

Chapter 13

Tourism Development and Rural Tourism in Taiwan: A Literature Review

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ABSTRACT

Although tourism plays an increasingly important role in Taiwan's economy, and despite increasing government and academic interest in tourism development and rural tourism in Taiwan, the literature currently lacks of a concise review that brings together the various aspects of tourism development in Taiwan. The present chapter aims to contribute to closing this gap. It does so in six concise sections: a brief overview of Taiwan; the development of tourism in Taiwan; tourism and the economy in Taiwan; tourism and politics in Taiwan; rural tourism development; and small hotels in Taiwan. It is hoped that this account would serve as an important context specific prerequisite for future and more in-depth studies on tourism development and rural tourism in Taiwan.

INTRODUCTION AND RESEARCH CONTEXT

Despite political upheaval, economic uncertainty and natural disasters the travel and tourism industry continues to be one of the largest industries in the world (World Travel and Tourism Council, 2012). Chen, Lin, and Kuo, 2013, the World Travel and Tourism Council (WTTC, 2012), Chen (2011), C. L. Chen (2010), Wang (2010), Chen and Chiou-Wei (2009) or Lee and Chien (2008) point out the connection between the economy and tourism development and many countries have turned tourism into a vehicle for economic growth. As such the global tourism and hospitality industry is a key driver for socio-economic progress through the creation of jobs, enterprises, infrastructure development, and export revenues earned (Chen et al., 2013; Wang, 2010).

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Taiwan, with its well-known high-tech and urban face, is a major economic player as one of the four “Asian Tigers”, together with Singapore, South Korea, and Hong Kong. It lies within the Asia and the Pacific region, which is one of the fastest growing tourism destinations in the world [United Nations World Tourism Organization (UNWTO), 2010; WTTC, 2012]. Accordingly Taiwan’s tourist economy is changing substantially and is also growing very rapidly (Chen et al., 2013; Taiwan Tourism Bureau, 2013a; Wang, 2010; Weng & Wang, 2004). The new importance given to tourism in the economic development of Taiwan has become evident in national development plans such as the “six flagship” plan of the Executive Yuan (Ministry of Economic Affairs, 2009). The six flagship plan funds tourism in Taiwan with 30 billion New Taiwanese Dollar and has an expected production value of 550 billion New Taiwan Dollar (NTD) and 410,000 additional tourism-related jobs within four years (Ministry of Economic Affairs, 2009; Wang, 2009). Other tourism promotion programs such as “Project Vanguard for Excellence in Tourism” (Taiwan Tourism Bureau, 2010a) and international marketing promotions contribute to rising numbers of inbound visitors to Taiwan. Changing regulations affecting international relations, such as the recent relaxations of travel restrictions between Taiwan and the People’s Republic of China, brings an additional 3,000 tourists from Mainland China to Taiwan every day (Taiwan Tourism Bureau, 2010b). International arrivals have increased over the past decade (WTCC, 2012) from almost 3 million visitor arrivals in 2002 to 7.3 million visitor arrivals in 2012 (Taiwan Tourism Bureau, 2013c).

While international tourism development plans have taken effect and are reflected in the rising numbers of international arrivals in Taiwan, changes in regulations have also affected domestic tourism in Taiwan. Important indexes of Taiwanese travellers show an increase in Taiwanese domestic travel (Taiwan Tourism Bureau, 2013b) with 95% of the Taiwanese population taking domestic tourist travel, a total of 152,268,000 trips in 2011, an increase of 1.5% to 2010 (Taiwan Tourism Bureau, 2012). Rising household incomes continue to fuel increased leisure demand (WTTC, 2012).

However, to continue to upgrade and transform its industries and protect itself from economic crises it is important for Taiwan to understand its tourism industry (Su, 2011; Wang, 2010). Tourism has long been considered a vehicle for socio-economic development and regeneration, especially for those affected by the decline of traditional agrarian activities (Chen et al., 2013). For example, when Taiwan joined the World Trade Organization in 2002, large volumes of agricultural goods were imported from foreign countries and this had a major impact on traditional agricultural businesses on the island. Local production and marketing became much more competitive and it was increasingly difficult for small independent agricultural businesses to survive (Council of Agriculture Executive Yuan of Taiwan, 2004). Authors, for example Chen et al. (2013), Robinson and O’Connor (2013), Su (2011), Urry (2002), or Oppermann (1995) suggest that these economic constraints can be alleviated when the land is used differently, for example through the transformation of traditional agricultural businesses into small hospitality businesses.

Development over the past decade in Taiwan has shown that more and more land that has previously been used for agricultural purposes is now being used for leisure, recreation and tourism purposes. Several nature-based establishments, such as tourism farms, rural hotels and rural festival activity centres have been created (Tourism Bureau, 2008) and these have altered the use of Taiwan’s agricultural areas (Chen et al., 2013). Based on gross domestic product, tourism in Taiwan has overtaken the contribution of agriculture, a traditional strong point of the Taiwanese economy (Taiwan Tourism Bureau, 2013b; WTTC, 2012).

However, although tourism plays an increasingly important role in Taiwan’s economy, and despite increasing government and academic interest in tourism development and rural tourism in Taiwan, the

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