

# Rise and Fall of Recent Chinese Coastal Resort Development: Case of Beihai Silver Beach, Guangxi, China

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**Abstract:** Based upon a case study of Silver Beach coastal resort of Beihai, Guangxi Zhuang Autonomous Region, this article examines the rise and fall of Chinese coastal tourist resort development since the 1980s. It explores the causes for and responses to the decline of Chinese coastal resorts. The data were collected through in-depth interviews with twelve local key information providers, and secondary information sources such as government archives, survey reports, and resort plans. It was found that the rise and fall of Chinese coastal resorts in the last three decades is closely linked to the transitional reform from a central planned economy to a market economy. Three stages of coastal tourism development were identified in a sequence of rapid growth, decline and redevelopment. It was government financial funds and high local government involvement that promoted the rapid expansion of coastal resorts during the 1980s. However, coastal resort decline occurred when transitional reform was intensified and deflationary policy executed after 1992. Institutional failure is found to be the main reason of Chinese coastal resorts decline since the mid-1990s. The government-dominated pattern could not be sustained and should be restructured in forthcoming coastal tourism development in China. Revival strategies should emphasize enhancing market-oriented reform in the declining resorts on both supply and demand sides.

**Keywords:** coastal resort; transitional decline; Silver Beach; Beihai

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## 1 Introduction

The decline of coastal resorts has become a widespread phenomenon since the late 1970s, with several common symptoms including the downturn of tourist arrivals, high levels of unemployment, and insufficient investment (Cooper, 1997; Shaw and Williams, 1997; Agarwal, 1999). This, in turn, brought serious economic and social hardship to the local communities (Agarwal and Brunt, 2006). The question of coastal resort decline remains one of the most frequent topics in tourism research (Urry, 1990; Morgan, 1991; Walton, 2000; Agarwal, 2002). Different theoretical frameworks, such as the resort life cycle model and restructuring thesis, have been used to understand the causes of coastal resort decline and formulate strategies to counter it. The

resort life cycle model puts more emphasis on the internal forces of coastal resorts, attributing resort decline to the uncompetitiveness and weakness of coastal attractions. The strategies suggested for revival therefore include product diversification, development of new natural or man-made attractions and reestablishment of competitive strength (Butler, 1980). For example, British local governments have launched Tourism Development Action Programmes (TDAPs) since the 1980s, trying to initiate public and private partnerships to stimulate the development of new attractions in troubled resorts (Agarwal, 1999; 2002). However, the assessment of the three TDAPs in Southwest Britain revealed a disappointing overall result for the programs. In particular, these programs proved ineffective in halting the decline of the local economy and regenerating seaside tourism

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(Agarwal, 1999). As a result, more and more scholars have turned to the restructuring thesis as a framework to study the structural change of coastal resort decline.

The restructuring thesis was originally used to describe the great worldwide economic and social changes starting in the early 1970s, which created a transition in production and consumption from Fordism (focusing on economies of scale and on the mass production of standardized goods) to post-Fordism (focusing on economies of scope and is distinguished by flexible production techniques and high levels of product differentiation) (Agarwal, 2002). Previous studies of the tourism industry demonstrated that certain sectors have also been subject to restructuring processes (Bagguley, 1990; King, 1995; Mak and Go, 1995; Williams, 1995; Clegg, 1997). Its conceptual framework has been used to highlight the external forces of mass coastal tourism decline and the nature of restructuring. There are two restructuring processes. One is a production-related process, including searching for expanded capital accumulation, changing production modes, and production flexibility. The other is consumption-related process, including the recognition of changing tourist needs, wants, motivations, and expectations, increasing tourist access to technology and changing the availability and use of leisure time (Agarwal, 2002). Product reorganization and transformation strategies are put forward to respond to coastal resort decline in the restructuring thesis framework (Agarwal, 2002), in contrast with the product diversification strategy implied in the resort lifecycle model.

Both the resort lifecycle model and the restructuring thesis have provided useful frameworks to explain coastal resort decline. The nature of the restructuring thesis is much broader than the resort lifecycle model, suggesting that coastal resort decline is the outcome of the interaction of internal and external forces (Agarwal, 2002). However, neither of these two frameworks is adequate for explaining the distinctive trajectory of Chinese coastal resorts in the past three decades. Since 1978, China has been experiencing a dramatic transformation from a planned economy to a market economy. Meanwhile, a political transition from centralized to decentralized government has been taking place and this has undoubtedly influenced Chinese coastal resort development. Although China possesses enormous amounts of coastal resources and great potential in coastal tour-

ism development, very limited materials have been published on Chinese coastal tourism. Only a few studies have explored the rise and decline of Chinese coastal resorts from the perspective of economic and political transition (Chen *et al.*, 2004; Gu and Wong, 2008). A more explanatory and culturally specific theoretical framework is needed to understand and respond to the problems of coastal resorts in China and this could also contribute to the literature on the development and management of coastal tourism worldwide.

The Chinese coastline extends for 18 000 km, with more than 1500 beautiful beaches and coastal attractions (News Office of State Council, 1998). The development of Chinese coastal resorts dates back to the mid 19th century, when the western powers invaded China (Gu and Wong, 2008). The development of coastal tourism was suspended after 1911 due to the continuous wars in China until 1949 when the People's Republic of China was founded. Between 1949 and 1978, coastal tourist resorts were mainly built by central government for the use of the central authorities' leaders. With the implementation of reform and opening-up policy starting from 1978, a large number of investments, mainly from local governments, were made in the hospitality industry in coastal areas. Between the 1980s and mid 1990s, coastal tourism in China developed at an unprecedented speed (Chen *et al.*, 2004). After the mid 1990s, however, the further intensification of the economic and political transition brought serious problems for many resorts, resulting in some severe reverses.

This article focuses on Chinese coastal tourism development since the 1980s. The reasons are threefold. Firstly, the study can contribute to the literature by which to understand what impact coastal tourism development in China. Secondly, coastal tourism in China has passed through stages of rise and decline over the past three decades, and is entering into a new era of re-development. Some mistakes made in the earlier development should be reviewed, in order to shed some retrospective light on the forthcoming coastal resort development. Thirdly, the decline of Chinese coastal resorts coincided with widespread international coastal resort decline since the late 1970s, especially in Britain, the north-eastern United States, and parts of Spain. However, different dynamics probably existed for Chinese coastal resort decline, which have been ignored by scholars at home and abroad. Taking Beihai Silver

Beach Resort as a study case, this research has three objectives: to identify the different stages of Chinese coastal resorts development since the 1980s, and delineate the characteristics of each stage; to investigate the causes for the decline of Chinese coastal resorts; and to examine the nature of Chinese coastal resort governance and the role and behavior of local government in coastal resort development.

## 2 Materials and Methods

### 2.1 Study area

Silver Beach Resort is one of twelve national tourist resorts established by the Chinese central government in 1992. It is situated on the southeast of Beihai Peninsula, Guangxi Zhuang Autonomous Region, and 8 km from downtown area of Beihai. This research is mainly focused on the central area of Silver Beach Resort (Fig. 1). To attract foreign investments, Beihai was designated as one of fourteen coastal open cities in China in 1984. Thanks to its extraordinary geographical position as a marine outlet in Southwest China, Beihai experienced rapid development in the late 1980s and attracted a large amount of investments, especially in the real estate and tourism industries. Silver Beach is the most important coastal scenic spot in Beihai, which is famous in the southern China for its comfortable climate and 5 km beautiful sandy beach, attracting a large number of visitors, especially from adjacent and western provinces such as Guangdong, Hunan, Guizhou and Sichuan.

Silver Beach Resort has undergone a dramatic lifecycle of rise and decline since the 1980s and is an ideal case study, possessing great value for exploring the

characteristics and deep dynamics of Chinese coastal resort development. Tourist projects including Silver Beach Park and Beach Park attracted initial investments from the Beihai municipal government in 1987. Substantial domestic and international investments poured into the resort, creating the skyscraper boom of Silver Beach development in the early 1990s. Hengli Oceanic Sports and Recreation Center occupying 90 ha, the biggest coastal tourism project in Asia at that time, was funded by Haitai Property Investment Company in 1992 in Silver Beach Resort. This was a joint multinational project with estimated investment amounting to  $5.60 \times 10^8$  yuan (RMB). Investors in the Haitai Property Investment Company were transnational companies from Australia, Canada, Thailand, and Taiwan Province and Hong Kong Region of China. Planned projects included central villas in European architectural style, an international convention center, the Hengli 5-star hotel, etc. However, when a financial control policy was carried out by the central government in 1993, the development of the resort came to a sudden halt and the construction project reached a complete standstill. The poorly planned and unregulated development of the resort further caused serious ecological damage to the beach. The color of the beach turned from shining silver to a dark color, and the quality of the coastal environment degraded seriously (Wu, 1998). These problems, in turn, aggravated the serious decline of Silver Beach Resort in the late 1990s. In order to revive the resort, local government invested huge amounts of money and effort to demolish all hospitality buildings on the beach front in 2002. At the present time, replanning and redevelopment are still in process at Silver Beach Resort.

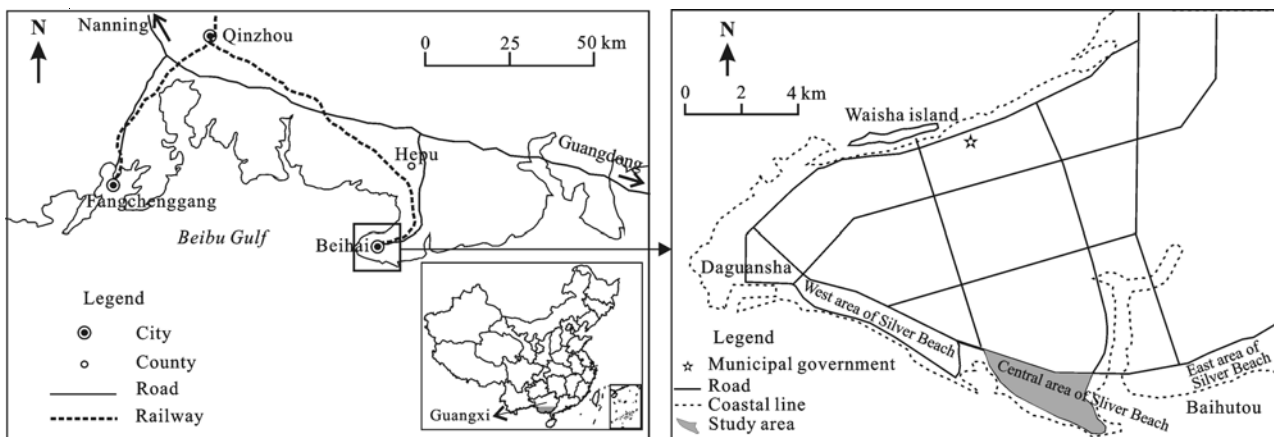


Fig. 1 Location of study area

## 2.2 Methods

Field survey trips were made to Chinese coastal resorts from 2005 to 2009 in different Chinese coastal provinces including Shandong, Zhejiang, Guangdong, Guangxi, and Hainan. The first author took the opportunity of participating in a joint meeting of 12 national resorts leaders in May 2005 in Qingdao, and of holding semi-structured interviews with several leaders from coastal resorts including Jinshi Resort in Dalian, Shilaoren Resort in Qingdao, Yalong Bay Resort in Sanya, and Silver Beach Resort in Beihai. The questions interviewed dealt mainly with issues of the present situation and challenges in coastal resort management. Overall perceptions and assumptions about Chinese coastal resort development were obtained.

In-depth field research in Silver Beach Resort was conducted in October 2005 by the first author. Data collection consisted of both first-hand and second-hand information. The first-hand data came from twelve in-depth interviews with local key informants such as the Chair of Silver Beach Resort Committee, Manager of Marketing Division from Beihai Shangri-la 5-star Hotel, officials from government divisions concerned with Silver Beach development, such as the Beihai Urban Planning Bureau, the Beihai Environment Protection Bureau, and the Beihai Tourism Bureau. The aim of the in-depth interviews was to trace back detailed historic information on the Silver Beach Resort development, and to sketch out the whole process with an understanding of significant events in each resort development stage.

Some similar questions were designed in interviews with different interviewees, such as 'Please describe the developments that took place at the Silver Beach Resort during 1987–1995', 'What is the most significant event concerning Silver Beach Resort during this period?' 'Please give me more detailed information on this event'. The answers were collected and correlated with each other to make sure that the collected information was objective and of high reliability. The second-hand data were obtained mainly from government archives, survey reports, and resort plans. The first author conducted substantive research in the government archives office, collecting documentary archives relating to the development of Silver Beach between 1987 and 2005. This information helped in discovering some important historical details concerning Silver Beach Resort. Also

some information was useful as a prompt for interviewees when conducting interviews, in order to make conversation smooth and gather more in-depth information.

## 3 Results

### 3.1 Decentralization in governance of Silver Beach Resort

Decentralization has been described as involving 'a transfer of authority to perform some service to the public from an individual or an agency in central government to some other individual or agency which is 'closer' to the public to be served' (Turner and Hulme, 1997). However, there has been a tendency to see this process only as the devolution of authority from central to local government in Silver Beach, rather than the involvement of other stakeholders such as foreign and domestic investors, community residents. It was found that policymaking powers concerning Silver Beach development are exclusively controlled by the local municipal government without intervention of upper or central government. Although resort governance powers are legitimately allocated to administrative divisions such as Beihai Land Bureau, Urban Planning Bureau, Urban Construction Bureau, the ultimate decision-making power is highly centralized with the governor of the Beihai Municipal government, who has control over a series of important issues, such as soliciting tourism investments, resort land transfer and planning execution, resort infrastructure construction, recreation facilities investments, and resort replanning and redevelopment. The Silver Beach Resort Committee, comprised of representatives from administrative divisions of municipal government, was established in 1993 and specifically authorized to be in charge of resort management affairs. However, the Committee was not given the authority to operate the resort. In this case, it is the municipal government instead of the resort committee that has the real power in resort governance.

However, integrated coastal resorts in other developing countries, for example Cancún in Mexico and Nusa Dua in Indonesia, are highly supported and managed by entities empowered from central government (Inskeep and Kallenberger, 1992). The form of decentralization at Silver Beach entails the Beihai Municipal government playing the dominant role in the whole process of resort development and exerting the most powerful influence

among the stakeholders, while the central government and other stakeholders are not essentially involved in resort governance.

Two examples are put forward to further illustrate the decisive influence of local government on Silver Beach development. One is exclusive control on land transfer in the resort. During the development boom in the early 1990s, the land market was extremely promising in Beihai as well as at the Silver Beach Resort. The municipal government strictly followed the 'One Pen' policy on land transfer in 1992, which means that permission for resort land transfer in the primary land market could only be endorsed by the executive vice-mayor. The original purpose of this policy was to monopolize power over resort land transfer by local government, and to exert strict control over land use in the resort. However, the power of control was abused and land transfer went quickly out of control, resulting in a serious spontaneous and speculative real estate investment boom.

The other example is the removal of all hospitality buildings offshore in Silver Beach Park and the launch of a resort redevelopment program in 2002. Due to the firm resolve and strong support from the Beihai municipal government, a total of 34 hotels on the beach were removed within a month. The local government, however, was left responsible for the huge cost of redevelopment which could be as much as  $5 \times 10^9$  yuan (RMB).

### 3.2 Government dominated dynamics of resort development

The government not only imposed its great influence on resort management but also on hotel development. The striking feature of the Silver Beach Resort development is government dominated pattern. Specifically, both supply and demand side of resort development were mainly supported and driven by governments at different levels.

Exploring the dynamics of Silver Beach's period of fast growth, the newly built hotels all over the resort were financed mainly from government funds. Taking Silver Beach Park as an example, as many as 34 hotels were built on the sandy beach in 1991. Table 1 shows that most of the investments in these hotels were directly from governments or state-owned companies at local, provincial and central level. The main purpose of these government supported investments was not to cater for tourists and make a profit, but to provide lodging and dining facilities for officials or staff members. On the other hand, official documents obtained from Beihai Urban Planning Bureau show that most of these hotels were under construction before legal permission was granted by the local planning administration.

The accommodation sector was overwhelmingly funded by government investment at the Silver Beach Resort as well as in Beihai downtown area. As more and more restrictions on government spending were applied



Source: Beihai Urban Planning Bureau

Fig. 2 Comparison of beach landscape: Before and after Silver Beach redevelopment

Table 1 Hotels and investors in Silver Beach Park

Hotel name	Investor	Hotel name	Investor
Bailezhou	Beihai Department Store	Nantiange	Beihai Tobacco Company
Cuizhuge	Beihai Tax Bureau	Wuyuan	Guangxi Stuff Group Co.
Yijiang	Nanning Municipal Government	Shubinglou	Railway Bureau Chengdu Branch
Youdele	Beihai Public Security Bureau	Changqinglou	Old Leaders Bureau of Guangxi Region
Caiyunge	Department of Finance Guangxi Region	Ninghai	Beihai Foreign Trade Bureau
Hongyanting	Beihai Postal Bureau	Shunfeng	Agricultural Bank Beihai Branch
Yanshugue	Insurance Company of Guangxi Region	Guangshi	Department of Television Guangxi Region
Yinhailou	People's Bank Beihai Branch	Xiaoxianglou	Old Leaders Bureau of Hunan Province
Yinfanglou	Industrial Band of Guangxi Region	Yingcaige	Department of Education Guangxi Region
Fuhaoge	Xiantian Town Council	Guangtaoge	Beihai Oil Company
Yinbinlou	Liuzhou Steel Group Co.	Huanfa	Environment Protection Bureau of Guangxi Region
Huahailou	Wuhua District Government, Kunming	Jinri	Real Estate Bureau of Hepu County, Beihai
Shunfenglou	Beihai Traffic Bureau	Jinfengge	Beihai Power Supply Bureau

Source: Beihai Urban Planning Bureau

by central government from the mid-1990s, the number of government guests in the coastal facilities dropped drastically. Business tourists also decreased substantially in number due to the economic recession. Since 1994, supply has exceeded demand to a large extent in the Beihai accommodation sector. Hotels built by governments did not face as much financial pressure as private enterprises. As a result, unfair cut-throat price competition characterized the accommodation sector. The annual occupancy rate was less than 40% for most hotels. Shangri-la hotel, a luxurious 5-star hotel in Beihai, has suffered great financial loss since its opening in 1996. Its average room rate could be bargained down to 260 yuan per night and its operating revenue ranked the lowest among 19 Shangri-la hotels in China in 2004. This situation hindered new investors in tourism (Li and Dewar, 2003) and brought the Silver Beach Resort into deeper decline.

### 3.3 Weak control on resort land use and serious environmental degradation

Silver Beach Resort, without appropriate management and planning, was developed in a spontaneous manner during peak expansion in the early 1990s. The local government imposed regulations on the development of Silver Beach but failed to manage the resort and control resort land use properly. During the development boom from 1991 to 1993, the land making up the central area of Silver Beach Resort, totaling as much as 792 ha, was almost completely sold off to various investors by the

local government. The number of projects to be developed in the resort amounted to 107, with the area occupied by the average project being only 2.64 ha. Most of these projects were speculative real estate ventures rather than tourism facilities. It was obvious that resort land use was out of control. This created enormous pressure on the coastal economic and ecological environment. Before 2002, only 3.47% of land in the Silver Beach central area was used for construction. Unfinished construction and abandoned projects occupied 12.59% of land. In addition, almost half of the property in the resort was transferred but remained vacant or under development.

The resort was also found to have been developed without any reasonable planning and environmental evaluation. Silver Beach Park was one of the fastest growing areas in the resort during the early 1990s. The original coastal oaks were all chopped down and the sand dunes were bulldozed for building. There were 34 hotels being constructed without proper planning consents on the intertidal belt, with sewage water discharged directly into the sea. This unreasonable approach to coastal tourism development destroyed the sensitive beach ecosystem. The color of the beach changed from shining silver to dark and the quality of the coastal environment degraded severely (Wu, 1998). Sea dikes were also established on the beach as breakwaters, cutting off the flow of sand and breaking down the sand beach dynamics system. A survey of coastal morphology conducted in 1994 revealed that the width of the

east beach in Silver Beach Park was reduced from 250 m to 90 m in the last 10 years (Xu *et al.*, 1999).

#### 4 Discussion

The rise and fall of Silver Beach Resort provide significant implications for Chinese coastal resort development. The feasibility of large-scale development of Silver Beach in the late 1980s should be questioned, considering a range of limitations such as overdependence on regional low-spending excursionists, immaturity of domestic holiday-making market, indistinctive coastal tourist climate and local government's limited financial capability to invest on resort infrastructures. However, with increasing attention been focused on tourism as an important potential growth sector, a moderate advance strategy was initiated by central government in the mid 1980s, aiming at promoting faster development in tourism than in the national economy (Zhang, 2003; Xiao, 2006). Meanwhile, with decentralization process was carried out as one of the most important reforms in Chinese political and economic transition, local governments and official entities of various backgrounds were greatly empowered on financial capabilities. Encouraged by this policy, local governments tried every means to achieve fast growth in coastal resorts, despite the immaturity of both the demand and supply side. On the demand side, central and local governments tried to attract foreign tourists to plan their vacation holidays in Chinese coastal resorts but failed. On the other hand, domestic holiday-making demand was still quite small, making it impossible to support a high level of development in coastal tourism accommodation. On the supply side, the private economy began to grow in the late 1980s but was incapable of providing sufficient investments for coastal resort hospitality. As a result, the fast growth of domestic coastal resorts from the 1980s was mainly driven by governments instead of market forces. At the same time, the local governments also exerted their decisive influence on the resort management, always failing to have a reasonable control and leading to spontaneous coastal urbanization and overdevelopment in a short period. As the transition reform process progressed further in the 1990s, the government dominated pattern in coastal resorts development could no longer sustained and needs to be restructured accordingly.

Based upon Silver Beach case study, the study also

found that the rise and fall of Chinese coastal tourism development over the last three decades is closely associated with the transition process from a central planned economy to a market economy. Three stages of coastal tourism development were identified since the 1980s. The first stage was from 1978 to 1992. The transition marked by this stage was the decentralization of authority and the distribution of financial backing from central government to local governments. Local governments and many state-owned companies played dominant roles in economic investments and coastal tourism development. Numerous tourism facilities on coastal areas were built, promoting the first wave of Chinese coastal resort development. However, the most significant feature of this stage was the government dominated pattern of development. Moreover, coastal resorts in this period developed in a spontaneous manner without proper planning and management.

The second stage was from 1992 to 2002. During this stage, reform emphasized the separation of governments from enterprises in which they had once invested, including coastal hospitalities. Although the establishment of twelve national tourist resorts, including 6 coastal resorts in 1992, implied a positive attitude on the part of central government toward coastal resort development, financial support and the number of governmental guests in coastal resorts dropped drastically. More and more restrictions on government investment and spending on coastal resort development were launched, which caused difficulties for most coastal resorts and precipitated some into severe decline. The third stage was from 2002 to the present. In this stage, as the transition from a planned economy to a market economy was progressing all over the country, private enterprises developed rapidly. More and more private investments went into the coastal tourism sector to secure profitable returns. On the other hand, domestic public coastal tourism demands were also expanding and maturing. In addition, a luxurious beach vacation market segment developed and has become the most profitable segment in the market. Consequently, some coastal resorts redeveloped in places with a relatively more robust economy, excellent weather conditions, and good market accessibility. Coastal resorts on Hainan Island and Chu Chiang Delta, Guangdong Province, are two good examples of such market-driven developments in recent years.

There are two types of Chinese coastal resorts decli-

nation. The first can be described as uncompetitive decline, which means that unpopular attractions and old-fashioned accommodation in coastal resorts seemed unattractive and at a disadvantage compared with new competitors. The second can be described as transitional decline, which is mainly induced by the macro institutional transition and is the main reason for Chinese coastal resort decline in the transitional period. Further explanation should be made to explore how transitional reform influenced the decline of Chinese coastal resorts. Two processes are indicated in Table 3. One is a demand-related process, which mainly includes transition in tourist structure, diversification of tourist demand, rationalization of tourist payment, and enhancement in consumption elasticity. The other is a supply-related process, which mainly includes the marketing of resort development, cessation of fiscal subsidies, the repositioning of resort facilities, and the internationalization of resort management.

Regarding the prospects and corresponding strategies in relation to the decline of Chinese coastal resorts, the regeneration of attractions and diversification strategy are needed to rejuvenate the resorts' competitiveness.

Man-made attractions or untapped tourism resources can be developed, as suggested by Butler's life cycle model. These strategies are designed to cope with uncompetitive resort decline. However, the paper argues that the main reason for Chinese coastal resort decline is rooted in the transitional political and economic system. At resorts in decline, revival strategies should focus on enhancing market-oriented reform on both supply and demand sides. The key strategy at present is to further extend property rights reform and clarify the ownership of resort facilities. The role of local governments needs to be repositioned and adjusted in the process of coastal resorts transitional development. The government is encouraged to withdraw its earlier involvement in resort hospitality investment. However, the local government should intensify its role of resort control over the private sector, including resort planning control, land transfer and project regulation, environmental protection, and coordination among resort investors and community residents. If local government loses control over resort development, there will be rapid urbanization on the seashore, frequently accompanied by major changes in social, environmental and political contexts (Smith,

Table 2 Three stages of coastal resort development since 1980s

Characteristics	Stage 1 (1978–1992)	Stage 2 (1992–2002)	Stage 3 (2002–present)
Transition trend	Decentralization of power	Separation between government and enterprise	Rapid development of private economies
Coastal tourism development	Coastal resorts in fast growth	Most coastal resorts went into decline	Some coastal resorts redeveloped
Supply	Hospitality investments mainly from government or state-owned firms	More restrictions on government investments on hospitality facilities	More and more private investments enter into coastal tourism development
Demand	Mainly from government officials	Government spending shrinks while domestic holiday-making demand in infant stage	Domestic holiday-making demand is emerging and growing

Table 3 Institutional transition impacts on coastal resorts decline

Transition	Transition impacts on coastal resorts decline	Further explanation
Demand-related process	Transition of tourist structure	The number of welfare tourists declines, while self-paying mass tourists increase in number
	Diversification of tourist demand	Coastal tourist demands are diversified from welfare recuperation to recreation, leisure, and holiday-making, etc.
	Rationalization of tourist payment	Government consumption at coastal resorts shrinks
	Enhancement of consumption elasticity	Coastal tourism demand elasticity rises up
Supply-related process	Marketization of resort development	Resort investments are mainly from private sectors instead of governments
	Cessation of fiscal subsidies	Financial support from government to hospitalities come to an end
	Renovation of resort hospitality facilities	Poorly planned facilities need to be renewed to cater to new market demand
	Internationalization of resort management	Resort management should be brought in line with international practice



1992; Wong, 1998). Strategies on the demand side also include segmentation and promotion to the various public coastal tourism markets instead of to the government consumption market.

## 5 Conclusions

Policymaking in developing countries tends to be highly centralized, with central government designing many policies and providing most of the infrastructure and services. However, decentralization of power from national government to local governments has progressed rapidly during the transitional period in China. Silver Beach Resort is a typical case study in decentralized resort governance. It is found that the local government plays a dominant role in Silver Beach Resort development and management and exerts great influence on the resort's lifecycle of rise and decline. The essential model for Silver Beach Resort development could be described as excessive administration, which indicates that the local government employs a lot of administrative resources to promote short term growth in the resort, regardless of insufficient market conditions. The illusory fast growth of the coastal resort brought enormous pressure to bear on the social, economic and ecological environments, and could not be sustained as the transition reform process further deepens.

Coastal tourism in China is moving into a new stage of development. With increasing attention focused on enormous potentials on coastal areas, more and more strategic investments are entering into coastal tourism development, pursuing large-scale and integrated enclave pattern of coastal resort development. A new thriving wave of coastal tourism fast growth is emerging. However, there are also a number of challenges in terms of sustainability upon coastal tourism destinations. These include investment domination, excessive real estate development, mass environmental destruction, and the loss of control and marginalization among host communities. In order to rejuvenate Silver Beach redevelopment into an exclusive luxury beach resort, a large-scale adjacent community relocation campaign has been launched since 2007, which has incurred acute hostility between host communities and local government. To cope with these problems, a more integrated and powerful resort governance is needed to secure effective control on coastal resort development, which

includes the participation of local community representatives, Non Governmental Organizations, and relevant academic experts. These issues need to be addressed in the future research.

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