

Session E2

Tourism Degrowth And Resident Well-Being - Larry Dwyer

Despite the well-known adverse effects of economic growth, the core strategic goal of a high proportion of destination managers globally continues to be the pursuit of tourism growth. Proponents of the dominant 'growth management' view claim that tourism's adverse environmental effects can be solved by ongoing 'decoupling' of economic growth from resource use through more efficient management of tourism development, supported by improvements in technology. In contrast, 'heterodox' approaches, sceptical of the ability of technological change to restrict growth-induced environmental and social degradation, reject the mainstream growth ethic and its action agenda. Arguing that faith in decoupling is a fragile basis for the growth management approach, this paper argues the merits of an alternative 'degrowth' approach to tourism planning and management. The paper articulates the nature of 'degrowth', the types of policies that can support a degrowth strategy, and the challenges involved in applying a degrowth approach to the tourism industry. Particular attention will be given to the potential effects of degrowth on resident well-being.

Wellbeing outcomes are now regarded as crucially important to determining the tourism industry's success in achieving the United Nation's Sustainable Development Goals (SDGs). Human wellbeing, however, derives from more diverse sources than economic production and material living standards. There is now a well-established case for looking 'beyond GDP', using wellbeing metrics in the policy process, and assessing economic growth in terms of its impact on people's wellbeing and on societies' standard of living. It is acknowledged that the degrowth approach faces formidable challenges that must be overcome if resident wellbeing is to be maintained or enhanced through reduced tourism development over the longer term. A key research issue for the degrowth approach thus concerns the conditions required to maintain or improve human wellbeing both in the degrowth phase of tourism and post-growth in the long term, along with the types of institutions that can enable this. Further research is also required to determine potential gainers and losers in the process of degrowth, with particular attention to those who are already marginalised in terms of geography, gender, race, class, and caste. Several other unresolved research issues are identified. At present, there is little understanding of the various ways in which degrowth affects resident subjective and objective wellbeing or intra- and intergenerational wellbeing. The paper argues that the projected impacts of tourism degrowth can be filtered through a lens constructed from an established wellbeing framework to identify and measure the intra- and intergenerational effects on resident wellbeing. The employment of a wellbeing lens is consistent with a community-based approach to tourism degrowth, helping to foster public debate and engagement to ensure meaningful citizen participation in the degrowth process.

Unlocking the Nexus: The Interplay Between Financial Well-Being and Health Tourism Demand - Jorge Ridderstaat and Robertico Croes

Research Problem

Health tourism is an expanding sector within the broader tourism industry, encompassing a wide range of medical and wellness activities pursued by individuals traveling abroad for services that cater to their physical, mental, and spiritual well-being (Puczkó & Stackpole, 2021; UNWTO, 2018). The sector's growth is marked by a personalized approach to treatment, combining medical and wellness services. This convergence makes the segmentation of health tourism activities complex, typically based on geographical, demographic, socio-economic, psychographic, or behavioral characteristics (Mazanec & Dolnicar, 2022).

Financial well-being, defined as the balance between an individual's assets and liabilities (Kukk, 2014; Ridderstaat, 2021), emerges as a critical factor in health tourism. It is proposed to play a dual role in influencing an individual's decisions regarding health tourism. On the one hand, an individual's net financial wealth may shape their inclination to partake in health tourism. This influence is significant, considering consumers may finance health tourism activities by using their savings or incurring debt (Ridderstaat, 2021; 2022). On the other hand, the expenditures associated with health tourism can significantly impact the financial well-being of tourists and their families.

The potential dual impact of financial well-being in health tourism decisions is a key focus of this research. First, an individual's financial status influences their likelihood of engaging in health tourism. The impact of financial well-being on an individual's willingness to consume health tourism-related goods and services is not exclusively dependent on their periodic income, aligning with Ridderstaat's findings in the context of tourism demand (Ridderstaat, 2021; 2022). However, existing literature lacks empirical substantiation regarding the inclusion of financial well-being as a determinant in health tourism (Song et al., 2014; Johnston et al., 2010; Lovelock & Lovelock, 2018). Second, health tourism expenditures can substantially affect the financial health of tourists and their families. The prospect of cost savings through seeking medical treatment abroad is significant, as studies have shown that patients can achieve considerable savings compared to domestic treatments (Lunt & Carrera, 2010; Hopkins et al., 2010). However, these savings are often offset by the costs associated with travel, accommodation, and potential complications arising from medical interventions abroad (Lunt et al., 2011; Johnston et al., 2010; McCrossan et al., 2021). This aspect is crucial but underexplored in existing literature, with studies like Chaulagain et al. (2021) only superficially addressing the potential financial adversity due to health tourism.

The theoretical underpinning of this study is rooted in the interplay between economic theory and consumer behavior in the context of health tourism. It draws upon the principles of consumer decision-making and financial well-being, positing that an individual's economic status significantly influences their health tourism choices. This approach aligns with Amartya Sen's capability approach (Sen, 1993; 1999), emphasizing the impact of financial resources (or lack thereof) on individuals' freedom to choose health-related travel. The study extends this theory by empirically exploring how health tourism spending shapes and shapes financial well-being.

The research aims to bridge the gap in the current understanding of how financial well-being influences health tourism decisions and how these decisions, in turn, impact financial well-being. While the connection between financial status and the propensity for health tourism is acknowledged, the existing body of research does not comprehensively explore this dynamic. This study seeks to delve into the intricate relationship between these two factors, thus offering a nuanced perspective on the decision-making processes of individuals considering health tourism.

Methodology

The primary data sources for this analysis are the University of Michigan's Surveys of Consumers and the U.S. Bureau of Economic Analysis. These sources provide comprehensive and reliable data essential for accurate and robust findings. The University of Michigan's Surveys of Consumers is particularly valuable for its insights into consumer attitudes and expectations, which are critical in understanding the nuances of health tourism decisions (University of Michigan, 2023). The U.S. Bureau of Economic Analysis offers detailed economic data, providing a broader context of financial well-being in the United States.

The analysis includes data decomposition, a method that breaks down complex time series data into its constituent components (Ridderstaat, 2022). This process is essential for identifying underlying patterns and trends in the relationship between financial well-being and health tourism spending. Decomposing the data allows for a clearer understanding of the cyclical and seasonal variations, which is crucial in tourism studies (Dolnicar & Leisch, 2017). Unit root testing is then applied to ensure the data's stationarity, a fundamental step in time series analysis. This test determines whether the data series is influenced by a unit root, implying that it is non-stationary and requires differencing to become stationary (University of Michigan, 2020). The study also employs an instrumental variable approach using Limited Information Maximum Likelihood (LIML). This approach is particularly effective in dealing with potential endogeneity issues in regression analysis, ensuring more reliable and unbiased estimates. Using LIML, the research addresses the complexities of the causal relationship between financial well-being and health tourism spending.

Results

The study revealed significant findings. It identified a bidirectional relationship between financial well-being and health tourism spending. Improved financial well-being positively influenced recurring health tourism spending, suggesting that individuals with better financial status are more likely to engage in regular health tourism activities. Conversely, a decline in financial well-being negatively impacted incidental health tourism spending, indicating that financial constraints might deter individuals from participating in unplanned or emergency health tourism.

The findings of this study have insightful theoretical implications. They support and extend the conceptual framework of health tourism by integrating the aspect of financial well-being. This integration provides a more comprehensive understanding of the factors influencing health tourism decisions. It also validates the theories of consumer behavior in the context of health tourism, highlighting the significance of financial resources in decision-making processes.

From a practical standpoint, the study underscores the need for policymakers and stakeholders in the health tourism industry to consider financial well-being when designing and marketing their services. This

insight is crucial for tailoring health tourism offerings to meet the needs of diverse consumer segments, especially those with varying financial capabilities.

The research acknowledges certain limitations. Its reliance on annual data may not capture the rapidly changing dynamics of financial well-being and health tourism spending. The study's focus on the United States also limits the generalizability of its findings to other contexts or countries.

Future research should aim to address these limitations. Studies employing more granular, perhaps monthly or quarterly data, could provide deeper insights into the relationship between financial well-being and health tourism spending. Additionally, comparative studies across different countries or regions would help understand the universality or specificity of these findings. Exploring the impact of demographic factors such as age, gender, and socio-economic status on this relationship could further enrich the understanding of health tourism dynamics.

The impact of tourism development on residents' wellbeing--A micro and macro perspective: - Yuan Qin, Anyu Liu, Yoo Ri Kim and Shanshan Lin

Tourism plays a crucial role in the socio-economic development policies of countries and regions worldwide. While much attention has been given to residents' attitudes towards tourism, its impact on their well-being has gained significance. As communities transform into destinations, addressing the various outcomes of tourism development becomes vital for community leaders. Consequently, the focus on enhancing residents' well-being in tourism planning has grown.

Recent literature has explored the impact of tourism development on residents' quality of life, particularly subjective well-being. However, existing studies often adopt a static perspective, emphasizing residents' perceptions without thoroughly understanding how actual tourist inflows affect well-being, especially in impoverished rural areas. Answering this question is crucial, given the recognized poverty-alleviation effect of tourism development.

Addressing this gap is essential from a policy perspective, especially as tourism becomes a strategic industry globally. Policymakers increasingly recognize the need to assess tourism's impact not only on the economy but also on residents' overall quality of life. In the context of tourism-led poverty alleviation, understanding its well-being impacts on rural populations is vital for successful policy formulation.

Governments worldwide, including China, now prioritize subjective well-being indicators in policy formulation, aligning with the national goal of rural revitalization. However, the current literature lacks empirical research on how tourism development affects rural economies and, consequently, the subjective well-being of residents.

To fill this gap, our study adopts micro- and macro-level perspectives. At the micro-level, we analyze rural households in China using the China Family Panel Studies (CFPS) data, covering six rounds from 2010 to 2020. The selection of counties as "National Leisure Agriculture and Rural Tourism Demonstration Counties" serves as a quasi-experimental environment to assess the well-being impacts of tourism development. At the macro-level, using data from China Urban Statistical Yearbooks and Wind Economic Database, we investigate the mechanism of tourism development affecting rural residents' subjective well-being, taking residents' income and local authorities' fiscal expenditure as mediators.

Our study contributes to the literature by revealing the positive impact of tourism development on rural residents' subjective well-being. Unlike previous studies, we integrate residents' attitudes, subjective well-being, and objective well-being. Additionally, we address the endogenous relationship between tourism development and residents' well-being through quasi-experimental frameworks and instrumental variable analysis. The findings offer policy-oriented implications for tourism development and rural economies, providing valuable insights for future research and policymaking.