URBAN TOURISM: GLOBAL-LOCAL RELATIONSHIPS IN DALIAN, CHINA

by

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AUTHOR'S DECLEARATION

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners.

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ABSTRACT

China used to impress the outside world as a country that was focused on its own development with few links with the rest of the globe. However, thinks have changed and now China is an increasingly important global player. This research uses a case study approach to demonstrate this more recent dimension. By looking into the general patterns of urban development and urban tourism in Dalian, a coastal city of northern China, the study documents the efforts that a city in a developing country has made at different stages to link its social and economic development with the global scene, although some of these relationships were imposed by external world powers.

Unlike many other Chinese cities which have experienced many planning initiatives, Dalian municipal officials had the foresight to have tourism development included in their urban plans as early as in 1980s, although the real importance of the role of tourism did not materialize until the late 1980s. It has been shown that tourism development of the city has been an integral part of and complementary to the overall urban development strategy. It has helped to strengthen the image of a city whose leaders have been keen to present it as clean, modern, active, and eager to promote itself to the rest of the world. They have striven to do this even though the city is still more influential at the regional rather than the global level. The environmental enhancement has not only upgraded the city's competitive competence but, along with the construction of numerous tourism facilities, of which conference centres are an example, also embodied the notion put forward in the paper that urban facilities are largely multifunctional and are aimed at and used by clients with multiple purposes. This also implies that tourism is not an end in itself but is one means of facilitating urban development.

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Chapter 1 Introduction

1.1 An Overview

After experiencing the symptoms in the 1970s and the early 1980s of what has frequently been called the "urban crisis", some of the principle large cities in the world regained something of their former leading position on the wave of worldwide economic recovery. The process of urban revival seems to have been much more selective than that of urban decline: the social and economic climate, definitely favourable at least for the larger cities, did not automatically reverse the "negative spiral". Only where cities were left with sufficient potential, and local administrations had adopted an innovative and active urban revitalization policy, can strong renewal and a genuine interest in the central city on the part of residents be observed.

In an increasingly competitive environment, urban policy has thus become urban management. With city marketing, creative project financing and public-private partnerships as the main ingredients in the recently formulated renewal plans of many cities, an important role has been reserved for an activity typical of post-industrial society: tourism.

Rather than engage mostly in the manufacturing of the 1960s and 1970s, many cities now invest their efforts for urban growth in competing for the right mix of local links to the transnational web of commodity chains, streams of tourists and conventioneers, advanced service industries, innovation clusters, and rapidly shifting niche consumption spectacles. Every city endeavors to reach "up" into the speedy transnational flows of wealthy residents, tourists, investors and events, to pull them "down" into the locality that matters for the local economy. The expansion of tourism and consumption has given rise

to what Clark (2004) has dubbed "The City as an Entertainment Machine." Therefore, urban tourism is beyond doubt becoming – rightly or wrongly – a cornerstone of modern urban management.

The development of tourist research reflects a spatial bias: studies of urban tourism have not only experienced a slow increase, but have also tended to rely on methodologies that, given the complexity of the modern metropolis, are inadequate. Urban tourism, with all its peculiarities, deserves to be profoundly studied for its own sake.

The growing influence of images and visual metaphors in marketing, communications, and nearly every other realm of social interaction has, to some extent, become an engine of the cultural turbulence of the postindustrial society. Individuals as well as public and private institutions of all types routinely create images as symbolic capital and as strategically coded cultural representations designed to influence consumer behaviour or to build brand awareness (McCallum et al. 2005). One critical factor in the success of cities has been the increased supply of facilities and accommodation (Law 2002), which are often among the most important components of the urban images. While we are often told of the importance of touristic appeal in urban images (Page 1995), and image formation has been part of many recent tourism decision-making models (Pearce and Butler 1993; Baloglu 2001), the decision-making process that is involved in putting them together is seldom addressed. Similarly, the roles that various stakeholders play in the course of the development of specific facilities have seldom been documented, and even less information is available about how the decisions concerning a facility's coming into being fits into the tourism development of an area. This is especially the case when the multi-functional urban characteristics endow the facility itself with multiple roles. There

is an obvious dearth of research on the multifunctional urban facilities that are multi-sold, especially in the context of the creation of urban images and tourism development. This study will contribute to this area of scholarship and practice with a focus on one such facility, a conference centre.

1.2 Research Goal and Objectives

The basis for the research questions lies in the assumption that many facilities in urban areas are multi-functional and the decision-making process involves different stakeholders with different expectations. Given that there are not many studies on the decision-making process for multi-functional urban (tourism) facilities, the goal of this research is to identify the role of tourism in the urban planning and development decision making process, thus contributing to the theory and practice of decision making in urban tourism development. The objectives of this research are to identify the stakeholders involved in the process; their changing roles over time; the flexibility of the planning process to accommodate and respond to changes; and the compatibility of such a facility as a convention centre with the processes of urban and tourism development. The ultimate goal is to provide knowledge and recommendations for sound planning and management of urban tourism in a developing country like China so as to take more interest groups into consideration and thus contribute to a more inclusive form of development that engenders lasting benefits that are widely dispersed.

In order to fulfill the objectives, the following questions will be explored:

- What are the goals and objectives for tourism development in the city? How do they complement or contradict the overall development strategy for the city?

- Who have been the stakeholders, what have their roles been, and how have these changed over time? Who are the emerging key players within the process of decision making? Is planning sufficiently flexible to accommodate the interests of new players and to respond to and guide change successfully?

- Were the multifunctional facilities (such as convention centres) built as part of the overall urban development strategies? Why were they built? Whose idea was it? What stakeholders were involved? Who made the critical decisions? Who provided the money? What was the decision-making process like? What was in the location before? Was the new facility seen as contributing to the city's image as a business or tourism centre or both? Was the development seen as being part of a city revitalization program? Was the new facility seen as addressing seasonality concerns?

1.3 Dissertation Outline

The dissertation is organized into six chapters. Following the research goal and objectives outlined in the first chapter, the concepts underlying the research questions are explored, and related literature is examined to identify the gaps that are addressed by this study. Chapter 3 details the research methodology and chapter 4 describes the case study which was undertaken in Dalian in northeast China. The findings and implications on a broader scale, as they relate to the gaps identified in the literature and the questions put forward in chapter 1, are discussed in chapter 5. Conclusions and recommendations derived from the analysis are offered in the final chapter.

Chapter 2 Conceptual Context

2.1 Urban Tourism

2.1.1 Tourism

The last half century has witnessed many efforts to define tourism (Mathieson and Wall 1982; Smith 1988; Parker 1999; Williams and Hall 2002; Hall and Page 2002). Though the notion of tourism is still open to multiple conceptualizations due to the ontological, epistemological, and paradigmatic assumptions of the viewer (Hall et al. 2004), five characteristics associated with tourism can be identified (Burkart and Medlik 1981, p. 2003):

- Tourism is the result of the movement of people and their stay in various destinations;

- All tourism involves two elements: the journey to the destination and the stay at the destination, including the activities that are undertaken there;

- Given that both the journey and the stay take place outside of the usual place of residence and work, tourism leads to activities which are distinct from those of the resident and working populations of the places through which tourists travel and in which they stay;

- The movement to destinations is of a temporary, short-term character, with the intention to return within a few days, weeks or months; and

- Tourism destinations are visited for various purposes but not for taking up permanent residence or employment remunerated from within the places visited.

Therefore, for the purpose of this study, the official definition offered by WTO (cited in Smith 2004: 29) is adopted:

Tourism is the set of activities engaged in by persons temporarily away from their usual environment, for a period of not more than one year, and for a broad range of leisure, business, religious, health, and personal reasons, excluding the pursuit of remuneration from within the place visited or long-term change of residence.

2.1.2 Towards Urban Tourism

Although urban tourism can be defined simply as tourism in towns and cities, it is apparent that the field is far more complex.

2.1.2.1 Ignorance of the field

Decades ago, Stansfield (1964) pointed out that from the beginning of academic studies into leisure behaviour outside the home there was an assumption of an inherent opposition between the urban and non-urban environments and he suggested that this resulted in a strong and seemingly widespread desire for residents within one to seek recreation in the other. This idea was reinforced in one of the pioneering spatial models of recreation behaviour. Christaller (1964) assumed the existence of a centre-periphery relationship between cities that provided visitors and the countryside that received them. These preliminary initiatives set the tone for a generation's work in the geography of recreation and tourism so that, more than 20 years later, the non-urban bias and consequent neglect of the recreation and tourism functions in urban areas were still a source of surprise (Pearce 1987; Ashworth 1988).

Ashworth and Tunbridge (1990) identified three characteristics of tourism in cities: first, the tourism activities of cities take place within a wider regional and national tourism context that includes such things as organizational structures, visitor place-images, spatial patterns of visitor behaviour and the distribution of tourism resources. Also, the urban central place occupies a core position within the functional network of the wider regional hinterland. Secondly, however, in spite of their regional or national context, cities are also linked with each other, especially in tourism where a mixture of inter-urban cooperation and competition can create a variety of national and international tourism circuits. Finally, tourism in cities is dominated by at least two kinds of variety. First, cities offer a wide variety of attractions that can meet the needs of a diversity of types of visitors. At the same time, these facilities are rarely created for, or used exclusively by, tourists but are shared by many different types of users: in short, the multi-functional city serves the multi-motivated user (see also Shaw and Williams 2002, p. 244).

The complexity of tourism in cities makes it difficult to distinguish tourism resources, tourism facilities, or the visitor, from other resources, facilities or users within the city. Similarly, it is not easy to compare tourism in one city with another. These difficulties help to explain the double neglect that has been identified by Tunbridge and Ashworth (1990) in urban tourism research. They have suggested that those concerned with tourism have commonly failed to consider it within its urban context, preferring instead to pursue systematic studies of various aspects of tourism. At the same time, those interested in urban studies have generally failed to give systematic consideration, in accordance with

their importance, to the tourism functions that may be widespread but largely invisible because they blend into the urban scene (Ashworth and Tunbridge, 1990).

2.1.2.2 Growth in interest

It is perhaps surprising that – starting quietly in the 1970s, gradually accelerating in the 1980s, exploding in the 1990s, and extending into and encompassing the early years of the 21st century – many scholars of the city were slow to recognize that, by the late 20th century, manufacturing was no longer the backbone and primary instrument of metropolitan growth. Gradually, however, most came to recognize that services had become the new engine of metropolitan economies. Corresponding with this, an array of urban geographical studies was undertaken aimed at understanding location differentiation, industrial specialization, intensification, globalization and network relations in cities, to name but a few topics (Abbot 1996; Harris et al. 1996; Sassen 2002). More recently, Daniels and Bryson (2002) argued that the ongoing transformation of advanced economies has been associated with increasingly complicated production chains that frequently blur the boundaries between the service sector and manufacturing.

Two general conclusions that are particularly relevant to cities follow from the above observations (Law 2002): first, economic activities are much more geographically footloose than they were in the past and, as a consequence, firms have a greater choice of locations. As a result, in order to retain firms and attract new ones (see also section 2.3.2), cities have to be competitive. A second conclusion is that there is a great variety in the experiences of cities in the developed world. Some have been negatively affected and have seen a decline of output or employment, as well as poor environmental quality left behind by industrialization and deindustrialization. These have reinforced the bad images

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of such places and have made it difficult for them to attract new economic activities. Others that have suffered less from deindustrialization have an economic structure more conducive to growth. A place that happens to be in the 'right' location of the country and that also possesses a favourable image is more likely to attract new economic activities. So-called world cities have been the beneficiaries of globalization, attracting business from an increasingly interconnected world.

Law (1993) identified four factors that have caused the service sector, including tourism, in cities to receive more attention: the decline of long-established manufacturing activities; the need to create new economic activities or face high unemployment; the perception of tourism as a growth industry; and the hope that tourism development will result in the regeneration and revitalization of urban cores. Two additional factors can be added: rapid globalization and the important role that cities play in the process of capital accumulation (Nyiri 2006) (see section 2.3). The combination of these trends has led to two distinct forms of tourism urbanization: one is the redevelopment of manufacturing centres as new tourism sites and the other is the creation of new resorts to take advantage of the growth of tourism (Chang et al. 1996). In order to attract mobile investment and activities, cities must first gain attention in an increasingly competitive world and this has meant that increased attention has been devoted to the creation of urban images.

2.1.2.3 The structure of urban tourism

Shaw and Williams (2002) suggested that the urban environment itself, with all its attributes, is a "leisure product". Jansen-Verbeke (1986) had previously presented a framework that breaks down this leisure product into a number of elements, thereby identifying key components of urban tourism. Her schematic diagram (Figure 2.1)

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indicates the structure of urban tourism and draws attention to the most important features that contribute to the urban tourism experience and, therefore, require the attention of planners of urban tourism (Wall 2005).

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                    ┌─────────────────────┐
                    │  Primary elements   │
                    └─────────────────────┘
          ↙                    │                    ↘
┌──────────────────┐          │          ┌──────────────────┐
│  Activity place  │          │          │  Leisure setting │
└──────────────────┘          │          └──────────────────┘
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Activity place

- Cultural facilities
- Entertainment facilities
- Events and festivities
- Exhibitions, craftworks

Leisure setting

Physical setting
- Historical pattern
- Monuments
- Art objects
- Parks, green spaces
- Waterfronts, canals, harbor

Social/cultural characteristics
- Liveliness of the place
- Language, local customs, folklore
- Way of life

Secondary elements

Catering facilities
Shopping facilities
Markets

Conditional elements

Accessibility, parking facilities
Touristic infrastructure (information bureau, signposts, guides)

Figure 2.1 Urban tourism and leisure settings
Source: Jansen-Verbeke (1986)

Jansen-Verbeke (1986) saw urban tourism as consisting of three main elements or levels of facilities: primary elements covering major tourist attractions, which in turn are supported by retail and catering facilities (secondary elements), and a general tourism infrastructure (conditional elements) (Figure 2.1). The "primary elements" are divided into two fundamental aspects. There are the "activity places", or facilities and events that

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are the main attractions, and the "leisure settings" that are aspects of the environment in which these facilities are embedded and which also may be attractive in their own right. The latter covers both physical as well as socio-cultural attributes of the city. Both are important because visitors spend only part of their time in specific facilities and they also wish to enjoy the ambience of the city. Ideally, there should be concentrations of facilities together with attractive environmental features (Wall 2005).

These various studies lead to the conclusion that tourism facilities and supporting elements have distinctive and diverse spatial distributions within urban areas. All of the above elements are important and each of them could be analyzed in detail. Moreover, when taken together, they are fundamental components that contribute to the character of urban environments. They can be considered as a series of nodes, areas and the routes that link them. Such tourist nodes and pathways can be defined by the location of major tourist attractions and functional districts, enabling the tourist city to be geographically identified (Wall 2005).

2.1.2.4 Themes of Urban Tourism

With the growing interest in urban tourism in the past decade or so, it is possible to identify a number of themes that are receiving increasing attention both as areas of academic research and as practical issues.

➢ *Urban Regeneration*

Since at least the 1970s both the world cities and the older industrial cities have found themselves to be in a more competitive environment. Globalization has led to the decline of many activities and establishments. Consequently areas have become derelict on the edge of the city centre and in the inner city that used to be prosperous. Cities have had to

attract new and growing activities to provide jobs and assist in the physical regeneration of inner city zones. Tourism has been seen to be such an activity that is likely to grow with increasing affluence, leisure time and easier mobility (Law 2002). Many cities have made use of existing visitor attractions, historic buildings, sports and cultural events to attract visitors and generate growth. Many of the world's port cities have redeveloped their waterfronts to give the public greater access to the shoreline, by creating mixed residential, business, shopping and recreation facilities that are attractive to both residents and tourists (Wall 2005). In such situations, tourism was never perceived as being a panacea for all urban problems but was widely perceived as being a possible part of the solution.

➤ *Image Building*

The above types of redevelopment are often part of an attempt to create a new place and a new image for the city. The development of facilities and services, together with the accompanying promotion of a strong, distinctive image, is thus interpreted as one dimension of inter-city competition and the growth in place marketing in general (Pearce, 2001). The idea that tourism is of great potential importance and should be encouraged in cities has been accepted for several decades in the United States by most major cities and their managers. During the 1980s, there was a large stream of British visitors to places like Baltimore and Boston to learn about this experience (Falk, 1987). Thus, American patterns diffused to Britain and the rest of Europe with much copying of attractions, buildings and even place names. The trend is now receiving increasing attention in Asia.

➤ *Culture and Heritage*

Site-specific considerations have made many urban areas turn increasingly to culture and heritage as a means of raising their competitive profile (Chang et al. 1996). Heritage conservation creates and presents images of urban culture and sophistication that act as vital lures to contemporary travelers. According to Robins, "even [in] the most disadvantaged places, heritage or the simulacrum of heritage, can be mobilized to gain competitive advantage in the race between places" (1991, p. 38). Given different local resources and other influencing factors, cities make use of tourism strategies in very different ways. Those with the inheritance of fine buildings, prominent history and diverse population characteristics might adopt different strategies, with different outcomes, from those with an unfavorable industrial image or a history of social disorder (Law 2002). Still, a cultural or heritage synergy in tourism often implies a win/win strategy. For tourism, it creates more reasons to visit, increases visitors' spending, and might be a solution to the challenge of seasonality in tourism. Through cultural tourism, there may well be a larger audience and increased revenues, a heightened profile and costs shared with more partners. Ideally, more wealth might even be brought to the development of both tourism and the community.

➢ *Special/Mega Events and Hallmark Buildings*

While exploring the role of mega events in shaping distinctive forms of contemporary urban tourism, Weiler and Hall (1992, p.1) argued that "Hallmark events are the image builders of modern tourism". Their significance results not only from the visitors who attend the event itself but also the impact they have on host communities (Roche 1992, 1994; Hall 1995, 1998). More and more cities create festivals and special events as economic activities and means to attract positive attention and thus contribute to image

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formation. However, not all cities are like Barcelona and Bilbao that appear to have been able to create a new image either because of a mega event or an iconic building. Montreal's experience is a case in point – the staggering debt from the Olympics alone has compromised city finances for over a quarter of a century (Levine 2003). In most cities, regional markets continue to be the base for the expansion of leisure facilities with international visitors still being poorly represented as a proportion of users (Law 2000).

The above is a brief and incomplete list of themes that is illustrative of current issues in urban tourism. Furthermore, these topics are not discrete but are closely intertwined. For example, the hosting of mega-events can be viewed from the perspective of the "entrepreneurial city" with its emphasis on the role of the enterprise, governance (a shift from the management of public services to the promotion of economic competitiveness), linked with image-making (Cochrane et al. 1996; Short and Kim 1999). In addition, notions of image and place are linked with the ways in which cities are being transformed into products in order to both exploit and enhance "cultural capital" (Waitt 1999).

It is rarely self-evident that a location must be visited; thus, some significance must be assigned to it that invests it with importance. Place marketing has been seen as a welcome planning instrument by city managers attempting to come to terms with the impacts and opportunities of the increasing consumer demands being made upon cities (Ashworth and Tunbridge 2004). Image advertising has been adopted by cities to attract travelers' attention in a variety of ways, such as promotion in magazines or in front of your seat on a plane, in a train or anywhere else that is convenient (Fainstein and Judd, 1999). Each city tries to project itself as a uniquely wonderful place to visit, where an unceasing flow of events constantly unfolds. With tourists' changing tastes and desires,

the constant transformation of the urban landscape to accommodate tourists has become a seemingly permanent feature of the political economy of cities. Local marketers realize that they must do more than merely shape the images that tourism entrepreneurs sell. They must also adapt the 'product' so that it is more desirable to the 'market' (Holcomb 1993). Some cities possess qualities that make them easy to sell, while others must undergo both a change of image and a facelift if they are to be competitive. This is the case in Dalian, China, the subject of this thesis. The globalization of mass tourism leads to an odd paradox: whereas the appeal of tourism is the opportunity to see something different, cities that are remade to attract tourists seem to be more and more alike (Fainstein and Judd, 1999). Nevertheless, the variations in the impacts of tourism and their multiple meanings, depending on the type of tourist and the context, call for an examination of individual cases.

2.1.2.5 Stakeholders of Urban Tourism

In conceptualizing the different ways one might view urban tourism, Ashworth (1992a) identified four approaches: "facility approaches" concerned with locational analyses of tourism facilities; "ecological approaches" focusing on urban morphological models; "user approaches" examining the profile, impacts and perceptions of visitors; and "policy approaches" looking at urban management policies and marketing efforts. Seen from a different perspective, they imply that a wide variety of different stakeholders is involved in urban tourism.

Users (communities and visitors)

Whichever approach is used for the study of urban tourism, it is likely to incorporate the users of the facilities and their impacts on the physical, social and economic

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environments that have evolved with the development of urban tourism, or vice versa. While mentioning the users, it is also important to acknowledge the importance of the communities in which the facilities are located, for local residents are often also users of the facilities that are used by tourists.

Community comes from the word communion, to share a common task together. In the sharing of tasks, people can accomplish bigger things than they are capable of alone. When this occurs, there is something to celebrate (Roddick, 2000, p. 55). However, the term 'community' is 'delightful in its simplicity, complex in its meaning, and difficult to define' (Barkham 1973, p. 218). Joppe (1996, p. 475) claimed that community is a self-defining term 'based on a sense of shared purpose and common goals'. Community can grow from mutual interests, such as caring for the environment. It can also reflect geographic features and spatial relationships, such as natural boundaries that may define a region. However, a review of definitions and uses indicates that community has three general dimensions: social functions, spatial area and external recognition (Murphy and Murphy 2004). So far as this research is concerned, it refers to those having access to and being impacted by the facilities in question, with a primary focus on the local residents, although they may have little direct involvement in the decision-making process in Chinese urban affairs. What is more, the unique characteristics of urban tourism discussed above make the understanding of the involvement of both the local residents and visitors vital, and it may be difficult in many cases to distinguish each from the other concerning the use of the multi-functional facilities in a city.

Makers and facilitators of policies/plans/infrastructure (governments, institutions and agencies)

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In tourism studies, the choice of themes of interest and the methods of approach have more often been determined by practical rather than theoretical considerations. The development of tourism as an academic discipline can be described as "policy-led" in the sense that theory, the search for generalizations, conceptualizations and explanations, have usually followed a research agenda that has been defined by immediate policy needs (Ashworth 1989). This has been especially the case at the urban scale where tourism was recognized as being both an important threat and opportunity to be managed, planned or exploited by practitioners in the public or private sectors long before it was recognized as an important focus of academic study. Thus, any review of urban tourism should acknowledge the role of a wide range of statutory bodies, variously designated in different countries, who have undertaken tourism research as part of their pursuit of particular policy aims in particular cities.

Higher levels of government may be involved through urban tourism management programmes and enactment of management acts, such as those for waterfront revitalization (Yarnell 1999; Goodwin 1999). During the planning and design process, the role of government is critical for success (Craig-Smith 1995), which includes establishing the preconditions necessary to attract private investment. Public investment to replace or upgrade infrastructure to serve the city and to develop public spaces will re-establish investors' confidence in such high-risk areas as waterfront/coastal zones and derelict industrial areas (see the case of Dalian in this thesis). Government, through its planning and adoption of regulations and inducements, can establish a development theme for urban tourism, and set the scale, quality and sequence of projects, ensuring that

a long-range perspective prevails over the course of sequential and independent development decisions.

Private sector (investors and practitioners)

Although governments are expected to continue to play important leadership, policy-setting and regulatory roles, it is clear from numerous examples that more and more important initiatives are coming from non-governmental organizations. Moreover, partnerships between the public and private sectors, and between private and non-governmental sectors have significant potential to clarify issues, to establish common ground and to motivate constructive action (Patton & Witzling 1989).

The requirement for capital to implement initiatives within the urban tourism themes mentioned in section 2.1.2.4 raises the question of access to and availability of finance. Indeed, the more extensive the scale of the development, the greater the dependence on private investment is likely to be. However, somewhat paradoxically, the need for public input is also likely to increase commensurately. The ratio of public to private financing is likely to vary with the phase of development, the former being likely to be most significant initially and the latter becoming more forthcoming once basic infrastructure is in place. A number of new financing vehicles have been based on the central premise that the most effective use of public money in urban regeneration is to use it to stimulate access to greater investment from the private sector (Adair et al. 1999).

In short, the development of urban tourism involves many stakeholders and needs the combined efforts from a diversity of interest groups, especially if a city endeavors to shape a consensus concerning the image to be promoted in the fast-changing globalization circuits.

2.1.3 Defining Urban Tourism

In discussing whether urban tourism is a distinctive phenomenon, Ashworth (1992) emphasized two interrelated sets of factors: the setting and the activities that occur there. Blank (1994), Pearce (1995) and others stressed that urban areas are distinctive and complex places. Four commonly accepted qualities of cities are: high physical densities of structures, people, and functions; social and cultural heterogeneity; an economic multi-functionalism; and a physical centrality within regional and interurban networks. Urban tourism is uniquely characterized by its setting in the city and inevitably embodies the complexity of the above qualities, giving it characteristics which distinguish it from other, particularly resort-based, forms of tourism in coastal or alpine environments (Pearce 2001). Urban tourism refers not merely to tourist activities that occur in cities, for many activities, with few modifications, could equally occur in other spatial settings. However, the combination of multiple activities and a complex setting is specific to urban tourism. Thus, urban tourism is both a particular sort of tourism as well as a part of urban life. If this is so, then a productive line of enquiry would acknowledge that different sorts of cities nurture different sorts of tourism.

To sum up the above discussion, the key elements in defining urban tourism in a way that can facilitate holistic understanding could be as follows:

➢ In cities, tourism is but one function among many with visitors sharing and/or competing with residents and other users for many services, spaces, and amenities.

➢ A city may have multiple and overlapping tourism roles: as a gateway, staging post, destination, and tourist source (Pearce 1981).

> It is a service encounter and experience which has a high degree of customer involvement, simultaneous supply and demand components, inconsistent demand, and which varies seasonally (but usually not as much as in coastal or mountain resorts), and involves the consumption of an intangible product (Page 1995).

2.2 State of Knowledge

2.2.1 Worldwide

Forty years ago, on the basis of research conducted in Europe, Christaller (1964) asserted that tourism would avoid urban areas and that tourists would leave urban centres to recreate in the periphery. This is only a partial truth. The limited attention given to urban tourism before the late 1980s seemed to support Christaller's observation, though most tourists originate from cities and, arguably, the majority chooses urban areas as travel destinations (Ashworth, 1989; Law, 1993). Even the enormous quantity of literature produced by the related disciplines of urban geography, urban planning and urban development neglected the tourism function of cities.

The situation changed slowly (Judd and Collins, 1979; Buckley and Witt, 1985, 1989; Vetter, 1985). The past decade has seen increased attention being devoted throughout the world to urban tourism by both tourism researchers and urban studies specialists, from Europe (Cazes and Potier 1996, 1998 in Pearce 2001; van den Berg et al. 1995) to North America (Judd and Fainstein 1999; O'Neill 1998), and from Africa (Marks 1996) to Asia (Teo and Huang 1995; Chang and Yeoh 1999). Recent urban tourism research has improved understanding of marketing the city (Ashworth & Voogd 1990; Kotler et al. 1993), urban tourism management (van den Berg et al. 1995), urban tourism policy and

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planning (Law 1993; Tyler et al. 1998; Pearce 1998), impacts of tourism in cities (Parlett et al. 1995) and quality matters (Murphy 1997).

Globalization has both given rise to and reflected changing trends in travel, resulting in the emergence of "new tourism" (Poon 1989, 1990; Mowforth and Munt 1998) and "post-tourists" (Urry 1990, 1995). The important tenet here is the focus on touristic "differentiation" and increasing segmentation of the tourism market, with more emphasis being given to visitor fulfillment and self-enlightenment (Chang and Huang 2004). Urry's (1990, 1995) notion of the "tourist gaze" implies the importance of local places because touristic consumption (effective demand) is interpreted not only in the form of actual purchases (of hotel rooms, souvenir goods, and the like), but also in the form of visual consumption, which is influenced by media, marketers and other mediators. The re-emergence of the city as a tourist destination, including superficially "unattractive" and "problematic" sites, is thus to some extent explained as part of a fundamental change in consumer demand at a global level (Buckley and Witt 1985, 1989; Cameron 1991). Other authors, without explicitly addressing the global-local nexus, extend the theme of changing global demands and local urban effects that have tremendous implications for cities. Page (1995) detailed the gentrification of urban quarters as cultural and arts districts in places like Manchester and Glasgow. Ashworth and Tunbridge's (1990) work on the "tourist historic city" also highlights "new" urban forms emerging from, among other things, growing consumer interest in heritage, arts, museum visits, nostalgia and changing lifestyle. Whereas in the past the historic city and the tourist district may have been separate, increasingly the overlapping of space and urban functions reflects changing motivations and mindsets of consumers. As Ashworth and Tunbridge (1990)

maintained, the contemporary tourist is "multi-motivated" and tourist cities are becoming, in turn "multi-functional" and "multi-dimensional", and, by extension, "multi-sold". These observations apply to both the cities as a whole and to many of the facilities that exist within them. Thus, for example, a museum may preserve artifacts, have an educational role, entertain visitors, host special events, and sell replicas, thus offering different experiences and attracting different visitors with different motivations at different (or even the same) time.

While the sheer volume of studies now appearing contributes to the identification of urban tourism as a distinctive field, the term is often used without question or justification (Pearce 2001), although some have sought to clarify the meaning of this concept (Ashworth 1992). Chang et al. (2004) criticized the increase in urban tourism research, particularly since the late 1980s, suggesting the lack of a distinctive structure or conceptual focus in what some have regarded as the "emerging field" of urban tourism. Yet the growth of both academic and practical interest in urban tourism is tied to two real-world phenomena: escalating demands by tourists to experience urban historic sights and heritage cities, and the concerted efforts of policy-makers to focus on the role of tourism in revitalizing urban areas and economies (Pearce 2001).

Beyond questioning the existence and definition of a specifically "urban tourism" and what it encompasses (cf. Ashworth 1992; Page 1995), recent work has highlighted the lack of a concerted effort to pursue common goals and the development of comparative studies (Pearce 2001). Thus, urban tourism materials are not well-grounded within theories of development, location, and spatial transformation (Hughes 1997). Hence,

while many conceptual and thematic clusters exist within the literature, they are usually researched and discussed in isolation from one another.

It is important for more work in urban tourism to go beyond simply examining the critical role that wider global forces have in the development of local urban forms, but also to question explicitly how local urban landscapes and processes help to shape global tourist trends (Chang and Huang 2004). This would not only acknowledge the important role that local urban resources play in mediating the involvement and expressions of the growing global tourism industries, but also add to a better understanding of global-local interactions and their impacts at various geographical scales.

2.2.2 Site Specificity

The literature that does exist on urban tourism exhibits yet another imbalance, namely a bias towards developed countries. Most studies on tourism in developing countries converge on resort settings, remote attractions such as hill tribes, or so-called 'ecotourism sites'. Exceptions are Ashworth's (1989) typology of urban hotel locations, De Bres' (1994) model of urban tourism, Oppermann's (1993) attention to capital cities and large urban areas as the major tourist destinations, Ritter's (1986) discussion of hotel location in big cities, Weaver's (1993) model of urban tourism in the Caribbean, and Suh and Carter's (2004) studies of visitor perceptions in Seoul. However, the existence of such works does not undermine the observation that most urban research has been undertaken in developed countries. Analyses of the applicability of western theories and of the process of urban tourism planning and decision making in a city or cities of developing countries are almost non-existent. China, though with its own specific characteristics, is not an exception to this observation.

In spite of unifying themes linking culture, heritage, pilgrimage and travel throughout China's long history (Sofield and Li 1998), the complexities of tourism development in contemporary China have evolved in successive eras. Without having been nurtured in the Chinese cultural milieu, it is difficult for foreign visitors to enter Chinese places with the same experiential understanding. The now widely accepted western form of tourism development could only make sense with the initiation of China's open door policy in 1978. However, since then it has almost automatically encompassed and pursued heritage in all its manifestations, from built heritage to cultural festivals to traditional lifestyles. Nevertheless, a distinctive history and culture have given China its own particular tourism forms. Internal rather than external forces have been predominant in this process (Sofield and Li 1998). Gateways and coastal areas, where the most vibrant cities are located, present obvious strength over hinterland areas in attracting attention from both tourists and investors (Tisdell 2000). Partly as a modified application of core-periphery theory, Hohl and Tisdell (1995) suggested that central tourism regions have more options about what segment of the tourism market to cater for, than the periphery which has to develop the few segments that are attracted by their limited resources

Corresponding to the gradual realization of the economic potential of tourism and its subsequent rapid development as a growth industry in China, most research has focused on the accompanying issues, such as the lack and then oversupply of hotels (Tisdell and Wen 1991b), difficulties in hotel management (Yu and Huat 1995), unmatched human resources (Bai and Pine 1996; Zhang and Wu 2004), service qualities (Li and Feng, 1997), regional economic disparity (Khan et al. 1993; West and Wong 1995) or inequality (Barnard and Shenkar 1990; Fleisher and Chen 1997; Lee 1995), rapid economic growth

and tourism development potential (Wise 1993). Recent studies have had a stronger emphasis on theories and practices, including, for example, planning theories (Wu 2001), tourist behaviour (Xiao and Huang 2000; Lam and Hsu 2004), market analysis (Gu et al. 2005), and tourism development in general (Lew et al. 2003). Nevertheless, there is little specifically on urban tourism. The only exception having much to do with urban tourism that the author has detected is a recent study of urbanscape as an attraction (Wang 2005).

2.3 Framing the Theme

2.3.1 Between the global and the local

In summarizing the implication of globalization, Teo and Li (2003), drawing substantially upon the work of Harvey (1989) and Ohmae (1990), argue that it is a powerful force that reduces the friction of distance and also increases the mobility of capital, people, ideas and information on a global scale. This section is based substantially on their work. To make the theme more explicit, they suggest that globalization involves three basic aspects. First, technological developments result in time-space compression, which leads to exposure to a borderless global economy in which tourism is one of the most significant ways of homogenizing the world. Secondly, corresponding to people's desire to find the "other" in their travels, globalization should not be seen as overbearing and all-encompassing but is always mediated by local factors, producing unique outcomes in different locations. Finally, and following from the second point, global and local forces are intertwined and react to each other in accordance with both global and local political and economic circumstances.

According to Bauman (1997, p. 93), tourists may be a "metaphor of contemporary life". To study tourism is to study modernity, both because, as Urry (1997, pp. 2-3) notes, "acting as a tourist is one of the defining characteristics of being 'modern'" and because tourism is directly responsible for exporting the patterns of development associated with modernity worldwide. Tourism, then, can be characterized as a force of change and example of patterns of globalization.

Under such a conceptualization, it can be argued that globalization suggests the possibility of not only an expanded consciousness of the world, but a transformation of the way people think about the world and being part of it. Accordingly, local and national cultures that had previously constituted the major source of identity may be eroded by the influence of an increasingly global culture. Tourism is a suitable window through which to understand the adaptations that this requires, including the changing roles of traditional territorial boundaries and the integration of global and local social, political and economic functions.

2.3.2 Cities in globalization

In the past century, many nations played critical roles in providing the dominant organizational forms for cross-border flows. However, starting from the 1980s, the situation changed due to such elements as privatization, deregulation, the opening up of national economies to foreign firms, and the growing participation of national economic actors in global markets (Sassen 2002). More and more cities now make an increasingly important contribution to the direct linkages between their national economies and global circuits of exchange. As cross-border transactions of all kinds grow, so do the networks binding particular groups of cities (Yeung 2000; Warf and Erickwson 1996 in Sassen

2002). This gives rise to the formation of new geographies of centrality in which cities are the key nodes. In locating cities on global circuits, Sassen (2002) views cities as containing the resources that enable firms and markets to have global operations. Cities focus the mobility of capital which needs to be managed, serviced, and coordinated. The new economy is driven by flows of information and knowledge that can be located anywhere but are concentrated in geographically dispersed metropolitan areas (Borja and Castells 1997). However, states have played and often continue to play a crucial role in producing regulatory environments that facilitate the implementation of cross-border operations for national as well as foreign firms, investors, and markets (Sassen 2003). These circumstances give rise to an enormous research agenda in that every particular national or urban economy has its specific and inherited modes of absorbing and responding to change and linking up with evolving global circuits. Cities have typically been the focal points of the economies of their immediate region, often reflecting the characteristics of the latter, and they still have these attributes. But as Borja and Castells (1997) observed, for contemporary cities, links with other global cities have become more important than links to their immediate surroundings. In addition, the growing demand for services by firms in all industries makes cities the preferred production sites for the services, whether at the global, national, or regional level. Hence, the increase in service intensity in all industries has had a significant growth effect on cities. This trend began in the 1980s in the North Atlantic and in the 1990s in Latin America and Asia. As a result, in cities, a new urban economic core of financial and service activities has appeared to replace the older, typically manufacturing-oriented core. Some cities cater to regional or sub-national markets; others cater to national markets, and yet others cater to

global markets. Seen analytically, globalization changes the scale and adds complexity to the patterns of urban growth (Sassen 2002).

Britton (1991) argued powerfully that tourism is a sophisticated production system that markets and packages places and, therefore, is implicated in many of the economic, political, and cultural issues of current concern to geographers. Among the ongoing debated issues is the changing role of cities as places of consumption as well as production. In the postmodern metropolis, hierarchies of taste, or niche markets, are increasingly replacing the mass consumption of goods, and places themselves are being designed for consumption, particularly through the use of visual images and scripted themes which has occurred in conjunction with massive global restructuring (Paradis 2004). Thus, in spite of such strategies as identifying a "unique selling point" or "city branding", much of the supply of tourism facilities is, for various reasons of economy of production and customer preference, broadly homogeneous. Simultaneously, the city itself is not just a passive spatial arena where these events take place. Rather, it is inhabited, used and owned by local people. As such, the places need to be "sold" in the first instance to their existing inhabitants and users. Local pride or "civic consciousness" is seen as not only being desirable in itself, but also as a precondition for successful external marketing (Ashworth and Tunbridge 2004). Yet, understanding of the commodification processes that shape urban tourism remains primitive (Debbage and Ioannides 2004).

The urban destination is constructed through the actions of multiple actors or stakeholders (Crang 2004) though they do not all have equal power and the process is not always harmonious. Thus, tourism is part of a reflexive process where all the actors learn

from their experiences (good, bad, and indifferent). Thus, the industry adapts and develops, tourists respond with changing tastes and preferences, and locals rework their identities and strategies in changing conditions. Tourism, then, is not simply about "consuming" places but it is also a dynamic force creating them. An important aspect of tourism management is the ability to juggle competing demands (such as global versus local needs and interests) and come up with policies that will reconcile different perspectives to create both a "saleable tourism product" and an "environment for living and working" (Burtenshaw et al. 1991; Murphy 1997).

Cities try a variety of means to enhance their attractiveness and, thereby, to attract mobile capital. According to Mullins (1991), the characteristics of such postmodern tourist cities include the predominance of a service economy, a rise in consumption and a consumer class, intensification of inter-city competition based on image, and local authorities taking on a boosterist or entrepreneurial role. The literature is rich with empirical cases exemplifying urban tourism's homogenizing force (Chang and Huang 2004), such as "theme cities" in America (Sorkin 1992; Gottdiener 1997; Paradis 2004), festive urban waterfronts (Goss 1996), and public entertainment space (Cybriwsky 1999). The city is thus a meeting ground for the interaction of global processes and local forces, with a variety of urban outcomes – ranging from the loss of local distinctiveness and identity as places become alike (Judd and Fainstain 1999), to a (re)assertion of local differences (Chang et al. 1996).

In recognizing that the meanings and identities of places are often the negotiated results of the local with larger-scale forces (and vice versa), research in urban tourism can show that, despite the apparently all-encompassing forces of globalization, geographical

difference is expressed and also matters (Chang and Huang 2004), at all levels from the city to the national and the global, and everywhere in between. Such a perspective undermines the potency of investigating tourist cities through neo-colonial lenses (or Eurocentric frameworks of analysis) and undermines the widespread but often unstated assumption that Western policies and practices are best for the development of the city as a tourist site (cf. Chang et al. 1996).

2.3.3 Policy and Planning

In tourism, global/local dynamics have been researched from different perspectives (Kearns and Philo 1993; Robins 1991). When outside forces are regarded as impacting on society from the top down, interacting with internal forces emanating from the bottom up, tourism development is often viewed as a manifestation of the "global-local nexus", creating distinct urban forms (Chang, Milne, Fallon and Pohlmann 1996; Robins 1991). Both the state and local people play a crucial role in mediating the outcomes of global tourism, with the former being forceful in planning and marketing tourism in most cities and the latter reacting in various ways to the tourists and the decisions made by the former (Chang 1999; Oakes 1998; Wood 1993). This results in both a duplication of similar urban forms worldwide, such as waterfront zones and festival marketplaces, but local uniqueness is not necessarily sacrificed in the process or outcomes (Chang and Teo 2001; Teo and Yeoh 2001).

The massive growth of tourism, the involvement of governments, and the perceived negative impacts of tourism in developing countries helped to bring about an increase of activity in tourism policy analysis especially in the late 1980s and early 1990s, with the works of Matthews (1975, 1978, 1983; Matthews and Richter 1991) and Richter (1980,

1983, 1984, 1989) providing a seminal contribution to scholarship. Given the complexities of both globalization and tourism and their reach across multiple sectors, both policy makers and city planners needed to consider the implications of their decisions for tourism. Accordingly, while some state institutions may have major responsibilities for national or regional tourism promotion (Pearce 1992), many other agencies may be implicated even if they are not tourism-specific institutions (Hall 2000). In other words, there is need for a broadly-based approach to understanding the regulatory framework for tourism. Analyses of tourism decision-making in federal systems have tended to concentrate on multi-level analysis of tourism policy (Richter 1989; Jenkins 1997). However, tourism policy is increasingly becoming embedded in broader government strategies with respect to trade and promotion at both national and regional levels. The significant role of sub-national tourism authorities as actors in international relations is only just beginning to be recognized (Hall 2000).

Policy-making is a political activity, influenced by (and constitutive of) the economic and social characteristics of society, involving the formal structures of government and other features of the political system (Hall and Jenkins 2004). The nature of the policy-making process in any nation-state varies over space and time, and varies among policy sectors or policy communities. Policy is therefore an outcome of the political environment, values and ideologies, the distribution of power, institutional frameworks, and of the decision-making process (Simeon 1976). It is deemed a public policy not by virtue of its impact on the public, but by virtue of its source (Pal 1992). Therefore, the policy-making process is an interactive process without beginning or end (Lindblom, 1980). Policy implementation is the extension of policy formulation. There is no

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universally-accepted definition for policy or tourism policy. In this study, following the suggestion of Hall and Jenkins (1995), tourism policy is defined as whatever government chooses to do or not to do with respect to tourism

Planning can be seen as the process of deciding (Veal 1992). However, the tourism planning process should go beyond this. It should aim to provide a resource for democratic and informed decision making. According to Hall (1982), this is all planning can legitimately do and, therefore, planning is only one part of an overall 'planning – decision – action' process involving various activities that are difficult to isolate, involving such things as bargaining and negotiation, compromise, coercion, interests, values, choice, and, of course, politics (Hall and Jenkins 1995).

According to Sassen (2002), many of the so-called effects of globalization are actually the outcome of government policies in each of the countries and cities involved. If the field of urban tourism is to progress, it must begin to inquire into the nature of the changes in urban economies and governance that impinge upon tourism (Tyler 1998). Page (1995, p. 3) considered it to be 'apparent that major gaps exist in our understanding of the processes contributing to tourism… and the way it functions in different environments, particularly urban areas'. Different cities take different policy and planning measures. Case studies chosen by Tyler et al. (1998) demonstrate that planning is more than a technical process and that, although urban areas may show a certain amount of repetition of product types (heritage and cultural attractions, conference and convention centres, festival shopping and events), the planning processes undertaken to establish these or other products are shaped by the social and political conditions of the particular city or sub-city area rather than the nature of the product.

2.3.4 The development of MICE tourism

The above discussion leads to the conclusion that tourism has become an important strategy to activate urban development potentials under different planning and policy orientations. However, the benefits of tourism have been tapped through its connections with a variety of urban themes. In addition to the increase of attractions by highlighting culture, heritage, hallmark events and festivals, and the use of tourism in urban regeneration and image building, MICE tourism has become an increasingly popular tourism and development tactic.

Since the early 1970s, there has been great expansion of the convention business, as suggested by many indicators, and the *International Journal of Hospitality Management* even devoted an entire issue to the subject (Fenich 1992). The number of convention centres has experienced growth. New York City Council woman Ruth Messinger suggested that it is exactly like the international arms race and the problem is that most popular centres keep being replaced by new and bigger centres (Messinger quoted in Huntley 1986, p. 45). Cities of all sizes are jumping on the convention centre bandwagon and hoping to reap the rewards. Once associated primarily with major cities, visions of economic renewal combined with civic pride have brought convention facilities to cities of different sizes and functional mixes. While there is widespread agreement among experts regarding the positive versus negative aspects of convention centres, there is consensus on little else (Table 2.1).

Table 2.1 Pros and cons of convention centre development

Pro	Con
High levels of delegate spending	High development costs
Increased employment	High carrying costs
Enhanced urban image	High operations costs

New facilities for use by city residents	Losses on operations
Redevelopment of blighted areas	Infrastructure costs
Secondary economic activity	Opportunity costs
Spin-off development in centre's locale	Loss of property taxes
Improved fiscal health for municipality	Continuing costs for police, firemen, etc.
	High debt service

Source: After Fenich 1992.

In spite of the diversity of opinions regarding detailed aspects of MICE tourism, the conventions and meetings industry is rapidly emerging as one of the most important sectors not only within business travel but also in the whole tourism industry (Oppermann 1998), especially when conferences and exhibitions are increasingly linked together and considered as one industry (Law 2002). According to a recently released Brookings Institute report by Heywood Sanders, public capital spending on conference centres doubled in a decade. Annual investments in these facilities grew from $1.2 billion in 1993 to an average of $2.4 billion annually from 2001 to 2003 (Nelson 2004). While it is expressed in the acronym of either MICE in Europe – meetings, incentives, conferences and exhibitions – or sometimes CEMI in the United States – conventions, expositions and meetings industry, conference centres are crucial to the attraction of the larger conventions and exhibitions, and their high-spending delegates to a destination. Participants may have distant as well as local origins. It is usually assumed by city authorities that any losses incurred by the convention centre will be more than made up through the spending of the attendees on accommodation, transportation, food and entertainment, resulting in incomes to local businesses throughout the city and increased tax revenues (Fenich 1992). Other reasons for the growing interest in MICE tourism are the seasonality and exposure factors. Special events, or hallmark events such as the Olympic Games, may bring a huge influx of visitors in a short period of time, but

conferences and exhibitions may provide a longer period of demand and may be scheduled during shoulder seasons (Oppermann 1998). Furthermore, this form of group business exposes the city to many people who may turn into repeat visitors, or even investors, if they leave with a favourable impression.

However, as Listokin (1985) has pointed out, while the economic prize may be great, so is the competition. Several factors have been seen as being important in the rise of a convention city (Law 2002). An early interest and involvement in the industry gives the city the benefit of initial advantage. A location in a part of the country where there are not too many rivals is another advantage since major conferences tend to rotate around a country. Other advantages include having an attractive physical environment, having a range of visitor attractions, having good evening amenities and having good accessibility, particularly via an airport. Not all of these may be necessary, but being strong in at least some of these is important. Of course, image and quality management are necessary if a centre is to be sold successfully and its MICE tourism is to thrive (Peterson 1989). The preconditions are not ubiquitous. Yet, most cities and other destination types want more convention business even though they may not necessarily be well endowed with the competitive attributes. Convention centres continue to be built although it is a well recognized fact that many, if not the majority, are operating at a loss (Wiesendanger 1995). What role, if any, does globalization have in precipitating such circumstances?

It has been argued above that a growing number of cities are playing an increasingly important role in directly linking their national economies with global circuits. The production of the identities and the symbolic imagery that this entails has occurred at a time of and in conjunction with a massive global restructuring (Paradis 2004). Thus, in

spite of such strategies as identifying a "unique selling point" or "city branding", much of the supply of tourism facilities is, for various reasons of economy of production and customer preference, broadly homogeneous. Judd and Fainstein (1999, p. 39) discussed the development of 'tourist bubbles', containing the 'mayor's trophy collection', including 'an atrium hotel, festival mall, **convention centre** (emphasis added), restored historic neighbourhood, domed stadium, aquarium, new office towers, and redeveloped waterfront'. Such a version of urban tourism has spread as cities have learned from each other. Although this may threaten to erode the uniqueness of urban destinations and also devalue the urban tourism experience, in in a process similar to that operating in overdeveloped coastal resorts, most cities are endeavoring to have all of the basic elements in order to be recognized as "world cities" linked to the global, national or even regional circuits. A convention centre, whether established as part of urban regeneration, image building, branding awareness or a tourist attraction in itself, is clearly endowed with multiple functions catering to a diverse and changing clientele. Only those cities with a full complement of facilities and a strong image can compete successfully for the largest international events. This explains why cities such as Las Vegas have become among the largest convention destinations, and why places like Barcelona, Bilbao and Sydney have risen rapidly in popularity in recent years. It explains why cities such as Atlanta and Birmingham have learned that they need to broaden their appeal and that convention facilities alone are not enough to be successful in a highly competitive marketplace (Law 2002).

In spite of the diverse themes that exist in studies of urban tourism, in reality they are usually not discrete but are closely intertwined. The development of facilities and

services, together with the accompanying promotion of a strong, distinctive image, and the growth in place marketing in general, have become a crucial dimension of intercity competition (Pearce, 2001).

Tourism, which operates at a variety of scales, is highlighted in this paper as providing a good example of the struggles that emanate from the interaction of global, local and other scales. So far as the situation of China is concerned, MICE tourism development is understood as being tourism activities that are initiated by meetings, exhibitions, museums, culture, sports, and scientific and technological communications. It is characterized by clienteles with high consumption, long stays and large group sizes, resulting in good profits and strong industrial interactions (Ma et al. 2002). The cumulative and radiative effects of conventions and exhibitions are expected to contribute to the development of tourism, enriching its contents and products, diversifying markets, increasing employment, contributing to new economic growth and related industrial development, and improving the communication among personnel of general information as well as scientific technology. However, as will be revealed in the following case study, even in such a city as Dalian, where MICE tourism was initiated comparatively early, these intentions have not been fully met, and the connections and full cooperation among various sectors are still lacking. Under the leadership of the municipal authorities, the City of Dalian was an early adopter of MICE tourism in the Chinese context as the country began to turn to a market economy and become increasingly open to the outside world. Using the Dalian Convention Centre, itself an attraction, as the focus of a case study, this thesis will show how tensions in the power relations originating from the global and the local have played out in a Chinese city. It will highlight the role of the

state in pushing Dalian forward as a global city, as well as the role that tourism has

played in fulfilling this objective.

2.3.5 Players in MICE tourism
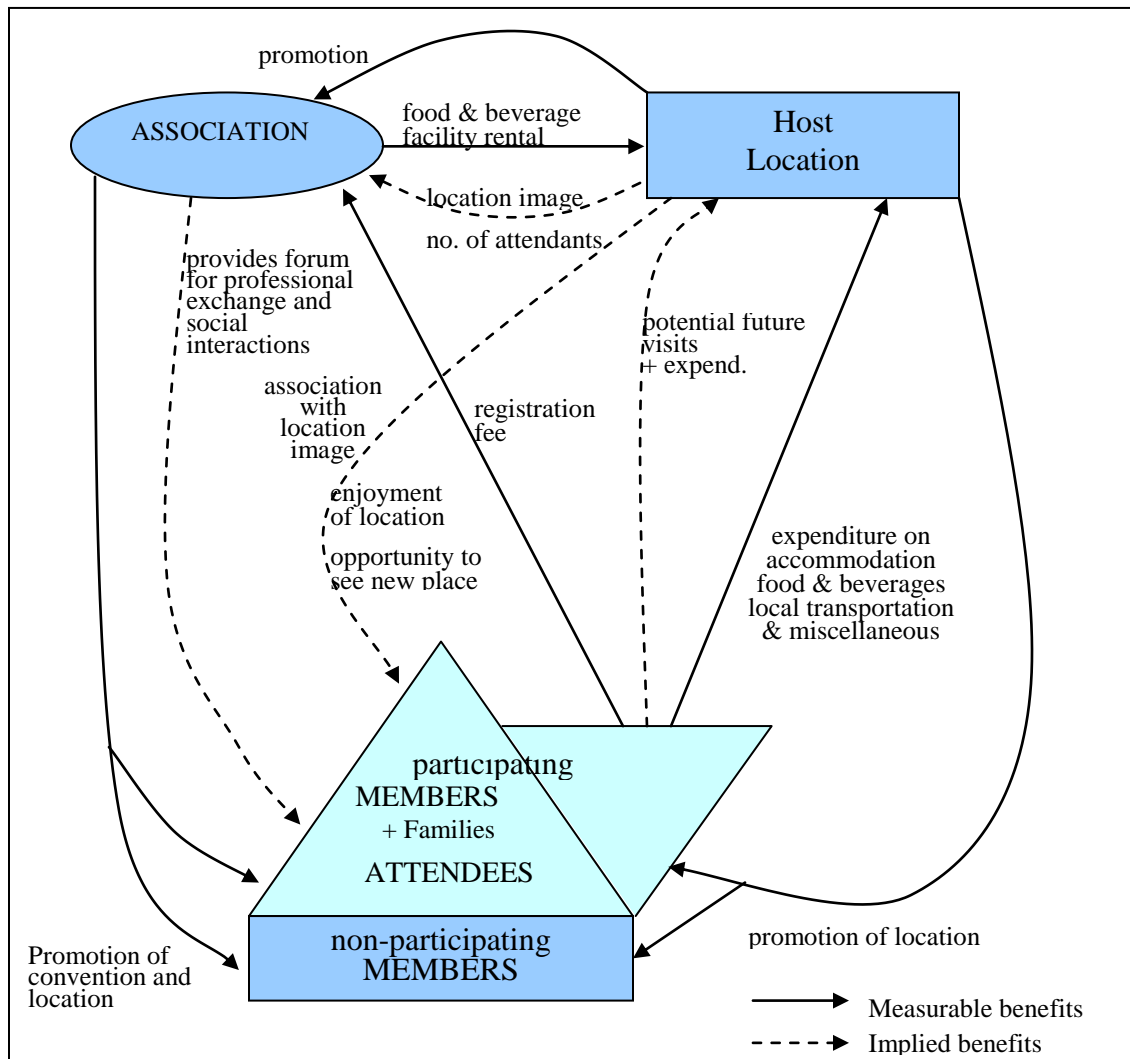
Figure 2.2 Interrelationships among the main players in MICE tourism
Source: After Oppermann and Chon 1997

According to Oppermann and Chon (1997), one can envisage the MICE market as a

system with three main players: the organizing association, the host location, and the

potential attendees (Figure 2.2). As early as the mid-1980s, Var, Cesario and Mauser

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(1985) recognized the existence of these three actors and suggested that a common purpose of both associations and host location is maximization of the number of delegates. These two players are placed side by side in Figure 2.2 and the interrelationships among the three main actors are indicated. Some of these relationships among associations, host locations, and potential attendees are tangible or measurable, while others are intangible or implied and very difficult to measure. They are indicated by solid and dotted lines in the diagram

To be effective, all actors, major and minor, have to work together. Besides the three main players, there are several others, such as MICE facilities (although these could perhaps be seen as part of the host location from the point of view of associations). A study by the American Society of Association Executives (ASAE) revealed, for example, that exhibition facilities were only ranked 8th of 15 (on a par with "climate" but below factors such as "accessibility" and "city image") by delegates and have a minor influence on participants' decision process (Oppermann 1995). However, they are likely to be much more important to the Association as well as to the success of the event.

The players that are mentioned in the model are not the only stakeholders. In spite of the logical links among the actors mentioned above and their coordinated effects, the model (Figure 2.2) has obviously ignored a critical player, the role of government, which is very important in China (as the case of Dalian reveals). In Britain, also, in the 1980s the government made large-scale investments into MICE facilities (Spiller and Ladkin 2000). As Lawson (2000) indicated, the biggest challenge that the MICE industry may encounter in the upcoming 10 years or longer may be the retention of growth and investment. The development of national policies on business tourism and MICE

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industries is likely to be an effective mechanism for them to develop with more assurance and profitability in the future.

2.4 Summary

Early studies of urban geography concluded that a fundamental trait of both town and city in all ages has been that they are institutional centres (commercial, cultural and administrative) for their surrounding territory (Dickinson 1967). Cities, as central places, have historically been centres around which the economies, polities and societies of the surrounding region are organized (Sassen 2002). Centrality (see Sassen 2002 for details) remains a key feature of today's global economy, but there is no longer a straightforward relationship between centrality and such geographic entities as the downtown or the central business district (CBD) (Scott 2001).With the multi-functional characteristics that are desired by multi-motivated visitors, cities have played and will still play important roles in the playing out of global-local relationships. Although the details of the process are likely to vary from place to place, an understanding of how a city and its various stakeholders have negotiated and manipulated these relationships at a variety of scales would certainly be a useful contribution to debate on globalization and the role of such activities as tourism in it.

Under the global-local nexus, some people think the state is not important or increasingly irrelevant (e.g. Mann 1997) and some (e.g. Keil 1998) argue that globalization has changed the nature of the state rather than undermining its role. The precise form that this takes, of course, will depend upon the interplay of political forces that impinge upon it. It follows that it will be useful to move the discussion on planning for urban tourism away from merely describing a tourism planning process as a series of

rational and prescriptive steps (Gunn 1994; Inskeep 1991; Getz 2001) to consider how the political, social and cultural processes of cities affect the way in which real-life decisions are made about the future of tourism. A social-political approach to policy and planning could enhance understanding of the decision-making and implementation processes and reveal how an urban tourism product (whether locally acceptable or not) is actually developed.

Chapter 3 Research Approach and Methods

While Patton's (1997) comparative analysis of qualitative and quantitative methods reveals their relative strengths and weaknesses in terms of evaluation purpose, he attaches more significance to an appropriate use of an ideal-typical qualitative methods strategy (2002), which is composed of three parts: qualitative data, an holistic-inductive design of naturalistic inquiry, and content or case analysis. Given the task of this study (analyses of decision-making processes), the approach of the research (case study) and the research question raised (typically qualitative), it has been decided that the use of qualitative methods, with certain quantitative approaches as supplements, will constitute an appropriate strategy.

In keeping with an holistic approach, the proposed research will also utilize multiple methods – namely case studies, open-ended questions, and structured or semi-structured interviews. Recent research involving qualitative methods "has sought a more sensitive understanding of how people assign meaning to various aspects of life and how decisions follow from this" (Johnston, Gregory, Pratt and Watts 2000: 52). The use of interpretative qualitative approaches, such as open-ended questionnaires and semi-structured interviews, has also been suggested as being valuable methods to gain insight into the complexities of tourism (Dann 1988; Echtner and Ritchie 1991; Jamal and Hollinshead 2001).

3.1 The Case Study Approach

A case study is appropriate for this research because it allows for an in-depth, multifaceted investigation on a single social phenomenon (Feagin et al., 1991, p. 2). It further allows for the employment of detailed, varied, and extensive information,

including that from documents, oral histories, and interviews (Neuman, 2000; Yin, 1984). In contrast to longitudinal research that examines features on many units, case studies examine comprehensively many features of a few cases over time. The researcher uses the logic of analytic induction, considering the context of a case and examining how its parts are configured (Neuman, 2000).

Whereas the case study approach has, on one hand, been criticized for providing little basis for generalization and for researchers' lack of rigour (see Yin, 1984, pp. 21-22), strong arguments have been made on the other hand that the approach ought to be a major methodological tool in social science inquiry (Feagin et al., 1991; Sjoberg, Williams, Vaughan and Sjoberg, 1991). The recognition that all aspects of social life are interconnected, and that often one cannot be adequately understood without consideration of the others, favours the case study approach and its potential to incorporate the use of varied techniques in order to achieve breadth of both content and data acquisition and analytical methods (Berg, 1998). Dalian was one of the first cities in China to practice an open policy and economic reforms. It has experienced the typical process of urban development in China, and witnessed the whole process of the encounter between national orientation in policy and planning under steadily increasing international involvements. Also, many local initiatives have been taken to link the city with global chains and to make Dalian into an international city. Such initiatives have included the development of several high technology industrial parks, the enhancement of environmental quality, and the rapid development and promotion of tourism. In addition, as a resident of this city, it is also a convenient place in which to conduct the investigation.

With in tourism, much capital has been spent to enhance natural attractions, to build human-made attractions and to complement these with infrastructure, such as a wide variety of accommodations. All of these cater to local users and others who visit the city from a distance. Many of them have been developed in line with national government policies but reflect the particular local circumstances. For example, many hotels are under state ownership but a diversity of ownership and management arrangements exist including the involvement of international chains. The proposed research will focus on urban facilities which have a connection to tourism but are not solely tourism service providers. Another example of such facilities is convention centres. These facilities, in providing the locations for meetings and exhibitions, draw upon a diverse clientele, both global and local, from a wide variety of economic sectors. As such, they provide an appropriate focus for this investigation which will examine the roles that are expected of them by different stakeholders as revealed in the decision-making process. Considering that China's urban development over the past five decades has been the direct outcome of national political strategizing, state articulation and reconfiguration, and shifts in global capital accumulation (Lin 2002), analysis at the provincial and national level is inevitable, though the focus of the research will be on the city level.

3.2 Data Collection

A critical analysis of relevant municipal documents was undertaken concurrent with and subsequent to interviewing, which was the main data collection method employed in this study. Key informants from the City of Dalian were interviewed. The information collected from the document analysis and staff interviews was then compared to achieve

a comprehensive and consistent perspective on the decision-making process. The results of the analyses of the collected data are found in Chapter Five.

To begin with, three sets of municipal documents were reviewed and relevant information abstracted: 1) Dalian's official plans, entitled Dalian City Master Plan (each one available, from the earliest for the 1950s to the latest for the 2020s) and the Dalian Tourism Master Plan (such as the latest one finished in 2005); 2) the completed policy documents for urban constructions; and 3) the selective surveys and statistics of the city, upon which the Dalian Master Tourism Plan in 2005 was based. Following assessment of the city level documents, a review of policies and planning regulations at national and provincial levels related to cities in China, especially those with similar geographical, social, economic and cultural conditions to the study site, was undertaken. These were obtained, where possible, in libraries, archives or through official websites (such as www.dalian.gov.cn for Dalian Municipality, www.cjj.dl.gov.cn for Dalian Urban Construction Administration, www.gtzj.dl.gov.cn for Dalian Planning and Land Resources Bureau, www.cnta.gov.cn for Tour China, and www.dl.yahtour.com for Dalian Tourism Bureau). These document reviews were undertaken in search of references to the involvement of stakeholders both in the development of the conference center, and throughout the urban tourism development process. In addition to the documents mentioned above, municipal meeting minutes, media reports, and various other materials related to the decision-making process of the theme in question were consulted in order to enhance the information base.

With regard to interviews, a sequential sample of 22 municipal staff and urban facility developers, especially convention centre development participants, was selected upon the

advice of contacts at the municipal government. Sequential sampling, akin to purposive sampling, uses the judgment of an expert to identify a sample with a specific purpose in mind (Neuman, 2000). In this case, it was desirable to contact informants who were aware of, and who were involved in, the convention centre development. From there, the snowball sampling method was enacted – chiefly among convention centre planning participants – to reach an interconnected network of people (Neuman, 2000). The theoretical sampling strategy (Taylor & Bogdan, 1984) was used as a guide for determining the number of informants, where the importance was not the actual number of interviews conducted, but the potential of interviews to yield results. As such, interviews were sought only until a saturation point in information was reached and no new information was being gained (Lee, 2002).

Sixty-one interviews were conducted in Dalian City Proper between July and September 2006 – thirty-two in person and twenty-nine over the telephone. Among all the interviews, 41 were with convention centre development participants, who had mostly been involved in the development and operation of the convention centre since the very beginning and mostly occupied positions with major responsibilities. In fact, it is largely the same group of people that is responsible for the planning and development of other urban facilities in the city. This can be inferred from Figure 5.4 in the detailed discussion of the situation in Dalian and which describes the decision-making process for the development of an urban facility in Dalian. The length of interviews ranged from 30 to 90 minutes. Interviews were tape recorded with the permission of participants and transcribed for analysis. To confirm or verify some points during data evaluation and the

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thesis writing in October, another 15 interviews were carried out, including interviews with the citizens around Xinghai Bay, where the convention centre is located.

Municipal key informants were comprised of planners (present director, 2 ex-directors and 2 research fellows from Dalian Urban Planning and Research Institute; 2 deputy directors and 1 section head from Dalian Planning Bureau; 2 senior planners from Dalian Construction Bureau), community resource people (5 committee heads and 5 citizens who represent communities around Xinghai Bay), and officials, a number of whom were political appointments as facility managers (1 deputy mayor of Dalian City, director of Xinghai Convention and Exhibition Centre, director of Dalian International Expo Plaza, director of Dalian Tourism Bureau, director of Dalian Municipal Government Office, and 2 section heads from the Municipal Government). A number of other related officials were interviewed, including members of the Provincial and Municipal Bureaus of Tourism, Planning, Construction and Environmental Protection, and Municipal and Township officials. The interviews provided an in-depth understanding of urban facilities from a governmental perspective. In order to understand the decision-making process and the role of government, analyses were undertaken from two perspectives: national and regional. National perspectives were derived primarily from published documents and the internet. The provincial perspective has been omitted because Dalian is a special city in China with almost the same authority as a province. The regional scale refers to the City of Dalian and the region under its jurisdiction.

Dalian Convention Centre development participant interviews (as well as those related to other urban facilities) took place in participants' offices, at City Hall, or in public spaces such as Xinghai Square when certain festivals or events were going on (e.g.

Dalian International Beer and Acacia Festivals). Table 3.1 shows the breakdown of interviews of Dalian City staff, including Dalian Convention Centre development participants (in fact, those involved in the convention centre development are generally the same group as involved in other urban facility developments).

Table 3.1 Interviews in Dalian

Category	Planners	Tourism managers	Community resource people	Officials	Total
City staff	10	21	12	18	61
Convention centre participants	6	15	6	14	41

A semi-structured format was adopted for interviewing, as it could not be assumed that answers to a rigid interview schedule would yield all the information relevant to the study topic (Berg, 1998). (In-depth qualitative interviewing, where repeated face-to-face encounters are required to facilitate elaborate descriptions of experiences (Taylor & Bogdan, 1984) was infeasible due to time constraints.) The semi-structured format that was adopted therefore consisted of selecting standardized, open-ended questions arranged for the purpose of taking each interviewee through the same sequence of topics (Patton, 1982). Interview guides differed slightly among the interviewees according to their positions and backgrounds though all addressed various aspects of urban facility and tourism development processes (see Tables 3.2 and 3.3 for interview guides). Scheduled and unscheduled probes were used to collect more elaborate responses from interviewees. Flexibility and spontaneity were somewhat limited, but the systematic process reduced interviewer judgment and bias. Interviewing via the semi-structured method also facilitated analysis of the gathered information through the ability to locate respondents' answers to the same question, as well as the ability to organize similar questions and answers (Patton, 1982).

As will be discussed in chapter 5, although a diversity of informants was interviewed, the information gained from officials and politicians was largely similar. This might reflect a tendency to provide officially sanctioned responses. On the other hand, it may reflect the fact that the same group of people has been involved in the same decision-making process. In addition, given that government employees, particularly the most senior officials, play a dominant role in the whole process, most other people can not have much influence. The planners expressed some concerns about overdevelopment in the city proper, but essentially agreed with the development process, such as the construction around Xinghai Bay where limits on construction are strict so as to take the long term and overall urban development into consideration. While the community heads presented similar "official" attitudes to the bureaucrats, local citizens seemed to be unclear about the future of their living environment. Respondents generally expressed great civic pride but concerns were widely expressed about higher living costs and congestion associated with the increasing number of visitors. On the other hand, the community representatives were often indifferent to whether or not they were to be involved in the decision-making process regarding their own environment, believe that this is the responsibility of the government or other organizations who should shoulder the commitment.

Because of the high consistency in the responses that were obtained, the interview data were not tabulated in the usual way. These data are presented in chapter 5 along with data gleaned from government reports. The latter are referenced and the former are attributed generally to interview responses because they usually reflect the statements of multiple respondents.

Table 3.2 Interview guide for urban facilities, especially the convention centre participants and tourism managers

A. Policy and Regulation
 	
1. How does an urban facility come into being? What is the official procedure?
 	
B. Process
 	
Taking the convention centre as an example,
 	
2. Who put forward the idea to build it? How did the process go (Who decided it)? Who provided the money?
 	
3. Why was it built?
    ☐ Contribute to the image of a business centre.
    ☐ Contribute to the image of a tourism centre.
    ☐ Contribute to the image of a business and tourism centre.
    ☐ Part of a city revitalization programme.
    ☐ Address seasonality concerns.
    ☐ Others _____ (clarify).
 	
4. What was in the location before?
 	
5. Was EIA assessment required?
 	
6. Who have been the stakeholders? What have their roles been? Have these changed over time? How? (referring to the old one at Zhongshan Square, and the new ones at Xinghai Square)
 	
7. Finally, could you comment on the relations between globalization and urban (tourism) development in Dalian? Do you think the convention centre is a product of the relation?

Table 3.3 General interview guide

A. Policy   1) What is your understanding of municipal (with reference to national and provincial) policies as they relate to urban facility development? Have policies (e.g. City Plan) successfully identified and addressed the needs of local communities? Or have they failed? How? B. Process

1) What was your role in the development of urban facilities, say the convention centre? What was the time span? How did you feel about your role?

2) What methods were used to encourage and maintain participation from neighbourhood residents? Were any strategies used to target particular groups?

3) What roles did neighbourhood groups play in the process of urban facility development? Were there any important local actor/organizations that stood out?

4) Within your knowledge, have there been any differences in the City's approach to dealing with disagreements in the perspectives of stakeholders?

C. Product and Evaluation

1) What has changed in the urban landscape, physically, socially, etc.?

2) In your opinion, how successful has the urban facility development been, both in terms of the product and the process?

3) Do you think tourism is an effective tool for planning the image of the city? What are your criteria for success? How do you measure success? What suggestions do you have?

D. Other

1) What are the relationships between the various planning divisions/departments (city plans, tourism planning, central area)? What about other city departments? How closely do these departments work? What kind of communication takes place?

2) Is there anything else you want to tell me?

3.3 Justification of the Study Site

3.3.1 Tourism and cities in China

From the 1970s through the twenty-first century, much has transpired within China. The changes owe much to the interaction of both global shifts and local reactions. China underwent a series of changes to its economic, political and social policies that radically restructured the basis of the nation's life. The main thrust of these changes was toward a

more market-driven and competitive society with fewer government subsidies and interventions into commercial ventures. Accompanying the restructuring that has occurred has been a search for new economic opportunities for the cities. One avenue has been provided by tourism. Since the "open door" policy and economic reforms that were initiated in the late 1970s, tourism in China has experienced development in many ways: from a commitment to receive visitors, to the development of related institutions, to the present high levels of involvement, with 25 provinces, autonomous regions and cities making it as "pillar", pioneer and key industry (Wei 2002). Between 1980 and 1990, the number of inbound international tourist arrivals to China increased by 4.8 times, with further growth of 2.7 times from 1991 to 2001(Figure 3.1). The foreign exchange generated was increased by 3.6 and 6.3 times in these periods respectively (CTSY, 1992-2002). In spite of the downturn in 2003 due to SARS, both 2004 and 2005 witnessed two-digit growth rates of the preceding year in the receipts of foreign exchanges (47.87% and 13.82% respectively) (CNTA 2006).

Inbound tourist arrivals in China   (1980-2005)   (10,000 person-times)
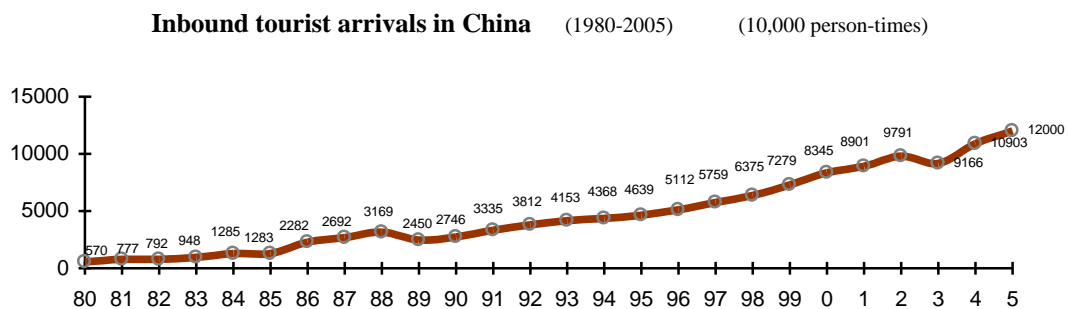
Figure 3.1: Inbound tourist arrivals in China
Source: China Tourism Statistics Yearbook, various versions

Domestic tourism has also increased in response to the overall economic development. In the 20 years following the introduction of the open door policy, especially since the

1990s, with the development of national economy and the increase of people's incomes and the number of public holidays, domestic tourism has developed rapidly (Table 3.4).

Table 3.4: Domestic tourism growth

year	Tourists (million)	Increase (%)	Revenue (billion ¥)	Increase (%)	% of the total revenue
1985	240	20.0	8		
1990	280	16.7	17	13.3	
1991	300	7.0	20	17.6	
1992	330	10.0	25	25.0	
1993	410	24.2	86.40	245.6	
1994	524	27.8	02.35	18.5	61.84
1995	629	20.0	137.57	34.4	65.57
1996	639	1.6	163.84	19.1	65.87
1997	644	0.8	211.27	29.0	67.88
1998	694	7.8	239.12	13.2	69.50
1999	719	3.6	283.19	18.4	70.80
2000	744	3.5	317.55	12.1	70.27
2001	784	5.3	352.24	10.9	70.52
2002	878	12.0	387.80	10.1	69.67
2003	870	-0.9	344.20	-11.1	70.50
2004	110.2	26.6	471.10	36.9	68.87
2005	1212	10.0	528.6	12.2	68.77

Source: China Tourism Statistics Yearbook

Domestic tourism statistics include two components: urban and rural residents. So far as the number of travelers (including those working outside their permanent residence) is concerned, rural residents occupy more than half, although over 70% of the tourism revenue comes from urban residents, whose per capita consumption (739.7 RMB yuan) is 2.5 times that (209.1 RMB Yuan) of the rural travelers (Sample survey of domestic tourism in China, 2003). Tourism marketing concentrates upon mobilizing urban residents for sightseeing and travel during holiday periods.

In 2004, the overall tourism revenue in China reached 684 billion RMB Yuan, with a ratio of 31:69 between inbound and domestic tourism revenues (Figure 3.2). Among the 31 provinces and cities, Tibet topped the proportion of inbound tourism in the total tourism revenue with 40%, followed by Guangdong, Beijing and Fujian, each with more

than 20%, 11 provinces and cities led by Shanghai with more than 10%, and the other 16 provinces had less than 10%. Liaoning province, in which Dalian is situated, had a proportion of 10.16%. (CTSY 2005)

inbound tourism:domestic tourism 2004

inbound tourism 31%

domestic tourism 69%
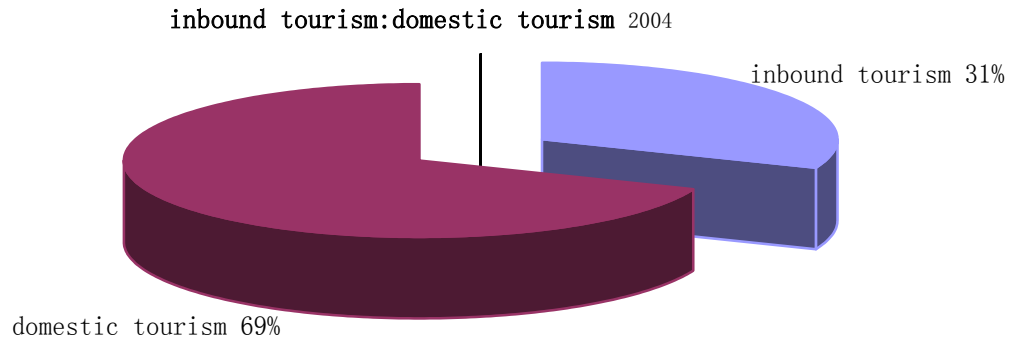
Figure 3.2: Ratio between revenues generated by inbound and domestic tourisms in 2004
Source: CTSY 2005

The stimulus of international tourism, in particular, has resulted in the development of cities as important tourism destinations in China. Many cities have taken initiatives that are designed to capture an increasing proportion of this new economic activity. However, in the past 20 years, the scale of tourism development and the avenues adopted to capture tourism have not been the same in various Chinese cities, nor have been the social and economic effects. In 1982, only a few cities and regions were open to inbound visitors and cities, being the pioneers in the early stages of tourism development in China, occupied pivotal positions. For example, 41.37% of all inbound tourist arrivals came to three cities, Guanzhou, Beijing and Shanghai (Bao and Gan 2005), which were the leading touristm centres at the national level, forming the core of Chinese tourism in the aspects of tourist distribution, tourism organization and services. It can be concluded that the development of Chinese tourism and Chinese urban tourism have been closely related.

In analyzing the changes of 28 key cities in China between 1982 and 2001, Bao and Gan (2005) discovered that given the common growth of inbound tourist arrivals in all of

them, Dalian and Kunming witnessed the highest growth rate, 2,534% and 1,846% respectively, which, along with Xiamen, also received the largest share of inbound tourists (Table 3.5). These three cities were among those with the fastest tourism development in the past 20 years. The prevailing drop in market shares of traditional urban tourist destinations, such as Guilin, Hangzhou, Suzhou, Nanjing, Xi'an, Wuxi and Luoyang reveals the challenges that they have encountered from newly emerging destinations and scenic sites in the past years. It also implies that the system of Chinese urban tourist destinations is experiencing diversified development.

In the past ten years, the boom of areas around ports of entry has replaced the selective routes of the 1980s, including the famous one of Beijing – Xi'an – Shanghai – Guilin – Guangzhou. Though the three entry cities (Beijing, Shanghai and Guangzhou) are still top in inbound trips, Xi'an and Guilin have now been excluded from the top ten choices (CTSY 1990 – 2004). The top ten cities in foreign exchange and inbound arrivals are increasingly concentrated in three tourism economic circles, that is, those around Bohai Sea centering on Beijing and Tianjing; the Changjiang Delta centering on Shanghai; and the Zhujiang Delta centering on Guangzhou. The circle around the Bohai Sea has experienced a gradual extension. In 1990, only Beijing was included in the top ten cities, but then Tianjin entered in 1995, and Dalian joined in 2000 and Qingdao in 2003 (Table 3.6) (CTSY).

The alteration of the market share is derived not only from changing trends in tourist demand but also from the changing competitiveness of the destinations and from differences in regional economic development. So far as the inbound tourist flows of the

top ten cities are concerned, comparisons confirm the strong promise of the development

around the Bohai Sea (Table 3.7).

Table 3.5 Changing inbound tourist arrivals in 28 key tourist cities of China (1982-2001)

City	Tourists in 1982 (10,000)	% of the national total	Tourists in 2001 (10,000)	% of the national total	Changes of the % share
Guangzhou	245	30.92	442.47	4.97	-25.95
Beijing	46.67	5.76	285.79	3.21	-2.55
Shanghai	37.12	4.68	204.26	2.29	-2.39
Zhuhai	20.22	2.55	109.91	1.23	-1.32
Guilin	18.1	2.28	93.26	1.05	-1.24
Hangzhou	16.2	2.04	81.94	0.92	-1.12
Nanjing	10.8	1.36	46.98	0.53	-0.83
Suzhou	11.3	1.43	63.5	0.71	-0.72
Shantou	5.62	0.71	21.21	0.24	-0.47
Xi'an	9.09	1.15	67.2	0.75	-0.39
Wuxi	6	0.76	34.56	0.39	-0.37
Luyang	2.26	0.29	10.64	0.12	-0.17
Fuzhou	3.9	0.49	31.88	0.36	-0.13
Huhhot	1.02	0.13	2.03	0.02	-0.11
Nanning	1.28	0.16	5.56	0.06	-0.10
Tianjin	4.26	0.54	42.14	0.47	-0.07
Datong	1	0.13	5.61	0.06	-0.07
Harbin	1.6	0.20	16.97	0.19	-0.01
Jinan	0.8	0.10	9.77	0.11	0.01
Quanzhou	4.26	0.54	49.08	0.55	0.01
Shenyang	1.29	0.16	16.1	0.18	0.02
Chengdu	2.9	0.37	34.51	0.39	0.02
Changsha	1.7	0.21	22.86	0.26	0.05
Wuhan	1.9	0.24	28.6	0.32	0.08
Chongqing	2.04	0.26	31.32	0.35	0.09
Xiamen	3.25	0.41	50.23	0.56	0.15
Kunming	3.2	0.40	59.08	0.66	0.26
Dalian	1.71	0.22	43.33	0.49	0.27
Total	463.49	54.49	1,910.8	21.47	

Source: Zhang 1990; China Tourism Statistic Yearbook 1991-2002

Table 3.6 Comparison of the top ten Chinese cities in revenue and tourist flows (inbound)

Rank	1990		1995		2000		2002		2003	
	Revenue	Flow	Revenue	Flow	Revenue	Flow	Revenue	Flow	Revenue	Flow
1	-	Beijing	Beijing	Beijing	Beijing	Beijing	Beijing	Beijing	Shanghai	Shanghai
2	-	Shanghai	Shanghai	Shanghai	Shanghai	Shanghai	Shanghai	Shanghai	Beijing	Beijing
3	-	Guanzhou	Shenzhen	Guanzhou	Guanzhou	Guanzhou	Guanzhou	Guanzhou	Guanzhou	Guanzhou
4	-	Xi'an	Guanzhou	Shenzhen	Shenzhen	Shenzhen	Shenzhen	Shenzhen	Shenzhen	Shenzhen
5	-	Guilin	Zhuhai	Xi'an	Zhuhai	Xi'an	Zhuhai	Xi'an	Zhuhai	Hangzhou
6	-	Shenzhen	Xiamen	Gunming	Xiamen	Hangzhou	Hangzhou	Hangzhou	Hangzhou	Suzhou
7	-	Hangzhou	Quanzhou	Guilin	Hangzhou	Suzhou	Xiamen	Suzhou	Tianjin	Tianjin
8	-	Suzhou	Hangzhou	Hangzhou	Xi'an	Xi'an	Tianjin	Guilin	Nanjing	Dalian
9	-	Nanjing	Xi'an	Suzhou	Quanzhou	Guilin	Dalian	Tianjin	Xiamen	Nanjing
10	-	Shantou	Tianjin	Tianjin	Dalian	Dalian	Quanzhou	Dalian	Quanzhou	Qingdao

Source: CTSY

Table 3.7 Comparison of inbound tourist arrivals in the three key tourism economic
regions (1990-2003) (unit: 10,000 people)

Region	1990	1995	2000	2002	2003
Key cities around Zhujiang Delta	41. 8	84. 3	169. 5	209. 4	171. 6
Key cities around Changjiang Delta	70. 1	150. 8	222. 2	329. 3	326. 3
Key cities around Bohai Sea	63. 8	182. 8	270. 1	353. 6	260. 0

Source: China Tourism Statistics Yearbook (1991-2004)

3.3.2 Changing Momentum

The changing position of urban tourism destinations in China in the past years has

been outlined in section 3.3.1 and reflects the alteration of the comparative strengths of

tourism attractiveness between cities. It is the change of comparative strength that causes

a destination to rise as another falls. As the attributes of the structure of urban tourism

developed by Jansen-Verbeke (1986) implies, generally speaking, the causes driving the

development of urban tourism can be summarized as being composed of external and

internal forces (Bao and Long 2005). The external forces impact the overall increase and

structural changes in the demand. While the increase of the total demand decides, to a

large degree, the trend of the overall growth of the city, the structural change is the key

external element which leads to change in the urban tourism destination. With changes in

population characteristics in the market areas and tourists' desires, the structure of

tourism demand is bound to change: some markets might decline while other niche

markets might gain in volume.

The internal force is made up of such elements as resources, location, economy and

others, which provide momentum for the development of urban tourism and are

influenced by relevant internal decisions on urban tourism. With the changes in demand structure or urban development policies, the leading causes for the urban tourism development will also change and, thus, change the key attractions at the destination and the comparative strength of a city (Figure 3.3).

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              ┌────────────────────────────────────────────────┐
              │  Positional change of an urban tourism destination  │
              └────────────────────────────────────────────────┘
                                    │
                                    ▼
                       ┌──────────────────────────┐
                       │  Change in comparative strength  │
                       └──────────────────────────┘
                         │                        │
                         ▼                        ▼
          ┌──────────────────────┐    ┌──────────────────────────────┐
          │ Change in demand structure │    │ Transformation of driving mechanism │
          └──────────────────────┘    └──────────────────────────────┘
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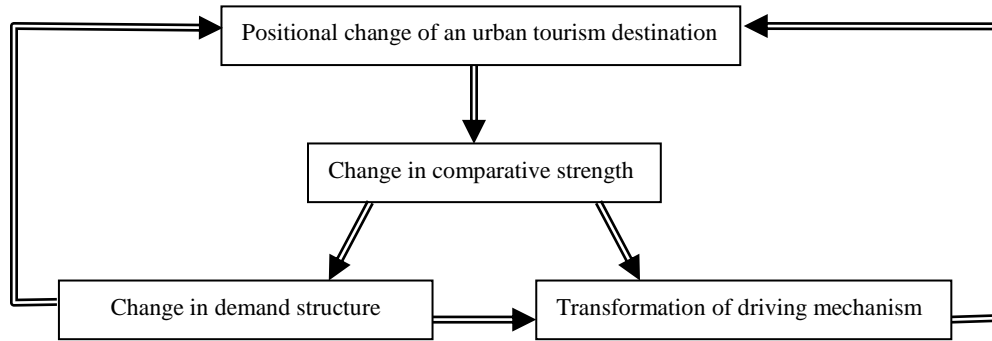
Figure 3.3 The driving mechanism of urban tourism
Source: Bao and Long 2005

changing travel purpose of inbound tourists   1998-2002
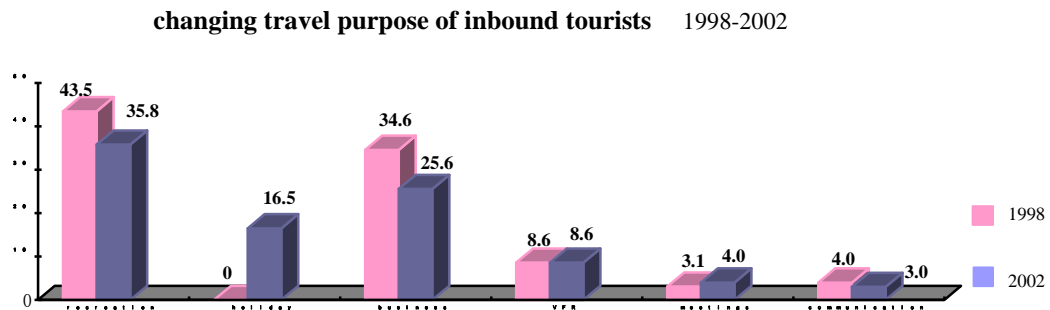

Figure 3.4 Changing travel purpose of inbound tourists to China
Source: Sample surveys of inbound tourists- from Dalian Tourism Bureau

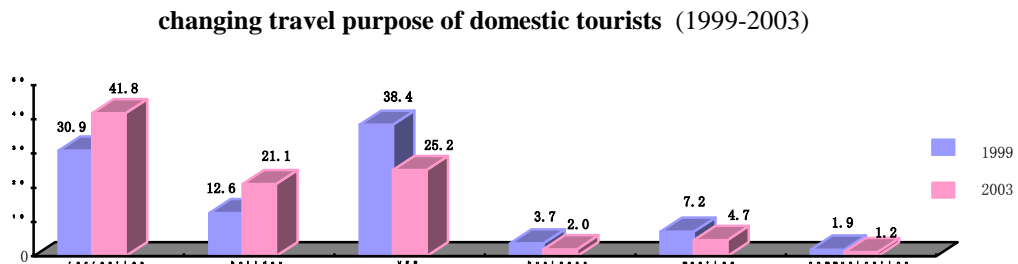**changing travel purpose of domestic tourists** (1999-2003)

Figure 3.5 Changing travel purpose of domestic tourists in China
Source: Data from Dalian Tourism Bureau 2006

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So far as the demand structure is concerned, great changes have taken place in the inbound visitors to China since the open door policy in 1978, that is, from recreation and forefather-seeking tourism (or visiting friends and relatives) to recreation and tourism involving business, conventions, holidays and visiting friends and relatives. While recreation is still one of the main motives of the inbound visitors to China, the demand structure has changed a lot and diversified, with business and convention tourism occupying an increasing market (Bao and Long 2005). Between 1996 and 2000, visitors to China for business and conventions were 37% of the inbound visitors on average, only 3.26% less than those for recreation during the same period (CTSY, 1997-2001). Tourists going to conventions increased by more than two-fold from 1.9% in 1995, to 3.1% in 1998 and to 4.0% in 2002 (Figure 3.4).

As for domestic tourism, there have been substantial increases in recreation and holiday travel in the past five years, 10.9 and 8.5 percentage points respectively, rising from 43.5% in 1999 to 62.9% in 2003 (Data from Dalian Tourism Bureau 2006). In comparison, travels for business, meetings and various communications were proportionately reduced (Figure 3.5). However, this does not mean that they declined absolutely for the total number of tourists increased markedly.

The modification of the demand structure provides the external condition for the transformation of the urban tourism development. At the beginning of the "reform" period (end of 1970s and 1980s), most inbound visitors were attracted to China to experience the culture, for the appreciation of the splendid natural scenery, and the enjoyment of family reunions. Urban tourism destinations which lacked the expected

resources, such as Dalian and Kunming, developed comparatively more slowly than such traditional destinations as Xi'an and Guilin (Zhang 1990) (Figure 3.6).
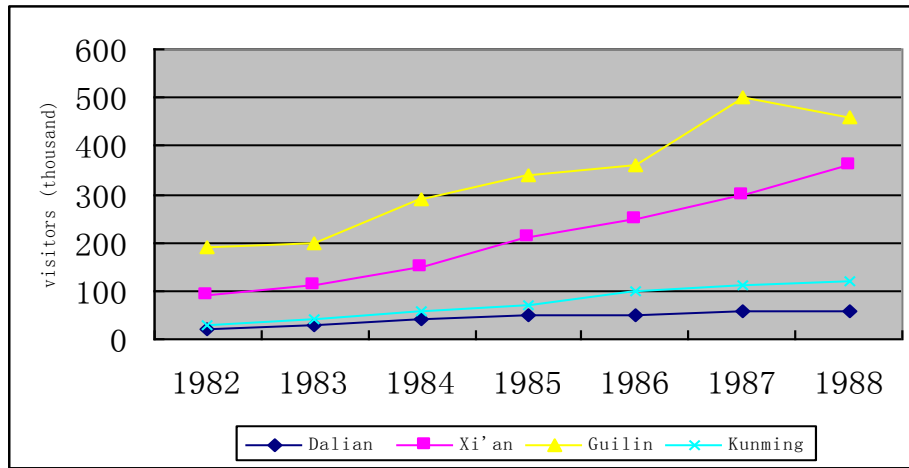
Figure 3.6: Inbound arrivals in Dalian, Xi'an, Guilin and Kunming between 1982 and 1988
Source: Zhang, 1990

With further practice of the open door policy, the mystery of China to outsiders is gradually declining. In addition, the unusual sudden growth of tourism development did not wait for a matching growth in service quality. On the other hand, while the world economy was partly in recession during the 1990s, China, with cheap labour, became one of the hotspots for foreign investment. These were conditions that were conducive to the rapid development of business, convention and exhibition tourism.

Under the general setting of tourism development in China, Dalian has also identified tourism as one of its main functions and has taken a series of policies and measures, as mentioned above. However, tourism development in Dalian presents a different trend from the general pattern in China (Figures 3.7 and 3.8). With inbound receipts as an example, while national receipts increased rapidly except in 1989 and 2003 (reflecting Tiananmen Square and SARS), tourism in Dalian has had a different experience, that is, relative stagnation before the 1990s (only an increase of 36.1% from 1984 to 1990) and a

rapid increase after the 1990s (an average increasing rate of 21.8%, almost twice the national average of 11.4%) (Figure 3.9). In 2001, 433,000 inbound tourists were received, generating a revenue of US$304 billion, 65.7% and 58.5% of those in Liaoning Province respectively (CTSY). In the past three years, Dalian has been ranked fifth among the 20 key tourist cities of China in inbound receipts and total revenue generated.
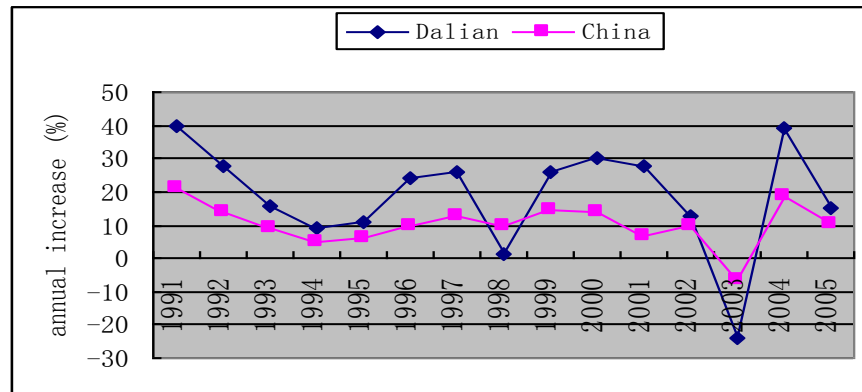
Figure 3.7: Comparison of the inbound international arrivals between Dalian and China from 1991 to 2005
Source: China Tourism Statistics Yearbooks, various versions.
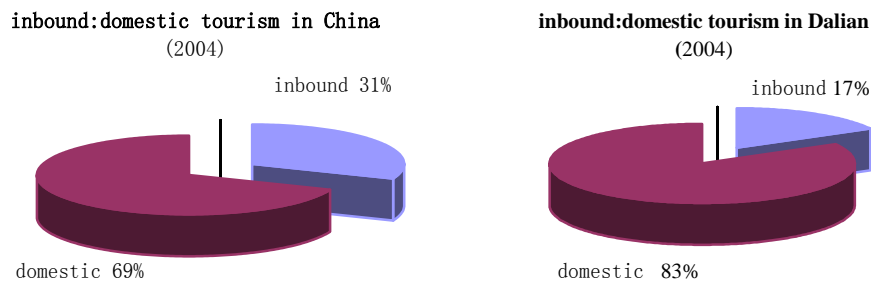
Figure 3.8 Ratios of inbound to domestic tourism in China and Dalian
Source: CTSY; DTSY

A comparison between Dalian and Qingdao, another tourist city in China with similar external conditions (e.g. coastal cities, close to such tourist sources as Japan and Korea, similar climate, etc.), suggests that it is not very convincing to explain tourism development by means of external forces. As Figure 3.10 reveals, in the latter half of the 1990s, Dalian witnessed a faster increase of tourism than Qingdao (although the overall

trends shown in Figure 3.10 appear to be very similar). In order to interpret the situation, the internal forces have to be examined.

inbound tourist arrivals in Dalian (1984-2005)   (10,000 person-times)
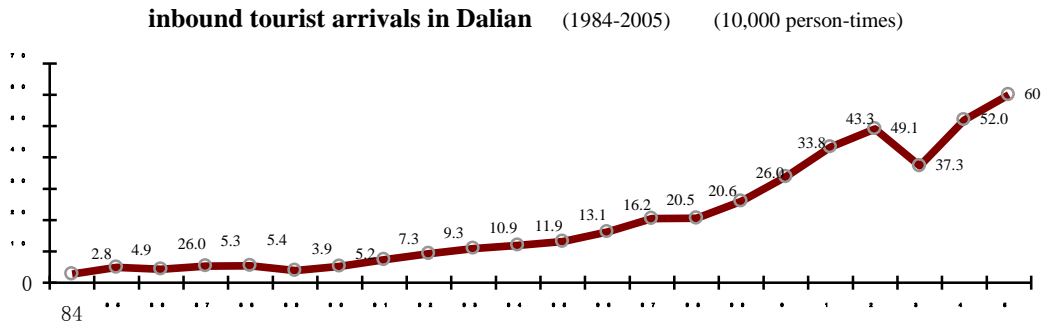
Figure 3.9 Inbound tourist arrivals in Dalian
Source: CTSY
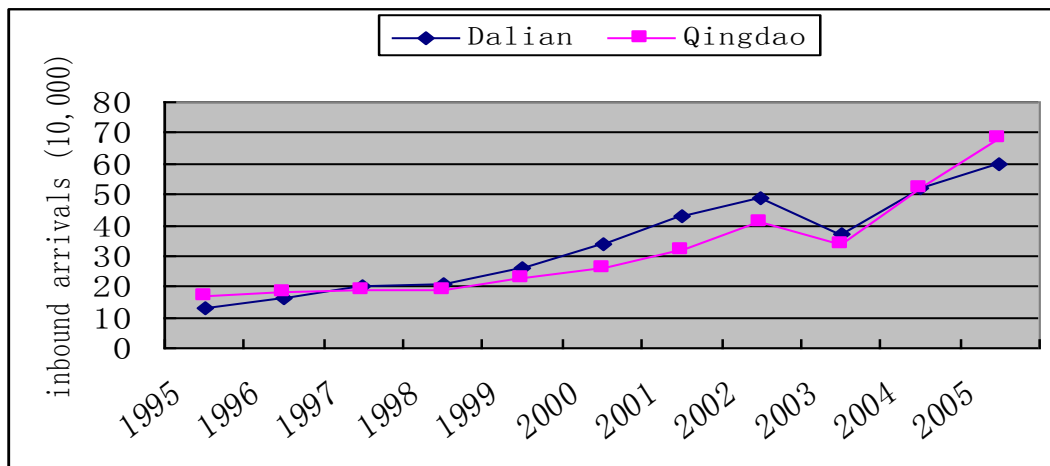
Figure 3.10 Inbound Arrivals in Dalian and Qingdao between 1995 and 2005
Source: Yearbook of China Tourism Statistics, various versions

3.3.3 Case of Dalian

In 2003, the Communist Party of China and the State Council put forward the important strategy to restore the old industrial base in the northeast of China and to speed up readjustment and renovation. Special importance was attached to the leading role of Dalian in the campaign and the target was clarified of building Dalian into an important international shipping centre in Northeast Asia and a national base of equipment and

manufacturing industry, such as shipbuilding. While improving the strength of the port city and its international competitiveness, the municipal government also targeted tourism as a key strategy to stimulate fast growth, aiming at developing Dalian into an important tourist-distributing centre as well as a famous destination for tourism, recreation and holidays in its own right, for visitors from both home and abroad. Correspondingly, a series of facilities, including the convention centre, museum, resort attractions and the like, has come into being or is under construction or planned. These facilities have been complemented by massive growth in hotel development. A master tourism plan for the coming twenty years has also been prepared.

Dalian has witnessed the political vicissitudes of China. It was one of the first Chinese cities to be opened to the outside world in 1984, having been a strategic colonial port city, and a heavy industrial base of the new P.R. China. More recently, it has become a famous domestic tourism resort and one of the 500 cities with the best environments in the world (according to the UN, cited in Dalian City Plan 2005). As mentioned above, in order to attract mobile capital, most cities in the world are trying to build on their attractiveness and put into place all of the "mayor's trophy components". In less than ten years, Dalian first identified MICE tourism as one stimulus of urban growth and successively set up two top class convention centres, which is rare in China. An examination and analysis of the decision-making processes regarding such facilities, and how they are seen to fit into the overall city planning and development schemes should be of practical significance to the development of the area. Given the paucity of such research generally, especially in developing countries including China, this study could also be of theoretical importance in illustrating how a large city has improved its

environment and embraced the service sector as a means of stimulating and diversifying its economy. Furthermore, given the multi-functional characteristics of many urban facilities, different stakeholders might have different expectations on the objectives for their establishment. An understanding of how and why various actors have been involved in the decision-making process and how the facilities contribute to tourism would enrich tourism research in the context of strategic urban planning and management, particularly at a time state when state control is gradually giving way to a market-oriented economy.

3.4 Summary

In order to tackle the questions put forward for this research, the author adopted a case study approach, drawing upon both primary and secondary data obtained through a number of data collection methods. The results will be analyzed and discussed in chapter five.

Chapter 4 A Tale of Urban Development in Dalian

The earliest city in China appeared around 1100 BC, the Shang Zhou period, as a tool and symbol of the political power, with strict hierarchical systems embodied in the scale, layout and the height of the walls of the city (Urban Development in China 2002). Since the late Ming Dynasty (1368-1644), under the impacts of both economic and political elements, cities had started expansion outward with lots of farmers and peasants rushing into the city to engage in handicraft industries and business. Cities functioned beyond politics and military affairs. The economic function gained increasing attention. After the Opium Wars (1840-1842, 1856-1860), the traditional Chinese cities, impacted, inspired and pushed forward by western cultures, gradually were transformed with the following features (Urban Development in China 2002):

- Industrial zones focusing on modern industries occupied large and medium cities along the coast, rivers and northeast China, leading to the separation of producers from the production sites, a change of the traditionally spatial combination of handicraft industry, business and residences.

- Business streets and new style city centres with modern capitalist features occurred in the city.

- Modern transportation improved the access to the city and made the urban configuration more open and made distribution more flexible.

The historical evolution of the cities in China presents a dual process of outward expansion and inward reorganization, with the size from small to large and the function from simple to complex. Although Dalian can not be traced back to such a long in history, its urban development has witnessed a similar experience to that of most other Chinese

cities, which can be observed from the following review of its urban and tourism development.

4.1 General Geography

Figure 4.1 Dalian, China
Source: www.google.com: map of china

Lying in the south of northeast China, Dalian comprises a peninsula that separates the Bohai Sea to the west and the Yellow (or East) Sea to the east (Figure 4.1). An indented coastline is made up of bays, coves, natural harbours, headlands and islands. Being an erosion coast, its beaches are usually small, defined by headlands and outcrops, and are generally made up of shingle or coarse sand. The erosion of the cliffs and resulting indented topography make for an interesting landscape, in which beaches and coves (and consequently holiday resorts) can be secluded and shielded from view. This is in contrast with the wider expanses of sandy coastline found in neighbouring provinces, Shandong for example, where deposits of sandy material have created more exposed, and low-lying areas of vast sandy beaches or mudflats stretching for miles.

Figure 4.2 The city of Dalian
Source: after Dalian Master Tourism Plan 2005

Dalian City is comprised more of mountains and hills with limited plains or lowlands. The overall terrain is high and the peninsula is wide in the north, and low and narrow in the south, sloping towards the southeast to the Yellow Sea and northwest to the Bohai Sea along the central axis of the peninsula. The ratio between mountain and plain is about 4:1, forming the saying of Dalian as ''6 mountains, 1 water and 3 lands'' (60% of mountain on one side, 30% of land in between and the sea surrounding the other three sides). This configuration shapes the continental monsoon climate giving it oceanic characteristics, typically with four seasons, a mild climate, warm and wet seasons occurring at the same time, concentrated rainfall and rich sunshine. However, the seasonal climate presents challenges for the tourism industry.

Lying at the southern tip of the Liaodong Peninsula, Dalian City covers an area of 13,538 km^2, with the administrative areas of 6 districts, 3 cities and 1 county. There was a population of 6.1248 million by the end of 2005 (Dalian Statistic Bureau). At present, the spatial layout presents the following features:

1. Many small-scale and densely distributed towns: more than half of the towns are concentrated along the Shenda (Shenyang-Dalian) highway, the Changda (Changchun-Dalian) railway and the coast of the Yellow Sea, which provide access to and focus upon Dalian city proper with the Shenda highway and the Huanghai Dadao (the Yellow Sea Highway) as the developing axes. However, some of the towns, compared with others in south China, are small with low economic development level and poor infrastructure.

2. A variety of city functions: there are many types of cities, such as the central cities at the provincial and local levels, or those focusing on industry, ports, tourism, and trade.

3. An unbalanced city layout: with the overall productivity decrease from southwest to northeast, the city distribution presents the same pattern. In the south are economic development areas with more densely concentrated urban development while in the north are small-scale sparsely distributed towns with poor economic development.

4. The infrastructure needs to be improved: the overall land communication is in good conditions and the roads are densely distributed. However, the road quality has yet to be improved, especially those in the north.

According to the plan of 2000, the total population in 2010 will be 6.6 million and 6.95 million in 2020. The area under Dalian will have the following basic structure: one centre (Dalian City), two axis (Changda railway, Shenda and Dadan highways), three linkage points (Wafangdian, Pulandian and Zhuanghe) and, thus, a network of a central and sub-central cities along with key towns (Figure 4.3). The land use and population present the following patterns (Tables 4.1 and 4.2):

Table 4.1: Population scale of Dalian City (unit: thousand)

City group	2005			2010			2020		
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total
Central city	1,730	340	2,070	1,800	400	2,200	1,850	500	2,350
New city	160	110	270	200	160	360	340	180	520
Jinzhou city	240	80	320	270	110	380	340	130	470
Lvshun city	110	20	130	130	30	160	170	40	210
Total	2,240	550	2,790	2,400	700	3,100	2,700	850	3,550

Source: Dalian Master Urban Plan 2000

Table 4.2: Land use of Dalian City

City group	2005		2010		2020	
	Total (km^2)	Per capita (m^2)	Total (km^2)	Per capita (m^2)	Total (km^2)	Per capita (m^2)
Central city	148.0	71.5	162.0	73.6	180.0	76.6
New city	48.0	177.8	56.0	155.6	78.0	150.0
Jinzhou city	26.0	81.3	31.0	81.6	43.0	91.5
Lvshun city	12.0	92.3	13.0	81.3	20.9	99.5
Total	234.0	83.9	262.0	84.5	321.9	90.7

Source: Dalian Master Urban Plan 2000

The city area of Dalian is composed of the central city, new city, Jinzhou city and Lvshun city. Each is comparatively independent from the other, separated by infrastructure corridors and green barriers, forming groups of structures. The green barriers between each consist of the forest park between the central city and Lvshun city, Daheishan scenic area between the new city and Jinzhou city and the forest park under construction between the central city and Jinzhou and new cities. The area to the north of Zhenbeilu, south and east of the Shenda expressway and to the west of Daheishan is

designated as an infrastructure control belt, which means that projects with impacts on the infrastructure are strictly controlled.
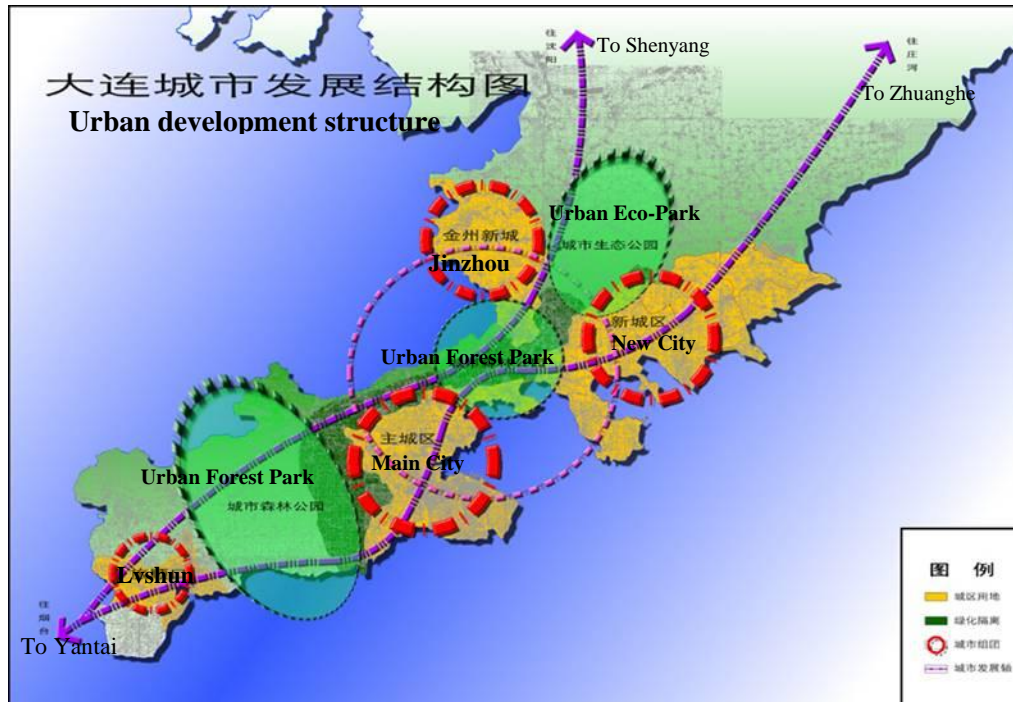
Figure 4.3 City structure of Dalian
Source: Dalian Master Urban Plan 2000
Legend: for the use of urban area (yellow); landscaping barriers (green); city groups (red); and urban development axes (dotted pink).

4.2 Location and functions

Location in communications

Dalian has a good location for seaborne transportation: Dalian is the gateway to Northeast China and the areas around the Bohai Sea, the nearest point for the ports along the coast of Bohai Sea and the Liaodong Peninsula going to the rest of the world.

Dalian has a good location for air transportation: As an important air transportation hub in Northeast China, Dalian Airport provides regular domestic and some international

flights. It takes less than two hours to fly from Dalian to Beijing, Seoul, Tokyo or Pyongyang, which make it be worthy of the name of Northeast Asia Aviation Centre.

However, Dalian has limitations with respect to regional land transportation: the geographical location confines Dalian into the end of Liaodong Peninsula which hampers access by land, though the upgrading of land transportation has been improving the situation.

Economic location

Figure 4.4 Economic location of Dalian
Source: Map picture taken by the author, scale unavailable

Lying at the intersection of Northeast Asia and the Bohai Sea circled area (Figure 4.4), Dalian is one of the important core cities for the economy of the surrounding areas. Future improvement in communications are planned which are expected to make the city

even more competitive economically and accelerate its merging into the critical regional development around the Bohai and Yellow Seas, making it the head and meeting point of the economic centres in the northern Bohai Sea Circle and Northeast Asia. It will also become the international shipping and aviation hub of Northeast Asia, which includes the northeast, north and northwest of China, Japan, the Korean Peninsula, Mongolia and the far east of Russia, covering an area of near 17.28 million km^2, with a population of about 680 million and making up 1/5 of the total world economy (Dalian Master Tourism Plan 2005).

Location in tourism

So far as tourist generating markets are concerned, Dalian occupies a pivotal location in the region. To the east, Japan and Korea have close connections with Dalian in culture and are at a distance that is convenient for travel. To the south, the city clusters in the Shandong Peninsula are potential tourist generating areas while those around the Changjiang River Delta centering on Shanghai are the most important tourist generating and distribution area in China and an international tourist distribution region. To the west, the large city clusters around Beijing are also an extremely important tourist generating and distribution area in China and an international tourist distribution region. To the north, the three provinces in Northeast China are destinations that radiate out from Dalian for the tourists from Japan, Korea and Russia, and are also tourist generating areas for Dalian.

In short, from the present and future position of Dalian in communications, economy and tourism, it can be assessed that the city is well placed competitively with a large tourism network bordered by Shenyang in the north, the city cluster of the Shandong Peninsula in the south, Beijing and Tianjin in the west, and Japan and Korea in the east.

Thus, its position in the economic circle around the Bohai and Yellow Seas makes it within reach of a potentially huge tourist market.
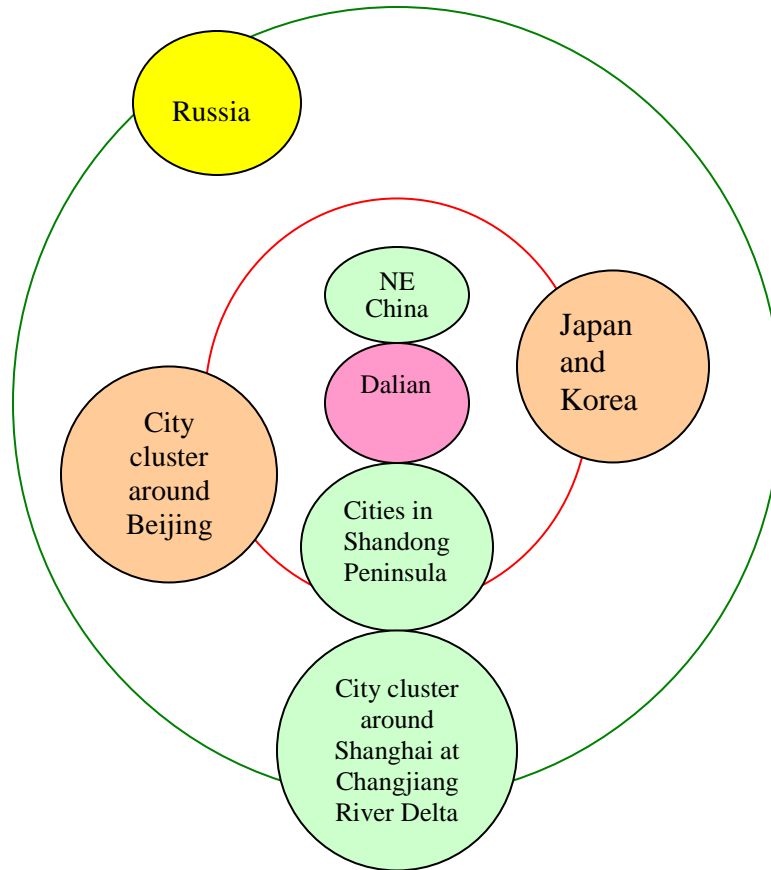
Figure 4.5 Geographical location of Dalian in tourism
Source: after Dalian Master Tourism Plan 2005

4.3 Spatial Evolution

The following contents are derived from three major sources (Urban Development in China 2002; Dalian in the Past 100 Years, 1999; www.daliandaily.com.cn) plus the author's accumulated knowledge from living and working in northern China.

Single Core Development Period

The earliest human inhabitation started in Dalian about 6000 years ago and Dalian area is endowed with good environment and unique landforms. Given the strategic location, high priority was long given to military considerations and this slowed the economic development. In the early Jin Dynasty (1115-1234), for the defense against the inland threat, Jinzhou was built as a central city in the area, starting the urban history of Dalian and leading eventually to the economic prosperity of the area.

Double Core Development Period

In 1878, the closed-door policy of the Qing Dynasty was undermined by outside powers. As defense, the Qing Government set up the Northern Fleet with Lvshun as the military harbour, starting the urban development of Lvshun, which was one of the harbour projects with the world advanced technologies in the 1800s. The urban layout of Dalian area then experienced economic development with two cores in Jinzhou and Lvshun respectively, both essentially as defensive towns.

Multi-Core Development Period

In 1898, after their occupation of Lvshun and the Dalian area, Tsarist Russia built Lvshun as the base of the Pacific Fleet and an admiralty port on one hand, and developed free business ports along Dalian Bay to meet the requirements of world trade on the other. At the end of the 1800s, the construction of Dalian Port started the recent history of Dalian City development. By 1904, the built area had a population of more than 40,000 and covered an area of 4.25 km^2 (Dalian Master City Plan 1986), and the port area became the core of the main urban area of the city later, consisting of Jinzhou, Lvshun and Dalian, a pattern with multiple cores. Each group built up its own economy but in close connection due to the limitations of transportation and functions. However, given

the convenient outward transportation, Dalian assumed increasing leadership in urban economic functions and played a predominant role over Jinzhou and Lvshun.

Predominant Core and Multi-Centered Group Development Period

In the first 80 years of the 20th century, the urban development of Dalian had been closely bound up with the vicissitude of the port, forming an urban layout focused on Dalian City and complemented by Jinzhou and Lvshun. Since the 1980s, with the implementation of the open-door policy and coastal development strategies, the first economic development zone in Northeast China was granted to be built in Dalian, which covered an area of 10 km^2 in 1990 with matched infrastructure and public facilities (Work Report from Dalian Municipal Government 2006). To avoid such urban problems as deterioration in environment and transportation in old city areas, Dalian put forward the strategy of going beyond the old city to develop new city areas. The present Dalian City is composed of four city groups: the Main City District, the New City District, the Jinzhou District and Lvshun District, a pattern of one core and multi-centered development (Figure 4.3).

4.4 Towards Urban Planning

To better understand the goals of urban planning in Dalian, it should be helpful to review urban planning as it has occurred at different stages of development.

The contemporary urban layout of Dalian derived from the concession under Tsarist Russia from1889 to 1904 and the Japanese occupation period between 1904 and 1945. While Tsarist Russia planned and set up the essential morphology of the city, the Japanese further expanded the scale. By the 1940s, Dalian had become a famous port city

and the population increased to 700,000 from 400,000 at the beginning of the century (Dong 2005; Dalian Master City Plan 1986, 1990, 2000).
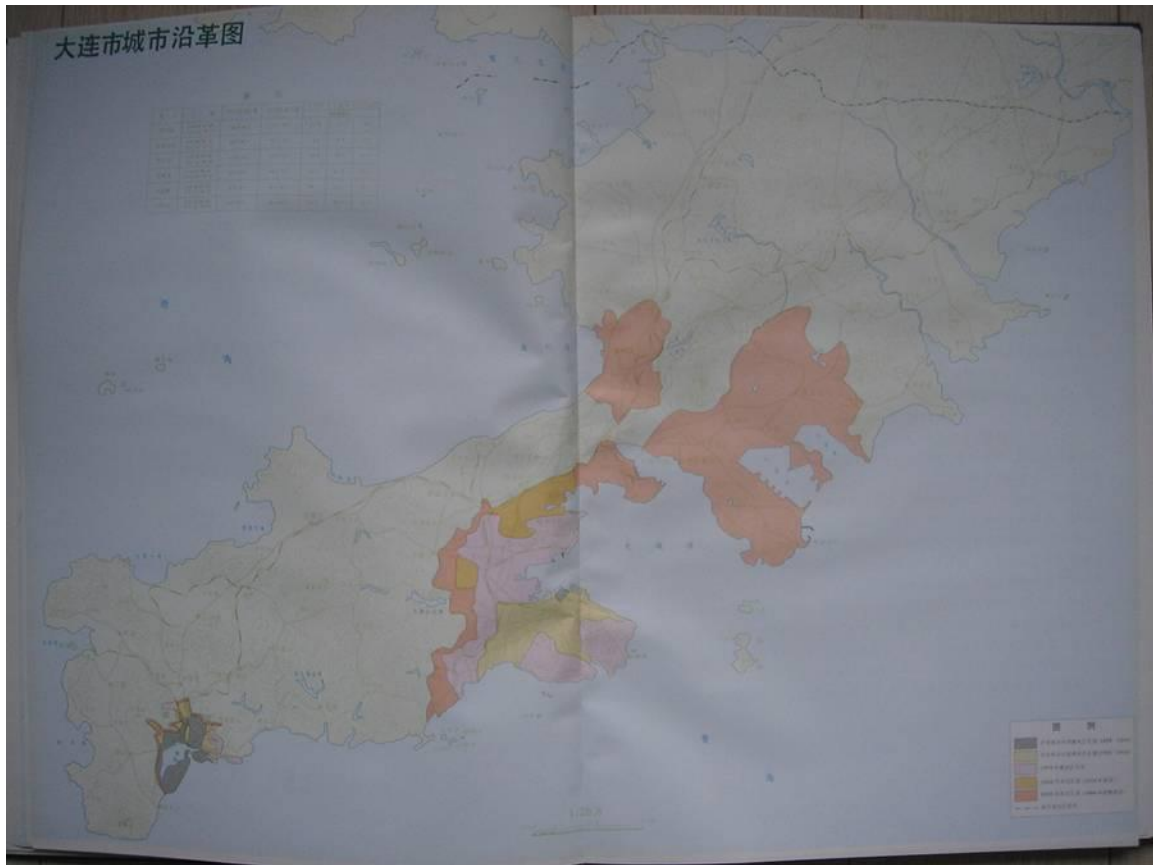
Figure 4.6 The evolution of Dalian (1:200,000)
Source: taken by the author from the Dalian Master City Plan 1990
Legend: Tsar Russian planned city area (1898-1904) (grey); Japanese planned city area (1905-1945) (yellow); planned city area in 1979 (light violet); planned area for 2000 (1979 plan) (orange); planned area for 2020 (1990 plan) (light red); planned boundary of the city.

4.4.1 Concession under Tsarist Russia (1889-1904)

In March 1898, Tsarist Russia took control of Dalian and worked out the first master plan of the area in September 1899, starting the urban planning history of Dalian. The planned land use covered an area of 6.5 km^2 and the city was designated as a port and trade and business centre. With the focus on transportation and the layout, and planned in

a classical European style under the notion of strict functional zones, the city was divided into three districts: the Administrative District (the administrative centre of the whole city), the European District (for business and Russian residents) and the Chinese District (for the Chinese residents) (Dong 2005; Dalian Master City Plan 1986, 1990, 2000). Taking the geography of Dalian into consideration, the plan identified the construction of the seaport and the railway as the leading strategy, making them major considerations in the future urban development.

4.4.2 Occupation by the Japanese (1905-1945)

After their occupation of Lvshun and Dalian, the Japanese decided to make the area into a "free harbour". The 1909 master plan did not change what Tsarist Russia had done but worked out the details for adjustment and extension that were followed by Dalian City Construction Plan. Rapid development of the urban economy led to more planning by the Japanese government, that is, the Urban Street Extension Plan in 1919, with the land use increased from 16.7 km^2 to 35.6 km^2. The plans during this period shaped the rudiments of present Dalian. By 1930, with a population of 282,000, Dalian was expecting a new urban plan, which was finished in 1934 and set the urban centre at Chang Pan Bridge (the present Qing Niwa Bridge) with a radius of 16 km. It covered an area of 516 km^2, 195 km^2 for urban land use, and was planned until 1976 for a population of 1.22 million (Dalian Master City Plan 1986, 1990, 2000).

4.4.3 Planning after the Establishment of P.R. China (1949-2000)

Plan 1958 (Dalian Master City Plan 1986)

The first master plan for Dalian City worked out by P.R. China was accomplished in 1958 when the built city area was 700,000 km^2 with a population of 800,000, and the economic base was such heavy industries as machinery and chemicals, with transportation provided by the seaport and railway. With a focus upon industries, agriculture and national defense work, the plan of 1958 focused the city on industry, aiming at an urban land use scale of 102 km^2 and a population of 1.3 million. Ten industrial zones were planned along with the design of the road system, municipal facilities, landscaping, residences, health and hygiene, recuperation zone, business services and renovation of old areas. The plan was essentially reasonable with respect to development scale, distribution, land use indicators and functional zoning, except for the overemphasis on industrial development, with short-sighted land use allocations and unmatched infrastructure development. Furthermore, the Japanese had left little public access to Dalian Bay and this was not corrected. Later port development was the key impetus for the economy of Dalian which, unfortunately, was not realized by the plan.

Plan 1980s (Dalian Master City Plan 1986)

After the experience of Cultural Revolution (1966-1976), there was no plan to follow and disorderly development existed everywhere. In 1980, Dalian drew up a new master plan which was granted by the State Council in 1985. The city was planned until 2000 and was designated as a "port, industry and tourism" city with a land use scale of 118 km^2 and a population of 1.4 million. With the focus on four central districts (Lvshun was planned independently), the plan confirmed the importance of the port, readjusted the industrial land use, forming 13 industrial zones, and stopped industrial projects in the older areas. In addition, to meet the requirements of the political reform, 3 km^2 of foreign

trade zone was planned at Ma Qiaozi Village of Jin County, the present Dalian Development Zone of Economic Technology, for the introduction of foreign investment and the development of knowledge-intensive industries. Tourism development appeared in the urban master plan for the first time and scenic tourism zones were developed to strengthen environmental protection.

Plan 1980 was the first Dalian City Master Plan granted by the State Council. To guarantee its implementation, a series of detailed sub-plans and local construction laws and regulations were put forward. The plan was timely and it contributed greatly to the city's development in the following ten years and made it gradually stand out in the economic development of China. However, the plan underestimated the speed of development and the planned indicator of the urban scale for 2000 was exceeded in 1989.

Plan 1990 (Dalian Master City Plan 1990)

Given that the planned area in Plan 1980 had been exceeded, Dalian City developed Revision of Dalian City Master Plan in 1990. Without making substantial changes to the nature of the city, the plan put forward the long-term goal for urban development as "to build an international city". The revised contents mainly include limitation of the planned urban area, a development target and structure, the system of cities and towns and associated urban infrastructure, etc. It identified, for the first time, the urban structure of Dalian City in large areas or belts, each with its own functions, so that the various districts could be planned and developed. The idea of new urban districts was added to the plan, with an urban development that involved the advance construction of important infrastructures.

Plan 1990 was an adjustment and deepening of the one in 1980. Both plans guided the urban development of Dalian City in the 20 years after the political reform of China, setting up a sound foundation for the city to approach the target of being a modern international city.

Plan 2000 (Dalian Master City Plan 2000)

From 1995, facing the coming 21st century and China's entry into WTO, Dalian Municipal Government took 5 years to work out the latest Dalian City Master Plan (2000-2020). It aims at building Dalian into one of the regional centres for international transportation, business and trade, tourism, finance and information technology along the east coast of the Pacific, and making it an international tourism city which can play a nodal role in the economic development of Northeast Asia.

The planned city covers an area of 2,415 km^2, among which 450 km^2 is for urban construction and about 180 km^2 for township construction. In a specific period, the urban structure will develop in groups, that is, centre on the main city area, sub-centre on new city area, with Jinzhou and Lvshunkou districts as sub-cities. The groups will be separated by forest parks. With further development of Dalian City, the Bohai Sea to the west and the Yellow Sea to the east will be two important development axes. The main city district, new city district and Jinzhou district will form three central developed areas with Lvshun and Dengshahe, the targeted development areas in the long run, becoming satellite cities in the south and the north. The urban land use will be controlled at 530 km^2 with a population of no more than 4 million.

The plan stresses the different functions of various urban nodes. The main city district is focused on administration, culture, science and technology, finance, information,

business and trade, tourism, sports, education, conventions and exhibitions, and the development of hi-tech industries. The new district will coordinate the industrial land use of the Free Trade Zone, Dayao Bay Harbour, DD Port and Beiliang Port by improving the functions as a transportation hub, tourism, **conventions**, sports, culture, education, business and trade. In this way it will become a diversified modern area based on the processing industries near the port, as well as hi-tech industries, and supported by modern services. Lvshun district will have multiple functions, including tourism. Finally, Jinzhou district, being close to the Shen-Da (Shenyang and Dalian) highway and the Chang-Da (Changchun and Dalian) railway, will have a border with a new city district, Jinshitan National Tourism Resort and Mount Dahei Scenic Site. This will create the conditions for the northward extension of Dalian City by strengthening its function as a transportation hub, as well as tourism and industry.

In the environmental impact assessment for Dalian done by Tsinghua University, suggestions for the adjustment and optimization and of the urban development were put forward (Dalian Daily, Sep 15 2006). Future urban development will follow this EIA report, further adjusting the land use to avoid the negative impacts on environmentally sensitive areas, including farm land, drinking water sources, nature reserves and water/land conservation zones. In addition, the city is endeavoring to be built into a resourceful and environment-friendly society, focusing on the saving of land, water and energy, the protection of natural shoreline, the reasonable layout of harbours and industrial shoreline, strict control of the scale of land reclamation from the sea, speeding recovery of coastal wetland, coordinated coastal tourism resource development, and the construction of northern green barriers for the conservation of water sources, and the

environmental rehabilitation of the three cities that fall under Dalian's jurisdiction in the north. Depending on the three main industries, petrochemicals, telecommunications and machinery manufacturing, and aiming at developing into a regional shipping centre by 2020, Dalian is planned to become the largest base in China for the intensive processing of petroleum and its products.

The urban planning history of Dalian embodies the development process of Chinese cities from simple to complex functions. With Dalian's naturally endowed scenery and strategic position, tourism has obviously been gaining in importance, whether for the economic revitalization of the city or for environmental protection. It also stands out as being a newer departure from the city's earlier focus on heavy industries.

4.5 Towards Tourism Planning

4.5.1 National policies and regulations on tourism

The development of tourism in China is a sensitive barometer of the progress of China's reforms since 1978. It indicates the extent to which China has opened up to the outside world, reduced controls on the movement of people in China and is permitting social interaction between travelers and locals. Meanwhile, development of China's tourism industry mirrors changing official views in the country about the type of industrial policies needed to maintain China's economic growth. An indication of the evolution of the national tourism administration and policies implemented (Zhang et al. 2002) would be helpful to the understanding of the process:

1949-1978: focusing on foreign affairs with government administration and enterprises integrated together. There were not any special agencies for tourism

administration, nor was there a relevant department in the central government or travel services at the local level.

On Oct. 18, 1949, the first travel services institution for overseas Chinese and foreigners, rather than for Chinese at home was set up in Xiamen, Fujian Province, followed by more travel companies in coastal cities from which most overseas Chinese originated.

In 1954, China International Travel Service (CITS) was established to strengthen and extend personal exchanges with other socialist countries. According to the preferential policy then, foreign visitors organized by CITS could enjoy a 50 percent discount on railway and steamship fares and a 25 percent discount on airfares, both domestic and international (CNTA, 1995b). Special stores (called Friendship Stores) were also set up in the cities open to foreigners, where they could buy quality goods at cheap prices with foreign currency.

In 1956, overseas Chinese travel services existed in another sixteen major cities including Tianjin, Shenyang, **Dalian**, Changchun, Harbin, Hankow, Nanjing, Suzhou, Shanghai, Hangzhou, Jinan, and Kunming. One year later, the Overseas Chinese Travel Service headquarters was set up in Beijing to oversee all the travel services in the country, hence forming a nation-wide network of Overseas Chinese Travel Services (CNTA, 1995b).

In 1970, the whole country had only 400 inbound foreign visitors, and foreign tour groups needed to be approved individually by the Ministry of Foreign Affairs, or even by the premier or Mao himself.

The main task of developing tourism during this period, described in the Report on Tourism Development prepared by the Foreign Affairs Leading Group of the CPC Central Committee and approved by the CPC Central Committee in 1964, was to "publicize achievements of socialist construction, expand external political influence, promote mutual understanding and friendship between Chinese and other peoples of the world, and gain some foreign currency for the state" (CNTA, 1995b).

1978-1980: industrial operation, with government administration and enterprises integrated together; tourism serves economic development, to earn more foreign exchange. In 1978, the era of economic reform shifted the government focus from political struggles to economic construction.

1981-1986: under united leadership, government administration separated from enterprises. From 1978 to 1985, great efforts were made to develop inbound tourism, and many discriminatory policies and travel barriers for overseas visitors were removed incrementally. With the improvement of diplomatic relations with other countries in the region, and improvement of tourist infrastructure through the introduction of overseas capital and management, international tourist arrivals and foreign revenue increased rapidly.

In 1982, China Travel and Tourism Administration was renamed as China National Tourism Administration (CNTA) which, in July of the same year, started to work independently from China General Travel Service (CGTS), becoming responsible for the administration without being directly involved in operation or reception tasks. Enterprise management was implemented in CGTS.

1986-1997: tourism serves to stimulate the national economy, gaining attention from the central government and managed at different levels. The period was featured by the transition of the management from administrative to industrial, from being directly involved in enterprises to indirect regulation.

In 1986, the tourism industry was, for the first time ever, placed into the National Plan for Social and Economic Development. Domestic tourism also gained attention from the central government.

In 1992, the CPC Central Committee and the State Council issued the Decision on Speeding up Development of the Tertiary Industry, which made it clear that tourism, as a key component of the tertiary industry, should be stressed.

1997-the present: big tourism and small government; tourism serves to enhance quality of life. In 1998, along with the real estate and information industries, tourism industries were made as new growth points of the national economy at the Economic Conference held by the CPC Central Committee. Great changes have taken place in the functions of the CNTA, typically in three aspects: first, CNTA is no longer in charge of the administration of tourism foreign exchange, quotas and prices; second, institutional units were empowered to shoulder such work as examinations for technical rankings and professional qualifications; and third, an increase in the functions to develop various criteria, including those for different types of scenic sites or spots, holiday resorts, tourist accommodation, travel agencies, transportation, tourism projects, facilities and services, etc.

Since May 1995, the Chinese have practiced a five-day workweek and, since 2000, they have enjoyed three week-long holidays, during spring, autumn and winter.

At the dawn of the new century, the CNTA released the Tenth Five-Year (2001-2005) Plan for Tourism Development and the Programme for Long-Term Goals Up to 2015 and 2020. According to this Programme, within the first twenty years of the twenty-first century, tourism will become a major ("pillar") industry in the national economy, making an 11 percent contribution to the country's GDP. The goal is also for China to be one of the leading tourism countries in the world.

In 2003, premier Wen Jiabao and vice premier Wu Yi stressed the need to "develop tourism as important pillar industries for the national economy of China" (Dalian government work report 2005), indicating the high importance to and support for tourism development accorded by the central government. So far, 25 provinces, regions and cities have identified tourism as pillar, pioneer or key industries.

The implementation of Chinese tourism policies and regulations has provided both opportunities and difficulties to tourism enterprises in developing their business.

Opportunities:

Generally, all tourism enterprises indicated that economically-oriented tourism policies and regulations adopted since 1978 promoted the development of tourism in China (implied from various government work reports and interviews with Dalian Tourism Bureau and business owners in Dalian). These policies and regulations have created a positive and supportive business environment for the enterprises to start up and develop their tourism business. More specifically, the implemented tourism policies and regulations provided tourism enterprises with significant opportunities. First, the open and fair competitive environment holds the key to their investment decisions. These Chinese tourism policies and regulations have established an effective legal framework

for the administration, management, and operation of tourism enterprises. Of course, compared to developed countries, the legal framework for tourism in China is still far from mature and there is much room for further improvement. For example, the Tourism Law of China, although it has come into its ninth version (interview of Dalian Tourism Bureau), still has not entered into the formal legislation process of the National People's Congress (the highest authority in China). Second, tourism development in China is a government-led development initiative, so the implemented tourism policies and regulations drive Chinese tourism enterprises to new business opportunities. For example, in the early 1980s, both international and domestic tourism exhibited strong growth, and China had a serious shortage of tourism facilities, especially hotels. The "Five Together" policy allowed tourism administrations, individual government agencies, local governments, collectives, and individual persons to invest in the tourism industry. This allowed not only the number of hotels to increase sharply during a short period, but also allowed investors to make a considerable profit.

Difficulties:

Because most tourism policies and regulations are shaped by the tourism administration, and tourism enterprises can rarely participate in the tourism policy-making process, the latter have found difficulties in implementing certain policies and regulations. Some regulations, such as the "Provisional Regulation on the Administration of Travel Agencies" (implemented in 1995) and "Regulations on the Star Standard and Star-Rating of Tourist Hotels of the PRC" (implemented in 1988) are too strict and do not allow any flexibility for tourism enterprises to develop in accordance with their real circumstances. The star-rating program, for example, provides a very detailed set of

standards for the hotels at each star level, which hotels must strictly adhere to. However, some standards are too rigid and too specific, even setting detailed requirements on minor aspects of hotel facilities, such as the layout of rooms. Hotels are not allowed to change based on the customers' preferences. These standards, to some extent, have prevented hotels from further satisfying their customers.

4.5.2 Functional relations among different levels of administration

National tourism organizations
Main Functions: develop national tourism industrial development policies and criteria; national and multi-regional tourism plans; assess five-star hotels, national tourism holiday resorts, national 5A tourism areas (spots)

Provincial tourism organizations
Main Functions: develop provincial tourism industrial development policies; provincial and multi-urban tourism plans; assess four-star hotels, provincial tourism holiday resorts, provincial 4A and 3A tourism areas (spots)

Municipal tourism organizations
Main Functions: implement policies and criteria developed by upper-level organizations; standardize local tourism market and guarantee tourist rights and interests; industrial management of local tourism enterprises; assess three-star hotels, national 2A and 1A tourism areas (spots)

County tourism organizations
Main Functions: implement policies and criteria developed by upper-level organizations; standardize local tourism market and guarantee tourist rights and interests; industrial management of local tourism enterprises; accept applications from tourism enterprises for professional criteria.

Figure 4.7 Functional relations among various administrative levels of tourism in China
Source: summarized from available document by the author

The tourism management system in China covers four levels, with the national and provincial tourism organizations mainly functioning in developing policies and professional criteria for tourism industries and those at the municipal and county levels responsible for the execution and implementation (Figure 4.7). The overall principles for the development of tourism around the country are similar, that is, tourism is only one

economic and institutional sector, and its functions have evolved over time from an emphasis on contributing to the national and local economic growth in the late 1980s to the present target of the improvement of physical environment and living standard of the destination residents. However, there is a long way to go for the latter objective to be fully achieved.

4.5.3 Relationships between urban and tourism planning

Given the short history of tourism development in China, it should not be surprising that tourism planning, especially that for cities, experiences many implementation limitations. First of all, urban tourism plans are only one of the development programmes in urban economic institutions, and they can only function within their own sectors. However, tourism development involves and has impacts on an array of industries which, in turn, play important roles in it. Unlike in other tourism destinations, in cities tourism-related industries serve both tourists and the local residents. In the internal urban system, like tourism, they are comparatively independent sub-systems. Accordingly, urban tourism planning can only provide requirements for the development of these related industries from the perspective of tourism development, or work out the corresponding parts in accordance with their development plans. Urban tourism planning can not control the development and implementation of these related sectoral plans, nor can it command the development of various elements that have impacts on urban tourism. Only when an urban tourism plan gains supports from other planning departments and functions together can it contribute effectively to the tourism development in a city.

Secondly, while spatial distribution is an essential aspect of urban tourism planning, tourism land use is only one type of urban land use, the system of which is very

complicated. Urban land use is divided into 10 large, 46 medium and 73 small kinds, each being clearly defined in location, range and developing methods with legal effects (the Law of Land Management in P.R.China, 1998). Tourism land use is no exception. Only urban plans with legal rights over land use can legally implement the spatial urban tourism distribution plan.

Thirdly, urban tourism development needs a pleasant environment, which is also one of the contents of the urban tourism plan. However, changes in the urban environment usually result from urban construction, which involves almost every aspect of a city and is beyond the control of urban tourism planning since it should follow the urban plan. Only when the urban plan takes the requirements of urban tourism development into consideration can the urban construction and the environment be adapted to meet the requirements of tourism.

Fourthly, an urban tourism plan can only cover the policies and regulation systems within its own field. This means that urban tourism has to be supported by various aspects of the city in laws, regulations and management mechanisms in its development.

In short, urban tourism plans in China have considerable limitations. While the urban tourism development has much to do with the overall urban development, the planning of the former has to depend on the latter which is a more encompassing process. In addition, urban tourism planning could enrich the contents of the urban plan (the latter usually aims at the needs of residents while the former focuses more on those of the tourists), building on the formation of urban features and image, increasing urban environmental quality and contributing to the competitive competence of the city.

4.5.4 Tourism planning for Dalian

Corresponding to the national policy, tourism development in Dalian has passed through four temporal stages (document from and interviews with Dalian Tourism Bureau):

- The commitment to the reception of inbound foreign tourist groups (1954-1978): The milestone events were the establishment of the Dalian Branch of the National Tourism Agency in 1954 and the beginning of the reception of overseas yachts from Japan in 1976.

- The development of domestic tourism and tourism related to foreign countries featuring the purchase of sea products (1978-1986): Domestic tourism increased slowly after the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party. Dalian Tourism Bureau was established in 1986.

- Rapid development of sea-bathing, appreciating the urban environment and inbound tourism (1986-2005): Since around 1986, Dalian started urban environmental regeneration on a large scale with many newly-built tourism attractions. Inbound and domestic tourism increased at a high speed, creating success for Dalian as a coastal tourist city.

- Destination construction resulting from further development of recreation and holiday tourism (after 2005): After entering into the new century, the tourism market increased throughout China but, with this, came increased competition. Tourism in Dalian is now expecting upgrading, institutional reform, product renovation and development, and the achievement of advanced international standards.

Compared with the initiatives of urban planning, tourism planning in Dalian, as in any other Chinese cities, was not listed into the official agenda until very recently. The available documents recorded the earliest official tourism plan for Dalian as being included in the Urban Master Plan 1982, which worked out details to address issues occurring due to the increasing tourist arrivals, that is, the number of places to visit (Most places around Dalian Bay had been occupied by ports, railway, industries and storehouses except for the southern coast, some of which was occupied by factories or the military); lack of hotel beds and facilities (According to 1980 statistics, the average monthly use rate of hotel beds was 77%. Given the strong seasonality of tourism in Dalian, there was a serious shortage during the high season between April and October, when more than 13,000 tourists came but there were less than 10,000 beds); few flights (With a short runway and limited headroom, there were only small planes and direct flights to Shenyang and Beijing); and a shortage of service facilities (Rapid tourism development went far beyond the capacity of service levels at various scenic sites, with very few restaurants and stores within reach). It is worth noting that the plan was based on June and September 1981 statistics, according to which, in addition to endless national summer camps and various visiting or reconnaissance groups at the midseason, Dalian received many meetings (82 at the national level with 7,017 participants, and 113 at the provincial level with 5,447 people present). It is evident that even when adequate matching facilities were not in place, Dalian had long been attracting "business" travel!

When summing up prospects for tourism in the Urban Master Plan 2000, business and meetings were identified as the most fundamental and prominent segments for tourism development and were positioned as economic opportunities to be stimulated. In Plan

1990, the ambitious goal of building an international city was established with the principle of gradual development, focusing on the central area along the southern coast, strengthening the two sides of the city in Lvshun and Golden Pebble Beach (Jinshitan), and taking into consideration of the northern scenic sites.

The strategic position and natural resources keep the attention of the governments at various levels and various stakeholders on Dalian, leading to development opportunities. However, without formal laws on tourism, there have been a variety of plans for sub-regions and scenic sites (document review at Dalian Tourism Bureau by the author), which have made some more comprehensive plans difficult to implement.

4.5.5 Summary

A review of the urban and tourism planning history of Dalian, along with the policy orientation at the national level, indicated that from the very beginning of the urban development, Dalian has been linked with outside forces, from the defense against inland threats to the establishment of an advanced fleet competing internationally. The long history as a port city has been associated with international links and influences extending well beyond its own area. Even the wars and the Russian and Japanese incursions linked it with world powers and, to some extent, fostered a global perspective.

Another point induced from the review is that tourism development did not gain the attention of the Chinese authorities until the open door policy and economic reform in 1978. Again, as can be revealed in the national policies and tourism experience in Dalian, the advent of tourism was featured with the commitment to attract international visitors, though Dalian's popularity is particularly evident in the rapidly expanding trend in domestic mass tourism in the last two decades.

Coastlines are a scarce environmental setting that requires particularly sensitive planning and management. In large countries such as China, with huge inland populations, the appeal of the sea is likely to be very great, particularly for people who have yet to experience holidays on the coast and whose increasing mobility and ability to afford vacations create a significant demand for coastal tourism.

In spite of its long stress on industrial and port functions, Dalian has an attractive environment shaped in part through various urban development strategies including tourism. Urban revitalization started early in the 1980s and this laid the foundation in environment and infrastructure to a considerable degree for the further ambitious goal of building an international city (see the following chapter for details).

The development of Dalian has been under the control of the governments at various levels. This is inevitable given the administrative mechanisms of China. The national authority has been predominant in the decision-making process of what, where and how to position the city, and this has been the case from the very beginning of the development of urban and tourism plans since 1978 or even earlier. The discussion in the following chapter will reflect this. At the same time, Dalian is in the special position of being a sub-provincial level city, which gives it greater powers than most other cities. It was also one of the first in China to practice economic and political reforms. In addition, the strong and creative leadership of the municipal government has also distinguished it from most other Chinese cities. It is evident that over time, more players have become involved in development in Dalian, particularly representatives of the domestic and international private sector. However, given the closed decision-making process that has been commonly adopted, their changing roles are difficult to determine and assess.

Chapter 5 Discussion and Implications

5.1 Introduction

This chapter will examine the main themes identified in the literature related to the decision-making process for the development of urban tourism facilities, including the links between tourism and other urban functions and planning. The three guiding questions which were posed in chapter one will be revisited as they relate to the empirical data and the literature:

- What are the goals and objectives that tourism development in the city is meant to achieve? What do they mean concerning the overall development of the city?

- Who have been the stakeholders, what have their roles been, and how have these changed over time? Who are the emerging key players within the process of decision making? Is planning sufficiently flexible to respond to change successfully?

- Were the facilities (such as the convention centres) built as part of the overall urban development strategies? (Why were they built, whose idea was it, who decided, what stakeholders were involved, who provided the money, what was the decision-making process like, what was in the locations before, was EIA assessment required, were they seen as contributing to the image as a business or tourism centre or both, were they seen as being part of a city revitalization program, were they seen as addressing seasonality concerns....?)

To better understand the context of the answers to these questions, aspects of the planning history and urban tourism development in Dalian were discussed, followed by

the analysis of MICE development in the city (The latter two were only discussed superficially to illustrate the globalization trend). The ideas behind postmodern thought were introduced in Chapter 2 as a context within which to examine the role that tourism has played in urban development. Since postmodernists emphasize the importance of the media and communication to current day society (Kumar 1997; Lyotard 1984), MICE tourism was explored throughout this dissertation as a form of communication which many cities choose to utilize.

5.2 Reflection on the planning history

As implied in the above summary of the planning history of Dalian, the whole process, whether it was under foreign control or Chinese sovereignty, has been informed by the situational conditions and determined mainly by the government in power.

Between 1898 and 1905, Tsarist Russia built a strategic naval base and a deep water ice-free civil port in the south of Liaodong Peninsula (Dalian in the Past 100 Years 1999). Under their design and construction, Dalian became a modern city of European style, including high-rise buildings, broad streets and big squares. The Tsarist Russian plan revealed obvious colonial characteristics. Even if the Chinese people had been ten times the number of Russians, the planned land for their use was only about one quarter of that for the Russians and was far from the central city with poor terrain and access to transportation. Without any essential internal planning, the Chinese district was simply separated from the Russian area. The Tsarist Russian plan could not accommodate the necessary transportation requirements of the automobile at a later time. However, there was much in its planning notions that were positive: a) reasonable distribution of the shore line - harbours were designated at deep water zones while the shallow water zone

near residential areas left for public use; b) comprehensive terrain utilization – the mountains were cut to fill and compress the beach for the construction of the harbour; rivers were dammed for water sources; trees were planted on low-lying or flood land for parks and landscaping belts; c) road landscaping – the main highways were to face scenic buildings, the sea or mountains and landscaping belts were left on both sides which not only beautified the city but also kept room for future extension; d) infrastructure development – comprehensive arrangement of water sources, dams and drainage, sites chosen for power stations.

During the occupation by the Japanese from 1905 to 1945, Dalian was further developed based on the urban planning by the Tsarist Russians and became a strategic fort for the Japanese to implement their aggressive policies (Dalian Master Urban Plan 1986). In all their plans, military and economic considerations prioritized any other developments. For example, harbours and factories were built along Dalian Bay; public access to the shoreline was removed; environment quality was ignored and much public green space eliminated; reclamation of the sea led to many low-lying areas and thus the threat of waterlogging. Uncontrolled sewage discharge resulted in the pollution of Dalian Bay, some of which even now can not be resolved.

In 1945, the Russian army took control of Dalian again until 1955 when Mao Zedong was the first president of China. Until 1980, city development had been stagnant except for industrial construction and a few residential buildings (Dalian in the Past 100 Years 1999). Although the urban framework left from the first half of the 20th century had an entirely new appearance due to the out-of-control population growth and irrational land utilization, it was not destroyed in essence. With the implementation of the open door

policy in the 1980s, like most other cities in China, Dalian experienced unprecedented and uninformed modification under the rapid economic development. However, Dalian is different from other Chinese cities in that, in the early 1990s, under the then mayor Bo Xilai, now the Minister of Commerce in China, it focused on its unique historical features and developed a regional economy by making full use of its strengths, typically embodied by two parts (Dong 2005): one was the large-scale development and utilization of the attractive zones between densely wooded hills and the sea; the other was administration of the historical sites and the prudent adjustment of their functions.

Another implication that transpired from the planning history is that, in spite of the short history of tourism development in Dalian, tourism planning had gained timely attention by the municipal government early in the first master urban plan after the "open door" policy in 1980s, when the city was positioned as a city with a port, industry and tourism, and sub-planning for tourism was undertaken. In 1990, the theme in the former plan was maintained, and in 2000 the city functions as a hub for transportation, tourism and industry was stressed. The municipal government was forward-looking in its decision-making in identify meetings and conventions as providing the momentum for a new round of urban tourism development, and as a unique "selling point" of the city in the face of increasingly intensive competition.

In summary, since the invasion of Russia, Dalian has experienced a history of more than 100 years and rapid development from a small village to a regional metropolis. The trend has been especially prominent in the past ten years. The municipal government has practiced "building the best rather than the largest city" as their principles for urban construction. Concerning the intention of not trying to be the "largest", the city aims at

the following considerations (Dalian Municiple Work Report 2005): first of all, to control size and upgrade quality. It is well known that Dalian has serious shortages of land, fresh water and ground water. The urban water demand has to be met by pipeline delivery from reservoirs 175 km away (Dalian Urban Master Plan 2000). All these natural constraints mean that the city has to control the scale of development by following a sustainable development strategy by regulating urban layout, stressing the construction of infrastructure, improve the form of the city and increase the balance among the various competence of the city.

A second aim is to control the size and to improve the social capital of the population. By the end of 2004, Dalian has had a population of 6.01 million, with 5.616 million with *hukou* (officially registered) and 2.6 million in the city proper (www.dlrk.dl.gov.cn). In order to regenerate the old city, many factories in the central area have been displaced to the suburbs to facilitate landscaping and road enhancement, so as to build a garden city. The population in the central area is strictly controlled, so as to increase people's quality of life and to attract discerning people, from both home and abroad, to work in Dalian in the improved environment (Dalian Municiple Work Report 2005; interview results).

The third aim is to control the scale of infrastructure construction and increase the economic benefits of industrial development. Infrastructure construction will be controlled in the old city area and the features of a coastal city will be stressed according to the terrain by widening the roads, building squares and recreational green lands on the reclaimed areas after tearing down old houses. With a growing commitment to the market economy, all state-owned enterprises will be merged, reorganized, bankrupted, renovated and exposed to the market (Dalian Municiple Work Report 2005).

The notion of "building the best" will be embodied in the following ways (Dalian Municiple Work Report 2005; interview results): first, there will have to be better urban plans with loftier goals and new thinking, which are more broadly circulated and publicized. Practically and realistically, the municipal government arranges about 150 projects every year in their budget, most of which involve the construction of urban infrastructure. All have to be approved by the mayor office, reflecting the centralized and comprehensive planning. Second, infrastructure needs to be improved. In addition to promoting water saving and controlled ground water exploitation, several large reservoirs are being built in the peripheral areas, with a daily water supply of 1.2 million tons per day. Almost all (99%) of the population is using gas as fuel. There are more than 60 bus lines, 2,500 buses, 10,000 taxis. Motor cycles and boilers under 10-ton capacity are strictly limited (www.cce365.com). Good urban infrastructure has attracted many mobile merchants and investors. Third, the urban environment has to continue to be enhanced. Great emphasis must be put on the renovation of roads, gateways, business streets and residential communities. And finally, there has to be better urban management. This will involve more integrated thinking and the breaking down of the current "silo" approach to decision making.

5.3 Driving Mechanism

As interpreted in the discussion of the changing momentum in part 3.3.2, the different urban development pattern of Dalian from the general pattern in China makes it essential to look into its internal driving mechanisms. The significance of this can be illustrated through a comparison of the two cities mentioned earlier, Qingdao and Dalian, which are two large coastal cities in northern China. In the 1800s, they successively came under the

occupation of Germany, Russia and Japan, which marked them with a European style in their urban culture and buildings (Urban Development in China 2002). They were the earliest coastal cities to be opened to the outside world when China started its "open door" policies. They became important national bases of machinery, chemicals, textiles, ships and steel manufacture, and key ports in northern China. With a similar population of about 2.6 million in the city proper, both cities have gained wide attention for their rapid economic development since 1978, and both identified tourism as one of their growth points (Dalian in the Past 100 Years 1999; Urban Development in China 2002; Qingdao Government Website).

In spite of the various similarities, their development patterns are very different. Qingdao is obviously supported by its manufacturing industries, such as refrigerators, televisions, sports shoes and beer, which have become well-known national brands, occupying a large share in the national market and involved in the competition of the world market. On the contrary, Dalian, deeply rooted in heavy industries, typically ship building and machine tools, gave high priority to environmental improvement and gained its reputation by means of clean environment, landscaping, special events and soccer, which have attracted a huge amount of investment. As early as 1984, Qingdao municipality adopted a "branding" strategy of, giving great support to the establishment of technical centres for enterprises (Qingdao Government Website, traced in August 2006). As a survey by the Scientific Commission of Qingdao (2000) reveals, taking Qingdao Beer as an example, among the 1.07 million tons of total products sold, the brand products made up 440,000 tons. If each ton of beer needs 1,544 bottles, 2,783 pop-tops and 129 cartons, the brand beer in Qingdao will need over 400 million glass bottles,

200 million pop-tops and 46 million cartons, which, in addition to matched lids and covers, will need more than 900 million RMB Yuan at the wholesale price. This is a great contribution to the development of dozens of glass, carton, printing and aluminum processing industries. Furthermore, 340,000 tons of Qingdao beer is sold to other parts of China or for export, which would need 11,266 compartments at 60 tons by train, or 80,000 cars/time. Along with its multiplier effects on employment and local business, restaurants and tourism, Qingdao beer contributed at least 2.5 billion RMB Yuan annually to the economy.

In comparison, the development of Dalian depends more on the introduction of investment. According to the Compendium on the Planning of Big Dalian Development, the industrial development in Dalian will follow a pattern of "131", that is, the leadership of high technology, the backbone of petrochemicals, electronic information and mechanical manufacturing, and the advancement of modern services (China Tourism, May 7 2003). So far as service is concerned, the focus will be on contemporary business, logistics, financial insurance, housing assets, conference and exhibition tourism, information consultation, etc. (Dalian Municipal Work Report 2005) In order to upgrade the environmental quality of the city, starting in 1995, the municipality has taken 6 years to relocate industrial enterprises with heavy pollution, high energy consumption and poor efficiencies. By 2001, 115 enterprises had been displaced, leaving 3 million ㎡ of area in the city for the development of squares, green lands and other selective construction. In 8 years, more than 230 street gardens were set up and newly created public green land reaching 13 million ㎡, 8.5 ㎡ per capita (Liu 2002). Land becomes the "second finance". In 1993, Xinghai Bay was a derelict beach and a refuse dump with a land value at 1,000

RMB Yuan/㎡. After two years' reclamation and the improvement of the environment and infrastructure, it increased to above 10,000 RMB Yuan/㎡ (interview).

Many tourists are fascinated by the large-scale modern recreational facilities in Dalian. In early and mid 1990s, Dalian established its urban environmental brand through the development of infrastructure on a large scale (Interview results). Given the increasing competition between cities for tourism attractions, Dalian has encountered the same challenge of getting funds for the implementation of various plans. In 1997, the municipality identified tourism as the backbone industry for the economic development of the city, putting forward a series of policies to attract investment from home and abroad (Data from Dalian Municipal Government). In addition to promoting the principle of "those who invest benefit", the municipality sets aside 15 million RMB Yuan every year as a development fund for tourism projects. It is estimated that by 2004, a total of 13.3 billion RMB Yuan had been invested in 50 tourism projects, among which 78% were invested by non-state-owned and foreign enterprises (Economy Daily, March 16 2004).

International events, such as festivals of beer, fashion and acacia plants, and fame as a soccer city have enabled Dalian to become known widely. At the fashion festival of 2000, the volume of business reached 5.6 billion RMB Yuan (Dalian Government Website). A large number of people came to know Dalian through various festivals and business activities and eventually settled there. In 1997, Dalian was identified as a "Demonstration City in Environmental Protection" by both governments in Japan and China, leading to the introduction of projects worth of US$100 million (Dalian Government Website). Environmental improvement also aroused the development of related industries. In 1999,

about 200 enterprises and institutions in Dalian had fixed asset of near 1 billion RMB Yuan and produced a profit of 100 million RMB Yuan in addition to the occurrence of array of new industries, including technical service, consultation, facility operation, landscaping, gardening and comprehensive resource utilization and natural ecological conservation, etc. By 2000, there were 8,000 foreign invested enterprises, valued at US$15.93 billion according to contracts, among which 3,600 are in production with an annual operating revenue of 32.88 billion RMB Yuan and 1.91 billion turned over to the state (Dalian Government Website). By the end of 2001, the whole city had accumulatively made use of 11,121 projects under foreign capital, with a contracted foreign capital of US$22.93 billion and US$13.47 billion put into application, making it become one of the cities with the most concentrated foreign investment in China (Yang 2001). At present, 40 billion RMB Yuan is being invested in developing Dalian into "An International Shipping Centre in Northeast Asia" (21st Century Economic Report, March 21 2005).

Based on the investigation of the tourism development in Dalian and the studies of related policies and documents (Dalian Municipal Statistics Bureau 1999-2005; Han et al 2001; Zhong 2002; Kong and Ma 2000; Yang 2001), according to the momentum model for Dalian tourism development by Bao and Long (2005) (Figure 5.1), it can be concluded that the internal driving mechanism for Dalian tourism development has evolved and continues to change over time with external environmental changes.

As figure 5.1 reveals, at the beginning, what made Dalian shake off the stagnation in the 1980s was the positive feedback mechanism centering on environmental construction. This can be considered as the start-up mechanism, in which the land area under

government control expanded increasingly by means of environmental construction. On the other hand, the improvement of the environmental quality induced increases in land values added to the government revenue, and thus the further enhancement of the urban environment. At the same time, the quality environment becomes an important appeal to tourists, whose increasing arrivals make the government revenue rise even further. Research of tourist perceptions on the overall urban image of Dalian (Gu and Guo 2001) has shown that the beautiful environment became the primary element to attract tourists (table 5.1). There is probably stronger evidence in Mi Xiaojia's thesis (2003).
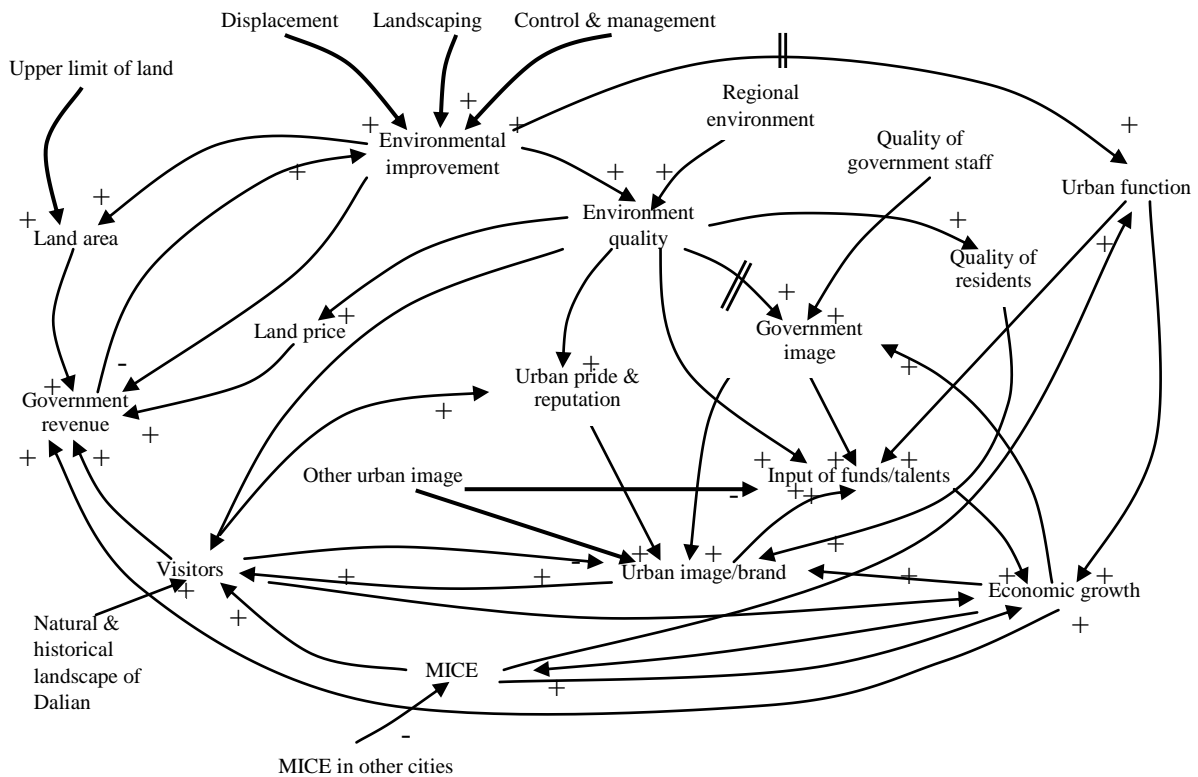
Figure 5.1 Model of driving mechanism for Dalian urban tourism development
Source: After Bao and Long 2005

Table 5.1 Tourist perceptions on the overall urban image of Dalian

Item	Clean & beautiful	Sea & beach	Fashion festival	Soccer	Lawn	Holiday tourism	Bo Xilai*	Sea product	Total
# of people	25	21	17	16	14	10	10	8	35
Percentage (%)	71.43	60.00	48.58	45.72	40.00	28.58	28.58	22.85	--

* Mayor of Dalian between 1993 and 1999
Source: Gu and Guo 2001 in Bao and Long 2005

But later, with growing pressure on the supply of land and the large investment into environmental development and maintenance, the starting mechanism declined in effectiveness over time, eventually led to the negative feedback spiral of environmental improvement – increased pressures on government revenue – reduced resources for environmental improvement. However, the environmental enhancement has resulted in improvement in people's living quality and standards along with increased civic pride and enhancement of the overall urban image, thus attracting more tourists and investment. The increase in tourist arrivals has, in turn, contributed to the growth of the economy and government revenue (Interview results). What was, and is and possibly will be, playing a dominant role in the positive feedback mechanism is the urban image and branding, which can be regarded as the dominant driving mechanism.

With the urban beautification being increasingly emphasized throughout the country, the comparative advantage of Dalian that was established through environmental qualities is declining. To keep the development impetus, given the increasing proportion of business and conference visitors among the inbound tourist arrivals, the existing improved infrastructure and the promise of MICE tourism are helping in the urban functional transition and in the upgrading of urban attractiveness and competitiveness. Dalian has turned to another positive feedback mechanism, that is, the meetings and exhibitions function, which can be seen as a quasi-startup mechanism. It can be seen from

the diagram that many feedback loops are common and various feedbacks all play their roles at different times though to different degrees and directions.

As is revealed in the planning evolution, Dalian used to be a city focusing on heavy industries, leading to serious environmental problems. Things were made worse by the construction principle of making use of every bit of space which exacerbated the original congested situation (Dong 2005). These became primary constraints for urban tourism development. The "environmental revolution" launched by the municipal government in the early 1990s, by means of such projects as landscaping, administrative initiatives and displacement of polluting industries, has not only increased the financial revenue of the government but also become the key to attracting tourists and to drive the development of tourism in the city. With the improvement of the infrastructure, residential quality and living standards have been upgraded which, in addition to the beautiful environment, have nurtured people's sentiments and enhanced the environmental and cultural capital of the residents, thus increasing the working efficiency of government and enhancing the image of both the government and the city (Dalian Municipal Work Report 2005). The qualities of its environment and residents and the image of the government have become the most convincing and effective advertisements to attract outside investment, gaining the attentions of investors at home and abroad. What is more, environmental quality has played an important role in attracting various types of talented people and in increasing the competitive capacity and developmental sustainability of the city and, thus, the functions of the central city. The input of capital and capable personnel has greatly sped up economic development. Between 1995 and 2000, the annual increase of GDP in Dalian reached 11.4%, 3.6 and 2.7 percentage points higher than those of the state and

the province respectively (CTSY 1996-2001). In addition, the enhancement of environmental quality gained Dalian prestige through such awards as its inclusion in the "World 500 Best Cities", Example City of Environmental Administration in Asia Pacific Region, and so on.

5.4 Conventions and exhibitions as catalysts for tourism development

To better understand the decision-making process Dalian experienced in its urban tourism development, it is useful to look at how the meetings and exhibitions industry has come to play a critical role in the upgrading of Dalian's urban competitive competence.

5.4.1 Existing pattern of the MICE industry

Although there are still disagreements on the understanding of MICE tourism among academic and business circles at home and abroad, so far as meetings and exhibitions are concerned, Dalian was the first city in China to put forward the idea of "marketing the city with meetings and exhibitions". This strategy has since been followed by many other cities (Dalian Municipal Government Work Report 2005).

Before 1985, Dalian Trade Promotion Committee had tried to organize exhibitions from abroad, but only occasionally and without a systematic strategy. On July 1 1987, when Dalian International Expo Centre came into use, the First China Northeast Region & Inner Mongolia Export Trade Fair marked the initiation of the MICE industry in Dalian (Data from Dalian Convention and Exhibition Office).

In 1992, in order to enhance local tourism development and the functions of a port city, Dalian municipal government studied in detail the roles that meetings and

exhibitions might play in contributing to the urban economy, targeting building the city into a world famous city for exhibitions (Interviews with government officials). This was included in the Strategic Plan of Urban Development in 1994, the first record of such an initiative in China. During this period, the mayor would personally invite well-known foreign companies to participate in the exhibitions in Dalian and he promoted environmental quality and exhibition projects. Nearly 90% of the initial exhibitions in Dalian were held under the leadership of the government and related organizations and trade associations. Under the strong support of the government, the first Fashion Festival took place in 1988 which, overnight, helped to make Dalian into a famous city in China for meetings, exhibitions and tourism. The success of MICE in Dalian can be attributed to the city's tourism resources and the vigorous supports of the government. The idea of leading urban economic development with MICE tourism was gradually popularized all over the country. According to the director of Dalian Trade Promotion Committee, at the infancy of the industry, without governmental support, a MICE economy would not have been the development in Dalian: to develop a market economy, the government played a more important role in indirect regulation and service provision, taking on more responsibilities. The Tenth China Northeast Region & Inner Mongolia Export Trading Fair took place in Dalian Xinghai Convention and Exhibition Centre on July 1 1996 and, after this, the MICE industry entered into a stage of rapid development.

With further development of the industry, the role of market economy gradually played a predominant role and a group of new exhibitions organized by specific exhibition agencies or companies came into being while governmental administrative orders faded away. In January 1999, the Municipal Government promulgated *Provisional*

Method for the Management of Convention and Exhibition Industry in Dalian. It was made with reference to the key regulations popular elsewhere in the world (such as those expressed in the Players in MICE Tourism: Figure 2.2), those issued by various ministries and committees of the State Council, and consideration of the practical situation in the city (Data from Dalian Municipal Government; interview results). After examination by the legislative departments, the *Method* became an official legal document. In accordance with the requirements of the national and provincial governments under the "examination and permission system", Dalian Municipal Government transferred the work to the Dalian Branch of the China Trade Promotion Committee. At present, more than 90% of exhibitions have been operated according to market mechanisms, with the government mainly functioning in policy orientation to standardize the market and to improvement principles of competition and operation (interview results). The overall development can be seen in Table 5.2 which shows a steady increase in the number of events and sales area. The volume of business has fluctuated around 300 million Yuan annually. There has also been considerable international involvement. Since 2001, the municipal government has invested a considerable amount of funds every year to support meetings and exhibitions in publicity and promotion, the invitation of purchasers and merchants from home and abroad, and the development of fixed exhibitions oriented towards specialized and international development. Dalian International Fashion Fair was the eighth in China, joining in UFI (Union of International Fairs) in October 2002 on the 69th UFI Congress, when the chairperson responsible for the work in Asia, Australia and Middle East mentioned many times that Dalian was not only a famous MICE city in China, but also in Asia, where it

was ranked at 11th. It was planned that more world famous exhibitions should be attracted

in 3 to 5 years (Data from Dalian Convention and Exhibition Office).

Table 5.2 Dalian convention and exhibition industry (1996-2005)

Year	Amount (Number)	Sales area (10,000 m^2)	Volume of business (100 million Yuan)	Foreign enterprises present	Professional level*
1996	22	21	120	316	\
1997	34	38	208.7	1,323	50%
1998	41	31.45	250	1,247	75%
1999	53	36.2	298	896	79%
2000	52	36.8	300.4	1,787	87%
2001	55	39.2	302	2,503	89%
2002	56	43.2	306	\	\
2003	43	31.5	280	\	\
2004	56	33	285	3,500	90%
2005	123	68	323	\	\

* Professional level means that the exhibition or conference focuses on a specific field with some
  scientific or technological content.
Source: Dalian Convention and Exhibition Office

However, the statistics obtained from Dalian Exhibition Office indicate less cause for

optimism. In 2004 Dalian hosted 56 conventions and exhibitions. This figure increased to

123 in 2005, a growth of 120%. So far as the total area of exhibition space was concerned,

2005 witnessed a growth of 106% over 2004, but the average for each exhibition

decreased from 5893 m^2 to 5528 m^2, a drop of 6%. This implies that, in spite of the

increase in the amount of conventions and exhibitions, the scale, benefit and

internationalization level decreased substantially. This implies that growth may have

been too fast, leading to crises that threaten its long-term development.

Among the 136 exhibition projects reported to Dalian Municipal Convention and

Exhibition Office in 2005, there were 14 with identical themes and another 48 with

similar themes that were arranged closely after one another. This dispersed the exhibition

resources, disturbed the market and prevented Dalian from building on its branding as

conventions and exhibitions centre. Even among those held, issues of small scales, low

standards and being unworthy of their titles have caused many clients to complain,

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resulting in negative impacts on the industry in the city. In comparison, Hong Kong, one of the world centres for the MICE industry, held about 80 fairs that year, of which 31 were chaired by the Hong Kong Trade Development Administration and 7 were the biggest in Asia (www.icca.nl).

In the past year, Dalian has cultivated some national level fairs, including the International Fashion Expo, Software Fair, Patent Fair and Automobile Industry Expo, and dozens of those with local features, such as Dalian Trade Fair, the Oceanic Fair and the Fair of Utilities for the Old People. In early 2005, with the use of Dalian World Expo Plaza which covers an area of 110,000 m^2, the convention and exhibition industry in Dalian shook itself loose from the limitation of having only one venue, Xinghai Convention and Exhibition Centre, with a total area of 30,000 m^2. As the director of Dalian Municipal Trade Promotion Committee and Dean of Dalian Municipal Conference and Exhibition Office, Mr. Li Bozhou commented, "the rapid increase of exhibition projects has much to do with the Plaza, followed by increasing repeated exhibitions and malignant competition. In the past more than ten years, the MICE industry had been in a stable and good condition under the support and standardized management of the municipal government. The Exhibition Office had been set up to be responsible for the examination, organization and coordination of various exhibitions held in Dalian. After the introduction of an Administrative Permit, the Office started the administration (of the MICE industry) according to laws and regulations without interference into any conferences or exhibitions. Some corporations rushed headlong into mass actions for short-term benefits, leading to the exhibitions 'knocking together' one after another" (interview).

5.4.2 Measures in place

Under the situation mentioned above, Dalian Municipal Government promulgated *Orientation Table of Contents for the Development of the Convention and Exhibition Industry in Dalian during the 11th Five-Year Plan Period* (2006-2010) (shortened as OTC in the following paragraphs) in March 2006. Again for the first time in China, this transformed the administration-oriented convention and exhibition industry into a policy-oriented one. More than one hundred (106) exhibitions were identified to be held in 2006, a decrease of 13% compared to 2005 (Data from Dalian Convention and Exhibition Office).

According to the OTC, the first operational local regulation on the convention and exhibition industry in China, classified MICE projects into three types: those to be supported and encouraged, those to be controlled, and those that were ordinary. The first type was seen as fitting into the strategy for the overall social and economic development of Dalian and as being helpful for the clients participating in the exhibitions in technology transfer, operating across nations with matched services, and contributing to the further implementation of the open door policy and the invitation of foreign investment. Furthermore, projects in which strong long specialization were featured were encouraged. The second type was targeted at controlling the disorderly repetition of unapproved and unsuitable exhibitions. The third type meant that ordinary and small-scale activities would be encouraged and standardized to meet the grass-roots demand. As the deputy mayor, Mr. Xing Liangzhong, said, "The promulgation of the OTC is not simply to classify the conventions and exhibitions, but to provide different policies for different types and to use the resources wisely and effectively, integrating the projects

into the economic development of the city and elaborately cultivating the brand. Although the local government does not examine and grant any conventions or exhibitions any more, it can make use of the economic lever and offer different supports in policy and funding to different activities". A Special Convention and Exhibition Development Fund was set up by the Municipality to support the first type and discourage the second type in arrangement, funding and promotion[1].

The policy-oriented support or control from the government has been effective. By October of 2006, 106 exhibitions, none had been disappointing. As the General Manager of Dalian World Expo Plaza, Mr. Liang Yan, expressed, "The development environment for the convention and exhibition industry should not be ruined. If nay old exhibition could be held in Dalian, the overall brand of the city would be destroyed and the venues would have nothing to survive with."
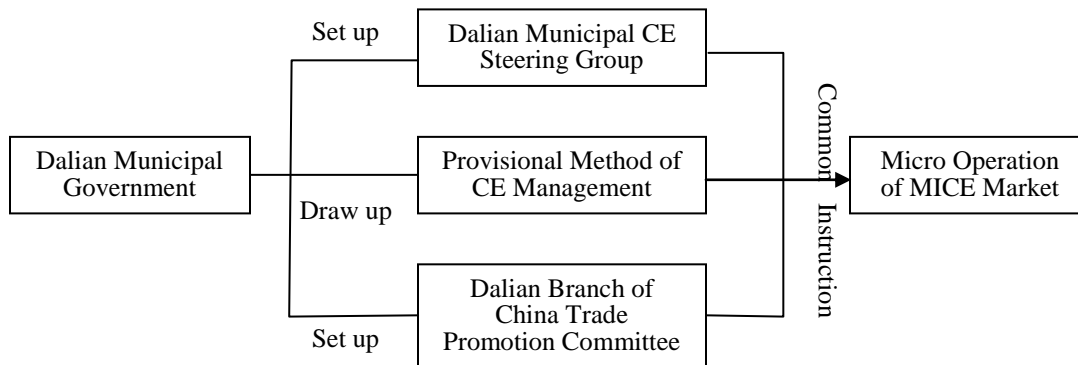

Figure 5.2 Macro operating model of MICE industry in Dalian
Source: by the author

So far, the exhibition venues under construction in China have reached an area of 3 million m^2 (Document at Dalian CE Office). Without upgrading the overall quality and producing brand effects, the convention and exhibition industry of China would suffer new "bottlenecks". According to Mr. Xing Liangzhong, Deputy Mayor of Dalian, "To

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solve the series of problems occurring in the course of MICE development, it is essential to undergo comprehensive administration and operation, such as the macro-regulation by the government, management by the trade and orientation to the market, so as to avoid messy actions and vicious competition. Only when there is fine market environment in place, along with notions of renovation and feasibility, and first-class services can the MICE brand at the international level be produced and, thus, push the healthy development of the MICE economy in Dalian". In short, the convention and exhibition industry in Dalian has undergone a process that has been strongly directed and supported by government (Figure 5.2). The system of advance examination of MICE projects keeps the global and national environment in harmony with the local and forms the Dalian Model of MICE management in China.

5.4.3 A platform open to the world

To return to the comparison between Dalian and Qingdao, it is evident that different strategies are in place in the two coastal cities, with the former good at urban marketing and the latter depending upon solid manufacturing industries. Dalian has established itself as a "demonstration platform", stressing the setting up of "open venues" and inviting businesses to participate from around the world. This kind of operation has to be conditioned by good locational strength (at least as a regional hub), along with matching environment setting and an appropriate urban image. In contrast, Qingdao makes use of its local industries to create the opportunities for the MICE development, such as the well-known China International Electronic Appliances Fair and the American Las Vegas International Consumption Electronics Exhibition in 2004.

As a port and trade city, Dalian seems to be being oriented away from the domestic market and is trying to provide a more open platform for the exhibitions at the national and even global levels. According to one of the consultants for Dalian Fashion and Garment Fair, Qi Nan, "The primary function of the Fair is to demonstrate Chinese fashion to the world while introducing the famous overseas brands to China… Simply speaking, while other cities popularize local enterprises and brands to the rest of China through MICE industries and contribute to the growth of local industries, Dalian targets a bigger market, that is, making the local fit into the global" (interview).

5.4.4 Players' functions

In recent years, Dalian has made great progress in the development of MICE tourism. However, a theoretical and practical orientation is still lacking on how to connect the convention and exhibition industry with other aspects of tourism so that strengths can be fully realized. As revealed in the interviews, most government officials provided information on their own administrative jurisdictions and seldom made reference to any others. They also generally had similar reactions to the relevant policies or regulations for various developments, often feeling that it was even offensive to be involved in the business of other departments.

As many interviewees (53 among the 61) expressed, most attendees' stays are organized independently by various companies (there are more than 100 MICE companies in Dalian) who arrange tourism activities according to their own situations (such as how much they want to earn from the delegates!). Mr. Xu Jiancheng, the Assistant General Manager of Xinghai Convention and Exhibition Centre, even commented that they have nothing to do with Dalian Tourism Bureau. This appears to be

a departure from the original intention of making use of MICE as a catalyst for local economic development, for it should not be isolated from other aspects of tourism. MICE participants, particularly those attending large association conferences, are usually seeking to enjoy urban amenities, preferably in an exciting environment. This is why MICE development can thus be seen as being part of the tourism complex with linkages to hotels, visitor attractions, shops, catering and entertainment. Given the increasing competition of cities in the world in every effort to be linked to the global circuits, in the absence of complete and coordinated operational mechanisms, it is not easy for a city to seize the opportunities to attract these foot-loose economic and image generators.

Table 5.3 Functions of the government, association and enterprise in MICE

Entity	Functions
Government	Renew systems of the economic operation; regulate at the macro-level economic operations by means of laws, regulations and industrial policies; orient and control the micro-level actions of enterprises; set up effective and efficient "game rules".
Enterprises	(As the most active elements in the market economy,) they should occupy the market and gain benefits by means of offering products and services according to the "game rules".
Association	(As a non-profit organization,) it should control and coordinate individual actions of the members according to national laws and regulations developed by the association; provide enterprises with information, studies and training; bridge the gap between government and enterprises to help with the sound development of the overall MICE industry.

Source: summarized by the author according to documents from Dalian Municipal Gov'n
Note: the above would not necessarily ensure links with other tourism stakeholders.

Dalian should change the organizational structure for operating MICE development. As mentioned earlier (refer to section 2 on stakeholders), in a market economy, the government, the trade association and enterprises are three kinds of entities with different characteristics but with complementary functions (Table 5.3).

In a market economy, the government should aim to produce a fair environment for competition and the investment of enterprises at the micro level, including establishing related administrative agencies, developing industrial development policies, plans and

laws, and coordinating the relationship between upper and lower administrations. It is widely advocated the government should be separate from the enterprises and should set the context but not interfere into their operation. However, in the case of Dalian's MICE industries, the government should offer support in many cases. The roles of the government in MICE activities should be clarified. While it might be reasonable for the government to organize events aiming at public benefits (such as educational publicity) with operational activities allocated commercially through bidding, the government should not function as "both the judge and the player" in activities that are obviously underpinned by the seeking of profits. With limitations in planning and management systems, and under too much governmental interference, the operation of conventions and exhibitions in Dalian lack commercialization and standardization, leading to poor management and services. Thus, there is a need to establish a more comprehensive system of MICE organizers and receivers at the destination.

Under the market economy, trade associations should have four functions: 1) "bridging" between the government and enterprises, carrying forward the industrial policies of the government within (and seeking policy supports on behalf of) the industry; 2) being the information and research centre, collecting, sorting and analyzing the professional data from at home and abroad, offering reference materials to aid in the decision making of members; 3) being the education and training centres of the members, providing targeted professional training; and 4) being the assessment and authentication centre of the qualifications and credits of relevant practitioners and corporations, so as to optimize the structure of the practitioners and improve their professional competitive competence.

Dalian witnesses more than 100 expositions annually, has about 100 exhibitors and nearly 1,000 practitioners. However, there are less than 10 experienced senior project managers and no more than 30 exhibitors with comprehensive capacities, while at least 50 professionals are usually needed for a large-scale international convention or exhibition. In the 18 higher-education institutions of Dalian, although it is well-known for its MICE industry in China, none has any programmes related to the convention and exhibition industry. In order to meet the target of becoming an international MICE city, it is essential for the city to cultivate related personnel with a contemporary understanding of and familiarity with MICE operation.

Enterprises deliver the services in the market economy. The vitality of MICE development depends in essence on the abilities of the related enterprises. The upgrading of the MICE industry ultimately depends upon the array of related enterprises in the production chain targeting profits, which can not be achieved if they only depend upon governmental subsidies or actions.

To date, with much more government involvement and less market competition, Dalian has not had standard trade associations. In order to meet its objectives as a MICE city, regional in the short-term and global in a long-run, it should adopt the mature operational models of advanced countries or regions, setting up functional trade associations to coordinate the relationship between the government and enterprises, and orienting the operation of enterprises through the mechanism of market competition (Figure 5.3).
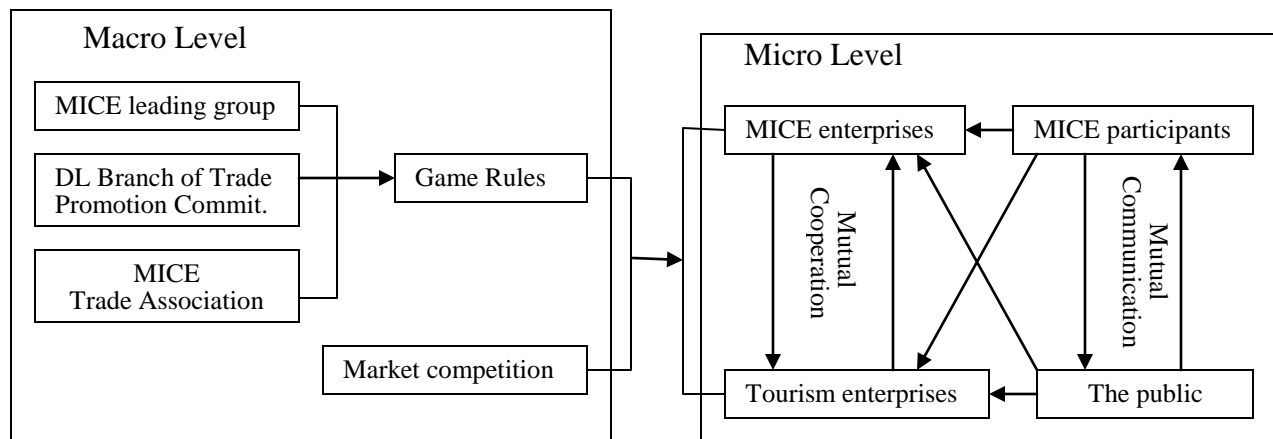
Figure 5.3 Suggested operation model of MICE tourism in Dalian
Source: by the author

5.5 Changing stakeholders

Hall (1995, p. 172), in *Tourism and Politics*, maintained that urban imaging techniques cannot be separated from the "interest, values and power of those who formulate them" and that local governments often present their vision of political and social reality through tourism. This vision could include, for example, drawing attention to certain traits that the government deems favorable, such as urban renewal or entrepreneurialism.

Although the political and administrative dimensions of tourism occur at different levels: global, international, national, provincial, community and individual and, regardless of the level of analysis, the political process is dominated by the state (as demonstrated by the discussion in the above section). The state is a powerful, resilient, pragmatic and reflexive social structure capable of sustained purposeful action across many areas of social activity, of which tourism is only one (Hall 1996). One of the most significant aspects of the state is its political form, in particular the relative balance of power between the central government and the regions. In China, with a unitary governmental system, tourism planning and promotion are controlled primarily by the

central government. Different state levels tend to be given different sets of objectives to achieve via tourism development (Airey 1983). Further, different regional levels may have different approaches toward the development of tourism resources. Thus, the study of tourism policy formation in China is made more complex because the aims of the local state may diverge from those of the central state. This thesis on tourism in Dalian has addressed political systems at three levels: national, provincial and municipal, although the provincial perspective has not been referred to much due to Dalian's special position in China. Dalian is a city designated at the sub-provincial level, which entitles it to report directly to the central government for many responsibilities. Nevertheless, the institutional mechanism in China makes it inevitable that the state plays a dominant role in orienting the development of Dalian, such as designating the city's open economic policies in 1984, as a city of port, industry and tourism in the 1990s and, most recently, as a Northeast Asia Shipping Centre under the movement of Restoring the Old Industrial Base of Northeast China in 2003. The state acts as an invisible presence in tourism. By providing infrastructural support and development policies for services, it can determine the direction of growth of the tourism industry, and it can shape the images that have implications for the experience of travel. For example, Dalian was designated as "the pearl of Northern China" by the former president, Jiang Zemin, and "romantic city" by one of the municipal leaders.

Special development stages in China have led to changing roles of different stakeholders, typically in three periods:

Initial stage – leadership of the government. With the early tourism development in China centering on famous mountains or waterfronts and committed to diplomatic

relationship, government were the key stakeholders while other individuals or organizations hardly had any voice. Tourism planning during this period featured with the assessment of tourism resources and their development. A case in point is the decision-making process for an urban facility (Figure 5.4), which would not be in place without the grant, administration and monitoring of the government. Again, Dalian was no exception. For example, the construction of the two phases of the convention centre on Xinghai Square (Xinghai Convention and Exhibition Centre and Dalian World Expo Plaza), were both solely funded by the government.
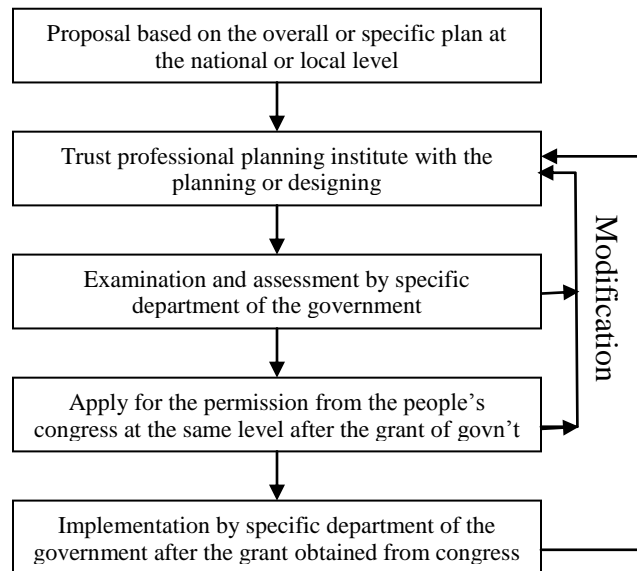

Figure 5.4 Decision making process for an urban facility
Source: after the notes of the interviews and related governmental document

With the strengthening of environmental protection all around China, especially the movement for "urban beautification" in many cities, Dalian is encountering the threat of loosing its competitive strength established by enhancement of environmental qualities. To maintain the rapid development of tourism, Dalian had to identify a new impetus. In 1992, Dalian municipal government started the research of the comprehensive impacts of

MICE on the social and economic development of the city and included it in the strategic plan for urban development in 1994 for the first time in China, putting forward the goal of building Dalian into an international city of MICE. A leading group was established in February 1996 (Dalian Municipal Work Report 2004), when Dalian Xinghai Convention and Exhibition Centre was set up. Since then, working objectives, tasks, indicators and key people with responsibility have been publicized at the beginning of each year, and the achievements or performances reported to the municipal government and notified to the citizens at the end of the year (though how much the citizens know and what sense it makes have yet to be pursued, because when the author interviewed a couple of citizens to corroborate the information gained by interviewing the convention centre participants, they had no idea about it). MICE development has been included in the working agenda of the government. In April of 1999, Dalian Municipal Government Office publicized the Provisional Methods of Exhibition Administration of Dalian City developed by the Dalian Branch of the Foreign Economy and Trade Committee, Industrial and Commercial Administration, and China International Trade Promotion Committee (Economy Daily 2004). It was the first time for the economic and trading exhibitions to be standardized by local regulations, and thus provide a guarantee of their legal and sound development.

Developing stage – focus on enterprises. Tourism development and the intense competition led to changes in the composition of the stakeholders. In addition to the government, enterprises were encouraged to invest in tourism development and, thus, the focus of tourism planning changed to concentrate on marketing analysis and the planning of the tourism industries, based on the market and resources, and oriented by products.

Figure 5.5 Dalian Xinghai Square and the conference centres (the first & second phases)
Source: adopted from www.dl.yahtour.com

Again, with respect to the MICE tourism in Dalian, in 1995 the municipal government was fundamental, through concentrated financial support, in the decision to build large modern venues for meetings and exhibitions. However, when the MICE industry was in its infancy in China, other stakeholders were encouraged to become involved in the process of holding impressive exhibitions and conferences, typically

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including business and trade companies, travel agencies, etc. (there are now more than 100 so-called professional companies undertaking various MICE activities in Dalian). At the same time, there was expanded construction of Xinghai Square, with landscaping, fountains and statues. This greatly changed the environment around the convention centre, making the area one of the iconic sites for visitors (Figure 5.5).

Xinghai Square, the largest urban square in Asia, was built to memorialize the return of Hong Kong to China. The construction was finished in 1997 (Dalian Government Website). Huge white marble *huabiao* (ornamental columns, usually erected in front of palaces, tombs, etc.) were built (19.97 meters tall, 1.997 meters in diameter) with nine carved dragons representing China (the nine divisions of China in remote antiquity). In the middle is a round design, like the Temple of Heaven in Beijing, paved by 999 pieces of red marbles from Sichuan Province, on which are the ten Heavenly Stems (used as serial numbers and also in combination with the twelve Earthly Branches to designate years, months, days and hours), 24 solar terms and 12 symbolic animals associated with the 12-year cycle (often used to denote the year of a person's birth). Around the square are 9 big ancient cooking vessels (with two loop handles and three or four legs, in the designs of different dynasties) carved with "Long Live the Great Unity of the Chinese People", standing for "*yi yan jiu ding*" (which means sincerity and credit are more important than the valuable "ding", a cooking vessel in ancient China, representing power, fortune and royalty. This is an old Chinese saying deriving from a legend. See Chinese Idioms, various versions). The star-shaped square and the sea give rise to the name of Xing (star) Hai (the sea) Square. The square is designed to expressing the deep feeling of the Dalianese for the other Chinese People. The internal diameter of the square is 199.9

meters, representing the city reaching its 100 years in 1999, while the external diameter of 239.9 meters predicts the 500-year ceremony of the city in 2399. Five hundred meters north from the central point of the square is the convention centre; to the south, beyond the Century City Sculpture (representing the 100-year history of contemporary Dalian), is the sea. The main road, paved with red bricks with green grass on both sides, leads to the sea. Stone lamps in the style of navigation markers are set up at intervals of 20 meters signaling China's return as a participant in world affairs, leaving behind a century of national shame. In the southeast corner is Dalian Shell Museum, with the largest exhibit in Asia. To the west of the convention centre is the Modern Museum.

All these developments have been directed by the national government and implemented by the municipal government. They are of great political and economic significance. It is not clear how much other players have been involved, although many private exhibition companies have been established to keep the convention centres busy throughout the year.

Mature stage – analysis of stakeholders: During the comparatively mature period of tourism development, an increasing number of stakeholders have played indispensable roles, including tourists, travel agencies, developers, local residents, and various departments of the government. Although few tourism plans are produced with the inputs of stakeholders, more and more tourism destinations have realized the importance of multi-partner cooperation.

In the case of Dalian, in spite of its reputation and civic pride concerning overall urban development, more must be done for it to enter into this stage. The model of environmental momentum (Figure 5.1) is undoubtedly an embodiment of the government

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orientation. In spite of the rapid tourism development, the increasing functional influence of the government, which is an important player at all levels of operation, might limit the development of the non-state owned economy and, thus, restrict the vigorous economic development. As reflected from the interviews and discussed above, different interviewees expressed only minor differences in their concerns and usually came to similar conclusions. Those from the government or official organizations were apparently cautious in what they would say and tried to be in accordance to the general policies and regulations related to their own fields. Their responses reflected their own importance as well as the political and economic significance of senior government officials in local decision making. However, they still described the efforts that they had made to involve as many stakeholders as possible. For example, in the process of bringing an urban facility into being, such legal procedures as EIA and getting opinions of the public would be in place and were referred to. However, the local people are used to a long history of government dominance; most of them are not very active in providing input and would rather leave the decision making to the government. As to the cooperation between different organizations or sectors, all interviewees agreed that this is vital and that it does not occur sufficiently. They admitted that it would take some time for this to happen. Under such circumstances, it is not surprising that while the environmental momentum has contributed to the rise of land values and financial revenues, it has also increased business operation costs. Whether the situation is good or not for the overall economic development of the city has yet to be determined but it can be confirmed that the increase in land values has resulted in a large increase in residents' living costs, such as in the prices for items of daily consumption and housing. Many citizens with a low income

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have to live in the suburbs but still can not avoid high costs due to the expenses of transportation. Furthermore, following environmental enhancement, Dalian has become more suitable for living and more and more rich people have been attracted to purchase houses, have holidays and to settle down. According to a survey undertaken in 2003 (Bao and Long 2005), 65-80% of the houses in the downtown of Dalian had been bought by non-locals. As one taxi-driver said, "Dalian has become beautiful but is for the outsiders".

5.5 Summary

This chapter analyzed and commented upon the information that the author collected during the field study, aiming at identifying the answers put forward at the beginning of the research. Some questions have been answered directly and others indirectly through the contextual analyses. The situation can be summarized as follows:

Since the very beginning of the urban development of Dalian, given the city's unique geography, tourism has been one of the elements considered by the planners and the government at various levels, although the importance attached to it has changed with time. With a short history and even less experience in tourism development, Dalian first set up the notion of upgrading urban values through environmental enhancement and thus establishing a virtuous circle through tourism development. However, the long history of being an industrial and port city, along with an earlier over-emphasis on the development of heavy industries before and at the beginning of the establishment of P.R. China, meant that it took some time to establish its image as a touristic city and even longer as a "romantic" one.

The specific situation of China empowered the government to be the only decision maker for a long time, in spite of the imperative needs under the globalization for more

stakeholders to be involved of market economy. The development of the MICE industry in Dalian demonstrates the changing composition of stakeholders, from the government as the only actor to the involvement of enterprises and related agencies. However, cooperation among different national, regional, and local organizations, such as between tourism agencies and the MICE organizers, has yet to be achieved. Improvement in this is important, especially as the city aims to build upon its position as a transportation centre for Northeast Asia.

Chapter 6 Conclusions

This research started with the claim that many urban facilities are multifunctional. This means that they serve different people at different times for different purposes and sometimes different people for different purposes. They may even serve the same people for different purposes and at different times. Furthermore, their creation is driven by different decision makers according to their own social, political and economic situations, and the variety of natural and human resources that can be accessed in different cities.

After outlining the research goals and objectives in the first chapter, the context of the research was set by examining a variety of themes, ranging from the definition and development of urban tourism to the roles of cities, and from the intersection of global and local forces to the booming of MICE tourism as one strategy that has been adopted to stimulate urban economies. To justify the selection of the study site, tourism and the changing roles of cities in China were also explored. Given the specific research goals and objectives, the urban and tourism development process of the case study area, Dalian, was reviewed in a separate chapter (chapter 4). In this city and employing research methods that were described in Chapter 3, Chapter 5 presented the research findings, showing the significance of this research and its contribution to the theory and practice of urban development and urban tourism.

In the introduction to this thesis, a series of questions was raised to guide the research process. These questions will be reiterated here and responses will be provided concerning these issues and their significance, based on the research that has been undertaken.

- What are the goals and objectives for tourism development in the city? How do they complement or contradict the overall development strategy for the city?

As the study revealed, if tourism development receives due consideration in the early stages of development in a city, it can be used as a part of and to complement other components in the overall development strategy for the city. Tourism development in the city should be used as a means to enhance the overall urban development, rather than as an end in itself. It is possible to develop a synergistic relationship between tourism and other forms of development, sound urban development in itself being helpful for the development of tourism in a city.

China used to impress the outside world as a country that was focused on its own development with few links with the rest of the globe. However, thoughts have changed and now China is an increasingly important global player. This research uses a case study approach to demonstrate this more recent dimension. By looking into the general patterns of urban development and urban tourism in Dalian, the study documents the efforts that a city in a developing country has made at different stages to link its social and economic development with the global scene, although some of these relationships were imposed by external world powers. Unlike many other Chinese cities which have experienced many planning initiatives, Dalian municipal officials had the foresight to have tourism development included in their urban plans as early as in 1980s, although the real importance of the role of tourism did not materialize until the late 1980s. It has been shown that tourism development of the city has been an integral part of and complementary to the overall urban development strategy. It has helped to strengthen the image of a city whose leaders have been keen to present it as clean, modern, active, and

eager to promote itself to the rest of the world. They have striven to do this even though the city is still more influential at the regional rather than the global level. The environmental enhancement has not only upgraded the city's competitive competence but, along with the construction of numerous tourism facilities, of which conference centres are an example, also embodied the notion put forward in the earlier part of the paper that urban facilities are largely multifunctional and are aimed at and used by clients with multiple purposes. This also implies that tourism is not an end in itself but is one means of facilitating urban development.

- Who have been the stakeholders, what have their roles been, and how have these changed over time? Who are the emerging key players within the process of decision making? Is planning sufficiently flexible to accommodate the interests of new players and to respond to and guide change successfully?

There is a world-wide trend in democratic societies for a greater degree of neighbourhood control over decision making (Hoyle 2000; Campo 2002). The relationship between community groups and government agencies clearly involves a multi-directional process of interaction and understanding. Sometimes this appears to work well, and to be generally positive, while at other times there is an air of uncertainty and perhaps mistrust. Sometimes there may be confrontation. The study of Dalian presents a case of the predominance of the government in the decision-making process for urban (tourism) development. This situation is typical of most cities of China, although initiatives have been taken to modify the city through tourism. However, greater involvement of non-governmental stakeholders is slow in coming into being. As revealed by the case of Dalian, at the very beginning of the development, the residents near

Xinghai Square had negative opinions concerning the strategy and did not understand why the area would be cleared. Of course, although they could and did voice their disagreement, they were largely ignored due to their weak positions, or they themselves were indifferent in the urban development, were willing to leave, or were used to leaving decisions to be made by the government (interviews). On the other hand, no specific methods have been taken to initiate or encourage the involvement of the neighborhood residents. The study also reveals that it is difficult to understand who exactly, except for the government and its related departments, has been involved in the decision-making process of establishing the conference centre or other facilities in the city. Although it would seem to be important to know how these have been put in place, because the communications among different departments and organizations are not transparent, and because it is extremely difficult for a researcher to obtain detailed documents, the decision-making process is opaque, if not hidden.

As section 2.1.2.5 implied (also refer to 4.5.2), in spite of the important role played by the government in setting the macro development policies and regulations, more and more cases have documented the requirement for the involvement of the private sector in making financial contributions to the construction and the implementation of the initiatives (Patton and Witzling 1989). The urban development of Dalian has largely followed a similar process, probably to a greater degree than most other cities in China, as will be discussed further in point 3 in the following conclusions. However, so far as the case of MICE tourism in Dalian is concerned, two aspects are clear: one is that many private companies were set up to arrange the exhibitions and conferences, and the other is that the funding for the construction of the convention and exhibition centres was derived

entirely from the government. There is a lack of standardization in systems, or, as Adair et al. (1999) explained, the ratio of public to private financing is likely to vary with the phase of development, the former being likely to be most significant initially and the latter becoming more forthcoming once basic infrastructure is in place. In fact, Dong (2004) has argued this very point in the context of waterfront redevelopment in Dalian. In addition to the regeneration of the surroundings of Xinghai Square as a splendid setting, looking back at the themes of urban tourism, it is evident that Dalian has been steadily building a range of facilities. According to the interviews, more than 60% of respondents mentioned that the construction of convention centres was inevitable if Dalian was to become a regional and even international trade, business, tourism and shipping centre. At the same time, the environmental (or green) revolution has set up sound context for such upgrading.

Planning for tourism occurs in a number of forms (development, infrastructure, promotion and marketing) and structures (different government organizations) and at a variety of scales (international, national, regional, local and sectoral). Tourism planning has tended to mirror broader trends within the urban and regional planning traditions (Murphy 1985; Getz 1986, 1987). Moreover, planning for tourism will reflect the economic, environmental and social goals of government at whichever level the planning process is being carried out. Therefore, in many ways, planning may be regarded as going hand-in-hand with tourism policy.

China started to borrow Western planning principles in recent years. For example, land-use zoning and development planning can be found at the local government level. State development, accommodation and building regulations, the density of tourism

development, and the presentation of cultural, historical and natural tourism features have all been taken into consideration for regional tourism development. Tourism planning in China was highly centralized within state agencies. According to Hall (1991, p 50), "The administration of tourism under socialism…has…implicitly acted both to contain and to concentrate tourism – and especially foreign tourism – within very specific spatial parameters". The tourism industry in China has believed that without governmental involvement in tourism planning, development of the industry will lack cohesion and direction and short-term initiatives might well jeopardize long-term potential. Government tourism planning therefore serves as an arbiter between competing interests.

To better catch up with global trends, many cities in China are trying to involve more stakeholders in, and in decisions about, their urban development. This is the case in Dalian with the attraction of external investment, the encouragement of local enterprises to be involved in MICE tourism, and so on. However, as the research reveals, more could be done in this respect. Given the long history of strong government predominance in all aspects of development, the increased participation of different players is only occurring slowly under the current mechanisms of the planning system in China. Current urban and tourism planning procedures have yet to embrace new players and or allow them to become full participants in the decision-making process.

With unique national and cultural conditions, Dalian has been grasping opportunities to upgrade its image and economic strength, and tourism has undoubtedly played an important role in this, the increasing "urban tourism elements" will provide momentum for it to become a well-known coastal city in Northeast Asia, further improvements in the

overall urban functions are required. Consideration has yet to be given to its development from the following perspectives:

- ✓ Regional leadership: the modernization of Dalian covers the central city and surrounding rural counties and towns, both of which are indispensable to, depend upon, are associated with and contribute to each other. It is obvious that the peripheral areas in its surroundings have to rely on the leadership of Dalian city in the central position and many things needs to be done to enhance their situations.

- ✓ Parallel development of the second and tertiary industries: As a port city, it is inevitable for Dalian to focus on the development of associated service industries. However, the development and operation of newly emerging industries are also critical for the success of the city. The industrial structure in Dalian was 9.5：46.5：44 in 2000, and became 8.6：46.2：45.2 in 2005 (The 11th Five-Year Plan Compendium for Dalian National Economy and Social Development, 2006), presenting a pattern of coordinated development in both the secondary and tertiary industries, a change from the greater prominence of the secondary industries in earlier years.

- ✓ Transformation of leading forces: in the course of modernization, only when Dalian completes the transformation from the government as the primary developer to a market-oriented pattern with enterprises playing the major role will it be able to keep up with global development trends.

- • Were the multifunctional facilities (such as convention centres) built as part of the overall urban development strategies? Why were they built? Whose idea was it? What stakeholders were involved? Who made the critical decisions? Who

provided the money? What was the decision-making process like? What was in the location before? Was the new facility seen as contributing to the city's image as a business or tourism centre or both? Was the development seen as being part of a city revitalization program? Was the new facility seen as addressing seasonality concerns?

It is evident from the study that most urban facilities in Dalian have been developed to enhance the overall urban image of the city as a regional business, trade, communication and tourism centre. From the early planning to the recent extension of the urban areas, Xinghai Bay has been designated for the development of business and recreation, though the most dramatic change took place in the late 1990s with land reclamations from a garbage disposal site and from the sea. In spite of growing suggestions that more stakeholders should be involved in the decision-making process, the case of Dalian illustrates the dominance of government initiatives in all of the development stages, including the creative strategies in environmental enhancement, the attraction of external investment and the ambition to promote the city through MICE tourism. It should, then, not be surprising that two conference centres have been built, as predominantly city government initiatives, which are not only "the mayor's trophies", but also contribute to the attraction and competence of the city as a regional tourism hub. In addition, the historical development of Dalian has endowed it with features that have much to do with business, trade and now tourism that are rich in international elements, such as a regional and international port city imposed by external powers (especially Russia and Japan), and an industrial base and military fort for protection against the incursion of foreign powers following the establishment of P.R. China. Following the

economic and political reforms that were initiated in 1978, Dalian became a Chinese window to the world, and in the early years of the new century the central government set the goal for the city to become the transportation hub of Northeast Asia. All these have made the development of business facilities indispensable. On the other hand, the geographical attributes of a maritime location have also fostered the development of tourism, whether as a coastal resort or in the form of urban attractions. Again the multifunctional facilities are sold to multi-motivated customers or users. The city has diversified of facilities, with a multiplicity of themes, that are concentrated at Xinghai Square but also integrated into the overall urban development, reflecting the attributes of urban tourism and the components required to form the urban 'tourist gaze' (see section 2.2).

In short, the urban development of Dalian reflects the following conditions:

1. High importance attached by the municipal government to urban development. The Dalian Government has viewed the city as being the largest state-owned asset As such, it has to be operated and administrated by the government, although there is not much interference with private enterprises which have been increasingly allowed to run according to the market economy. Making use of differences in land values, the municipal government has tried to optimize land use, upgrading and selling land and investing the revenue in the construction of urban infrastructure.

2. Cognition of synergistic relationships between environment and economy. According to statement emanating from the municipal government, the urban environment and the urban economy are integral to each other. A good environment contributes to urban economic development while the latter can provide the resources for further

improvement of the former. In 1990, there were about 1,000 joint and foreign enterprises in Dalian. This number increased to more than 8,000 in 2001 (Dalian Daily Sep. 15 2003) and over 10,000 in 2006 (interview). Many investors were attracted by the privileged geographical environment.

3. Multi-sourced funding (interview). Every year the municipal budget provides about 1 billion RMB yuan (about Can$147.0588 million) for urban infrastructure construction. However, with the invitation of outside investment, 80% of large-scale projects in recent years have been supported by foreign investment and loans from the World Bank and the Asian Bank. Increased land values are used to defray the loans and for urban construction. Furthermore, municipal and regional governments have been required to make financial commitments: when a project is designated to a district, the local government is required to offer matching fund at a ratio of 1:1 or 1:2 in addition to receiving the appropriate subsidies from the municipal government. In addition, the urban public utilities are all marketized, with trademarks on taxis, large outdoor advertising facilities and business stands on public sites. The overhead bridges across the main streets of Dalian have all been constructed with funding of advertisers who have been paid for use of the billboards on both sides of the bridges.

As implied in the anti-esssentialist argument (Sorkin 1992; Wood 1993; Zukin 1992), tourism policy is not simply about weighing the "positive" impacts against the "negative" impacts. All too often, the literature focuses on how to avoid or avert the negative influences of tourism, especially in socio-cultural matters which are the most difficult to control. This thesis suggests that globalization, because it interweaves the internal with external, operates at several levels - in the local, the national, the regional, and the global

arenas - and because it thrusts multiple structures and agents together in cooperative as well as competitive ways, interactions can only be shaped by unique patterns, according to the environments in which they occur. Viewed in this way, for tourism, the global and the local form a dyad acting as a dialectical process. It is not so much about balancing the "good" with the "bad", rather, it is about the responsiveness of the tourism system to the multiple inputs that comprise and impinge upon it. Given the favourable policies and the geographical location that Dalian has enjoyed, the case of this city should not be generalized to encompass all the urban development situations in the rest of China. However, it reveals that those that are in a position to give priority to the integration of tourism into their overall urban development strategy and are capable of combining the opportunities provided by their local features in the context of globalization, will be better placed to take advantage of the ever-changing global trends.

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Notes:

[1] Here promotion means the process during which Dalian Municipal Convention and Exhibition Office reports the projects to the related national web sites. It is learned that the expenses usually occupies 1-2% of the revenue from the exhibition or convention, or even more. Whether or not support is obtained from the government has directly impacts on the benefit of the action.