ABSTRACT

The purpose of this study is to use actor network theory to explore the short-term and long-term relationships between two Asian countries: Malaysia and China, the two most visited countries in Asia in 2012. The Actor Network theory explains the roles of two actors China and Malaysia in tourism as mobility and performativity, respectively. The tourism in China is composed of culture differences whereas the tourism in Malaysia focuses on business concentration. Vector Auto Regressive, Vector Error Correction, and Granger analysis were conducted to explore the time series data of tourism receipts. Findings indicate that both Malaysia and China do not have short-term influence of tourism development. Interestingly, the long-term tourism of Malaysia will depend on the disequilibrium of tourism receipts between China and Malaysia but not vice versa. The findings have contributed to supporting the Actor Network Theory in developing tourism of China and Malaysia.

INTRODUCTION

China and Malaysia are the two most visited countries in Asia in 2012. Tourist receipts of China and Malaysia have been constantly changing in the Asia market share. During the 3-year period (2010, 2011, and 2012), the market share of China has been decreasing 17%, 16%, and 15% respectively, whereas the market share of Malaysia has been also decreasing 7%, 6%, and 5% (UNWTO, 2013). The question is whether or not there is a bilateral relationship of tourism receipts between two countries in the long term. Can the Actor Network theory explain the relationship between Malaysia and China? What are these networks composed of? What do they generate? What resistances do they face, and how do they protect themselves from the resistance? These questions are the main focus of this study.

In order to find the answers for the above questions, this study has conducted the vector auto regressive (VAR), vector error correction (VEC), and the Granger analysis. The VAR model is a general framework used to describe the dynamic interrelationship among stationary variables to estimate the short-term and
long-term relationship between two time series variables. If the estimation of the relationship among series is co-integrating, the VAR will become the vector error correction (VEC) model that can be used to identify predictors for long-term impacts. In this study, we will use both VEC and VAR for the case of tourism development in China and Malaysia. In addition, we use Granger analysis to forecast the predictor of the long-term relationship between Malaysia and China.

Malaysia and China both offer history, culture, heritage, and art for tourists to explore. Over the last quarter century, beginning off a low base, Malaysia has developed a major travel and tourist industry. In 1980 Malaysia attracted a modest 2.3 million international tourist arrivals, but by 2005 this figure had increased to 16.4 million, making Malaysia the second most visited country in Asia after China. The direct and indirect effect of travel and tourism in Malaysia in 2006 accounts for 14.6 per cent of GDP and makes tourism Malaysia’s second largest foreign exchange earner after the manufacturing sector.

To increase tourist numbers from China, Tourism Malaysia has established offices in Beijing, Chengdu, Guangzhou, Shanghai and Kunming and invested in a number of initiatives to make Malaysia more attractive to Chinese tourists. From 2001 to 2005 this program attracted 7,308 participants; of which the main markets were China (24 per cent), Bangladesh (15 per cent), United Kingdom (8 per cent) and Singapore (6 per cent) (Government Malaysia, 2006).

In the long-term period, the visions of different countries might affect tourism development in reality. China Tourism Organization (2013) ranks Tourism development in their economic development as follows: “Tourism and leisure as our starting point and ultimate goal in line with the overall requirements for completing the building of an initially prosperous society in China.” The Malaysian government regards tourism as an important vehicle to diversify its economic structure. To accelerate private investment in tourism two funds were launched in 2001; namely, the Tourism Infrastructure Fund with an initial allocation of RM700 million and a Special Fund for Tourism and Infrastructure with an initial allocation of RM400 million. In 2005 the allocation to both funds was increased to RM1.2 billion (Government Malaysia, 2006). Under the Ninth Malaysian Plan (2006-2010), altogether the Malaysian government will spend RM1.8 billion (US$486.5 million) to upgrade tourist destinations and on tourist infrastructure as well as on marketing campaigns in major source markets (Government Malaysia, 2006). Tourism is set to increase in importance as a source of growth.

Thus, the purpose of this research is to explore the short-term and long-term relationships of tourism development between China and Malaysia. In the literature, we will discuss contemporary research about tourism concept in terms of mobilities, performativity and the actor network theory for the relationships between China and Malaysia related to tourism development. In methodology, we will provide an overview of Vector Auto Regressive, Vector Auto Correction, and Granger analyses. Finally, in discussion, we will analyze implications of these findings.

LITERATURE

Tourism is constantly developing and changing over time. Today, tourism has developed into two areas described by theActor Network Theory: Mobilities and Performativity (Cohen & Cohen, 2012). First, tourism has been developed into Mobilities. The Mobilities in tourism are the binary distinctions between ‘home’ and ‘away’, ‘work’ and ‘leisure’, ‘ordinary life’ and ‘extraordinary holidays’, ‘reality’ and ‘fantasy’, ‘hosts’ and ‘guests’, ‘domestic’ and ‘international’. Based on Urry (2000), mobilities indicate that tourism has transformed ‘social as society’ to ‘social as mobility’. Tourists have brought their original