Motivations, Concerns and Experiences: Residential Tourism in Southeast Asia

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Abstract Increasing numbers of foreign retirees and later-life (over 50-year old) migrants are settling or spending significant periods of time in parts of Southeast Asia. Based on ethnographic fieldwork in Penang, Malaysia and Ubud, Bali, Indonesia this paper addresses this under-researched phenomenon by highlighting the motivations behind and everyday experiences of these residential tourists in Southeast Asia. The paper concludes by addressing the long-term importance of both acute and chronic health care provision, for migrants and governments in the region, in the context of a growing and increasingly competitive global retirement industry.

KEYWORDS: RETIREMENT, HEALTH CARE, SOUTHEAST ASIA, MIGRATION, SOCIAL CHANGE.

Introduction

Increasing numbers of retirees and later-life (over 50-year-old) migrants (Warne and Williams 2006) from high income countries such as Australia and the U.K. are settling or spending long periods of time in Southeast Asia, encouraged by governments in the region who are now incorporating international retirement, residential tourism or second home programmes into their development strategies. Since 2002, for example, the ‘Malaysia My Second Home’ (MM2H) programme has attracted over 18,000 successful visa applicants of various nationalities (Ministry of Tourism Malaysia 2012).

The Philippine Retirement Authority is so confident of its place in a regional and global retirement industry that it provides links to other, similar programmes in Southeast Asia so that potential applicants can compare and ultimately realise the benefits of retiring in a nation-state that offers world class health and medical services, ‘comparable to the best anywhere else’ (Philippine Retirement Authority 2012).

Understandings of international retirement migration (IRM) in Southeast Asia are limited to two studies of Japanese retirees in Malaysia and Thailand (Ono 2008; Toyota 2006) and an analysis of ‘older Westerners’ in Thailand (Howard 2008: 152). Little understanding exists, in other words, of how and why foreign nationals from Australia, Europe and the United States are spending their later years in some of the world’s most popular tourist destinations. This lack of research also ensures that there is little recognition of an ‘invisible’ number of migrants, in terms of statistical data on retirement, who use tourist and other relevant and renewable visas to maintain residence in the region.
What is clear is that the increasing presence of ageing foreigners has policy implications, in the short and especially longer term, for governments in the region. The presence of less affluent foreign retirees in Thailand (Howard 2008; Toyota 2006), for example, raises questions of how and on what terms such people will address and finance both acute and chronic health care issues in the face of limited or dwindling savings and exchange rate systems that are capable of reducing the value of meagre pension funds over a period of several weeks or months by as much as 25%, or more.

This paper provides important, under-researched insights into IRM in Southeast Asia. The paper addresses some of the contrasting and overlapping motivational factors underpinning the growing, long-term presence of older foreigners in the region and considers how and on what terms such people are making sense of life as residents in Southeast Asia.

As I suggest residents in Malaysia and Indonesia are variously attracted by low costs of living, food and ‘culture’ and share mutual yet diverse concerns of overdevelopment. These two retirement destinations, however, offer markedly different experiences of short and longer term health care provision. Whilst Penang leads the way in terms of a perception amongst migrants of ‘first class’, inexpensive, private hospital services, Bali offers a more informal solution in response to chronic health care issues, such as Alzheimer’s Disease, in older age. The paper concludes by addressing the long-term importance of both acute and chronic health care provision, for migrants and governments in the region, in the context of a growing and increasingly competitive global retirement industry.

The paper is based on several months of ethnographic fieldwork in Malaysia and Indonesia, conducted during 2011. Research took place with individual and couples, for example, in participant’s homes, in cafes and restaurants and other relevant social spaces. I also participated in ‘community’ events, particularly in Bali, where migrants meet to eat, walk and explore parts of the island on a regular basis, or participate in social gatherings in the home/s of some residents.

Motivations for Migration

Penang, Malaysia

The Ministry of Tourism Malaysia oversees an attractive retirement visa programme which provides successful applicants with a multiple re-entry 10 year visa that can be renewed, the opportunity to work part time, a tax free regime for overseas income and the opportunity to buy a locally manufactured car at a subsidised, tax free rate (The Expat 2011). The programme is particularly aimed at over 50-year-olds and comes with financial restrictions and conditions which require applicants to provide evidence of assets, place funds in a Malaysian bank and show evidence of regularly monthly income (approximately $3,700).
MM2H is attracting people from a range of different national backgrounds; Japanese and British retirees are particularly evident in Penang. During my fieldwork, I met MM2H visa holders who had spent significant parts of their life working as expatriates in Southeast Asia and other parts of Asia, such as Hong Kong. In some cases, therefore, migrants, especially British migrants, are replacing life in one former British colony (Hong Kong) for another (Malaysia). Whilst the official national language of Malaysia is Bahasa Malaysia, such migrants may be partly drawn to a nation-state where English is widely spoken and where the legal system, particularly relevant when buying property, continues to be influenced by British law.

The presence of ‘expatriate retirees’ is increasingly complemented by British, European and Australian nationals, for example, who have less historical familiarity with the region but, often through extensive research of a range of potential retirement destinations across the globe, are eventually drawn to the benefits of living in Malaysia and enrolling on the MM2H programme.

Given that potential applicants are conducting such research online there is clearly a need for governments to provide clear and accessible information about their retirement/second home programmes. The MM2H homepage represents an example of this. It provides extension information about the MM2H programme and Malaysian society and culture. The MM2H site also provides video or YouTube testimonials of migrants who speak of the benefits of living and/or retiring in Malaysia.

The MM2H programme may provide a key role in attracting some foreign nationals to Malaysia. Some later-life migrants, however, meet the financial thresholds of the MM2H programme but instead make use of generous, renewable tourist visas and plan trips outside of Malaysia every three months.

The growth of budget airlines in the region, a good example being Air Asia, ensures that migrants in Penang can explore various parts of Southeast Asia and beyond on these supposed visa runs. Migrants, more generally, are drawn to what is perceived as a general sense of political stability in Malaysia, especially compared to an awareness of political and social unrest evident in various parts of neighbouring Thailand in recent years. Thinking further on national terms, some migrant speak favourably of low crime rates in Malaysia.

Migrants are undoubtedly and specifically attracted, in various ways, to Penang, as a geographical entity, as a social and cultural experience. As an island linked to peninsular Malaysia by a causeway, migrants are drawn to condominium and apartment blocks close to the coast, in some cases with balconies overlooking the Strait of Malacca. Penang represents an international tourist destination. Significant numbers of migrants live near or within the tourist enclave of Batu Ferringhi and with a presence of international hotels offering restaurant promotions, for example, are able to indulge in the benefits of a tourist infrastructure on a regular, long-term basis.

On a more local level, migrants often speak of the attraction of living in a place with a large Chinese
population, which for some migrants means, more implicitly, that they do not necessarily feel that they are living in a nation-state where Islam represents the dominant religion in Malaysia. Retirees and later-life migrants from Hong Kong are, in some cases, drawn more particularly to the familiarity of Chinese culture, which in part dilutes the journey across Asia to new surroundings and a new home. This is not to say that migrants in Penang engage on extensive terms with local society. Some research participants with the inclination to do this suggested, for example, that it was difficult to get to know locals, particularly Chinese Malaysians, on any intimate level.

Ubud, Bali, Indonesia

In contrast to the MM2H programme, Indonesia offers a more limited retirement ‘package’ for prospective applicants. Retirement visas are available but need renewing on an annual basis and are extendable for five years. The programme offers no advantages in terms of tax regulations. Retirement visa holders cannot seek employment on this visa and must declare that they will employ an Indonesian maid during their time in Indonesia.

During my fieldwork, migrants in both Malaysia and Indonesia tended to view the application process for visas as overly bureaucratic and time consuming; for retirees in Indonesia there is the additional responsibility on these terms of having to renew their visas each year, a process which may involve paying further, extensive fees to a visa agent. As is the case in Malaysia, however, there are alternative visa options available for foreign residents wishing to maintain residence in Indonesia, such as the Social Cultural visa which can be used and renewed within Indonesia for a total of 6 months. Visa holders can then begin the cycle anew by embarking on a ‘visa run’ to a neighbouring country in Southeast Asia, for example.

Another important contrast with Malaysia is that retirees and other foreign residents in Bali cannot own land in Indonesia, which thus impinges the ability of foreign residents to own property. It is possible to buy an apartment in a high rise building, for example, but the property is still in effect in the legal hands of a property developer (Living in Indonesia 2012). Many foreign residents in Bali rent or lease their property for a certain number of years, with some negotiating contracts that may ensure a fair renegotiation of the lease when it expires.

The complexity of land and property laws in Indonesia has led to legal disputes and certainly complicates the extent to which Indonesia will be able to attract increasing numbers of foreign residents to retire there. Some residents, for example, view the idea of leasing a property as a poor investment of earnings and savings, especially as this ensures that children and grandchildren will not feel the benefits of such decisions in terms of inheritance gains in the future.

Concerns over retirement visa guidelines and legal frameworks are, in many cases, offset by a range of
perceived benefits and attractions for foreigners wishing to settle or spend significant periods of time living in Bali. Many residents encounter Bali for the first time as a tourist. They come for a holiday, or perhaps to visit a friend or friends who are already living on the island. Such residents speak of arriving and falling in love ‘at first sight’ with Bali.

Whilst residents in Malaysia may focus on the practical benefits of living in Penang, the relatively cheap costs of living, the transparent visa programme and property law guidelines, ‘Ubudians’ as they may refer to themselves speak in romantic terms of living in paradise, of arriving in a place where they can find themselves or start a new, exciting chapter in their lives. Residents are aware that the choice to relocate to Bali may seem impractical or irrational to others and that at times, life in Indonesia and specifically Bali can present certain challenges. Speaking from the heart, such people draw on the perceived natural beauty of Bali and the creative energy of Balinese society and religion to confirm and celebrate a transformation from tourist to local resident in the hill town of Ubud.

As is the case in Penang, some residents also speak of the benefits of living in a place with an extensive and established tourist infrastructure. Residents appreciate the increasing presence of cafes and restaurants serving local and international cuisine of a varied but often high standard. Numerous quality bakeries now exist in Ubud; residents have their favourite haunts for coffee, cake or spanakopita. Increasing numbers of expatriates, some married or in partnership with Indonesians, are opening up cafes and award winning restaurants in Ubud. Food is a central topic of conversation amongst many residents and the focus of social gatherings. During my research I regularly attended a weekly gathering of male residents, for example, at various restaurants in central Ubud.

In contrast to Penang, residents in Ubud tend to engage on more significant and intimate terms with local society. In most cases, residents have a highly positive view of Balinese people and their culture. Balinese people are viewed, for the most part, as warm, kind and gracious people. Foreign residents living in a specific banjar or locale are often respectfully greeted by locals in the street as Ibu (mother) or Bapak (father). Foreign residents tend to employ domestic helpers, which in many cases lead to the building of support networks for these residents, Balinese domestic helpers and the latter’s kin relations. It is common for foreign residents to make economic contributions on these terms, especially if a domestic helper or a member of their family is seriously ill and in need of paying relatively expensive medical bills.

Concerns about Over-Development

Penang, Malaysia and Ubud, Bali, Indonesia

Residents in Penang and Ubud share concerns about the presence of construction projects and workers in their immediate vicinity. Many MM2H visa holders live in high rise apartment buildings on northern coast of Penang.
In Tanjong Bungah many of these buildings are set back from the coastline, yet still offer sea views of the Strait of Malacca. Increasing numbers of state of the art condominium blocks are now being built right on or close to the beach, compromising the views and associated quality of lifestyle of residents living on the other side of the main road running through Tanjong Bungah.

This concern may seem small, but it feeds into and reflects a larger concern for some residents of over-development in Penang, especially in terms of property development. Some residents are reluctant to buy property, either because they are unsure they want to build a long-term future in changing Penang, or because of concerns that neighbouring low lying properties will soon be replaced by the invasive shadow of yet another high rise building.

Residents in Ubud share these concerns. Drawn to terraced rice fields, the Balinese arts and a lush tropical environment, long term residents in Ubud, in particular, have put great effort into finding and leasing a property in the middle of rice fields, or in view of sacred mountains. As Cat Wheeler (2011: 2), a long-term resident and writer notes, Ubud was no more than a little mountain village during the 1970s. More recently, Ubud has transformed into one of Bali’s premier tourist destinations and attractions, thanks in part to Elizabeth Gilbert’s novel Eat, Prey, Love, which was transformed into a Hollywood film starring Julia Roberts.

Though controlled by height restrictions, hotel construction and related development shows no sign of abating in the central and outer areas of Ubud. Residents are increasingly becoming accustomed to the sight of neighbouring rice fields becoming transformed into construction sites, hotels and yoga barns. Some residents are relocating to villages that lie several kilometres or more beyond the ‘ciabatta belt’ of the hill town.

Ubud attracts significant numbers of yoga enthusiasts. These predominantly younger residents and visitors may also appreciate and ‘fetishise’ the natural beauty of Bali (Bousiou 2008: 13) but they may also hold contrasting views to older residents about what kind of life one should lead in Ubud. During my first visit to Ubud in 1990, for example, the tourist infrastructure of the town tended to close down well before 10.00pm. Some longer-term residents still adhere to a temporal framework in which they rise and go to bed early.

The more recent and increasing presence of bars, live music and evening yoga activities, for example, leads to different expectations amongst younger generations of visitors and residents of how to spend evenings in Ubud. One long term resident spoke of the dismay, in this sense, of a yoga barn being built near her home and the noise that would sometimes come from the barn in the early hours of the morning.

Residents in Penang and Ubud share concerns about growing traffic congestion. Crucial arteries between the expatriate enclaves in northern Penang and main roads leading towards favoured shopping malls and beyond towards Georgetown are now witnessing extensive travel delays, especially in the evenings and at weekends. In the longer term, these concerns may compromise the attraction of Penang as a ‘laidback’
retirement destination. Plans to develop a monorail on the island have currently been put on hold, but with more registered motor cars than people on the island there is clearly a need for long term transport solutions in Penang.

The small, central area of Ubud faces extensive traffic problems. Tour buses, tourists in private hire cars, local transport ownership and limited main through fares ensure that Ubud’s roads are beginning to resemble congested roads in the south of the island, near the airport, Kuta and Seminyak. Various solutions have been discussed, including the building of a 1000 underground car parking lot (Erviani 2012) but in the shorter term the daily influx of tour buses and stationary traffic queues compromises the quality of life and experience of Bali for foreign and local residents and an increasing number of tourists attracted to Ubud.

Health Care in Southeast Asia

Penang, Malaysia

The increasing number of older foreign residents in the region presents a range of challenges for individual migrants, health care practitioners and governments. How do residents manage and intend to manage acute and chronic health care issues, in both the short and longer term future? How do migrants intend to manage issues of dependency, in terms of social and health care support, as residents in Southeast Asia? Again, research in Penang and Ubud highlights the extent to which these challenges may vary according to the location of migrants in specific locales and nation-states.

Foreign residents in Penang have access to world class medical facilities. The Ministry of Health Malaysia oversees a growing, ‘premier’ medical tourism industry in Malaysia (see http://www.medicaltourism.com.my/en/index.aspx). Private hospitals and medical care institutions market their services in the airline magazines of carriers such as Air Asia. Penang, in particular, offers a range of services, with residents recognising also that many consultants on the island have received a ‘quality’ apprenticeship as medical students in the UK or Ireland, for example.

The majority of residents I spoke to in Penang spoke highly and positively of the services available in Penang. MM2H visa holders and other migrants spoke at length of the affordability of treatment and the ease of access, particular in relation to acute health concerns, to services and consultants. Some residents feel that Penang’s medical facilities and services put many ‘developed world’ health care systems to shame. In speaking of their experiences of health care such people are particularly impressed by the extent to which they receive follow up telephone calls, often by consultants, who are thus on call to reassure and provide personal support to migrants following treatment. A similar positive view exists of dental treatment on the island.

Concerns may exist of cluttered skylines and traffic congestion, for example. Significant numbers of foreign retirees and later-life migrants are nevertheless settling in Penang and building a life and future there.
Some residents, especially those in their 70s and 80s and suffering with mental health diseases and the debilitating effects of serious strokes, offer a window into a future where greater need for chronic health care support will be required by these foreign residents. Little formal provision for such care is evident in Malaysia, where there is implicit expectation that Malaysian citizens care for family members in later life.

Residents experiencing chronic health care concerns may receive informal support from other migrants. In this sense, a community of care and support amongst migrants may offset the lack of formal options on these terms. This aside, residents rely in some cases on word of mouth suggestions and contacts to access the services of a care worker, who may not be trained as such, yet be highly valued by residents, especially those that may otherwise be alone in managing the everyday needs of a partner or spouse, for example.

Ubud, Bali, Indonesia

Residents in Ubud view medical facilities and provision in a highly different light to migrants based in Penang. The majority of residents I spoke to are well aware that if they experience any serious, emergency health problem, that they would need to leave the country and seek treatment in nearby Singapore. This awareness has contributed to the development of a strong community spirit, particularly amongst longer term residents, who feel that they are there to support one another.

Support on these terms is more than emotional support. In 2011 a resident was in need of blood; his specific blood type was not available in local clinics. A message was sent through an email by a friend of this resident to other residents connected to an online community network. It was soon evident that blood was not needed at the time but the use of an online network highlights the importance, in terms of health care and support, of being connected to other foreign residents in Ubud and Bali.

A small number of residents speak of positive experiences of health care in and around Ubud. The number of private clinics, undoubtedly attracted by the presence of fee-paying foreigners in the area, is growing. Dental services are similarly improving. Experiences of motorcycle crashes, a particular problem in Bali, dengue fever and the loss of friends through medical emergencies nevertheless point to an ongoing awareness amongst residents that health and medical facilities could be greatly improved on the island.

Greater, local support is in place for people suffering from chronic health care concerns. As noted above, foreign residents in Ubud tend to be reasonably well embedded in relations with local Balinese people and often, the latter’s kinship networks. An informal care system is evident. A male migrant suffering with Alzheimer’s disease receives full time care from several Balinese helpers, who are able to provide a rigorous programme of daily activities and visits to the coast in ways that his wife, at least, feels is extremely beneficial to his wellbeing.
Having such support in place ensures that she is also able to have time and space in her life in ways that would be compromised if she were to act as a full-time carer for her husband. Other ageing residents can rely on the everyday support of their domestic workers, whose duties are not strictly limited to household chores, in their attempts to engage with a reasonable quality of life and lifestyle in Ubud.

Conclusion

This paper has illustrated the importance of conducting research on international retirement migration or residential tourism in various parts of Southeast Asia. Migrants are drawn to different locales and nation-states, based on a range of practical and at times, emotional factors. Malaysia’s clear and extensive MM2H programme is clearly attracting a number of migrants in what has now become a global retirement industry. Indonesia’s retirement visa policy may seem less attractive, but later-life migrants and retirees continue to be attracted to the natural environment and culture of Bali. In both cases the existence of a well-established tourist infrastructure provides these long-term residents with a basis to maintain a quality of life and lifestyle based on the availability of local and international food, cafes and restaurants.

There is clearly a need for local and national governments to address potential concerns over property and hotel development and increasing levels of traffic congestion, at least if they wish to further benefit from the income and consumption practices of older foreign migrants. What is clear, however, is that significant numbers of these residents are and will continue to age and also die in the region, which raises social and policy related questions about how and on what terms such residents will manage and be supported in the context of acute and health care provision.

It is expected that change will occur on these terms, but through different avenues and with different consequences. Malaysia is now focusing on extending its institutionalised foreign domestic worker visa program to augment the influx of care workers. On a less institutionalised level, it is expected that health care standards will only increase in Ubud at least, given the attraction to private medical and dental clinics of a significant and relatively affluent foreign resident community in place there.

In both cases there is also the need to consider the importance of developing residential care home facilities for foreign residents. During my time in Ubud it was certainly evident that some foreign residents, with often different motives, are considering investing in such homes in the future. In the case of Malaysia it is more likely, as it is now, that such health care provision will be instigated or at least overseen by the Ministry of Health and to a lesser extent, Ministry of Tourism Malaysia.
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