

**THE EVOLUTION OF RURAL TOURISM  
DEVELOPMENT: A CASE STUDY IN KUALA  
SEPETANG - MATANG, PERAK**

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**UNIVERSITI SAINS MALAYSIA**

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**THE EVOLUTION OF RURAL TOURISM  
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SEPETANG - MATANG, PERAK**

by

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## LIST OF ABBREVIATIONS

APMM	Agensi Penguatkuasaan Maritim Malaysia, Malaysian Maritime Enforcement Agency
BN	Barisan Nasional
CR	Critical realism
EEG	Evolutionary economic geography
GE14	14 <sup>th</sup> general election
KTMB	Keretapi Tanah Melayu Berhad
MCA	Malaysian Chinese Association
MOTAC	Ministry of Tourism, Arts and Culture
MMFR	Matang Mangrove Forest Reserve
MPT	Taiping Municipal council
NEC	Nature Education Center
NEP	National Ecotourism Plan
NPCZP	National Physical Coastal Zone Plan
PERHILITAN	Pejabat Jabatan Perlindungan Hidupan Liar Dan Taman Negara
PKNP	Perbadanan Kemajuan Negeri Perak
PKR	Parti Keadilan Rakyat
REG	Relational economic geography
RKK	Rancangan Khas Kawasan
TALC	Tourism area life cycle
TOL	Temporary Occupation License
UNWTO	The World Tourism Organization

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# **EVOLUSI PEMBANGUNAN PELANCONGAN LUAR BANDAR: SATU KAJIAN KES DI KUALA SEPETANG - MATANG, PERAK**

## **ABSTRAK**

Pelancongan sering dicadangkan sebagai strategi untuk pembangunan sosioekonomi luar bandar. Walaupun pelancongan luar bandar menjadi semakin popular, masih terdapat kekurangan penyelidikan tentang bagaimana dan kenapa ia berkembang menjadi pengkhususan ekonomi baharu di kawasan luar bandar, serta faktor utama yang mendorongnya. Oleh itu, matlamat kajian ini adalah untuk memahami secara menyeluruh bagaimana destinasi pelancongan berkembang dan berubah dari masa ke semasa dalam konteks kawasan luar bandar. Untuk mencapai matlamat ini, teori "evolutionary economic geography" (EEG) dan "relational economic geography" (REG) digabungkan dalam rangka kerja analitik, merangkumi "path dependence," "lock-in," agensi, kuasa, dan konteks. Tesis ini berpaksikan pada falsafah realistik kritikal, metodologi kualitatif, dan kajian kes tunggal. Pelbagai sumber data, termasuk pemerhatian, temu bual separa berstruktur, dan dokumen dikumpul dan dianalisis dengan pendekatan tematik induktif-deduktif bagi tujuan kajian kes ini. Kesimpulan analisis terhadap pembangunan pelancongan di Kuala Sepetang dan Matang yang berasaskan kepada rangka kerja analitikal adalah seperti berikut: Pertama, pelancongan di Kuala Sepetang dan Matang berakar pada kekayaan sumber semula jadi dan warisan budaya daripada laluan ekonomi tempatan yang terdahulu. Kemunculan dan evolusi di kawasan ini dibentuk oleh pelbagai faktor berkonteks seperti struktur sosial, ekonomi, dan politik yang beroperasi pada pelbagai skala geografi. Kedua, perubahan dalam industri pelancongan dipengaruhi oleh kuasa dan agensi pemain utama. Agensi perubahan memainkan peranan penting dalam

memulakan laluan baru, manakala agensi reproduktif, dengan mereplikasi konsep dan strategi perniagaan yang sedia ada, turut memainkan peranan penting dalam mengekalkan laluan yang telah ditubuhkan. Ketiga, terdapat perbezaan yang ketara dalam kuasa industri pelancongan; komuniti tempatan mempunyai kuasa yang tidak rasmi tetapi memberi kesan kepada pertumbuhan pelancong, manakala agensi kerajaan mempunyai kuasa paksa dan legitimasi kerana status rasmi mereka. Keempat, definisi 'penduduk tempatan' adalah subjektif, berbeza, dan dipertikaikan dalam kajian kes ini. Secara umumnya, penduduk tempatan berhak untuk mengakses sumber atau ruang tertentu. Akhir sekali, hasil kajian ini memberi sumbangan pengetahuan dengan memajukan lagi rangka kerja teori agar lebih memahami mekanisme asas pembangunan bagi sesuatu tempat pelancongan. Dapatan daripada kajian kes juga memberikan pandangan yang berguna untuk pengamal pelancongan dan penggubal dasar untuk melaksanakan dasar.

# **THE EVOLUTION OF RURAL TOURISM DEVELOPMENT: A CASE STUDY IN KUALA SEPETANG - MATANG, PERAK**

## **ABSTRACT**

Tourism is frequently advocated as a socioeconomic development strategy for rural areas. Despite the growing interest in rural tourism, there exists a notable research gap concerning its emergence as a new economic specialization in rural areas, the reasons behind this emergence, and the key actors involved. This study comprehensively aims to understand the emergence and dynamic evolution of a tourist destination over time in a rural context. To achieve this, an analytical framework is constructed, integrating concepts from evolutionary economic geography (EEG) and relational economic geography (REG), encompassing path dependence, lock-in, agency, power, and contextuality. Methodologically, this thesis employs a qualitative, single-case study approach grounded in critical realist philosophy. Using a diverse range of data sources, including observations, semi-structured interviews, and documents, the study employs an inductive-deductive thematic approach for analysis. The investigation of tourism development in Kuala Sepetang and Matang, within the analytical framework, yields several key conclusions. Firstly, tourism in these regions is deeply rooted in pre-existing natural and cultural resources inherited from the local economy's historical trajectory. Numerous contextual factors, including social, economic, and political structures operating at various geographical scales, continually influence its emergence and evolution. Secondly, the evolution of tourism is shaped by the power dynamics and agency of key actors. The initiation of path creation is significantly influenced by change agency, while the sustenance of established paths depends on reproductive agency, which replicates existing business concepts and

strategies. Thirdly, a notable power asymmetry exists among tourism actors, with government agencies wielding coercive, utilitarian, and legitimacy powers due to their official status, while the local community holds informal yet influential power in shaping tourism development. Fourthly, the definition of 'locals' proves subjective, divergent, and contested in this study, with a general perception that locals possess legitimacy in accessing specific resources or spaces. Finally, this study contributes to knowledge by advancing a theoretical framework that enhances the understanding of underlying mechanisms in tourism development. The insights derived from the case study offer valuable guidance for tourism practitioners and policymakers involved in policy formulation, tourism planning, and destination management.

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Introduction**

The tourism sector has been widely recognised on an international level as a significant driver of progress that goes beyond mere economic growth, impacting the overall welfare of communities. The conventional perspective of tourist development has evolved significantly in recent years, moving away from an overemphasis on financial metrics. Instead, it has adopted a broader and more inclusive interpretation that encompasses social, cultural, political, and environmental aspects (Gartner, 1996). Moreover, there is a growing recognition that the scope of tourism development should not be limited to established tourist destinations. Instead, it should expand to include rural destinations, demonstrating a more comprehensive and inclusive approach to tourism (Sharpley, 2014).

Rural tourism has emerged as a tool in both developed and developing countries to address challenges unique to rural environments (Saarinen & Lenao, 2014). This concept is based on the belief that rural tourism has the potential to boost local economic activities by leveraging rural resources that would otherwise be underappreciated (Garrod et al., 2006). A positive cycle of social regeneration is initiated as a result of this stimulation, which raises the standard of living in local communities and reduces rural depopulation, thereby providing benefits to the region that is participating (Briedenhann & Wickens, 2004; Leonandri & Rosmadi, 2018; Randelli et al., 2014).

While rural tourism has the potential to bring about positive change and achieve sustainable development, there are still uncertainties surrounding the

effectiveness of this approach. According to a recent study conducted by Harfst et al. (2021), rural tourism has been found to improve community social cohesion, but it has a minimal economic impact on the regional level. According to earlier research (Castellano-álvarez et al., 2019; Fleischer & Pizam, 1997; Oppermann, 1996; Št' Astná et al., 2020), there is little local economic growth brought about by rural tourism. The aforementioned constraints on rural tourism development are attributable to shared characteristics prevalent in rural regions, including limited resources, expertise, and skilled labour shortages; geographical isolation; inadequate infrastructure; insufficient investments; and restricted financial access (J. Ateljevic & Doorne, 2004; Hall & Boyd, 2005; Harfst et al., 2021).

Although the results may differ, tourism remains a prevalent strategy for revitalising rural areas and continues to attract the attention of economic development organisations and governmental bodies at the local and regional levels (Jenkins & Hall, 1998; Telfer, 2002). At the global level, the World Tourism Organisation (UNWTO) officially declared 2020 as the year dedicated to tourism and rural development, emphasising the recognised significance and enthusiasm for rural tourism worldwide.

Given the rising popularity of rural tourism, it is not surprising to see a growing interest in this subject among researchers globally (Ibanescu et al., 2018; Randelli et al., 2014). In order for a tourist destination to improve its competitiveness and ensure long-term sustainability, it is crucial to have a comprehensive understanding of the destination's complexity. This entails an analysis of the factors that contributed to the emergence of tourism as a distinct economic sector in a particular location, its progression through time, and the mechanisms and dynamics that underlie the changes that have been observed (Brouder, 2014b; R. Butler, 2006a; George, Mair, Heather.,

Reid, Donald G., 2009; Ma & Hassink, 2013; Randelli et al., 2014; Sanz-Ibáñez, 2018).

The following section will delve deeper into the issues surrounding rural tourism in Kuala Sepetang-Matang, which is the specific area of study for this thesis. It will also explore the research gaps concerning the application of evolutionary study in the context of rural tourism.

## **1.2 Problem Statement**

A problem, as described by Creswell (2014), refers to a situation or condition in literature, theory, or practice that requires careful examination. The research issue at hand pertains to the dearth of theoretical frameworks that analyse the progression and transformation of tourist destinations, with a specific focus on rural tourism in developing nations, as discussed in the introduction.

Within the specific focus areas of Kuala Sepetang and Matang, which are the focal points of this study, tourism is in its development stage, demonstrating growth potential that can be attributed to its natural, historical, and cultural assets, as Othman et al. (2015) highlighted. Furthermore, Martínez-Espinosa et al. (2020) suggest that tourism is acknowledged as a crucial revenue provider for the local community. However, a number of difficulties, such as haphazard settlements, subpar facilities, vulnerability to flooding, and problems with connectivity between tourist destinations, limit the promising future.

The intricacies surrounding the inception, progression, and evolution of tourism in these rural communities, whose primary economic activities are fishing and forestry, remain largely uninvestigated. The lack of research on the development of

tourism in these rural communities is concerning, as it hinders the understanding of potential solutions to the challenges they face. It is crucial to conduct thorough investigations to identify effective strategies for improving infrastructure, protecting the environment, and fostering economic growth. Additionally, incorporating the perspectives and needs of the local community into tourism planning is essential for sustainable and inclusive development.

Moreover, a wide range of stakeholders are involved in the tourism industry, including municipal councils, boat operators, the Perak Forestry Department, entrepreneurs in the tourism sector, and non-government organisations. The complete understanding of the complex dynamics through which these various stakeholders interact and participate in influencing the tourism industry remains elusive. The dearth of knowledge concerning these interactions presents a significant gap in the understanding of the factors that influence the growth of tourism in these rural regions.

George, Mair, Heather., and Reid, Donald (2009) stress the necessity of comprehending the dynamics of tourism development, highlighting its dynamic nature to prevent destination development failures. Consequently, the imperative lies in understanding the intricate processes of tourism development and evolution. Butler's Tourism Area Life Cycle (TALC), a widely recognised model, proposes a generalised logistic S-curve with six stages, yet a more fine-grained model is needed, as identified by Butler (2006), to unearth the underlying dynamics of change.

Responding to TALC's limitations, recent theoretical avenues drawing on evolutionary economic geography (EEG) and relational economic geography (REG) insights have been proposed to refine studies of destination evolution. The EEG and REG framework, emphasizing mechanisms of change, compensates for TALC's



weaknesses by scrutinizing the history and local socio-economic structures influencing tourism development. Despite increasing attention, the application of EEG and REG to studying the formation and evolution of rural tourism destinations is scant, particularly in developing countries.

Therefore, it is imperative to conduct a study on the emergence and evolution of Kuala Sepetang and Matang tourism in order to enhance the destination. An EEG framework approach can be used to analyse the dynamic process of change, the underlying circumstances that enable development, and the challenges that hinder progress (Ma & Hassink, 2013; Martin & Sunley, 2010; Brouder & Eriksson, 2013). The research objectives and research questions will be further elaborated in the section below.

### **1.3 Research Questions and Objectives**

In view of the knowledge gap mentioned, this research deal with the overarching question on how, why and by whom tourism emerge in a rural area such as Kuala Sepetang and Matang? In answering this question, a more comprehensive research questions and sub questions are hereby posted:

- How does the EEG-REG framework help elucidate the dynamics of rural tourism development?
- What has been the developmental path of rural tourism in Kuala Sepetang and Matang?
  - What pre-existing conditions facilitate rural tourism development?
  - How does the development of rural tourism relate to traditional industries such as fishing and forestry?
  - How do "random events" or incidents influence the evolutionary process, impacting rural tourism development in Kuala Sepetang and Matang?

- What is the role of agency and power in shaping the evolutionary process of Kuala Sepetang and Matang rural tourism?
- What is the present state of rural tourism in Kuala Sepetang and Matang, and what strategies can enhance it from its current status?

Based on the research questions above, this study set out to achieve the following research objectives:

- To critically assess the applicability of the EEG-REG framework in elucidating the dynamic processes of rural tourism development.
- To examine and document the historical trajectory of rural tourism development in Kuala Sepetang and Matang, identifying key milestones, and understanding the contextual factors influencing its evolution.
  - To investigate the pre-existing conditions facilitating rural tourism development, particularly in relation to traditional industries such as fishing and forestry.
  - To explore the impact of "random events" or incidents, understanding the role of unforeseen events in influencing the evolution of rural tourism in Kuala Sepetang and Matang.
- To examine the role of agency and power in shaping the evolutionary process of Kuala Sepetang and Matang rural tourism.
- To assess the current state of rural tourism in Kuala Sepetang and Matang and propose strategic recommendations aimed at improving and sustaining tourism development.

#### **1.4 Significance of the Study**

This thesis holds profound importance within the dynamic realms of economic geography and rural tourism studies. By meticulously scrutinising existing tourism evolution models, it not only reveals significant limitations but also offers a comprehensive framework for understanding destination evolution. Building upon the foundational work of Sanz-Ibáñez and Anton Clavé (2014) and integrating the EEG-REG approach, this research addresses critical gaps in both tourism and evolutionary economic geography studies. The resulting extended conceptual framework

contributes significantly to the understanding of rural tourism evolution, incorporating essential elements such as the path metaphor, agency, power, and contextuality.

Notably, the study surpasses abstract concepts of agency, intricately weaving a nuanced understanding of power dynamics within tourism path evolution. The investigation of power typologies reveals the decisive influence of tourism actors on the creation, development, and lock-in period of tourism paths, in direct response to the explicit call for a more in-depth analysis of tourism evolution (Hassink et al., 2014; Yeung, 2005; Codina et al., 2020). Moreover, the proposed framework makes a noteworthy contribution to tourism studies by adopting a comprehensive, open system perspective, recognising tourism as intricately embedded within the complex regional economy.

Empirical findings on rural tourism in Kuala Sepetang and Matang reveal the nuanced factors that contribute to the transformation of rural areas into new economic specialisations. The study captures a contextual understanding by dissecting the dynamic interplay of social, economic, and political structures at various geographical scales, providing a comprehensive lens for understanding the dynamic mechanisms that drive tourism evolution in rural areas. Furthermore, the study identifies and examines the asymmetric distribution of power among tourism actors, emphasising the influential roles of government agencies and the local community in the rural tourism landscape. Additionally, the study navigates through the intricate, subjective definitions of 'locals,' shedding light on their contested legitimacy in accessing specific resources or spaces, thereby contributing depth to the comprehension of community involvement in rural tourism.

Beyond its theoretical contributions, the practical implications of this research are paramount for tourism practitioners and policymakers, providing a solid

foundation for informed decision-making in policy formulation, tourism planning, and sustainable destination management. In summary, the significance of the study lies in its theoretical contributions, practical implications for rural tourism development, and enriching impact on the academic discourse in economic geography and tourism studies.

## **1.5 Research Design**

The research design employed in this study is structured across four distinct phases with the overarching goal of providing a thorough investigation into the dynamic evolution of tourism in Kuala Sepetang and Matang. A schematic representation of these phases is elucidated in Figure 1.1.

**Phase 1** initiates the research process with problem identification and objective formulation. This phase is substantiated by preliminary observations and a comprehensive literature review, laying the groundwork for establishing the study's rationale. **Phase 2** involves establishing the theoretical framework by delving into existing literature on evolutionary economic geography (EEG), relational economic geography (REG), and rural tourism. Moving to **Phase 3**, the empirical research on the evolution of tourism in Kuala Sepetang and Matang adopts a qualitative, single-case study approach, incorporating multiple data sources, including semi-structured interviews, observation, and documents. The single case study design allows for a detailed examination of the specific context, enabling an in-depth understanding of the unique dynamics, challenges, and opportunities in Kuala Sepetang and Matang within the real-life context. To enhance the research's validity, a triangulation approach is employed, cross-verifying information from semi-structured interviews, observations, and documents. In **Phase 4**, the synthesis and concluding phases of the study involve

a comprehensive review of the research objectives and an assessment of the contributions made by the thesis to the fields of evolutionary economic geography and tourism.

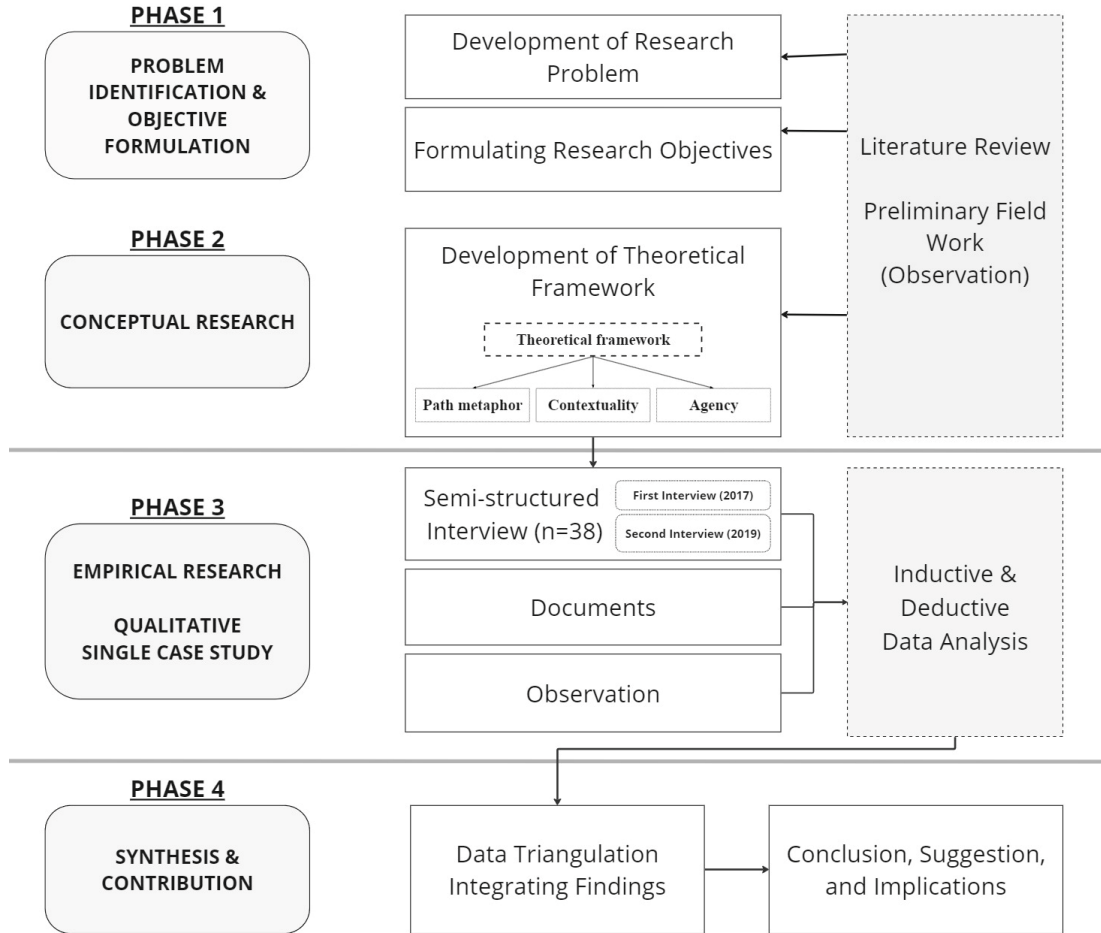


Figure 1.1 Schematic representation of the research design

## 1.6 Structure of the Thesis

The thesis is structured into seven chapters. **Chapter 1** introduces the study in terms of research background, problem statement, research questions, and objectives, followed by research design. In **Chapter 2**, an extensive literature review is provided on geography and economic evolution, rural tourism, and the analytical framework that utilizes EEG to examine the evolution of the tourist destination under investigation. The framework focuses on path dependence, contextuality, and human

agency. **Chapter 3** provides an overview of the research paradigm and methodology, including quantitative techniques, case study, types of data sources, data collection, and data analysis. This section will also provide an overview of the research site. **Chapter 4** seeks to understand the characteristics, motivations, and challenges of tourism providers in Kuala Sepetang and Matang, which will inform the understanding of the evolution path of Kuala Sepetang-Matang tourism and its human agency in the later chapters. **Chapter 5** addressed the first and second objectives in relation to the emergence and evolution of tourism in the destination through the lens of path dependency and contextuality. The empirical findings of the Kuala Sepetang and Matang study and the discussion drawn from the findings are presented in this chapter. **Chapter 6** examines the effect of human agency on the tourism evolution process, dealing with the third research objective. This chapter places emphasis on the power relations of tourism providers that enable or constrain the development of tourism in Kuala Sepetang and Matang. Finally, **Chapter 7** provides an overview of the study's key conclusions, outlining its theoretical contribution to the field of rural tourism research as well as its policy implications, limitations, and suggestions for further research.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The previous chapter provided an overview of this thesis and underscored the necessity of examining tourism destination dynamics from an evolutionary perspective. This chapter further explores the theoretical underpinnings of this studies. Section 2.2 presents an overview of the global tourism industry. Section 2.3 provides insight into rural tourism, while Section 2.4 discusses early models of tourism destination evolution, highlighting their limitations. This discussion leads to Sections 2.5 and 2.6, introducing two emerging concepts within economic geography—Evolutionary Economic Geography (EEG) and Relational Economic Geography (REG)—to address the shortcomings of previous models on tourism destination evolution. Section 2.7 critically analyses the application of these theories in the tourism context, identifying potential research gaps in existing studies on tourism evolution. Subsequently, Section 2.8 explores the EEG and REG hybrid approaches. In Section 2.9, a framework is proposed to further refine this hybrid approach, providing a robust theoretical foundation for further empirical research. Finally, Section 2.10 examines the EEG perspective on rural tourism development. The purpose of this comprehensive study is to build a robust theoretical foundation for further empirical research.

#### **2.2 An Overview of the Tourism Industry**

Over the past decade, the tourism sector has experienced notable expansion, concomitant with heightened tourist mobility, rising wealth, and significant shifts in global population dynamics, resulting in the emergence of numerous new destinations competing for a share of the tourism market (George et al., 2009). Consequently,

tourism has evolved into a leading global industry, holding a significant position in the international economic landscape. According to the World Travel & Tourism Council (WTTC), tourism accounted for 10.4% of global GDP (USD 9.2 trillion) and supported 10.6% of all jobs (334 million) in 2019.

Tourism is increasingly recognised as an alternative strategy for development, with some nations, such as the Bahamas and the Maldives, relying on tourism revenue as a primary source of foreign currency earnings. In Malaysia, tourism significantly contributes to economic growth, with the gross value-added revenue from tourism industries reaching RM220.6 billion in 2018. This accounted for 15.2% of the nation's gross domestic product (GDP) and contributed to 23.5% of total employment (Department of Statistics Malaysia, 2019).

Beyond the measurable economic metrics of GDP and employment, tourism has pervasive impacts on various societal dimensions, exerting both positive and negative influences that contribute to the shaping of cultures, societies, and environments (Dann & Parrinello, 2009). Consequently, seminal contributions by Jafari (2000) and Hall (2008) underscore the imperative for implementing sustainable practices and adopting responsible tourism management approaches to effectively address these effects.

Diverse forms of tourism, such as urban tourism, cultural tourism, and community tourism, among others, exert distinct impacts on destinations. Rural tourism, in particular, offers a nuanced perspective for examining the intricate interplay between tourism, environments, and the socio-cultural context of the destination (George et al., 2009). The subsequent section will delve into the realm of rural tourism, examining its definition and significance.



### **2.3 Understanding Rural Tourism**

One of the most important aspects of any research discussion is having a common understanding of the concepts or problems that are being discussed. Scholars and policymakers have recognised and advocated for the establishment of a precise definition of rural tourism; however, a consensus on this matter remains elusive (Bramwell, 1994; Sharpley & Sharpley, 1997). As noted by Lane (1994), it is challenging to come up with a definition that is accepted worldwide and that works for all rural areas worldwide. This lack of consensus is due to the fact that rural areas vary greatly in terms of their culture, resources, and development. What may be considered rural in one country or region could be considered urban in another. Additionally, the tourism industry is constantly evolving, making it difficult to establish a static definition that can encompass all the different aspects and dimensions of rural tourism. Consequently, the definition of rural tourism varies across nations (Nair et al., 2014).

A systematic literature review conducted by Rosalina et al. (2021) examined the definition of rural tourism by analysing previous research and official policy documents. The review found that the majority of the articles did not explicitly define rural tourism, while only a minority (36%) offered a clear definition. Rosalina et al. (2021) pointed out that rural tourism is defined by four primary components: location, sustainable development, community-based features, and experiences. Among these, location is the most frequently mentioned component. Lane's (1994) definition of rural tourism, which is one of the most frequently referenced, posits that the industry ought to be situated in a rural region, possess a functionally rural nature, adhere to social and practical traditions, and reflects the intricate interplay between the rural environment, economy, and history. Nevertheless, the question persists regarding the definition of "rural".

The concept of "rural" can vary significantly across different contexts and regions. In some countries, rural areas are characterised by low population density and a reliance on agriculture or natural resource-based industries. However, in other regions, the definition of rural may include factors such as proximity to urban centres, access to basic amenities, or the presence of certain landscapes or ecosystems. This variability in defining rural tourism has implications for the development and promotion of tourism in different locations.

To provide a clear definition of rural tourism, as proposed by Koster (2019), it is necessary to first establish the specific characteristics that define a rural area. However, accurately defining rural areas is a challenging endeavour due to the intricate and multifaceted nature of the concept. Additionally, rural areas are not fixed entities but rather undergo a dynamic process of change over time (Lane, 2009). Rural space has been described in numerous ways over time (Koster, 2019). Utilising Halfacree's (1993) four methodologies for delineating rural areas, Koster (2019) examines the evolution of the definition of rural. She proposes that the previous rural definitions were geographically limited descriptions that relied on observable and quantifiable factors, such as population, built-up area, and other statistical data. However, as Halfacree (1993) argues, this descriptive approach merely provides a description of rural areas without offering a definitive definition. Therefore, a social-cultural approach was suggested to define rural areas, taking into account the social and spatial characteristics that define rural spaces. Consequently, a variety of dichotomies, such as organic versus mechanical, urban versus folk, and rational versus traditional, have been used in an attempt to differentiate between urban and rural areas. In spite of this, the dichotomies approach was not convincing because, according to Koster (2019), it "does not reflect, and in fact oversimplify, the dynamic reality of society and space."

Consequently, in response to the limitations of such a dichotomous view, the rural-urban continuum was proposed (for example, the continuum concept proposed by Lane (1994)). On the other hand, the concept of a rural-urban continuum, which evaluates rural areas on a scale with values ranging from extremely remote to highly urban (George et al., 2009), was called into question and deemed problematic in terms of its application. Drawing upon the theory of social representation, Halfacree (1993) defined rural as a social construction consisting of "words and concepts that are commonly used and understood by individuals in their daily conversations." In light of this, rather than defining rural based on its statistical aspect or specific social economic structure, the concept of rural as a socially constructed concept centres on the people who live in rural areas, their perceptions, and their discourse that constitutes "rurality" (Woods, 2005).

According to Koster (2019), the construction of rural space (or place) through social representation is relevant in the context of rural tourism. This is because it is the rurality that people constructed (i.e., nostalgia and escapism) that characterised the rural product and was the driving force behind visitors to visit the rural area. However, the author also mentioned that the viewpoint of rural as a socially constructed concept undermines the spatial element, and as a result, it is not sufficient in elucidating tourism across a variety of rural spaces. The consumption of tourism is distinct from the consumption of other products because it takes place in the location where it was produced (Botterill, 2001). According to Debbage and Ioannides (2004), in order for tourism to take place, the tourist must first travel to the location where the tourism is produced. In this sense, Koster and Carson (2019) argue that studies of rural tourism should take into account the social construction of rurality while also addressing the distance of the rural space from an urban core. This distance indicates the extent to

which the rural space is close to sources of supply and easily accessible transportation. Distance, they argue, is not numerically defined in tourism because it is socially constructed "depending on the level and quality of transportation accessibility, as well as the availability of time and financial resources."

As an alternative to the previous rural definition proposed, Koster and Carson (2019b) suggest that rural can be spatially differentiated along a continuum of the fringe—boring bits in between—and exotic remote. The fringe refers to places sited within a commuting zone of an urban core. Exotic remote refers to places that require significant effort to access, such as time and money, or places that are located at great distances from the urban core. Finally, the 'boring bits in between' refer to the areas located between the fringe and the exotic remote.

This thesis embraces the definition of rural put forth by Koster and Carson (2019) and agrees with the authors that studies on rural tourism should carefully investigate the spatial and local aspects of rural areas. By examining the different categories of rural areas, researchers can gain a deeper understanding of the unique challenges and opportunities that each type presents for tourism development. Additionally, this approach allows for a more nuanced analysis of the specific characteristics and dynamics that shape tourism in these areas, ultimately leading to more effective strategies and policies for sustainable rural tourism. Therefore, the definition put forward by Koster and Carson (2019) is considered appropriate for the scope of this research.

Having presented a foundational understanding of rural and rural tourism through the provided definition, the subsequent section will delve into the study of

tourism development to establish the groundwork for comprehending the developments and evolution within rural tourism.

## **2.4 Early Models on Tourism Destination Evolution**

“There can be little doubt that tourist areas are dynamic, that they evolve and change over time.” Butler (1980:5)

Tourism, with its complex and ever-changing characteristics, has been extensively studied by scholars from different fields (e.g., Brouder et al., 2016; Butler, 1980; Hassink & Ma, 2017; Papatheodorou, 2004; Plog, 1974; Sanz-Ibáñez, 2018; Sanz-Ibáñez & Clavé, 2014; Zhao & Liu, 2021). As the tourism industry continues to experience remarkable growth and expansion on a global scale, researchers are increasingly compelled to investigate the complexities and development of the industry.

Several early models on tourism destination evolution developed between the 1960s and 1980s, including Christaller's (1963), Cohen's (1972), Plog's (1974), and Butler's Tourism Area Life Cycle (TALC) model (1980), proposed a sequential development of tourism destinations, acknowledging their progressive and dynamic characteristics. However, these models are not exempt from criticism. For instance, Butler's TALC model has faced widespread criticism for its linear and deterministic traits, reliance on tourist numbers as a primary indicator, and focus on the internal dynamics of tourist destinations while neglecting the broader context of the regional economy (Smith, 1995; Ioannides & Timothy, 2019).

Furthermore, the TALC model, initially designed for resort destinations, is less applicable to diverse tourist destinations such as post-industrial urban and rural areas

and heritage sites. This limitation diminishes its credibility in scenarios characterised by various forms of tourism (Ioannides & Timothy, 2019).

Hence, further research and new insights are essential to illuminate the intricate mechanisms underlying the evolution of tourist areas and the rise and fall of destinations. Recent studies by Brouder and Eriksson (2013) and Ma and Hassink (2013) aim to address the limitations of early models on tourism destination evolution and improve understanding by drawing on evolutionary economic geography (EEG). Anton Clavé and Sanz-Ibáez (2014) further extend this idea by advocating for the integration of relational economic geography (REG) and EEG in the field of tourist destination evolution.

The following section will provide a brief overview of two emerging concepts in economic geography, namely EEG and REG, as well as their previous applications in the context of tourism.

## **2.5 Introduction to Evolutionary Economic Geography (EEG)**

EEG originated from the field of evolutionary economics, which aims to study the changes in social economic systems over time (Boschma & Frenken, 2006; Boschma & Martin, 2010; Hassink et al., 2014; Martin, 2010; Martin & Sunley, 2006; Storper, 1997). Traditional evolutionary economics typically lacks spatial considerations, whereas EEG introduces a novel paradigm that enables a detailed analysis of both temporal and geographical aspects when studying the development of economic landscapes. EEG aims to elucidate the mechanisms through which the economic landscape, including the spatial arrangement of economic activities such as circulation, exchange, distribution, and consumption, undergoes changes over time (Boschma & Martin, 2010). In other words, it seeks to investigate the forces underlying

economic evolution and to address the disparities in economic development across space (Boschma & Frenken, 2006; Martin & Sunley, 2006, p. 395).

Within the arena of economic activity, it is investigated in a more comprehensive environment that it is immersed in while also taking into account its historical background (Henning, 2019) and its present development in order to get a comprehensive understanding of its evolution trajectory throughout time (Martin & Sunley, 2015; Meekes et al., 2017). EEG diverges from neoclassical economics by adopting a dynamic perspective that questions the premise of equilibrium circumstances and the rationality of economic actors (Boschma & Martin, 2010).

### **2.5.1 Theoretical Foundations of Evolutionary Economic Geography (EEG)**

The notion of EEG is based on three main theoretical frameworks: generalised Darwinism, path-dependence theory, and complexity theory (refer to Figure 2.1). While these frameworks are interrelated, they each stem from a distinct point of view, highlighting different aspects of the evolutionary process (Essletzbichler & Rigby, 2007; Meekes et al., 2017).

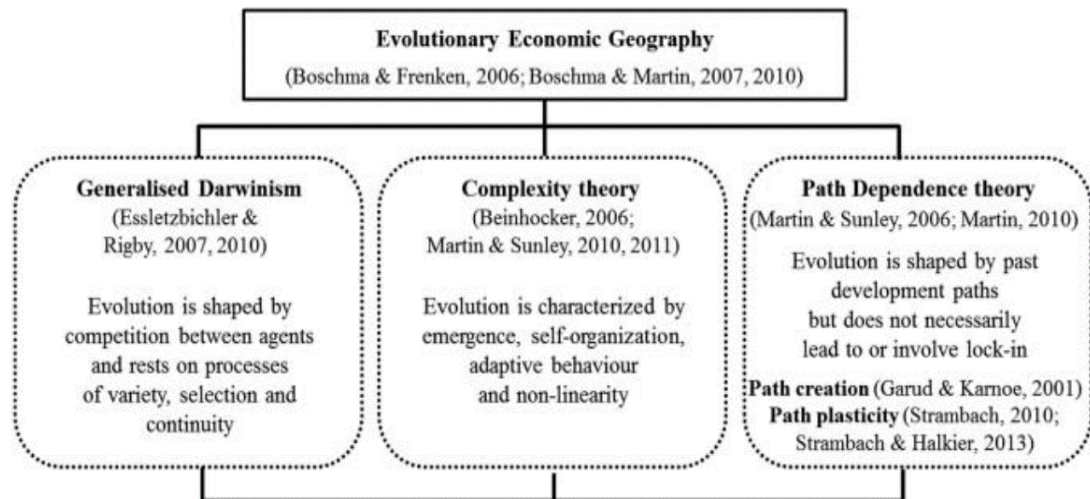


Figure 2.1 EEG approaches. Source: Sanz-Ibáñez and Anton Clavé (2014), from Boschma and Martin (2010)

Generalised Darwinism resembles evolutionary biology (Essletzbichler & Rigby, 2007), while complexity theory is influenced by the physical sciences. Both biological and physical analogies were criticised for their application in evolutionary economics, raising questions about their capacity to accurately represent economic processes' complexity.

The third theoretical framework, path dependence, has garnered substantial attention by highlighting the influence of historical events on shaping economic trajectories, encompassing concepts such as lock-in, path destruction, and path creation (Martin & Sunley, 2006; Boschma & Martin, 2010). Its integration into the domain of economic geography can be traced back to the pioneering works of Paul David, who focused on the economic history of technology, and Brian Arthur, who examined non-linear economic processes during the 1980s and 1990s (Martin, 2010).

Since its inception, the concept of path dependence has captivated evolutionary economic geography scholars, emerging as a central tenet in evolutionary research (Boschma & Frenken, 2006; Boschma & Martin, 2010; Brouder, 2017; Hassink et al., 2019; Martin & Sunley, 2006; Scott, 2006).



Path dependence emphasises the impact of historical events on economic trajectories, suggesting that random or chance occurrences can have lasting effects on the technological, industrial, and institutional structure of an economy (Martin, 2010). Similarly, Arthur (1989) emphasises the cumulative reinforcement of impacts from random events in the early phases of an industry, resulting in what he refers to as 'lock-in'. This lock-in can present itself in a variety of ways, with both positive and negative consequences. Positive results include increased profits, while negative repercussions include rigidity and failure to adjust to change.

However, as Arthur (1989, 1990) argued, highlighting the significance of earlier events and their reinforcement mechanisms does not imply that path dependence is deterministic or static. Instead, path dependence should be perceived as process-dependent, ever-evolving, and dynamic. Martin and Sunley (2006) concur with this nondeterministic stance on path dependency, further explaining that “at each moment in historical time, the suite of possible future evolutionary trajectories of a technology, institution, firm, or industry is conditioned by both the past and the current states of the system in question. The past thus sets the possibilities, while the present conditions what possibility is to be explored” (Martin & Sunley, 2006).

### **2.5.2 Critical Reviews of EEG**

The EEG framework, along with its associated concepts such as path dependence, complexity theory, and generalised Darwinism, has been widely used to understand the evolutionary dynamics of regional development, specifically in the technology and manufacturing industries (Gill & Williams, 2014). The early conception of the EEG, which focused on path dependency, has encountered criticism

despite its recognition as an invaluable tool for analysing changes in the dynamic economic landscape (Boschma & Martin, 2010; Martin & Sunley, 2006; Strambach & Halkier, 2013).

In particular, Sydow et al. (2009) commented on David's early interpretation of technological path dependence, claiming that it overemphasises historical events and its inherent self-reinforcing mechanism, implying a progressive shift towards inflexibility or lock-in situations in subsequent stages (Gill & Williams, 2014). These focal points of attention overlook the active influence of individuals, corporations, and organisations in shifting the path (Stack & Gartland, 2005). Furthermore, the explanatory capacity of path dependence has been questioned, with assertions that the theory alone is insufficient to explain how path dependence leads to lock-in and how to break away from the locking process (Garud & Karnoe, 2001; Stack & Gartland, 2005; Sydow et al., 2009).

In response to the deemed restrictive assumption of path dependency, Garud and Karnoe (2001) proposed the concepts of path creation and mindful deviation to emphasise the evolving nature of the path as well as the active role of actors (e.g., entrepreneurs) in shaping, adapting, and interacting with the structure and economic landscape in which they are embedded. In a similar vein, Strambach and Halkier (2013) presented the concept of path plasticity, which investigates how individuals creatively navigate an established institutional setting for innovation without departing from the path that was previously established.

There is agreement among other academicians who are interested in path dependence that the concept must be expanded in order to enhance its explanatory power. For instance, Sydow et al. (2009) suggested applying an 'external lens' to

examine the influence of external influences on an established path, while Beyer (2010) and Pierson (2000) recommended investigating the power dimension to uncover the underlying factors influencing path dependency.

A recent development in EEG research involves integrating ideas from relational economic geography (REG) (Hassink et al., 2014; Kogler, 2015). The subsequent section will provide further insights into REG.

## **2.6 Introduction to Relational Economic Geography (REG)**

Relational Economic Geography (REG) is a concept that places a significant emphasis on human agency and acknowledges the significant role that economic actors play in the process of decision-making and the construction of spatial structures (Bathelt & Glückler, 2003; Boschma & Frenken, 2006). This point of view suggests that the economic behaviours of individuals, companies, and organisations are influenced by a broader structure of social relationships and context-specific structures, both formal and informal (Bathelt & Glückler, 2003). Bathelt and Glückler (2011) contend that it is crucial to adopt a micro-perspective that emphasises the contextual and path-dependent characteristics of economic action in order to comprehend the fundamental processes and rationalities of economic decisions, which are outlined below.

### **2.6.1 The Perspective of Contextuality and Path Dependence**

The contextuality perspective underscores that economic actors exist within networks of social relations and are embedded in wider institutional and cultural conditions (Granovetter, 1973; Polanyi, 1957). They are subject to both formal and

informal norms, such as laws, customs, and practices. Consequently, economic activities are highly contextual and inseparable from their socio-economic contexts (Bathelt & Glückler, 2011a).

The path dependence concept, based on a dynamic approach, suggests that economic behaviours are primarily limited by previous actions and past experiences that have been accumulated over time (Nelson & Winter, 1982). In open systems, however, economic behaviour is subject to uncertainty, which allows for actions and strategies to diverge from established courses (Bathelt and Glückler, 2011b; Sayer and Walker, 1992). Consequently, this does not indicate that any particular course of action is predetermined.

### **2.6.2 Limitations and Recommendations for REG**

In spite of the fact that REG is becoming increasingly popular among academics, it has been subjected to criticism (Jones, 2014). According to Sunley (2008), it is proposed that the concept of REG is overly abstract and ambiguous. In addition, although the relational perspective focuses on the network and social relations between actors, it tends to neglect the process by which economic activities emerge (Sunley, 2008). Others argue that the relational framework in economic geography has not been well-theorised and lacks a systematic evaluation and integration of knowledge in this expanding field (Yeung, 2005). Similarly, Sunley (2008) agrees that REG does not have the capability to comprehend the relational structure of economic actors because it "provides us with no real guide for where to look for causal influence and the exercise of power."