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A Note on Tourism and Regional Development: some Policy Issues in the Post-crisis Framework

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In this final note we offer some considerations about the current role of tourism for regional development by focusing mainly on two aspects, the impact of the economic crisis together with the institutional changes derived from it and the new policy issues arising from the new framework.

As for the first point, there is some evidence, also documented in this Issue, that the tourism specialization of some (mainly coastal) regions have determined a higher resilience capacity against the crisis. This result is also shown in other analyses presented in the ERSA 2013 Congress, particularly in the sessions on regional resilience. For instance, by using fifteen indicators related to the economy, education, employment, unemployment and specific demographic characteristics, Karoulia and Gaki (2013) identify the changes suffered by each region in Greece as result of the economic crisis. Though all regions experienced negative trends since the beginning of the crisis to, at least, 2011 and insular regions suffered from much variability in GDP, the same regions appear to have faced more balanced trends in other indicators. In other words, there is diffused evidence that the regions that rely on tourism suffer less from an economic crisis, given their less dependence on the public sector, on one hand, and on the manufacturing industries, on the other. There is also some evidence that the movement of manufacturing industries towards large urban centers did not help such industries in their performance.

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During the economic crisis we also experienced a change in the relative importance of the different elements of territorial capital in making regions more resilient. In a NUTS-3 analysis concerning the Italian economy, Lo Cascio, Mazzola, Di Giacomo and Epifanio, 2013, offer further evidence that, though traditional factors (infrastructure, human capital) remain crucial in determining the ability of sub-regional areas to face the crisis, other less “material” elements (such as cultural capital and the connected ability to exploit the cultural endowment to attract new tourists) show a more significant impact in determining a better performance during the post-2008 period. Moreover, there is also some evidence that the relative importance of different types of infrastructure has changed after the occurrence of the crisis. For example, airport infrastructures display higher significance than more traditional road infrastructures in determining a better performance of provincial areas in that country.

Further analyses would assess if these changes should be considered as structural shifts or if the evidence has a more cyclical character. Nevertheless, with respect to some European countries, the crisis seems to have determined a permanent shift in the compositions of the origin of the tourists from the national to the foreign component, particularly from emerging countries.

As for the role of tourism in regional development policy, a preliminary issue in the scientific debate seems to be related to the measurement of the contribution of the tourism sector to GDP, in particular with respect to the definition of the industrial clusters activated from tourism. Regional analyses very often report data on the size of the tourism sector that are difficult to compare due to the lack of homogeneity in the definition of what is directly related with the sector. Such variety of approaches hampers regional comparisons and the shaping of policies to promote the sector. Interesting information for policy, in addition, may derive from the analyses of the differential multiplier effect of different types of tourism. The arrival of tourists, indeed, may generate a different impact on value added according to the type of tourism involved: in Italy, for example, tourism related to wine and food appears to have a higher multiplier effect on value added and to activate more links with the rest of the economy than cultural tourism or purely seaside tourism.

A particular attention must be devoted to the role of the sector for the development of the regional human capital. It is well known that the organizational factor is a crucial factor for success for the tourism industry and that the competence requirement for higher level occupations in this industry is one of the essential components of the organizational capacity necessary for managing tourism systems. In this sense, a region specializing in the tourism sector must carry out adequate reforms in the educational system and consistent policies in the labor market in order to enhance the productivity of the sector and of the region as a whole. These seem the necessary condition to transform a general tourism orientation in a pre-condition for higher regional

performance. This, in turn, will depend on how the peculiar orientation of the region will be able to exploit locally the clusters activated by the specialization itself.

An additional consideration will pertain to the actual implementation of a regional development strategy focused on tourism. What are the conditions for success of such policy option. We should emphasize that a regional economy has a variety of potential tools to implement a strategy devoted to tourism. Such a strategy would include, for instance, the development of an adequate infrastructure system, the improvement in the conditions of using the infrastructure endowments, the development of a system of incentives for firms in the industry,, the increase in the tourism capacity, the development of local linkages along the tourism clusters and so on. It is difficult to find a success regional story driven by the tourism sector which can be attributed to a single strategy. Rather, a combination of them counts. In particular, referring to most Convergence regions inside the European Union, most areas have developed a strategy based on the improvement of the supply capacity thus disregarding the importance of the demand. The regional capacity for attraction mostly depend on how the region meets the standards and fulfill the expectations of a more and more sophisticated international demand. The lack of an adequate combination of the policy focusing on both demand and supply factors explains why many regions, despite their remarkable increase in expenditure in tourism structures, did not experience significant improvements in some indicators (i.e., the length of stay).

Further policy issues concern the relative role of regional *versus* national policy in promoting tourism, the interconnection between the tourism sector and the cultural industry and the role of interregional cooperation and networks in promoting tourism. With regard to the first issue, we must acknowledge a variety of specialized policies for tourism conducted at the regional level in some countries sometimes related with a shift towards a more federal organization of the State. This makes the territories more responsible for their own development strategies. The current trend, however, must take into account the need for an integrated national policy to support the tourism system as a whole, particularly if connected with other national policies concerning strategic assets (infrastructure, energy, environment, regulations, incentives for attraction and so on).

As for the relationship between tourism and the development of the cultural sector, we must acknowledge a stronger integration between the two sectors and an increasing attention given to the role of new industries related with the formation and the dissemination of culture both in developed and in emerging countries. This opens new challenges for policy since both the cultural and the tourism sectors need a specific focus on human capital and on support to new entrepreneurship. In the past, most regional policies also connected with the use of Structural Funds lacked mostly from a specific targeting in this field because they gave minor concern to the

development of the private sector while concentrating mostly on the improvement of tourism and cultural public endowment.

Finally, the reason for a specific consideration for interregional cooperation in developing a policy strategy for the tourism sector attains to the need for an improvement of networks across areas for the promotion of the tourism product and the opportunity of institutional harmonization to facilitate the interaction with the tourism system by both consumers and firms. Such a strategy may, in turn, promote the use of integrated packages across regions, the development of a unified strategy for attracting low cost carriers, a greater effort to exploit complementary specializations across regional and sub-regional areas, an improvement of the capacity of reacting to economic crisis and to asymmetric shocks eventually affecting the tourism sector. All these topics have been addressed optimally in this Issue. Therefore it is likely that new policy insights may arise from the papers presented here, thus refining current strategies and opening new fields for research and action.

References

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