THE IMPACT OF POTENTIAL POLITICAL SECURITY LEVEL ON INTERNATIONAL TOURISM

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Abstract: The purpose of this study was to investigate the impact of potential political security in an effort to fill in two foregoing research gaps in international tourism. To investigate the relationship between political security and international tourism, a simple regression model was employed. Secondary data were collected from a variety of sources, such as international tourist arrivals (130 countries) from Statistical Yearbook of Tourism by World Tourism Organization and their political security index from Euromoney aggregated by polling risk analysts, risk brokers and bank credit officers. The result found that the regression coefficient of political security turned out to be statistically insignificant ($p=0.23$). Only 9 % of total variance in international tourist arrivals is explained by the political security. However, according to the scatter plot, the outlier clusters of 18 underestimated countries and 5 overestimated countries revealed important patterns explained in terms of the political security.

Introduction

The impact of political security on international tourism has been the concern of some researchers (Lea, 1996; Wall, 1996; Bar-On, 1996; Mansfeld, 1999). It is commonly assumed that international tourists consider their personal safety along with travel costs and availability of information when they choose an international destination. The studies indicated that a nation's political insecurity led to a decrease in the number of international tourist arrivals. Two limitations were observed in these studies. First is that only small number of countries was used for the studies. Secondly, the meaning of political security was applied in a sense of the extreme case expressed by terrorism and international wars. The purpose of this paper, therefore, is to close two research gaps: applying global distribution of international tourists, and investigating the impact of potential political security, which is defined as political instability and perceived threat to tourist safety on international tourism.

Data and Model

Data were obtained from two sources. International tourist arrivals were obtained from the Statistical Yearbook of Tourism published by World Tourism Organization. Data for political security were obtained from Euromoney distributed by Euromoney. A political security index was made by polling risk analysts, risk brokers and bank credit officers. They were asked to give each country a score between 10 and zero. A score of 10 indicated no risk of non-payment, meaning no political risk; zero indicated that there was no chance of payments being made, meaning heavy political risk (Euromoney, 1997). A total of 150 countries, which were successful in reporting both number of international tourists arrivals and political security index, was used for the analysis. To investigate the relationship between political security and international tourism, a simple regression model was employed as follows:

$$1)\ Y = \alpha + \beta X_l$$

Where Y is growth rate of international tourist arrivals (94 – 97)

X is change rate of political security index (94 –97)

α is a constant

β is X_l regression coefficient

Result

The results found that firstly, potential political security had no impact on the flow of international tourist arrivals. The regression coefficient of the political security turned out statistically insignificant ($p=0.23$). Secondly, the political security only accounts for 9% of variance of international tourists arrivals (R-Square = 0.09). However, the scatter plot shows the patterns of the cluster of underestimated countries and overestimated countries, which decrease the goodness of fit in the regression line.

To identify the outliers countries, the standardized residual of the regression coefficients were transformed into Z scores. Upper 10 percentile, which represents underestimated countries, and lower 10 percentile, which represents overestimated countries, were extracted. With exclusion of 6 outliers countries, the model increased the explanatory power by 15% (R-Square 1.49). Also political security turned out to be a statistically significant variable in explaining the flow of international tourists.

International Tourist Arrivals = 0.212 + 0.503 (Political Security Index) (t=4.79)

However, some need for explanation remains. Since data used for the study are actual numbers reported from each country, we could not easily set aside these countries as outliers. On the assumption that countries report accurate number of international tourist arrivals to the WTO, these countries should be considered as a unique set or cluster, which reveals the complexity for the nature of international tourists' response to political security, rather than statistical outliers.

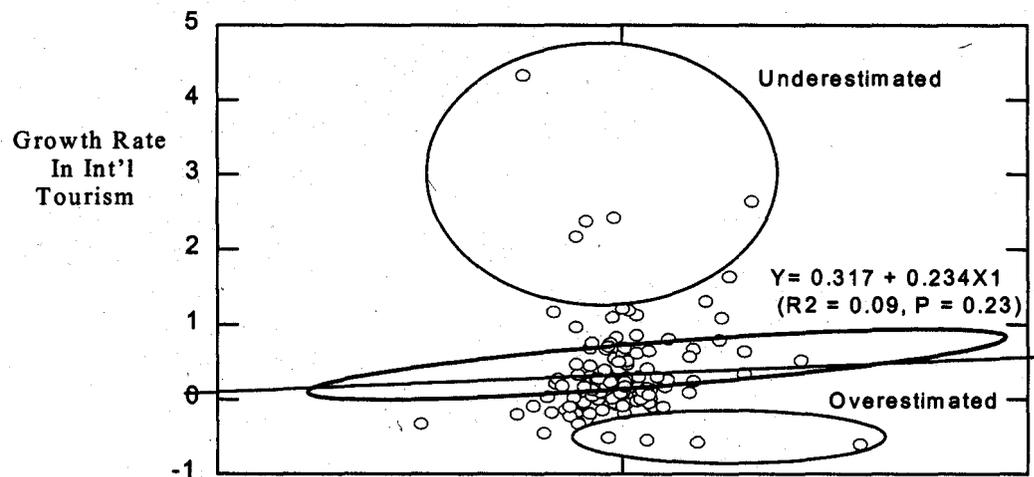# The Impact of Political Security
on International Tourism

Figure 1. Change Rate in Political Security

Overestimated Countries	Underestimated Countries
Chad(-1.61), Sao Tome(-1.95),	Cuba (3.44), Mali(3.55), Nigeria(3.12), Sudan(6.75),

Note: Underestimated countries are those which have increases in the Number of International Tourist Arrivals in spite of decreases in Political Security Index. Overestimated countries are explained as countries which have decreases in the Number of International Tourist Arrivals but increase in Political Security Index.

Conclusion

Does political security really matter to international tourism? The potential political security of the countries has a positive function of international tourist arrivals among 144 countries, which were apparently significant number of the countries. However considering 6 countries are not properly estimated by political security, brought ambiguous response. Since the political security in the study refers to a degree of "potential political risk" existing in the countries, international tourists might have acceptable tolerance of political insecurity in a case where the attractiveness of the destination is greater than political insecurity. Second, the number of international tourist arrivals could have a different meaning in relation to the potential political risk. For example, pleasure travelers and business travelers would be different in their sensitivity to the political risk than business traveler does. Therefore, the specification of international tourist arrivals would help decrease the ambiguity. In spite of the partial interpretation, the discussion of Hall and O'Sullivan (1996) provides insight into this complicated phenomena: "The sheer scope of the implication of political violence for tourism requires a far more sophisticated understanding of the nature of the international traveler's response to political instability and perceived threats to tourist safety than has hitherto been the case" (Hall and O'Sullivan, 1996, p. 118). The potential political risk of the countries is not always a constraint of international tourists to overseas. It is well documented that the temporary impact of terrorism, international war, or civil war is significant factors that can dramatically decrease the number of international tourists (Lea, 1996; Ioannides, 1999; Wall, 1996; Bar-On, 1996; Mansfeld, 1999).

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