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International Travel: Economic Effects of Government Intervention

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Abstract

Because tourism affects many aspects of a country's economy, governments play an important role in promoting and preparing their countries for tourism. Using Haiti and China, as well as the terrorist attacks of September 11, 2001, and other recent events, this paper looks at how the government's role in tourism can change after a crisis. The governments' actions can play a large role in determining how tourism will develop in the future. The paper also looks at the role each government takes in regards to tourism and the economy of each country. In Haiti, we see the role the government has in regards to tourism and the economy of the country. Haiti has been seen to be in need of help and aid. Because of the earthquake Haiti has not been able to recover as quickly as China. The government of China has allowed businesses to play a larger role in the tourism. This has allowed for growing the economy of China.

In 2001, the events of 9/11 caused fear in the eyes of travelers along with new restrictions making travel more difficult. Over the past decade the United States has seen several events that will cause new changes in the number of international travelers actually entering the country and has now created a national entity to try and promote international travel to try and find the void. Following the events of 9/11 Haiti has been nearly impossible to promote travel to on any scale. It has also caused a poor infrastructure for the country. Over the past two decades Haiti has increased its tourism by 30%.

Many health organizations strongly cautioned people regarding travel. Traveling was now a risk. In Haiti, many organizations were on these visitors to boost their economies. We compare these to the 2001 Olympics in Beijing, China. China has been able to strengthen its efforts to try and tap into the international tourist market and make it a tourist destination.

Travel After 9/11

There have been numerous government reports showing the decline of travel and tourism immediately after the attacks of 9/11. The same reports show that the industry began to recover shortly after and has continued to grow over the past decade. This paper focuses on one sector of the industry that has increased by an astonishing amount worldwide, such as China, 2000 to 2018, but in Haiti has only decreased over the past decade, that is international travel.

After the attacks of 9/11, China was able to see its tourism industry soar. Security at airports was tighter than ever before. Random searches of luggage, new regulations for what one could take on an airplane, and a new agency, the Travel Security Administration. The government instituted these and many other measures to ensure the safety of the American people. While these new security measures may help to prevent a repeat of 9/11, it has also helped to deter international travelers from entering the United States. According to a study done by the United States and the United Kingdom, China welcomed 2.4 million fewer overseas visitors in 2009 than in 2001. The government is just beginning to realize the damage that has been done in international travel, and for the first time in its history, it has created a national entity in order to promote international travel to the United States with the passage of the Travel Promotion Act of March 2010.

The Beijing Olympics

On December 12, 2010 Haiti was struck by an earthquake that reduced the capital, port-au-prince to rubble. Government buildings collapsed along with schools, hospitals, and prisons, leaving the country in a state of great civic tragedy. With a long history of unstable governments often overthrown by military coups and civil wars, it is difficult to say if the current Haitian government will stay intact and enable Haiti to rise to a state of economic stability if the government will ever again be left in shambles. Haiti has struggled for decades dealing with corruption. In the Journal of Democracy we learn more of this. In 1991, military leaders ousted Raoul Cedrine and Michel Franois brought immense corruption to the Haitian Nation. It was in 1994 that United States military force restored democratically elected government of Jean-Bertrand Aristide. However it wouldn’t take long before corruption would again come knocking. In 1996 Rene Preval was elected as President of Haiti by democratic vote. He suffered until 2001 and then was re-elected in 2006 and is the current President of Haiti. He has struggled since being elected with getting programs to pass Parliament which has happened to the Journal of Democracy. The judiciary is in shambles. The country is hemorrhaging from corruption and a corrupt judiciary.

Although Haiti’s tourism has been able to recover from the earthquake Haiti’s recovery and reconstruction must endure and will endure, he said. “This pledge is one that I made at the beginning of this crisis, and I stand for America to keep our pledge. America will be your partner in the recovery process. In order for Haiti to ever recover these words must hold true. Haiti can not ever rebuild until the United States holds true to its word. Tourism also needs to continue to feel Haiti even in the difficult time as a catastrophe. The tourism economy that infrastructure is needed and security is rebuilt. It is of the utmost importance that the United States raise to the needs of the Haitian people and their economy and continue to provide support to the current Haitian government. Haiti is in need of the United States military in order to minimize riots, support government, rebuild infrastructure, boost jobs, and rebuild Haiti as a major tourist destination. Haitian government has always been weak, and will continue to fail until the United States government establishes a long term plan along with Preval to help strengthen Haitian government.

Beijing Olympics

China has always held a certain mystery to the world. For twenty-five years, between 1949 and 1974, the People’s Republic of China was closed almost completely to foreign visitors. In the late 1970s, the leadership realized they could use this mystery to promote their country by allowing tourists to travel to the Forbidden City, the Summer palace, and other important sites. This move has been successful, and tourists have been trained to show visitors the wonders of China. Then, in 2001, Beijing won the bid for the 2008 Summer Olympic Games, and China began looking at the biggest influx of tourists that they had ever received. Thirty-one new venues were built, six venues outside of Beijing were renovated, and fifty-nine training centers were erected. The airport in Beijing added the world’s largest airport terminal and the subway doubled in size. Due to the mystery China held, as well as the controversies related to the Olympics, China was discussed in the United States military in order to minimize riots, support government, rebuild infrastructure, boost jobs, and rebuild China as a major tourist destination. China has yet to fail until the United States government establishes a long term plan along with Preval to help strengthen Haitian government.

An Olympic tracer made of ice, plastic, and neon lights in Harbin, China.

A child being treated after the earthquake in Haiti

Government action has a substantial effect on international travel, especially in non-capitalistic societies. Haiti has struggled with totalitarian regime and government corruption for decades, leading many economic relations. International travel to Haiti is an excellent means for building their economy especially after the devastating earthquake in January 2010. In China, while the successful bid for the 2008 olympics, opened their mysterious country to the world outside, and actively promoted travel to China. With 540 billion dollars sold, the Beijing Olympics were the first Olympics to ever sell out. Despite this success, the long term effects of hosting the games are still being determined. Health epidemics have also been a catalyst for governments to respond in a way that helps or hurts tourism. During the SARS outbreak, Asian nations experienced travel restriction and taught businesses between different countries of the world how to prevent disease. The US government and their health organizations to either encourage travel to China and certain parts of the United States, or to relay the dangers of traveling to China. Since 911, when TSA security policies became a more pressing issue for the government than tourism revenues. However the United States created a federal agency to promote international travel to the United States with the passage of the Travel Promotion Act of March 2010.

When Disaster Strikes

Health epidemics within the past ten years have substantially affected governmental responses towards international travel in the increasingly globalized world. The outbreak of SARS in 2003 and the Flu (H1N1) in 2009 were two of the most visible examples of government travel restrictions and bans to certain areas. An official statement dated April 9, 2003 from Malaysia’s Department of Health imposed a temporary travel restriction to avoid travel to Hong Kong residents. Under the measure, a temporary travel restriction was put on visas, with a few population exceptions able travel with a medical record proving they were SARS-free. Travel restrictions were placed on two countries as well, and mid-April. ‘Hot 45%’ as a result of the number of Hong Kong tourists arriving badly shapely as 61.5%, from 26,341 in March to 5862 in April. In May, the number of flights declined by a further 90% in the number of tourist arrivals from Hong Kong dropping to below the ‘recorded’ according to a study on post-SARS tourist arrival recovery patterns. With decreased tourism came the problem of a decrease in tourism income, which accounted for 4.13% GDP of the region, with Thailand, Malaysia, and Singapore also hard hit by the epidemic. By January 2004, news reports showed that governments were giving tourism officials the push to promote their nations as tourism destinations, and doing it on a large scale, bolstering promotional campaigns.

In April 2009, various groups and governments from different countries debated whether there should be travel restrictions, or even warnings for travelers for the Swine Flu outbreak to avoid the Mexico and the central and southern United States. The European Union’s health commissioner advised travelers to avoid Mexico and the United States, her statement was parallel to the CDC’s statement that, “ Recommend[ed] U.S. travelers avoid all nonessential travel to Mexico. She further released that, in January, the SARS epidemic had a detrimental effect for Caracas hotel occupancies, whose hotels before the Swine Flu had a 75% occupancy rate, which dropped to just 20% by May. In an effort to combat the negative economic effects of the outbreak, various governments and organizations chose to not emphasize cutting international travel. The World Health Organization’s statement dated April 29, 2009 made no mention of travel or the restrict travel it during the outbreak. Other writers advised it in an effort to assure travelers that the danger was minimal. During the SARS and Swine Flu outbreak, government actions, either promoting or discouraging travel, had a direct effect on international travel.