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The Belt and Road Initiative: Structure or Agency in Shaping Tourism Flows?

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The Belt and Road Initiative: Structure or Agency in Shaping Tourism Flows?

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This short paper discusses possible implications of China's Belt and Road Initiative (BRI) for global tourism. After a brief introduction to the BRI, it highlights some of the different ways the initiative has been received and conceptualized, and then offers comments on the BRI and tourism. The paper argues that it is not so much the BRI itself, but the wider structural shifts in global economic weight and the political context in which they take place, which will shape China's interactions with global tourism.

China's Belt and Road Initiative

Since not long after Xi Jinping first referred to building a Silk Road Economic Belt and a 21st-Century Maritime Silk Road in speeches delivered in autumn 2013, discussion of the Belt and Road Initiative 一带一路 has become a prominent part of debates about China's growing global influence and the intentions of China's leadership in shaping its external engagement. In the process, the idea of the BRI has been developed and interacted both with Chinese policies and with global responses to them, becoming a dynamic metaphor for the opportunities and challenges that a risen China's global engagement offers.

The most formal Chinese statements of the aims of the BRI remain the document issued by three Chinese ministries with State Council authorization in March 2015 (State Council 2015) and subsequent statements by Chinese leaders, including Xi Jinping's speech to the high-profile Belt and Road Forum (BRF) in Beijing in May 2017 (Xi 2017). These present the BRI in predominantly economic terms, as an initiative designed to enhance connectivity across Afro-Eurasia in terms of policy, infrastructure, trade (and investment), finance and people-to-people exchanges. The initiative is envisaged as working in line with existing multilateral and bilateral mechanisms and dominant development ideologies which make use both of market forces and multilateral intervention in providing infrastructure for flows of people, goods and capital. The hosting of the BRF shifted the emphasis somewhat towards the diplomatic and political from the economic, with attitudes towards BRI becoming somewhat symbolic of the state of particular countries' bilateral relations with and approach to China.

Particularly important for the purposes of this paper is the material in the vision and actions document on developing "people-to-people" ties, from culture and education to healthcare, science and

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technology, youth issues, parliamentary and political party exchanges, and non-governmental organizations. Tourism is specifically covered in the following terms:

> *"We should enhance cooperation in and expand the scale of tourism; hold tourism promotion weeks and publicity months in each other's countries; jointly create competitive international tourist routes and products with Silk Road features; and make it more convenient to apply for tourist visas in countries along the Belt and Road. We should push forward cooperation on the 21st-Century Maritime Silk Road cruise tourism program." (State Council 2015, Section III)*

Interpreting the BRI

While Chinese presentations of the BRI tend to emphasize the novelty of the initiative as something put forward by Xi Jinping (Xi 2017), there is much to be said for the arguments that, rather than putting forward new policy ideas, the initiative takes existing approaches to China's engagement with its Asian neighbours and beyond, hitherto often pushed at the provincial level, and consolidates and extends them as a national priority (Summers 2016). The BRI therefore taps into a number of pre-existing structural trends in China's external relations: growing trade and investment flows across Afro-Eurasia, and greater Chinese outward investment and other forms of "going out" (Yeh and Wharton 2016), reinforced by the perceived need for greater infrastructure investment to support these. At the same time, it has offered a way of rebalancing Chinese engagement towards developing economies across the Afro-Eurasia geography set out by the State Council in its vision and actions document (2015).

Since that document was published, however, there has been evolution in a number of aspects of the BRI. Chief among these is understandings of the potential geographical scope of the initiative. This was not clearly set out initially, with official Chinese statements referring to engagement at the continental level, rather than to specific countries. It was left to Chinese researchers to identify potential target countries – 64 of them in the most prominent list produced by the Chinese Academy of Social Sciences (see Wang 2016 for the list) – though other Chinese analysts did not see the scope of the initiative as being restricted to these countries. More recently, official Chinese statements suggest an inclusive approach to the initiative's geography, even potentially stretching to incorporate the Arctic (State Council Information Office 2018). However, in the context of intensifying debates in many countries over the implications of China's growing global influence, the question of other countries' responses to the BRI has become more germane. This highlights the "relational" nature of the initiative: its scope and future cannot be defined or shaped by China alone.

China, tourism and the BRI

With this background in mind, we turn now to examine the possible relationship between China, the BRI and tourism. Examination of the issue of tourism is not just helpful in considering ways in which global tourist flows might change as a result of the BRI, but in getting to grips with the BRI itself. In particular, it engages the debate about the extent to which BRI reflects existing trends or is something new. Put another way, it can help think through the relationship between the underlying structural drivers of global political economy – in this case manifest in tourism flows – and the agency of an "initiative" of the Chinese government.

We can think about these relationships in several ways: tourism into China, outbound tourism from China to other countries, and tourism not involving China which might somehow be affected by the BRI. The context for is rapid changes in the dynamics of China and international tourism (we leave aside trends in domestic Chinese tourism for the moment). This is most apparent in the fast growth in outbound tourist travel from China, which premier Li Keqiang announced in his March 2018 government work report reached 130 million trips in 2017 (Li 2018). This figure has risen from some 40 million in 2007, with particularly rapid growth from around 2010 onwards (Dai 2017). This growth has reflected the much-vaunted rise of China's middle class and parallel growth in consumption off the back of the country's economic rise, but it also indicates a growing interest in exploring the world beyond China's borders, part of a wider set of social transformations which mean that "many urban Chinese [are] profoundly transnational in their outlook and interests" (Vickers and Zeng 2017: 309).

This transformation in Chinese outbound tourism should be put alongside limited growth in inbound tourism numbers over the same period. The last two decades of the twentieth century saw substantial growth in inbound tourism, of the order of 20 per cent per year in both number of travelers and overall spending. But between the mid 2000s and 2017, the number of inbound tourists has not really grown but oscillated in the range of 120 to 140 million (Dai 2017) – though their precise destinations may have shifted, with provinces such as Sichuan engaging in more effective promotion than in the past. Spending by tourists visiting China has continued to increase during this period, though this is not surprising given rising standards of living in China. The result is a narrowing over time of China's "tourism surplus" (Dai 2017), reflecting similar trends in foreign direct investment and (to a lesser extent) trade flows. As noted above, this growth in "going out" or outward flows is both a key driving force for and likely consequence of the BRI.

An examination of the geography of China's inbound and outbound tourism is also relevant to thinking through the impact of BRI. The China National Tourism Administration reported that in 2017, 74.6 percent of foreign inbound tourists came from Asia, with Asian countries dominating the list of main tourism markets: Myanmar*, Vietnam*, South Korea, Japan, Russia*, USA, Mongolia*, Malaysia, Philippines, Singapore, India*, Canada, Thailand, Australia, Indonesia, Germany, United Kingdom (CNTA 2017; *indicates that data includes ethnically Chinese border residents). While further analysis is needed, this list suggests that geographical proximity and population size are two prominent factors in determining the geographical origin of inbound tourists.

Not included in this list are Hong Kong and Macao or Taiwan. Hong Kong, by some margin, followed by Macao, are the main sources of visitors to mainland China, accounting for 79.8 million and 24.6 million journeys respectively in 2017, out of a total of 139.5 million (CNTA 2017). However, it is the role that both SARs play in outbound tourism from mainland China which is probably more significant, with both being popular first "overseas" destinations for mainland Chinese and therefore leading the growth of global tourism by Chinese citizens. In 2017, the number of trips by mainland Chinese to Hong Kong and Macao respectively was 44 and 22 million; Taiwan attracted under 3 million, down over 20 percent from the previous year to restrictions on tour groups in the context of frostier cross-straits relations (WiC 2018).

The numbers for Hong Kong and Macao dwarf the flows of Chinese to other most popular tourism destinations outside mainland China. Thailand welcomed 9.8 million Chinese tourists in 2017, up 12 percent from 2016, while Japan received 7.4 million. The other most popular destinations by number of travelers were all in Asia, namely South Korea, Vietnam and Singapore. In terms of spending per person by Chinese tourists, developed economies top the league tables, with the US followed by Europe, Australia, South Korea, Singapore and Japan. The motivations for Chinese outbound tourism are diversifying, including across generations, in line with broader trends which reflect growing complexity across Chinese society (all data for this paragraph from WiC 2018).

Concluding comments

Putting this brief review of Chinese tourism in the context of BRI prompts several observations. First, there is no obvious correlation between the geography of the BRI (however flexibly conceived) and the geography of inbound or outbound Chinese tourism. In fact, the governments of a number of the most prominent countries for both inbound and outbound tourism have been at best lukewarm about the BRI, in particular those of the US and Japan. Turning this around, countries "along the Belt and Road", which might feature as the focal points for the sorts of specific programmes associated with BRI and listed in the paragraph from the State Council's visions and actions document cited above, do not on the whole feature in Chinese tourism – there is little evidence, for example, that Central Asia, the Middle East or east Africa are at the forefront of growth. At the same time, Southeast Asia (which clearly does feature in the economic corridors outlined as part of BRI) is a tourism hotspot for Chinese, as for other global travelers. Europe also is on the receiving end of substantial growth in Chinese tourism (Garcia-Herrero et al 2017), irrespective – it seems – of the political responses of its governments to BRI, which vary from country to country (van der Putten et al 2016).

Secondly, the recent cases of both South Korea and Taiwan serve as a reminder of the role politics can play in shaping tourism. In both of these cases this was negative in 2017, with a rapid fall in tourism from China to South Korea because of the spat over THAAD costing the country anything up to USD4.8 billion (WiC 2018). On the other hand, the Chinese approach under BRI is – at the moment at least – likely to feature more in the way of inducements than coercion. Particularly influential could be "making it more convenient to apply for tourist visas in countries along the Belt and Road", given the role that ease of visa access plays in stimulating tourism, and Chinese analyses already refer to facilitation measures for inbound tourism being focused on "countries along the Belt and Road" (51 in the case of Dai 2017). It is perhaps in this area that the BRI could, somewhat indirectly, play a role in shaping future tourist flows.

Finally, the relationship between the BRI and international tourist flows might helpfully be understood by engaging questions of the relationship between structure and agency in international political economy (Wendt 1987). The structural argument would suggest that underlying and pre-existing trends will be most influential in shaping future global tourism flows, with tourism growing where it does because of wealth generation and the particular drivers for individuals to visit certain countries (culture, climate, history, food, etc.). If the BRI follows market forces, as is suggested in Section I of the vision and actions document (State Council 2015), then it will be these structural factors which dominate.

On the other hand, the BRI is also clearly an effort at agency, with the goal of shaping the political economy of China's future global interactions, whether in terms of grand concepts of a new type of globalization or rebalancing away from over-reliance on markets such as the US or Japan. But reshaping tourism flows, dominated by individuals, might be more challenging than reshaping outward investment, where state-owned or state-linked companies play a significant role. Following the politics of China's diplomatic relations might create some markets or tourism diversion, but the overall influence of policy agency in tourism – and potentially in other "people-to-people" ties may be somewhat more limited.