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Tourism and Biodiversity Loss: Implications for Business Sustainability

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Abstract

The purpose of this study is to investigate the impact of tourism on biodiversity loss in a sample of 141 countries. In the analysis, we measure tourism using the numbers of international tourist arrivals, while biodiversity loss is proxy using the numbers of threatened species – birds, fishes, mammals and plants. We also include GDP per capita, population growth, protected areas, and crop production, which act as the control variables. We find that using robust standard error estimator the number of international tourist arrivals, population growth rate, protected areas and crop production increases the numbers of threatened species, while GDP per capita reduces the numbers of threatened species. One policy implication of this study is that since businesses in the tourism industry depend on the very existence of biodiversity, then biodiversity conservation should become the essential factor for business sustainability.

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1. Introduction

According to the World Tourism Organization (WTO, 2002), tourism is activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. Tourism has been described as one of the world's largest industry and creator of jobs across the world (UN, 1999). It has been recognized that the tourism sector can be an important driver of economic growth by contributing foreign exchange earnings, increasing wealth and provides employment and business opportunities for the communities. In 2014, travel and tourism contribute 9.8 per cent to world's gross domestic product (GDP) and create 276.8 million jobs in the world-wide economy or contribute 9.4 per cent of the world's total employment (WTTC, 2015). Tourism is considered an export industry in which foreign tourists who travel abroad purchase goods and services with money from their home countries and we observed that visitors' exports contributed 5.7 per cent of worldwide exports of goods and services. Other than this, the travel and tourism industry had contributed 4.3 per cent of global capital investment.

In 2014, the tourism sector, in terms of international tourist arrivals has reached a record 1133 million arrivals worldwide; with USD1245 billion in international tourism receipts (UNWTO, 2015). International tourism receipts are the earnings generated in destination countries from expenditure on accommodation, food and drink, local transport, entertainment, shopping and other services and goods. Europe share the largest number of international tourist arrival (581.8 million) followed by Asia and the Pacific (263.3 million), the Americas (181.0 million), Africa (55.7 million) and the Middle East (51.0 million). In terms of the average long-term growth (2005-2014), the Asia and the Pacific recorded a 6.1 per cent growth in international tourist arrivals, followed by Africa (5.4 per cent), Middle East (4.7 per cent), the Americas (3.5 per cent), and Europe (2.8 per cent). On the other hand, the Middle East region (+5 per cent) recorded the largest increase in international tourism receipts between 2013 and 2014, followed by the Asia and the Pacific region (+4 per cent), Europe and the Americas (+3 per cent), and Africa (+2 per cent). However, Europe take up the biggest portion of the international tourism receipts with 41 per cent of the market share; followed by the Asia and the Pacific (30 per cent), the Americas (22 per cent), Middle East (4 per cent) and Africa (3 per cent) for the year 2014 (UNWTO, 2015).

Although we recognized the great benefits of the tourism sector to the national economy, the tourism activities has also been connected to the negative impact on the economy in particular to the environment. One crucial aspect of the negative impact as a result of increased tourism activities is on the loss of biodiversity. Thus, the tourism sector and tourism-related activities has been recognize to assert the negative impact on the environment and threatened species. In a study led by the Conservation International (CI) and United Nations Environment Programme (UNEP) on the threats of tourism on biodiversity conservation, Christ et al. (2003) point out that the tourism-related activities that lead to loss of biodiversity can be due to: (i) habitat disruption due to the total landscape transformation for tourism development (infrastructure and facilities) in a rapid and unplanned manner that led to deforestation and drainage of wetlands; (ii) depletion of scarce resources for the indigenous and local people (e.g. water and electricity consumption); (iii) problems associated with littering and water pollution; (iv) sewage pollution from hotels, recreation and other tourism-related facilities; and (v) damage to coral reefs by the activities of careless tourists (see also UNEP, 2013). Nevertheless, UNWTO (2011) reports that the number of international tourist arrivals worldwide is forecast to increase by 3.3% a year, on average, in the period 2010-2030. In terms of numbers, the international tourist arrivals will increase by 43 million a year on average between 2010 and 2030. Thus, it is inevitable that with this rise in the tourism numbers there follows an inevitable increase in negative environmental impacts (Pickering and Hill, 2007; Buckley, 2004).

The main purpose of the present study is to provide empirical evidence of the impact of tourism on biodiversity loss and to seek their implications on business sustainability. In this study, we used the number of threatened species (birds, fishes, mammals and plants) as the measure of biodiversity loss for a sample of 141 countries in 2013. Apart from tourism, we also include income per capita, protected areas, crop yield and population growth as control variables. The model is estimated using OLS with robust standard errors. Our results suggest that tourism has positive impact on the number of threatened species for the 141 countries investigated.

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