The WTO, tourism and small states:
finding policy space to develop

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The WTO, tourism and small states:
finding policy space to develop

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Angeline Turner
Abstract: The WTO, tourism and small states: finding policy space to develop

This study examines whether the General Agreement on Services (GATS) provides the necessary policy space for small states to pursue their development agendas. Small states in this study are defined in power terms. But the study also focuses on small states in a property sense--those with few diversification options, making the services sector potentially an important avenue for economic growth and diversification.

The study seeks to examine critically the parameters that GATS places on policy-making of small states--whether governments are limited to providing a competitive business environment, or if they retain sufficient policy space to shape the development of a sector. The study also looks at the interplay between international and domestic factors in development of policy.

The tourism industries of Oman and Qatar provide case studies to examine these issues. Tourism has the potential to contribute to the economies of small states generally, but debate exists as to whether GATS leaves small states with sufficient space to influence the direction of this sector. The similarities between Oman and Qatar in both power and property terms allow for a comparative examination of whether small states can find meaningful policy space. In addition, their domestic dynamics provide insight into the interplay between domestic and international pressures on policy choices.

The experiences of Oman and Qatar suggest that there remains some policy space for states to develop their tourism industries in a manner compatible with local aspirations. Governments thus have some scope to direct the shape of the tourism sector beyond merely providing a competitive business environment. But policy direction is influenced by capacity, past experiences and existing norms, and these differences can result in varying outcomes. Additionally, small states must decide their priorities in on-going WTO negotiations in order to maintain existing policy space.
# List of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>2</td>
</tr>
<tr>
<td>Introduction</td>
<td>8</td>
</tr>
<tr>
<td><strong>Chapter one: Literature Review</strong></td>
<td>12</td>
</tr>
<tr>
<td>1.1 How has globalisation affected the system in which states must operate?</td>
<td>15</td>
</tr>
<tr>
<td>1.2 What is a small state?</td>
<td>22</td>
</tr>
<tr>
<td>1.3 Why join?</td>
<td>28</td>
</tr>
<tr>
<td>1.4 How do small states fare in WTO negotiations?</td>
<td>32</td>
</tr>
<tr>
<td>1.5 What are the parameters?</td>
<td>35</td>
</tr>
<tr>
<td>1.6 What are the options for states after the deal is done?</td>
<td>40</td>
</tr>
<tr>
<td>1.7 Services industries: is there policy space?</td>
<td>53</td>
</tr>
<tr>
<td>1.8 Tourism and policy space</td>
<td>55</td>
</tr>
<tr>
<td>1.9 Tourism and the Middle East</td>
<td>66</td>
</tr>
<tr>
<td>1.10 What questions need to be answered?</td>
<td>68</td>
</tr>
<tr>
<td><strong>Chapter two: The Study</strong></td>
<td>76</td>
</tr>
<tr>
<td>2.1 Tourism</td>
<td>76</td>
</tr>
<tr>
<td>2.2 Why Oman and Qatar?</td>
<td>81</td>
</tr>
<tr>
<td>2.3 How has tourism developed in these states?</td>
<td>83</td>
</tr>
<tr>
<td>2.4 How are the issues examined?</td>
<td>85</td>
</tr>
<tr>
<td>2.5 What kind of policy space exists?</td>
<td>86</td>
</tr>
<tr>
<td>2.6 What is the balance between domestic pressures and capacity and international obligations in determining policy?</td>
<td>87</td>
</tr>
<tr>
<td>2.6.1 Norms and historical experience</td>
<td>88</td>
</tr>
<tr>
<td>2.6.2 Institutions</td>
<td>89</td>
</tr>
<tr>
<td>2.7 What methodology is used?</td>
<td>90</td>
</tr>
<tr>
<td>2.7.1 Interviews conducted</td>
<td>97</td>
</tr>
<tr>
<td><strong>Chapter three: General background on the GATS and</strong></td>
<td>102</td>
</tr>
<tr>
<td>on Omani and Qatari commitments to the GATS</td>
<td></td>
</tr>
</tbody>
</table>
3.1 The main framework

3.1.1 How services are delivered

3.2 The specific commitments

3.3 What are the some of the concerns raised about these provisions?

3.3.1 Market access and national treatment

3.3.2 Domestic regulation and subsidies

3.3.3 Future concessions

3.4 Oman, Qatar and interaction with the GATS

3.4.1 Oman's specific commitments affecting Tourism and Travel-Related Services

3.4.2 Qatar's specific commitments affecting Tourism and Travel-Related Services

3.5 Implications for Oman and Qatar

Chapter four: Oman and policy space

4.1 The development of tourism in Oman

4.2 Economic policy issues for Oman: diversification

4.3 Economic policy issues for Oman: employment

4.4 Environment and culture protection policy

4.4.1 Concerns about culture

4.4.2 Concerns about the environment

4.4.3 Concerns about the built environment

4.5 Is Oman achieving its goals?

4.6 Oman's strategy in GATS negotiations

4.6.1 Negotiating pressures

4.7 Policy space

4.8 Pursuing local policy goals: Employment of Omanis

4.8.1 Tour guide services

4.9 Pursuing local policy goals: Diversification and development

4.9.1 Five-star hotels

4.9.2 Other hotels

4.9.3 Hotels: Beyond just ownership

4.9.4 Hotels: New markets
Chapter 5: Tourism in Oman and Qatar: Cross-national Differences and the WTO

5.8 Tools

5.8.1 Tools: Targeted marketing
5.8.2 Tools: Government investment
5.8.3 Tools: Ownership rules
5.8.4 Tools: Licenses
5.8.5 Tools: Visa policy
5.8.6 Is Qatar able to control the direction of tourism and its local impact?

5.9 GATS commitments and Qatar’s tourism development

5.10 Issues for the future

5.11 Outlook for future WTO concessions

Chapter 6: How much impact has GATS had on tourism development in Oman and Qatar?

6.1 Policy goals

6.2 Is there policy space?

6.3 The impact of global and local constraints

6.3.1 Name recognition
6.3.2 Diversification and economic development
6.3.3 Control of direction of tourism development

6.4 Different situations, but potentially similar longer-term problems

6.5 What do Oman and Qatar teach about the GATS more generally?

6.5.1 Existing agreements
6.5.2 Future pressures
6.5.3 Beyond individual agreements

6.6 Does GATS really constrain?

6.6.1 Toward a framework for viewing state action in a globalised world
6.6.2 Understanding the general impact of the WTO
6.6.3 Looking at how GATS affects tourism

6.7 Oman and Qatar: lessons about tourism and the GATS

Bibliography
Primary sources
Interviews