

## **NATURAL DISASTERS, ENVIRONMENTAL DEGRADATION, AND TOURISM DEMAND IN BORACAY**

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### **Abstract**

While tourism's contributions to employment generation and poverty alleviation have long been cited as justification for altering the natural environment to allow for the construction of tourism-related infrastructure, islands, due to their limited resources, are more susceptible to the ill-effects of mass tourism such as overcrowding, pollution, and environmental degradation. This article examines the impact of natural disasters (e.g., typhoon and monsoon) and environmental degradation (e.g., pollution, coastal water quality and algal bloom, coastal erosion, and habitat loss) on tourism demand in Boracay, arguably the most visited small island in the Philippines, which boasts one of the best beaches in the world. Using monthly time series data and ordinary least squares, we estimate the impact of natural disasters and environmental degradation on tourism demand in Boracay for the period January 2010 to December 2014. Our results indicate that Boracay's tourism industry is rather resilient to the effects of natural disasters and environmental degradation suggesting that domestic and foreign tourists who visit Boracay tend to ignore the risks associated with typhoons and monsoons and the health hazards associated with poor water quality in Boracay's coastal environment.

**Keywords:** Natural disasters; Environmental degradation; Tourism demand

**Topic Group:** Industry, area or region specific studies

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