

Research Newsletter



Research across the CBLG

What has been going on across the college?



Mitigating Impact from Natural Disasters, Building Resilience in Tourism: The Case of Kerala

Dr. Thirumaran

The World Travel and Tourism Council (WTTC) reported that the travel and tourism sector accounted for 10.4% of global GDP and created 319 million jobs or 10% of total employment in 2018 (WTTC Report, 2019). The upward trend in international tourist arrivals will reach more than 1.8 billion by 2030, with tourist arrivals in emerging economy destinations projected to grow at double the rate of that in advanced tourism economies (UNWTO, 2015). While such economic projections signal optimism, conversely, this Asia-Pacific region is also one of the hardest hit by natural catastrophes. Natural disasters in

recent years have resulted in loss of lives, mass evacuations and a tremendous impact on the tourism industry for countries caught in these natural calamities. An understanding of how governments and disaster management agencies respond to these natural disasters within the context of mitigating harm to people with a focus on tourists would inform practitioners and scholars alike of ways future policies can be developed to assist in prevention and to lessen the impact on loss of lives and assets.

The 'Weather, Climate & Catastrophe Insight: 2018 Annual Report' revealed that there were 394 natural catastrophe events globally in 2018, generating economic losses of US\$225 billion, of which 144 were in Asia-Pacific, the impact of which inflicted more than US\$89 billion in economic losses, or around 40% of the global total (Olano,

2019). Some of the deadliest natural disasters occurred in India, Indonesia and Japan. Globally, Indonesia recorded nearly half the total deaths from disasters in 2018, while India recorded nearly half the total number of individuals affected (CPPR, 2018a).

Overall, floods have affected more people than any other type of natural hazard in the 21st century, including 2018 (CPPR, 2018a). In south-western Japan, the floods in July 2018 set off landslides killing at least 176 people, forcing millions to evacuate and leaving dozens missing in the country's worst weather disaster in 36 years (Sieg, 2018). In a similar catastrophe, the flash flooding in India's Kerala State in August 2018 was the worst humanitarian disaster the region had experienced since the 1920s, with two-thirds of the state's residents affected (over 23 million people) and a total economic cost of US\$2.85 billion (CRED Crunch 54, 2019). These floods also destroyed a thriving tourism industry, a key source of growth and prosperity for the region (KTDC, 2006). In response to the disaster, the Kerala Tourism Board devised a plan to revive the industry through rebuilding accessibility to popular tourist attractions using aggressive marketing campaigns. Despite the initiatives, the tourism inflow post floods have been sluggish.

While tourism is considered a way to revitalize a sluggish economy (Shondell, 2008), the fact that the tourists are in the eye of a major disaster calls for a different kind of safety approach. Fulkner (2001) in the very early days on studies for the need for pre-empting natural disasters to prevent severe impact suggested that an assessment on the community's resources be done ahead so that necessary measures can be implemented. This chapter records an understanding of the impact of the 2018 cyclone and flooding on tourism in Kerala. The strong inverse relationship between tourism and natural disasters leads to a greater focus on disaster mitigation in Kerala

pertaining to impact, risk management and preventive measures. The study unravels the ability of this popular tourist destination to manage the impact of the disaster on tourists, efforts in loss-recovery and post-disaster marketing, thereby providing an understanding of future policy and risk management projections. The findings have applications for policymakers and other stakeholders to consider impact-limiting measures and construct built-in resilience in the tourism industry.

Townsville

Prof. Philip Pearce

Understanding a researcher

How do you make sense of what your colleagues are doing? I believe it can be difficult for other researchers trying to understand a line of work to glean an integrated view from an array of articles. Starting in 2017, and completing the task in 2019, I edited, wrote and co-write several of the chapters in the book *Tourist Behaviour The Essential Companion*. It has 20 chapters, each of around 10,000 words. Why spend so much time on one book? I believe that only books integrate and offer a holistic view of a researcher's contribution. During the same three-year period, and as Distinguished Professor, I have authored and co-authored around 40 academic publications. Some are with PhD students, others with international colleagues, and a third are solo efforts. They address specific components of my and our wider interests trying to enhance aspects of the tourist experience while managing behaviours that are unsustainable and worry communities. Books like this one offer an answer to the question what is it that you do, think and believe about key topics. Further, they begin to answer the question what is the point of this kind of work. So what are some of the insights and options for one part of the work - reducing less desirable tourist behaviours: Here are 14 of the actions deriving from the work

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Recognition: Assess individual awareness that problems are being caused

Reconsideration: Question if the behaviour and indeed the travel is necessary

Refusal: Reject choices and goods known to be damaging, illegal and harmful

Reduction: Seek to use environmental resources efficiently and limit waste

Replacement: Find substitutes for the more resource intensive and damaging options

Re-use: Continue to work with objects

and processes that have recurring use
Recycling: Find a second and different use for a product or process in common use

Retraining: Build personal skills, capacities to improve social interaction and resource use

Re-education: Be open to shifting values and habits for new sets of long term behaviours

Restoration: Commit to altruistic actions for positive resource and socio-cultural benefits

Re-engineering: Select and co-produce new variants of the setting to minimise disturbance

Rewards: Use economic levers, social





norms and praise as incentives for better actions

Restrictions: Control behaviours with security personnel, legal and zoning measures

Re-visioning: Change the social and community vision of tourism

We are applying these principles in various combinations to a range of tourism settings, including designing new kinds of experiences and dealing with tourists in small communities in South East Asia. It might be a while before another big integrative book on this topic is produced but as my fourth volume in this line of work, it offers a contemporary statement and I hope justifies the time spent.

Cairns

Mr. Graeme Cotter

The Rise and Demise of the Mining Community in Australia: A Socio-cultural and Economic Investigation.

Taking the mining industry and associated communities as a proxy for industrial development as a whole in Australia, this study examines the socio-cultural and economic reasons for the tensions between capital and labour, and the role that these tensions

have played in the development and decline of mining communities. Since the early advent of unions in Australia, these recurrent cycles of tension have seen power ascendancy alternately pass between capitalist elites and workers. With society being composed of unpredictable and emotional individuals in continually evolving social structures, this research analyses the reason behind the recurrent and cyclical nature of the tension between capital and labour, and considers its implications for the future of industry development and employment in this country.

In Australia, the mining industry makes a significant contribution to our export income. The industry contributed 57% of export value in 2017-2018 while employing just 1.8% of the nation's workforce, down from peak employment in 1901 of 9.2% of the workforce. Mining communities sometimes decline long before the ore reserves of their mines are depleted. The cause of such a decline may be attributed to mismanagement, a downturn in world commodity prices, a shortage of essential fuel supplies, or an increase in operating costs. Often overlooked in such an analysis are the socio-cultural factors that contribute to tensions between capital and labour which can emerge in the community over its development period.

Adopting a theoretical perspective of

FEATURE

Organisational Culture, this research will undertake case studies of a number of selected mining communities from colonial to contemporary times to provide a unique comparative insight into the factors influencing the development trajectory of mining communities at a time when industrial relations and labour market policies in Australia are facing an increasingly uncertain future. Of particular focus will be the interactions of national and state governments, the judiciary and police, the workers, the unions, and transnational capitalism.

Singapore

Associate Prof. Huiping Zhang

The Price of Uncertainty and Stock Liquidity

Authors: Wenjin Kang, Nan Li and Huiping Zhang

We show that the price of long-run risk in Hansen, Heaton and Li (2008) can be reinterpreted as the price of uncertainty in Hansen and Sargent (2001), where the agent concerns about robustness of his decision to model uncertainty or misspecification. Furthermore, an important component of the long-run risk premia can be reinterpreted as benefits from reducing uncertainty about the specification of the state of economy. We find that this reinterpretation is critical to understand asset prices especially the pricing of stock liquidity. Investors are more likely to hold and trade stocks that help to reduce uncertainty about their specification of the consumption growth and labor income growth, which makes these stocks more liquid. We find that investors are willing to pay price premium for liquid stocks because these stocks do help to reduce the uncertainty of the representative investor's specification, and this benefit is large enough to justify the observed liquidity premium with plausible concerns about

robustness to model uncertainty.

Associate Prof. Pengji Wang

Doing well by doing good? Evidence from luxury brands' social responsibility disclosure and their financial performance

Authors: Pengji Wang and Huiping Zhang

Noting the sparse literature on the corporate social responsibility (CSR) commitments of luxury brands, we focus on the constituents of the S&P Global Luxury Index and their non-luxury peers to examine the impact of CSR disclosure on firms' financial performance. We find that both luxury and non-luxury firms' accounting performance improves when their CSR disclosure is moderate but worsens if such CSR disclosure is in the extreme, after controlling for the effects of firm size, debt level, and past performance. On the other hand, the effect of CSR disclosure on firms' market performance is either insignificant or negative. These patterns are more pronounced for non-luxury firms than for luxury firms. Our results also shed new light on the interplay of CSR disclosure, responsible investing, and luxury brand management.

Other News

CBLG Research Committee New Members

HDR: Carter Xu

Cairns Representative: A/Prof. Jo Pryce

CBLG/JCUS Collaborative Research Grants 2020: Further information will be coming out soon.

Grants



Australian Government

Australian Research Council

Discovery projects

| Activity | Timing |
|-----------------------------|-----------------------------|
| Release of Grant Guidelines | 8 October 2019 |
| Applications open | 13 November 2019 |
| Request Not to Assess close | 12 February 2020 |
| Applications close | 26 February 2020 |
| Rejoinders | 18 June 2020 to 1 July 2020 |
| Anticipated announcement | Fourth Quarter 2020 |

Important dates that relate to eligibility:

- The grant commencement date for Discovery Projects grant opportunity for funding commencing in 2021 is 1 January 2021. This date is when grant funding may commence.
- The active project assessment date for Discovery Projects grant opportunity for funding commencing in 2021 is 1 July 2021. This date is used to consider project and application limits per named participant.

