but such pitfall can be avoided if clear objectives are set out at the beginning and that the DMOs are cautious of not falling into the trap. In addition, the partnership can generate more creativity rather than "diluting" it. As discussed in *Section 4.3.1*, bringing together the ideas of two different organizations of different background, history and value allows each of them to take new fresh angles and approaches to make decisions. Therefore, collaboration between Hong Kong and Singapore may not be as unhealthy as the interviewee suggested.

Third, HA2 expressed that exchange may not be necessary. *"The two governments work quite transparently, and they have always been copying each other anyway, deliberate exchange of experience may not be necessary,"* he said. Yet he was not opposed to joint marketing for which he considered no substantial effort is required. The candidate does not fully agree with HA2's argument because intelligence exchange or staff exchange programs are not necessarily large scale. Synergies from collaborative efforts and valuable lessons to be learnt may not be in the form of information. Things such as management skills and problem solving approaches can be inspiring to one another.

4.3.4 Has SARS made a difference?

The SARS crisis had posed unprecedented challenges to the tourism industries in Asia, and Hong Kong and Singapore were two of the hardest hit destinations. There are many opportunities for collaboration between the two governments in the post-SARS recovery phase, especially in marketing. Were there any collaborative initiatives undertaken? Did the crisis change the collaborative landscape? These questions are discussed below using secondary data as well as *Section 4.1.1* part *G* since primary data were collected before the crisis.

While Hong Kong and Singapore are the most important hubs in the region, the outbreak of the virus had turned a lot of visitors away. Many foreigners did not want to visit Asia at all. The two cities had been reported on by the media almost everyday all over the world and inevitably labeled altogether as "dangerous destinations". Hence, there may have been opportunities for them to promote jointly to the rest of the world that they were again safe to visit and so was Asia. Such joint marketing efforts could be more effective and efficient in clearing the stereotype than in the case of each destination working solo. For one thing, joint promotion "speaks louder". It could also show to the world that the best hubs in Asia were functioning as normal and the region is resuming its vibrancy. In addition, since both destinations had suffered substantial financial losses, their cooperation would have saved each other some costs. The marketing efforts should not be limited to promotion but could be extended to product alignment.

However, in reality, no cooperative relationship in tourism was formed between these two most hardly hit destinations during or after the SARS crisis in the public's knowledge. Even in such situation where collaborative opportunities are evident, the cities still choose not to work together. Shouldn't have the governments been more open-minded? At the PATA Board of Directors Meeting in October 2003 in Singapore, after the regional recovery initiative Project Phoenix was launched, members of the Board urged closer cooperation among destinations in the region. It is apparent that cooperation is crucial to sustaining regional competitiveness and that Asian destinations have not worked close enough.

4.3.5 Section summary

There were diverse opinions on whether formalized intergovernmental collaboration would be beneficial to enhancing the destination competitiveness of Hong Kong and Singapore. Essentially, three arguments were put forward: (1) intergovernmental collaboration is necessary and beneficial; (2) it is not feasible although it may be worthwhile; and (3) it is not necessary and/or has little value.

In the candidate's opinion, the collaboration is not without difficulties. However, one should not be preoccupied by any dogma. Instead, the two governments should be open-minded and adopt a pragmatic approach – that is to work together on whatever is beneficial to enhancing the destination competitiveness of Hong Kong and Singapore. The suggestions in *Section 4.3.1* regarding exchange of intelligence, marketing and aviation are definitely worth considering by the two governments. It is also argued that the two destinations could have worked together in promoting and reinforcing tourists' confidence in traveling to the region after the SARS crisis.

4.4 Chapter Summary

This chapter is the main body of the thesis. Corresponding to the research objectives (see *Section 1.4*), three groups of findings were presented, interpreted and discussed – *Section 4.1* Comparison of tourism policies, *Section 4.2* Mutual learning, and *Section 4.3* Opportunities of collaboration.

Comparisons of tourism policies of Hong Kong and Singapore were made based on the analytical framework (Table 2) developed in *Section 2.8*. A total of thirteen strategic level policies and twelve operational policies were compared using secondary data. It was found that the different governance philosophies and political agendas of the two governments are accounted for the significant differences in five (strategic level) policy areas, namely vision formulation, provision of tourism infrastructure and product development, crisis management, policies on the private sector, and policies on competition and cooperation with other cities/countries.

After the content and context of the policies of the two destinations were understood and compared, the study explored whether they could/should learn from each other and/or collaborate using primary findings collected by means of in-depth interviews with tourism professionals. The interviewees were not unanimous. Some did not support the idea of mutual learning as Hong Kong and Singapore have different political systems, governance philosophies and destination attributes. Others believed mutual learning is beneficial. Specific suggestions were given. In terms of collaboration, three arguments were put forward: (1) intergovernmental collaboration is necessary and beneficial; (2) it is not feasible although it may be worthwhile; and (3) it is not necessary and/or has little value. Specific suggestions were also given by those who supported collaboration.

Chapter Five. Conclusion and Recommendations

This chapter first summarizes the findings of this study in relation to the three research objectives: (1) comparison of the tourism policies formulated for the 21st century by the Hong Kong and Singapore governments; (2) exploration of the value of mutual learning and (3) collaboration between the two governments to the enhancement of their respective destination competitiveness. In the second section, recommendations to the governments are given. Finally, the limitations of this study are addressed and areas for future research are suggested.

5.1 Conclusion

The Asia Pacific region is one of the fastest-growing tourism regions in the world. The establishment of tourism partnerships in APEC and ASEAN, for example, has indicated the interdependence of countries/cities in the region as well as the importance of regional tourism cooperation in the economic development of destinations. Hong Kong and Singapore are two important tourism hubs that share discernible similarities. However, few studies, if any, have yet analyzed and compared their tourism policies for the 21st century, an element that shapes destination competitiveness. The feasibility and value of mutual learning or cooperation/collaboration between the two governments were also not addressed in previous research. This thesis filled the gaps by: (1) comparing the tourism policies formulated for the 21st century by the Hong Kong and Singapore governments; (2) exploring whether mutual learning or (3) collaboration between the two governments would be beneficial or detrimental to the enhancement of their respective destination competitiveness. The rationale of proposed arguments and specific suggestions were also explored.

5.1.1 Policy comparisons

Using secondary data and an analytical framework adapted from Ritchie's & Crouch's (2000) Destination Competitiveness & Sustainability Model, thirteen strategic level policies and twelve operational policies of Hong Kong and Singapore were compared. Five aspects of strategic policies have shown significant contrasts:

1) *Vision formulation*: The political agenda of tourism in Hong Kong was much less complicated than that of Singapore. Singapore's vision statement has a wider scope and is more specific.

2) *Provision of tourism infrastructure and product development*: The Hong Kong Government has emphasized more on developing new tangible tourism infrastructure and physical attractions, while the Singapore Government has done more on renewing existing physical infrastructure and attractions as well as developing activity-based tourism products. In terms of intangible tourism infrastructure, Singapore was found to be less mature in building its quality tourism workforce.

3) *Crisis management*: During the SARS crisis, the Singapore Government had acted faster in fighting against the epidemic. It also proactively initiated collaborative efforts in the region. Financially, the Hong Kong Government had provided greater support to the private sector.

4) *Policies on the private sector*: Singapore has tailor-made incentives and assistance schemes for the private sector. Hong Kong is relatively more market-oriented. Tourism product development usually follows the demand-supply mechanism. The public-private partnership is strong in both destinations but the leadership role in tourism development rests on the private sector in Hong Kong while it is the public sector in Singapore.

5) *Policies on competition and cooperation with other cities/countries*: Hong Kong and Singapore are faced with the coexistence of cooperation and competition. While Singapore has a closer relationship with Southeast Asian countries, Hong Kong works closer with Macau and Guangdong. Hong Kong is found to be less involved in regional tourism development.

As discussed in *Section 4.1.1.1A* and *4.1.3*, the above differences can be attributed to the different governance philosophies and political agendas of the two governments – while Singapore was nothing more than "an abandoned child on a deserted island" and that Lee Kwan Yew and his PAP had to virtually start everything from scratch after their separation from Malaysia in 1965, Hong Kong has been embraced by its "British guardian" and its "Chinese mother". Comparatively, the political agenda of tourism in Hong Kong was much less complicated than that of Singapore. For Singapore, tourism is not only an economy booster but also a tool to pursue various political goals inside and outside the country. At the same time, the Singapore Government has adopted a strategic pragmatism approach where the Government would intervene as and when necessary to correct market failures. The combination of historic and political factors consequently has given rise to the above-described policy differences.

In spite of the above differences, similarities are shown in four policy areas:

1) *Immigration and customs:* Both cities have a favorable visa regime that makes traveling to the destinations easier. Their customs departments are committed to provide high quality and efficient services.
2) *Policy implementation efficiency:* Both governments are recognized as some of the most efficient in the world. In terms of administering tourism policies, continuous improvement was made in ensuring effective policy implementation.
3) *Community's attitude towards and involvement in tourism:* Similar approaches were adopted for "internal marketing" where the hospitality culture is promoted among local residents. The community was also involved in the development of the cities' master plans by means of public consultation.
4) *Strategic destination marketing:* The vibrancy of the destinations is emphasized in their marketing campaigns. Strong efforts have been made in luring the MICE market and in building partnerships with the travel trade.

5.1.2 Mutual learning & Intergovernmental collaboration

Do the similarities and differences identified in the comparisons imply mutual learning or collaboration? Professional comments were collected by means of face-to-face, in-depth interviews[39] with the public and private sector of Hong Kong and Singapore, academia, and international tourism organizations.

The participants were not unanimous on the notions that mutual learning or intergovernmental collaboration between the governments of Hong Kong and Singapore is feasible or beneficial to enhancing their respective destination competitiveness.

With regard to mutual learning, some interviewees expressed that the governments should "do things in their own way" due to the differences in political systems, governance philosophy, and destination uniqueness. Others agreed that they should learn from each other in order to enhance competitiveness. Specific suggestions categorized into attitudinal and strategic aspects were given, which are summarized in the following section. Despite the differences in opinions, mutual learning was not viewed as detrimental to Hong Kong's or Singapore's destination competitiveness. It can be argued that mutual learning is not copying and that learning from a well-performing counterpart is an important way of improving oneself.

[39] With a few exceptions.

In terms of collaboration, three arguments were put forward:

1) *Intergovernmental collaboration is necessary and beneficial*: Organizations should complement each other. The spirit of "Together in Asia" should be upheld. Possible areas of collaboration include exchange of intelligence, marketing and aviation (see also Table 16 and 17 in the following section).
2) *It is not feasible although it may be worthwhile*: The long time rivalry may lead to lack of trust and willingness to cooperate. The discernible similarities make joint marketing difficult. The geographical distance could be a physical barrier. The intangibility of results or possible benefits may discourage investment of resources to the relationship.
3) *It is not necessary and/or has little value*: Such partnership demands time, money and effort. It may dilute the focus and creativity of individual destination. The two governments work quite transparently and have always been copying each other anyway, deliberate exchange of experience may not be necessary.

Although some participants viewed collaboration to be necessary and constructive to enhancing the respective destination competitiveness, it is not feasible or even detrimental to others. Indeed, as Figure 7 (Critical preconditions model for collaboration) in *Chapter 2* portraits, the preconditions required for establishing a collaborative relationship are complex. What Hong Kong and Singapore need most may be trust and, as Hall (1994) suggested (see *Section 2.5.3*), some common values if they are to collaborate. The two governments should also be open-minded and pragmatic to work on whatever is beneficial to the enhancement of their respective destination competitiveness. Exchange of intelligence, marketing and aviation are aspects worth considering.

This study has provided answers to the three research objectives and has addressed essential destination competitiveness issues. Recommendations to the governments are summarized in the next section. It is hoped that decision makers will take those suggestions into consideration as they formulate tourism policies.

5.2 Recommendations

5.2.1 Recommendations to the Hong Kong Government

Recommendations given in *Section 4.1 to 4.3* to the Hong Kong Government are summarized in Table 15 below.

Table 15: Recommendations to the Hong Kong Government

Corresponding Section	Recommendation
4.1.1.1	
(A)	❖ Refine vision statement[40]
(D)	❖ Formulate an environmental sustainability management policy for tourism
(E)	❖ Lay out a detailed implementation plan for *Hong Kong Tourism: Expanding the Horizons* or future policy papers[40]
(F)	❖ Timely review of policy implementation
(E) & (F)	❖ Increase TC's transparency
(G)	❖ Comprehensively review and evaluate performance during SARS crisis (may use benchmark)[40] ❖ Value collaborative efforts (with the private sector or neighboring cities/countries) in fighting against crises[40]
4.1.1.2	
(B)	❖ Be more proactive and anticipative
4.1.1.4	
(A)	❖ May consider involving more in regional tourism development
4.2	❖ Be more proactive and supportive to the industry ❖ Give more recognition to the industry, particularly the cruise sector ❖ Commit to long-term development (Be visionary) ❖ Be more eager to learn from their counterparts ❖ Learn from Singapore's experience of being a tourism hub in ASEAN ❖ Learn from Singapore's experience in dealing with ASEAN' outbound market ❖ Provide more subsidies to the industry ❖ Liberalize aviation policies further
4.3	Consider collaborating with Singapore in the aspects of: ❖ intelligence exchange (market information, best practices in destination management, benchmarking, etc); ❖ marketing (product alignment and joint promotion at long haul markets); and ❖ aviation and transportation

[40] High priority – as the strategic plan is the backbone of all other policies and that SARS may return soon.

5.2.2 Recommendations to the Singapore Government

Recommendations given in *Section 4.1 to 4.3* to the Singapore Government are summarized in Table 16 below.

Table 16: Recommendations to the Singapore Government

Corresponding Section	Recommendation
4.1.1.1 (B) (D) (G) *4.1.1.2* (B)	❖ Invest more in tertiary, pre-employment education and training in hospitality and tourism ❖ Formulate an environmental sustainability management policy for tourism ❖ Comprehensively review and evaluate performance during SARS crisis (may use benchmark)[41] ❖ Rest in the hands of the private sector the realization of vision
4.2	❖ Encourage more entrepreneurship ❖ Learn from Hong Kong's experience in dealing with China's outbound market ❖ Observe and learn from their counterparts
4.3	Consider collaborating with Hong Kong in the aspects of: ❖ intelligence exchange (market information, best practices in destination management, benchmarking, etc); ❖ marketing (product alignment and joint promotion at long haul markets); and ❖ aviation and transportation

5.2.3 Contribution of this study

As mentioned in *Section 1.6*, this study has addressed various destination competitiveness issues that are of importance to the economies of Hong Kong and Singapore. Since those issues have not been examined in previous research, this study has filled the gaps and contributed to the body of knowledge.

The most valuable part of this thesis is the primary research findings collected from more than twenty influential tourism professionals in four different sectors (the

[41] High priority – as SARS may return soon.

private sector, the public sector, academia and international tourism organizations). The data provided a broad insight into various destination competitiveness and policy issues in Hong Kong and Singapore. Hence, the results and recommendations in this study should be of value to the decision makers in the two governments.

The analytical framework for destination competitiveness and sustainability policies developed in Section 2.8 is a useful tool for policy comparisons. Adapted from Ritchie's & Crouch's generic Destination Competitiveness/Sustainability Model (2000), the framework can be applied beyond Hong Kong and Singapore to other destinations.

5.3 Limitations

This study has several methodological limitations.

First, the spread of participants was not ideal although the candidate has tried her best to attain the target sampling described in Table 11 in *Section 3.4.2.3*. For example, Singapore Airlines, Star Cruises in Singapore and travel agencies in Hong Kong did not participate in this study. Hence, their opinions are not represented.

Second, the candidate had prior dealings with some of the respondents. These participants might be more open than the others when giving opinions. An imbalance of richness of the data between these two groups of interviewees may have resulted.

Third, some participants in this study did not feel comfortable commenting on other governments. They seemed to be cautious in the use of critical words. This, again, may have affected the richness of data obtained.

5.4 Suggestions for Future Research

Numerous recommendations (as summarized in Table 15 and 16) are given in this study for Hong Kong and Singapore. However, further research is required to investigate how they can be transformed into actions, i.e. analyzing the cost-and-benefit, departments or personnel involved, as well as possible barriers and facilitating factors. Since the recommendations concern different aspects of government policies, three separate studies may be conducted: two individual studies for Hong Kong and Singapore acting on recommendations made in *Section 4.1 and 4.2* regarding self-improvement, and another study that investigates into recommendations made in *Section 4.3* regarding collaboration. The research would require close cooperation from the governments as information on internal administration is needed.

In addition, it was noted during the course of the research that no intergovernmental collaboration model is available. Little is known regarding the process of forming such partnerships – What makes (international) governments collaborate in tourism? Who is involved? How does the partnership work? How many types of intergovernmental collaboration exist in the tourism arena? Answers of these questions would assist governments to better manage collaborative relationships with their foreign counterparts. While collaboration can help accomplish policy goals, it requires considerable amount of resources, effort and commitment. Only with improved understanding of its conditions, processes and the possible outcomes, will there be greater chance of success.

APPENDICES

Appendix 1. Definitions of Factors in Ritchie's & Crouch's Model
(Crouch & Ritchie, 1999; Ritchie & Crouch, 2000)

Core resources and attractors

The **physiography** of a destination is so important that it might also be deemed a qualifying determinant of visitation. Because it includes the overall nature of the landscape and destination, employees of the tourism and hospitality industry, the climate of the destination, it defines the nature of environmental framework within which the visitor exists and enjoys the destination. It also defines much of the aesthetics and visual appeal of the destination.

The **culture and history** of the destination is the second dimension of destination attractiveness, which tends to be defined by time and history. Although it may be viewed somewhat more malleable than physiography from a management perspective, the culture and history of a destination is also determined well outside the scope of tourism.

The term, **market ties**, includes several dimensions along which a destination establishes and builds linkages with the residents of tourism originating regions. Ethnic ties resulting from immigration patterns that have evolved over time—often long periods of time—provide the strongest and perhaps most enduring linkages for building systematic and predictable travel flows to a destination. The visiting friends and relatives (VFR) segment of the travel market, although not necessarily the most profitable segment, provides a firm foundation for building tourism within a destination. Even more important, it often leads to the establishment of business ties that can generate both a steady flow of visitors and create other forms of economic development.

The range of **activities** within a destination represents one of the most critical aspects of destination appeal – and one over which destination managers do have extensive influence and control. Whereas the activities within a destination may be defined to a large extent by physiography and culture, there is nevertheless considerable scope for creativity and initiative.

The term '**special events**' refers to a wide range of happenings that can create high levels of interest and involvement on the part of both visitors and residents. The spectrum of possible special events ranges from modest community festivals to large scale international mega-events.

Tourism superstructure comprised primarily of accommodation facilities, food services, transportation facilities, and major attractions that many view as the tourism industry.

Supporting factors and resources

General infrastructure includes local transportation services, a reliable and potable water supply, sanitation, communication systems, public facilities, etc.

Facilitating resources such as various areas of the public service; financial institutions; the availability and quality of local human, knowledge and capital resources; and education and research institutions, etc. provide many of the sorts of inputs upon which the tourism industry depends.

Destination management

The **information** component of destination management pertains to the development and effective use of information systems that provide managers with the information required for understanding visitor needs, and for effective product development. This also involves the regular monitoring of visitor satisfaction and the tracking of industry performance.

Resource stewardship is a concept that stresses the importance, indeed the obligation, that destination managers have, to adopt a 'caring' mentality with respect to the resources that make up the destination.

Qualifying & amplifying determinants

Costs include transportation costs, the effect of exchange rates, and the cost of living in a destination – particularly of tourist goods and services.

Destination policy, planning & development

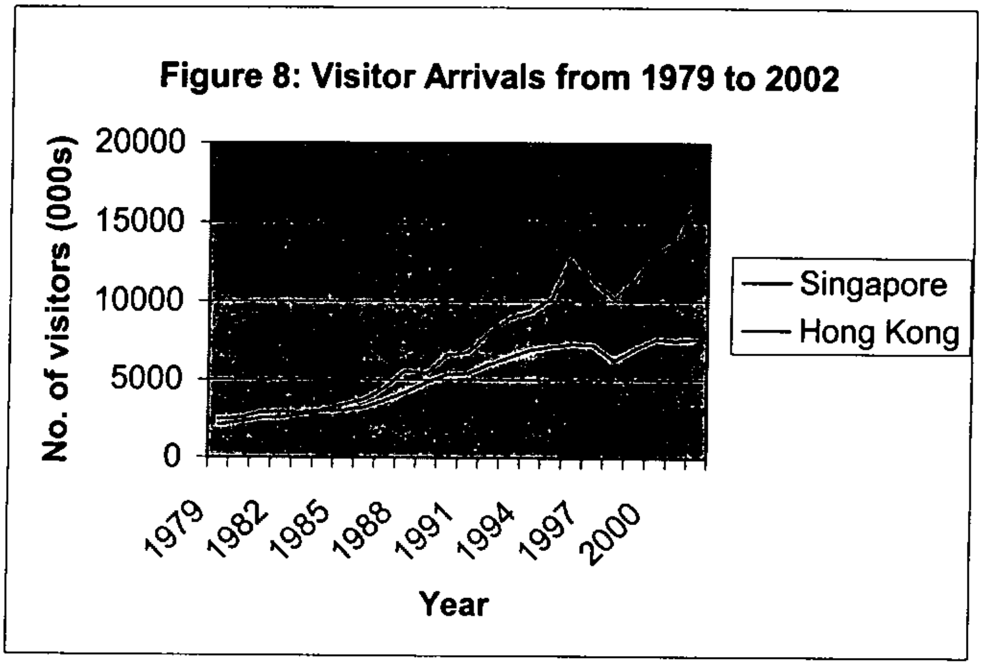
System definition is a policy overlay that ensures all those involved in policy formulation are dealing with the same set of parameters, and the same phenomenon.

Philosophy concerns the role that destination stakeholders desire tourism should play within their society.

Audit is a critical analysis of the destination's existing tourism resources and capabilities, as well as the current functioning of its tourism operations.

Appendix 2. Statistics of Visitor Arrivals and Tourism Receipts of Hong Kong and Singapore from 1979 to 2002

Sources: WTO, 1981-1985; 1987-2001; HKTB, 2002a; 2003a; STB, 2002b, 2002h; 2003a



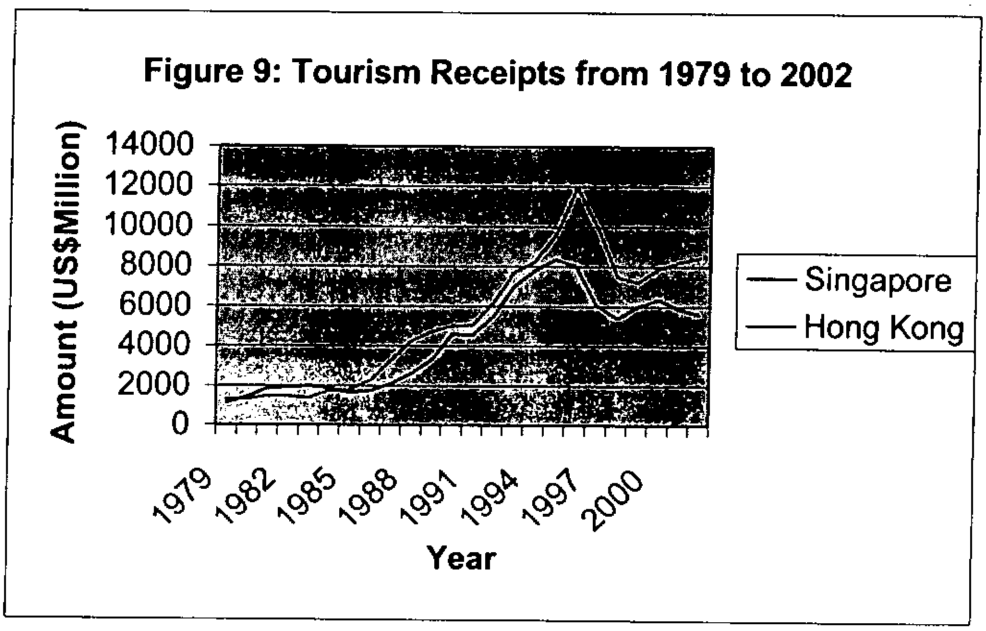


Table 17: Visitor arrivals from 1979 to 2002

Visitor arrivals (in thousands)		
Year	**Singapore**	**Hong Kong**
1979	2478	2133
1980	2562	2302
1981	2867	2535
1982	2970	2592
1983	2867	2754
1984	3001	3108
1985	3043	3370
1986	3201	3733
1987	3695	4502
1988	4201	5589
1989	4830	5361
1990	5323	6581
1991	5415	6795
1992	5990	8011
1993	6426	8938
1994	6898	9331
1995	7137	10200
1996	7292	12974
1997	7198	11273
1998	6242	10160
1999	6958	11328
2000	7600	13060
2001	7520	13720
2002	7570	16566

Table 18: Tourism receipts from 1979 to 2002

Tourism receipts (in US$ Million)		
Year	**Singapore**	**Hong Kong**
1979	1122	1276
1980	1433	1317
1981	1850	1449
1982	1916	1446
1983	1980	1384
1984	1859	1711
1985	1660	1788
1986	1767	2287
1987	2088	3261
1988	2622	4273
1989	3307	4731
1990	4596	5032
1991	4560	5078
1992	5499	6204
1993	6998	7696
1994	7811	8239
1995	8390	9604
1996	8012	11994
1997	6073	9979
1998	5402	7496
1999	5974	7210
2000	6370	7900
2001	5860	8240
2002	5596*	8470*

* Estimated figures

Appendix 3. A Sample Letter Requesting Interview

9 December 2002

Dear (Title/Surname),

Re: Request for Interview

I am a Master of Philosophy student at the School of Hotel and Tourism Management of The Hong Kong Polytechnic University. My topic of research is 'Tourism in Hong Kong and Singapore – Policies and Mutual Learning Opportunities', under the supervision of Dr. Thomas Bauer and Dr. Kevin Wong.

In order to collect data of the highest possible quality, I am cordially requesting a 45-minute interview with you or your nominee on this topic anytime from now to 11th January 2003. The purpose of the interview is to seek your professional and insightful comments on what the Hong Kong and Singapore governments can learn from each other in enhancing their destination competitiveness. Such research is unprecedented. Results produced will have great value to key tourism stakeholders in the two cities but not without your valuable input.

You can be assured that information obtained from the interview is for the sole purpose of academic research. In order to facilitate data analysis, a tape recorder will be used with your consent.

An outline of interview questions is enclosed for your reference. I would be grateful if you can reply, using the provided proforma, on or before 16th December 2002. Should you have any enquiries, please do not hesitate to contact me. Your contribution to the future of tourism in Hong Kong and Singapore, and to academic research will be very much appreciated.

Yours sincerely,

Emma Wong
Graduate Student

Endorsed by

Thomas Bauer
Assistant Professor
Project Chief Supervisor

Encls. 2 pages.

Mailing address: *School of Hotel and Tourism Management, The Hong Kong Polytechnic University, Hung Hom, Hong Kong SAR, China.*
Phone: *(852) 9282*
Fax: *(852) 2362*
Email: *emmawong.htm@*

<u>Outline of Interview Questions</u>

1. General performance
   a) How would you evaluate the performance of the tourism industry over the last five years in ***Hong Kong***?
   b) How would you evaluate the performance of the tourism industry over the last five years in ***Singapore***?

2. Destination competitiveness
   a) What makes a tourist destination competitive?
   b) In what aspects do government policies affect destination competitiveness?
   c) Which government policies have had the biggest impacts on ***Hong Kong's*** competitiveness as tourist destination?
   d) Which government policies have had the biggest impacts on ***Singapore's*** competitiveness as tourist destination?

3. Mutual learning
   a) How would you comment on ***Hong Kong Government's*** effort in shaping the destination competitiveness?
   b) How would you comment on ***Singapore Government's*** effort in shaping the destination competitiveness?
   c) Do you see the need of mutual learning between the two governments? If so, in which areas/aspects?

4. Intergovernmental collaboration
   a) Would intergovernmental collaboration between the two cities be beneficial or detrimental to the enhancement of their respective destination competitiveness? Please give reasons.

Proforma Reply

To: Miss Emma Wong, Graduate Student

Fax no.: (852) 2362 9362

From:

Date:

Subject: Interview for the research 'Tourism in Hong Kong and Singapore – Policies and Mutual Learning Opportunities'

Dear Miss Wong,

______ I am happy to accept your interview at ______ (a.m. / p.m.) on ________________, 2002/3.

The name of the contact person is ________________________. He/She can be reached by ________________.

______ I have passed your request to Mr/Ms________________ who can be reached by __________________.

______ I will not participate in your study because ____.

(Please put a cross next to your choice.)

Appendix 4a: Participants' Responses to Interview Question 2a (Table 19)

	Public Sector		Private Sector		Academia			International Tourism Organizations
	Singapore	*Hong Kong*	*Singapore*	*Hong Kong*	*Singapore*	*Hong Kong*	*New Zealand*	
Essential elements of destination competitiveness	- World-class attractions	- Quality and variety of attractions - Infrastructure / facilities - Ease of entry - Hospitality; Service quality - Effective marketing - Expertise - Ability to attract new market segments - Ability to improve	- Quality of attractions - Infrastructure / facilities - Ease of entry - Price; Value - Well-defined product - Quality of tourist experience	- Uniqueness and variety of attractions - Infrastructure / facilities - Quality of tourist experience; Hospitality - Safety - Ability to define and promote destination's strengths - Ability to improve	- Quality of attractions - Infrastructure	- Uniqueness and quality of attractions - Infrastructure - Safety - Linkage with neighboring destinations - Exchange rate	- Everything a destination does	- Quality of attractions - Infrastructure - Services - Price - Any aspects

Appendix 4b: Participants' Responses to Interview Question 2b (Table 20)

	Public Sector		Private Sector		Academia			International Tourism Organizations
	Singapore	*Hong Kong*	*Singapore*	*Hong Kong*	*Singapore*	*Hong Kong*	*New Zealand*	
Government's role in shaping destination competitiveness	- Provide incentives to private sector - Provide direction for development - Invest in and develop attractions, facilities - Destination marketing	- Work in partnership with private sector - Strategic planning for long term development - Provide infrastructure - Catalyze development - NOT to develop tourism products - Commit to and support tourism development; Be proactive - Provide regulatory framework - Ensure safety and security - Provide a level playing field - Coordinate with other government departments	- Work with private sector - Provide incentives to private sector - Does NOT have to formulate vision - Provide infrastructure - Fund marketing campaigns - Conduct market research and provide market information - Invest in and facilitate attractions development - Visa facilitation	- Support private sector; Provide incentives - Provide direction for development - Provide infrastructure - Destination marketing - Conduct market research and provide market information - Invest in attractions development - Be proactive - Visa facilitation - Ensure safety	- No specific role, depends on individual destination	- Provide incentives - Support private sector; Remove obstacle for them - Anticipate change - Keep in tune with market demand - Invest in attractions development when private sector cannot - Visa facilitation - Formulate favorable foreign exchange policy - Depends on individual government's philosophy and importance of tourism to the overall economy	- Provide regulatory framework	- Provide infrastructure - Environmental conservation - Visa facilitation - Ensure security and safety - Provide favorable investment climate

Appendix 4c: Participants' Responses to Interview Question 2c (Table 21)

	Public Sector		Private Sector		Academia			International Tourism Organizations
	Singapore	*Hong Kong*	*Singapore*	*Hong Kong*	*Singapore*	*Hong Kong*	*New Zealand*	
Hong Kong Government's effort in shaping destination competitiveness	- Hong Kong is self-selling already	- Supportive; Actively involved in tourism development - Set to develop new attractions and improve existing ones - Promoted and improved hospitality - Liaised with China counterparts - Invested in tourism infrastructure - Good security - Coordinated with other government departments - Should minimize bureaucracy; Seize opportunities - Should be more proactive and supportive - Should act faster in upgrading facilities - Should improve internal coordination - Should be more visionary - Things have happened by default	- Laissez-faire - Supportive in bringing world-class events - Government is taking over from private sector - Things have happened by default - with China as hinterland	- Supportive to Cathay Pacific - Supportive - Encouraged tourism cooperation with China - Invested in world-class facilities / attractions - Good security - Encouraged foreign investment - Good visa facilitation - Improved coordination with other government departments - Inefficient decision making - Not enough determination - Should be more proactive and supportive - Should be more visionary - Should listen more to private sector - Should be more "open skies" - Things have happened by default - "Windfall tourism" from China	- (No comment)	- Changed philosophy and institutionally; Efficiency and effectiveness improved - Supportive - Facilitated investment - Should be more long-sighted and confident - Should be more involved - Should improve hospitality - Things have happened by default	- Active and interventionist - Should work more closely with China	- Have recognized the importance of tourism - Innovative - Should keep up with the good work

Appendix 4d: Participants' Responses to Interview Question 2d (Table 22)

	Public Sector		Private Sector		Academia			International Tourism Organizations
	Singapore	***Hong Kong***	***Singapore***	***Hong Kong***	***Singapore***	***Hong Kong***	***New Zealand***	
Singapore Government's effort in shaping destination competitiveness	- Outstanding - Very supportive and proactive - Eager to learn - Good marketing - Good inter-departmental coordination - Good visa facilitation - Should take bolder step in investing in distinctive attractions	- Proactive - Eager to improve - Effective marketing - Good leadership - Supportive to cruise sector - Good in preserving heritage - Good open skies policies - Should not intervene as much	- Financially supportive - Active - Good master plan - Have listened to private sector - Good visa facilitation - Good marketing - Good business facilities - Should add more new products - STB should not be run by bureaucrats - Should invite more private sector involvement - Should be more aggressive in marketing	- Very supportive - Proactive - Eager to improve - Good marketing - Tailor-made policies for Singapore Airlines - Listened to private sector and actually took action - Efficient - Good visa facilitation - Recognized cruise sector - Good preservation of heritage and renewal - Should invest more in hardware - Should improve its sterile image - Should improve hotel service standard	- Took large initiative - Contributed a lot to shaping destination competitiveness - Should let loose more	- Visionary - Good visa facilitation - Good open skies policies - Aggressive in pursuing MICE market - Good infrastructure - Good attempt in improve service culture - Should be less conservative and bureaucratic - Late recognition to the importance of tourism education	- Extremely active and interventionist - Good master plan - Good transportation	- One of the smartest in the world - Recognition to Singapore Airlines - Diversified market segment - Good infrastructure

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